

# The British Museum

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

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Presented to Parliament pursuant to Section 9(8) of the Museums and Galleries Act 1992

*Ordered by The House of Commons to be printed on 13 July 2016*

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This publication is available at <https://www.gov.uk/government/publications>

Print ISBN 9781474130592

Web ISBN 9781474130608

ID 29031607 56053 07/16

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office

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# Trustees' and Accounting Officer's Annual Report

## Chairman's Foreword

This Annual Review marks the departure of the British Museum's (BM's) acclaimed director, Neil MacGregor. His time at the BM has seen the institution transformed, with a consistent emphasis on scholarship and using the collection to communicate ideas to as wide an audience as possible. That work – shared on radio, online and through a network of partnerships around the UK and the globe – has changed the way the Museum operates and opened up new avenues of interest for audiences today.

The popularity of the BM in London bears that out. Nearly 6.9 million people visited the Museum in 2015/16 – its most successful year ever, and a rise of 3% over the previous year. The attractions were many. Exhibitions on Celts, Indigenous Australia and religious change in ancient Egypt invited visitors to see the BM collection alongside major loans and new research undertaken with colleagues from around the world. The opening of the Waddesdon Bequest gallery, supported by The Rothschild Foundation, showcased one of the Museum's outstanding collections.

The Museum is a national presence. The BM showed up live via Periscope broadcasts and on BBC4 comedy, and will feature in a forthcoming British film starring Bill Nighy. *A History of the World in 100 Objects*, the BM/BBC Radio 4 series, remains an enormously popular resource: the programmes have been downloaded 40 million times. In 2015 a live reading of Homer's Iliad at the Almeida Theatre and in the BM's Great Court was performed by more than 50 artists, including Simon Callow and Sinéad Cusack. The event was live-streamed so that anyone could watch. Across Britain, 30,000 people did – more than could ever see the performances in London.

Many national programmes run by the BM focus on citizen archaeology. The Portable Antiquities Scheme enabled people to report more than 82,000 finds made by the public in 2015. New programmes are encouraging volunteers to get involved in preserving Britain's history. Collaborations remain key: Government awarded £5 million to Manchester Museum to create a new South Asian gallery, which it will do in partnership with the BM.

Internationally the Museum showed the collection in many cities: Sydney, Beijing, Tokyo, Seoul, Jerusalem, Helsinki, Montreal. The BM's research has impact worldwide in both popular and academic realms. The BP exhibition *Ming: 50 Years that Changed China* was runner-up for a 2015 Global Fine Art Award. Excavations were undertaken in Egypt and Sudan. Young scholars are carrying this research forward through the AHRC's Collaborative Doctoral Awards Scheme. As the programme celebrates its tenth year, the BM remains one of its largest supporters and has trained more than 55 young researchers since its inception.

Training programmes were offered in East and West Africa, and the Museum is also collaborating with colleagues in China and India. In Mumbai the BM marked the tenth anniversary of its very successful International Training Programme, reuniting graduates of the scheme from around the world, with the support of the Getty Foundation. In October 2015, DCMS awarded the BM £3 million to set up an Emergency Heritage Management programme to offer training for colleagues in Iraq, responding to the difficult conditions in the region.

The Trustees are very pleased to welcome the newly appointed director, Hartwig Fischer. He arrives from the Staatliche Kunstsammlungen in Dresden with an outstanding reputation for rethinking and representing great collections. The Trustees thank all the staff and supporters of the Museum for their time, their efforts and their inspiring work to make the BM all that it is today.

*Sir Richard Lambert*  
Chairman of the Trustees

## Structure, governance and management

### Constitution and operating environment

The British Museum was founded in 1753. Its aim is to hold for the benefit and education of humanity a collection representative of world cultures (“the collection”), and ensure that the collection is housed in safety, conserved, curated, researched and exhibited<sup>1</sup>.

The BM is now governed in accordance with the British Museum Act 1963 and Museums and Galleries Act 1992. The BM is an exempt charity under schedule 3 of the Charities Act 2011. The Secretary of State for Culture, Media and Sport is the principal regulator under the Charities Act 2011.

The BM is also a Non-Departmental Public Body funded by a combination of grant-in-aid allocated by DCMS and income secured through commercial, fundraising, sponsored and charging activities.

It has a wide range of stakeholders, including DCMS, HM Treasury, Camden Borough Council, English Heritage, national and international visitors, other London museums, regional museums, international museums, universities, sponsors, donors and people and communities from current and future generations across the globe.

### Subsidiaries

The main retailing, off-site trading and publishing activities of the BM are carried out by the British Museum Company Limited (company number 1079888), a company wholly owned by the Trustees, together with its subsidiary, British Museum Ventures Limited (company number 1442912).

Conferences, consultancy, education and other income generating activities were carried out during the year by the British Museum Great Court Limited (company number 4098945), also a company wholly owned by the Trustees.

### Friends’ organisations

The work of the BM is supported by two ‘friends’ associations. The British Museum Friends (BMF) is a registered charity (charity number 1086080) and a company (company number 04133346) limited by guarantee that provides grants to the BM out of the surplus it generates from membership subscriptions, fundraising, and members’ activities. The Trustees of the BM are also the Trustees and the company law directors of the Friends.

The American Friends of the British Museum (AFBM) supports the BM’s development by raising funds in the United States. It is separately administered and independent of the BM.

## Strategic direction and performance against objectives

“Towards 2020” (published on the BM’s website) sets out the priorities for the BM in pursuit of its strategic objectives to 2020. During 2015/16 the BM continued to make significant progress in working towards these objectives.

### Collections and research

#### *Collection*

New acquisitions open up the existing collection. They redirect research and suggest new meanings for related items. Contemporary collecting is essential to record the present world for future audiences.

Major acquisitions included a chalk drawing of St Mary Magdalene by Simon Vouet acquired with funds from the Ottley Group – the first work by the 17th-century French artist to enter the collection. To mark the bicentenary of the Battle of Waterloo, the BM purchased the Stoney Waterloo Album. The watercolours by an Irish amateur artist, Thomas Stoney, are the earliest known record of the battleground.

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<sup>1</sup> This statement represents a modern expression of the objectives of the BM set out in the British Museum Act 1753.

The acquisition of recent discoveries made in Britain included a child's gold bracelets over 3,000 years old, found in Gloucestershire; a Renaissance locket found in Cheshire; two Roman enamelled brooches made on the Wirral; and a 15th-century gold mount depicting Saint Anne teaching the Virgin Mary – a rare survival from before the English Reformation.

Collecting artefacts that represent the world's cultures continues. Additions to the collection included a late 18th-century Japanese handscroll of erotic scenes by Hosoda Eishi; porcelain hand grenade casings made in the kilns of Arita, Japan in the 1940s; the presidential robe and scarf of former leader of Afghanistan, Hamid Karzai; Yemeni headdresses; and a pottery sculpture showing a female folk saint associated with Mexico's marginalised poor. Some reflect the complex intermingling of the multinational world we now inhabit. New Zealand artist Marian Maguire donated *Titokowaru's Dilemma*, eleven lithographs that blend the imagery of Greek vase-painting with New Zealand history and Maori traditions.

Many acquisitions are associated with the BM's public programme, such as two Moko Jumbie steel sculptures by British-Trinidadian artist Zak Ové, acquired with support from the Miles Morland Foundation and Vigo Gallery. For the BM's Celebrating Africa season, the pair of carnival masqueraders on stilts were displayed in the BM Great Court at the time of the Notting Hill Carnival.

The final acquisition made under the directorship of Neil MacGregor was created by a carpenter from Lampedusa. In 2013, when their overcrowded boat sank off the island's coast, 350 Eritrean and Somalian refugees drowned. Francesco Tuccio, disturbed by the plight of the survivors, gathered wood from the shipwreck and made each survivor a wooden cross. He made an additional cross, which he donated to the BM as a symbol of the suffering and hope of our times.

#### *Conservation and research*

Conserving and investigating the collection brings new information to light on the objects themselves and the cultural history they represent. The BM's annual *Technical Research Bulletin*, supported by the MacRobert Trust, featured new research on funerary foods from ancient Egypt, silver coinage of Henry VIII and a Great Lakes pouch decorated in porcupine quills. Infrared reflectography made legible areas of erased writing on an Egyptian papyrus, while a newly acquired microfading apparatus tested the light-fastness of objects in the BM.

The year's largest scale conservation project was of a 1,400-year-old Buddha from northern China, made possible by funding from the Bank of America Merrill Lynch Art Conservation Project. The colossal marble statue is 5.78 metres tall and is located within the BM's north stairwell. Conservators worked in situ to clean and carry out necessary repairs.

Similarly on a large scale was conservation work, supported by Howard and Roberta Ahmanson, on Dürer's Triumphal Arch, one of the largest prints ever produced. Commissioned by the Holy Roman Emperor Maximilian I in 1515, the 3.5 metre high work was printed from 195 separate wood blocks. It took three years to cut and print. Conservators have removed the backing and separated its 36 sheets for wet treatment and further research prior to reassembly.

Research projects are associated with all the BM's core activities, including gallery development, special exhibitions and study of the collection, and new findings were published for a wide audience, from scholarly articles to YouTube videos.

Following a successful collaboration on the BP exhibition *Indigenous Australia*, the BM, Australian National University and National Museum of Australia obtained an Australian Research Council grant for 2015–2019. The new grant enables the team to continue their work with Aboriginal communities. They are investigating dispersed collections from those groups and ways in which local and international museums can share data and support communities in their engagement with collections.

Interrogating British collections remains a key focus. William Gowland is regarded as the father of Japanese archaeology. His personal collection derived from some of the earliest excavations in 19th-century Japan and was later sold, then donated to the BM. With Tachibana University Tokyo and other Japanese institutions, the BM undertook a complete survey of the Gowland collection. The aim was to reinvestigate a pivotal time in Japan's history as the country opened up to the West, to create more detailed records for the objects and to make them available worldwide. The Japanese government has agreed to support the project for a further three years.

New information was published in BM Research Publications, which presented recent scholarship on the Solomon Islands, Native American jewellery and, in collaboration with the Bibliothèque Nationale de France, Roman provincial coinage. A study of the coins of the Ostrogoths, who ruled Italy after the decline of the



western Roman Empire, is freely available as one of the BM's online research catalogues. General publications included *Hoards: Hidden History*, an examination of some of the most attention-grabbing recent finds in British archaeology.

## Audiences and Engagement

### Galleries

In June 2015 the BM opened a new gallery to display one of its great collections, the Waddesdon Bequest, which contains some of the BM's most impressive examples of European art. The glittering redisplay was made possible through a generous donation from The Rothschild Foundation. 'It's like a museum within a museum,' wrote Rachel Campbell-Johnston in *The Times*.

Designed by Stanton Williams, the new gallery encourages looking closely at objects – to appreciate the fine techniques, to explore the rich symbolism, to establish connections between different styles and purposes. To assist, digital technology has been used to reveal the minutiae of selected objects. The BM created a mobile app for families, Baron Ferdinand's Challenge, along with an interactive installation – Why Collect? – that links the suite of main floor galleries in terms of the wider theme of collecting. What emerges, through new research into patrons, makers and the shifting status of such objects, is a twofold history: a portrait of European art and design and the story of the impulses that drove 19th-century collecting.

The BM continually renews its galleries to highlight new acquisitions and new research. The Egyptian Sculpture Gallery, where visitors can see the Rosetta Stone, was refreshed in 2015 with extensive new reinterpretation. The renewal of the Raymond & Beverley Sackler Gallery: Mesopotamia 1500–539 BC saw a striking Assyrian relief from Nineveh prominently displayed. Other revised displays included new artefacts and loans in the Citi Money Gallery and the Mitsubishi Corporation Japanese Galleries.

Following a generous pledge from the Sir Joseph Hotung Charitable Settlement at the end of 2015, plans are underway for a significant renovation of the Joseph E Hotung Gallery of Oriental Antiquities. A new narrative for China and South Asia will bring the story up to the present day.

Work on the new Albukhary Foundation Galleries of the Islamic World has also begun. These major new galleries will open in 2018 and use the BM's outstanding collection to illuminate the global connections and diverse cultures of the Islamic world.

### Exhibitions

The BP exhibition *Indigenous Australia: Enduring Civilisation* was the first in the UK devoted to the history of Aboriginal peoples of mainland Australia and Torres Strait Islanders. 'From the start, it's clear that the voices of Indigenous Australians past and present are at the heart of the show,' stated the *Evening Standard*. Extensive new research informed displays of paintings, ornaments, masks and shields which explored cultures dating back over 60,000 years. Among the 59,000 who attended was a delegation of Indigenous Australians who were able to hold a welcoming ceremony at the BM. Events included a debate on collecting Indigenous art and a performance by the Zugabal dancers from Torres Strait. Organised with the National Museum of Australia, the exhibition was, the *Standard* concluded, 'a wonderful journey ... unsettling and sometimes devastating'.

*Drawing in Silver and Gold: Leonardo to Jasper Johns*, a collaboration with the National Gallery of Art, Washington, combined works from the BM with loans from European and American museums to chart six centuries of metalpoint, the technique of drawing using a metal stylus. *The Times* judged the works 'superlative in their detail, virtuosic'. Scientific research supported by the Andrew W. Mellon Foundation saw more than 30 of the drawings analysed to determine the exact materials and techniques used. Artists included Filippo Lippi, Raphael, Dürer, Holbein the Elder, Rembrandt, Burne-Jones and Otto Dix. With its focus on one technique, the show drew significant praise. 'I have never seen an exhibition that so joyously reveals the beauty and mystery of the art of drawing,' wrote Jonathan Jones in the *Guardian*.

In the Sainsbury Exhibitions Gallery, *Defining Beauty: The Body in Ancient Greek Art* ran until July 2015, sponsored by Julius Baer, with additional support from Mrs Jayne Wrightsman OBE and a gift in memory of Melvin R. Seiden. It was followed by *Celts: Art and Identity*, organised in partnership with National Museums Scotland and supported by a gift in memory of Melvin R. Seiden and by Sheila M. Streek, Stephen and Julie Fitzgerald and the Fund for the Future donors. 'Not only is it full of fascinating objects, wrote Waldemar Januszczak in the *Sunday Times*, 'but the cultural truths it seeks to convey are huge and enormously important.' The displays explored the fluid meanings of the term Celt, looking at the many groups across Europe who used or were given this

name, and how its meaning has been redefined over the last 2,500 years. Many pieces, such as the magnificent Gundestrup silver cauldron loaned by the National Museum of Denmark, were shown in the UK for the first time. 162,000 people attended.

*Egypt: Faith after the Pharaohs*, generously supported by the Blavatnik Family Foundation, explored religious change in Egypt from the Roman period to the end of the Fatimid dynasty in the 12th century. Extraordinary textiles, papyri and votive objects mapped the shift and overlap between Roman religious practice, Judaism, Christianity and, later, Islam. The developments mirror what took place across much of Europe, North Africa and the Middle East. The *Guardian* called the exhibition 'a brilliant challenge to the modern western belief in unbelief ... It confronts our inability to cope with a world in which religion is still passionately, viscerally, sometimes murderously, alive.'

Other BM displays mapped the histories of Europe, the Middle East and beyond. An exhibition of 18th-century watercolours of Rome by the Londoner Francis Towne, supported by Lowell Libson Ltd, was, according to the *Observer*, 'a revelation'. Visitors could explore special displays of medals of the Sun King, Louis XIV; Islamic footwear; contemporary Arab art; and Pacific barkcloth clothing. The largest example of a devotional silk textile from Assam, showing scenes from the life of the Hindu god Krishna, was the centrepiece of a cultural history of the north-east Indian state. Related events included music, dance, talks and a panel discussing the history of yoga.

The Asahi Shimbun Displays welcome visitors into the BM with a special focus on a single object or small group of related objects. As part of the Celebrating Africa season, a magnificent 19th-century lyre from northern Sudan was shown. To mark the 10th anniversary of Asahi Shimbun's sponsorship of the displays, newly commissioned and recent works by Japanese manga artists were displayed. Related talks discussed girls' comics and the popularity of golf in post-war Japan. With extensive conservation work, a mummy of a crocodile, worshipped as an embodiment of the ancient Egyptian god Sobek, was exhibited for the first time in 75 years. The year's final Asahi Shimbun Display was *Containing the divine: a sculpture of the Pacific god A'a*.

### Events

Events encourage a wide range of audiences to visit the BM. One of the most striking public events of the year was a free Virtual Reality Weekend sponsored by Samsung. Families wore Samsung Gear VR headsets to explore a Bronze Age roundhouse, with flickering fires, changing light and artefacts from the BM collection. 'The total immersive experience with the headset was fantastic,' wrote one participant. From the BBC to the *Telegraph*, media coverage was extensive and over 1,200 teenagers, adults and children participated.

Topical programming included public forums organised with the *Guardian* and lectures in association with the *London Review of Books*. Historian Frances Stonor Saunders spoke on border regimes, journalist James Meek discussed Robin Hood in times of austerity. An outdoor film season with the British Film Institute screened romantic classics in the BM Forecourt to audiences of up to 1,200 people each night.

A season Celebrating Africa marked the 10th anniversary of the UK government's Commission for Africa report on development goals. Drawing on the Sainsbury Africa Galleries, performances, talks and lectures took up topics such as Africa's response to epidemics and the preservation of myths and lore in contemporary African culture. A BBC World Service debate discussing whether Africa has outgrown development aid was broadcast from the BM and is available to listen to online.

The BM's Days of the Dead Festival, supported by BP, was held in association with the government of Mexico as part of 2015: Year of Mexico in the UK. Giant skeletons were displayed at the main entrance, and an installation of skulls and skeletons by Mexican artist Betsabée Romero in the Great Court. A Friday Late saw visitors painting their faces and enjoying Mexican music, dance and food. Storytelling and collage-making were arranged for children, while a study day invited academics to debate the cultural resonance of the Day of the Dead. More than 80,000 people attended over the four days.

To coincide with the UK launch of Global Money Week 2015, the BM welcomed 200 secondary school students to the Money and Me conference. Developed as part of the Citi Money Gallery Education Programme, the free conference focused on building students' financial capability, from interpreting a pay slip to the importance of budgeting and understanding pensions.

Finding ways to support varied audiences remains a key priority for the BM. Special previews for community groups are arranged for all the BM's major exhibitions: in March/April 2015 over 1,500 people attended from charities working with the homeless, adults improving their language skills, refugee support groups, youth

groups, supplementary schools, carer's centres, resource centres for the elderly and a range of local charities, hospitals and neighbourhood centres.

Age-Friendly Museums Day in October saw the BM welcome men and women from nine care homes, some of whom had last visited sixty years before. The BM also marked the three-year anniversary of its partnership with supplementary schools. The event in April 2015 – attended by teachers, students and museum and heritage professionals – reflected on the programme's reach to non-traditional museum audiences.

#### *Media and publications*

For many across Britain and internationally, the BM is an online space. In 2015/16 the BM reached 45 million people through its websites, broadcasting and social media. Digital contact through mobile devices rose to 35%: for many, the BM is now portable and pocket-sized. Providing WiFi for such devices when users enter the BM has ensured a continuity of approach for accessing information and scholarship. More and more people learn about the BM and its collection through Facebook (where the BM has over 1 million fans), Twitter (700,000) and Instagram (330,000). Visitors to the BM's YouTube Channel (20,000 subscribers) watched 1.3 million minutes per month. The most popular video in 2015/16 showed how to play an ancient rock gong.

The BM made its first live broadcast via the Twitter application Periscope in 2015. The technology permits a presenter with a smartphone to broadcast anywhere. Viewers can tweet, pose questions and in effect create the broadcast as it is happening. Historian Dan Snow presented the first, a tour of the exhibition *Defining Beauty: The Body in Ancient Greek Art*. National press and social media coverage was extensive, with impressions on Twitter reaching 16 million on the day of broadcast. Subsequent Periscope events included the BM's Mexican Days of the Dead Festival, supported by BP, and a preview of the 2016 exhibition *Sicily: Culture and Conquest*.

From November 2015, over 4,500 objects from the BM could be viewed online at the Google Cultural Institute. Access for the public, as well as teachers, students and researchers, took users beyond collection records into the BM itself, which became the first museum to have all of its galleries mapped (over the course of 13 months) through Street View. The virtual tour is filled with specially curated exhibits and zoom functionality that gives detailed access to many artefacts, such as the celebrated Admonitions Scroll from China.

An associated project with Google is Museum of the World ([britishmuseum.withgoogle.com](http://britishmuseum.withgoogle.com)). The microsite uses 322 objects to create an interactive experience combining images, information and recorded commentaries by curators. The graphics show how cultures across the world and over time are connected. Digital versions of the collection are increasingly important for scholarship. Among the many collections digitised in 2015/16 were 11,000 British 17th-century tokens, with support from the Marc Fitch Fund; materials from ancient Cyprus, with support from the A.G. Leventis Foundation; and 50,000 Victorian engravings by the Dalziel brothers, with support from the Arts and Humanities Research Council.

Digital learning platforms proved a great success. *Teaching History with 100 Objects*, supported by the Department for Education, is an online partnership of 40 museums around the country. Supporting the National Curriculum for History in England, it encourages the teaching of history through surprising objects in local museums, from a Roman game board from Llandudno to the first passenger locomotive in Darlington. By March 2016, the site had attracted 100,000 visits.

The BM's audio guide, sponsored by Korean Air, was relaunched in 2015 with new photography, commentaries and features. The guide for adults offers information and tours in ten languages, with audio and video commentary. There is also a family game-based guide, as well as special guides using British Sign Language and audio description for those with hearing and visual impairment. New features include an interactive map and a tracking facility that records what visitors have seen and emails them a record of their visit.

The BM's public profile is enlarged through film, radio, television and publication. National attention included BBC broadcasts on the exhibitions *Celts* and *Defining Beauty*, while television series to feature the BM included Sky1's supernatural police drama, *Stan Lee's Lucky Man* and BBC4's *Detectorists*. Filming took place in February 2016 for a British feature film *Limehouse Golem*, based on the novel by Peter Ackroyd.

BM Press publications will from 2016 be produced as external co-publications. The BM announced deals with Thames & Hudson for future exhibition catalogues and Nosy Crow for its children's books. Popular BM Press items in 2015/16 included the BM *Souvenir Guide* in Chinese, which was supported by UnionPay (17,000 copies sold) and the catalogue and gift book for the *Celts* exhibition (28,000 copies).

### National

In 2015/16 the BM loaned over 3,000 objects to nearly 170 venues in the UK. Long-term BM loans can be seen in many of the country's museums, while short-term lending can sometimes treble the numbers of visitors to local collections.

Highlights included a tour of a Sikh fortress turban from the BM collection (seen by 280,000 people in nine UK venues), and the Glenlyon and Breadalbane brooches, which travelled to Perthshire for the first time since the 19th century. Many loans are combined with regional collections to show the cultural contacts between them.

Special exhibitions also tour. Since 2013, 200,000 people across the UK have seen *Roman Empire: Power and People*, supported by the Dorset Foundation. In Kent, Devon and Suffolk, visitors could see the politics of Africa represented in contemporary textiles in the BM touring exhibition, *Social Fabric: African Textiles Today*, supported by the John Ellerman Foundation.

Many of the exhibitions are created in collaboration. *Food for Thought* was a project with the Corinium Museum in Cirencester; the BM looked at animal prints and preservation in *A Walk on the Wild Side* with Tunbridge Wells Museum & Art Gallery, while with Wrexham Museum in Wales, the BM developed *Writing for Eternity: Decoding Ancient Egypt*.

Many of the UK touring exhibits draw on the media attention attracted by the BM's London programme. Prints by Aboriginal and Torres Strait Islanders were shown in Jarrow when the BP exhibition *Indigenous Australia* was drawing crowds in London. To coincide with the BM exhibition *Celts*, the BM and National Museums Scotland joined forces for a touring display to Newark, Littlehampton, Galashiels, Inverness and Dundee.

A core element of the BM is its national partnerships, which widen access to the BM's collections and expertise. In November 2015, the BM launched a UK-wide conversation under the banner Museum of the Citizen. Events in Manchester, Leicester, Norwich, Glasgow and London examined how museums can work together for the public benefit.

Partnership galleries are collaborations that draw on the BM to benefit audiences across the UK. In December 2015, the UK government awarded Manchester Museum £5 million for a new South Asian gallery. It will be created in conjunction with the BM, the latest in a series of partnership galleries that the BM has worked to develop outside London in recent years. In February 2016 Faith in Birmingham opened in Birmingham Museum & Art Gallery. Loans from the BM complemented Birmingham's own collection alongside objects donated by Sikh, Hindu, Muslim, Christian, Jewish and Buddhist communities.

Participants from around the UK take part in BM-led programmes of training and sharing expertise. The BM's Knowledge Exchange programme is supported by the Vivmar Foundation, which in 2015 generously renewed its support for a further three years. One successful element is the annual exchange of museum staff. In 2015, participants from Carlisle, Colchester, Manchester, Preston, Taunton and the BM spent several weeks in each other's institutions. It is an opportunity to share ideas, discuss methods and examine different working practices around the country.

A Papyri Expertise Day invited specialists from around the UK to visit the facilities in the new World Conservation and Exhibitions Centre (WCEC) and discuss the latest thinking on working with the papyri in their collections. Similarly collaborative is the Money and Medals Network, which received a further three-year grant from Arts Council England to 2018. The network aims to enhance knowledge of coins, medals, tokens and paper money in British collections.

To ensure discoveries made by the public are consistently recorded, the BM runs the Portable Antiquities Scheme (PAS). Set up in 1997, PAS has created a huge database of over one million finds, from tiny coins to hoards of silver and gold – each contributing to our knowledge of Britain's past. It is a resource unparalleled internationally. In 2015 over 82,000 finds were registered through PAS.

The work of PAS encompasses finds days for the public, community excavations, academic research, and encouraging museums around the country to display finds discovered locally. The community appeal of archaeology is being harnessed through a new programme, PAST Explorers, supported by the Heritage Lottery Fund. The five-year project will recruit and train volunteers to increase the capacity of PAS to record objects found by members of the public. A conference held at the BM in November 2015 attracted enthusiastic participants from around the UK.

### *International*

Taking the collection and its ideas on to the international stage is an important element of the BM's work. In 2015/16 the BM loaned nearly 2,000 objects to more than 100 venues outside the UK.

Media attention was drawn when colleagues in Israel united for the first time the three surviving bronze heads of Hadrian. One is in the Israel Museum. Another is in the Louvre. The third, found in the Thames in 1834, is in the BM. The director of the Israel Museum said, 'We are especially grateful for our meaningful partnerships with the Louvre and the British Museum, whose loans serve as a powerful metaphor for ... international and intercultural connections.'

Exhibitions from the BM toured to America, Australia and East Asia. Most prominent was the touring version of *A History of the World in 100 Objects*. Shown in Japan and Australia, the exhibition inspired by the successful BM/BBC Radio 4 series was seen by over 645,000 visitors. A future tour will take the exhibition to China, with support from the UK Government.

The BM offers training to colleagues around the world. The model is to share skills in order to reduce reliance on outside bodies and encourage high standards of museum practice globally.

The Getty East Africa Programme evaluated the programme's success to date and future directions. The focus of the training has been collections in Africa: their care, conservation, storage and display. The BM's West Africa Programme, supported by the Ford Foundation, included workshops in Accra on education and object documentation. Museum staff are now producing 'how to' videos to share museum skills with the wider community.

In Egypt, where the archaeological heritage has been under threat of looting and vandalism since the uprising in 2011, a two-year project is underway to train Egyptian specialists in how to document artefacts.

In October 2015, DCMS awarded the BM £3 million to set up an Emergency Heritage Management programme. With colleagues in Iraq, the BM will deliver a programme of specialised training to establish a body of fifty heritage professionals fully skilled in rescue archaeology, to deal with the aftermath of damage to key sites in the region.

The BM's International Training Programme (ITP) welcomed 24 participants from 13 countries in 2015. The programme celebrated its tenth anniversary with an event in Mumbai, supported by the Getty Foundation. Hosted by Chhatrapati Shivaji Maharaj Vastu Sangrahalaya (CSMVS) in collaboration with the BM, the workshop welcomed past ITP participants and heritage professionals to debate the nature of global museum displays and the implications of presenting the local in terms of world histories. In its ten years, the programme has trained more than 200 participants.

The BM's presence on the world stage is collaborative. BM conservators work with colleagues internationally on the care and long-term preservation of museum artefacts. Scroll-mounting experts from the Shanghai Museum visited the BM to help remount two large Chinese silk paintings, supported by the American Friends of Shanghai Museum. Staff worked on the conservation of Japanese paintings with support from the Sumitomo Foundation and an Egyptian mummy at the CSMVS in Mumbai.

At the request of the Acropolis Museum, the BM made a new cast of a lion's head waterspout, which was sent to Athens as part of a longstanding tradition of supplying casts between the British and Greek authorities. BM loans to Sicily have been reciprocated with material that will appear in the 2016 exhibition *Sicily: Culture and Conquest*.

Further afield, the BM is advising on the development of museums in the United Arab Emirates and Saudi Arabia. The BM is also one of 28 partner institutions in Sharing History, a virtual museum using world collections to explore relations between the Arab and Ottoman World and Europe from 1815 to 1918.

With Kenya's Trust for African Rock Art, the BM is in the midst of a five-year project to document and make available online 25,000 images from their archive, supported by the Arcadia Fund. Promotion of the website in Africa brought a six-fold increase in visits by African audiences.

Staff undertake new research all over the world. Archaeological excavations and studies with contemporary communities provide fresh information and new perspectives on the ancient and modern cultures the BM collection represents.

In Europe, a four-year survey of Hadrian's Villa at Tivoli is now complete and will point the way forward for future excavation; BM scientists travelled to Russia to participate in a programme of experimental archaeology in

Samara; fieldwork on Mona Island in the Caribbean combined new discoveries with setting up a field school, in collaboration with the Centre for Advanced Studies on Puerto Rico and the Caribbean.

At Amara West, an ancient town in northern Sudan, three large pyramid tombs were excavated. At the Kushite city of Dangeil, work continued excavating a 1st-century AD temple. Excavations at Kawa are now supported by a visitor's centre which will explain the site's importance with artefacts, panels in English and Arabic and a model of the temple.

Fieldwork in Egypt included annual work on rock-cut tombs at Elkab, documenting their architecture and decoration and surveying their wider settings. Projects to revisit former excavations included a fourth season at Naukratis, and BM researchers collaborated on a display of finds from Naukratis in the Egyptian Museum in Cairo.

## Investing in our people

### *Employees*

The BM's success can only be achieved through the commitment of its staff, and the Trustees would like to record their gratitude for the hard work of staff throughout the year.

As set out in note 6(e) to the accounts, the British Museum employs about a thousand people. The BM endeavours to safeguard the quality of its work by ensuring staff of the highest calibre are recruited and retained, that they are appropriately trained, and that they are well managed and work in a supportive environment. The BM creates this environment by ensuring that employees are well informed about plans and activities; by providing opportunities for employee participation and feedback; by encouraging managers to provide goals and development opportunities for their staff and by providing a fair and equitable employment framework supported by relevant policies and procedures.

The BM engages with its employees in a number of ways and in 2015/16 a Staff Engagement Plan was developed in collaboration with representative staff groups. The following initiatives all help to keep staff informed, involved and enthused about key Museum activity:

- Written communications are channelled via the intranet, enabling the BM to keep staff informed about key activities via updates from the Director and a real-time news and information page. Regular news and information features include a quarterly round-up of matters discussed at the Museum's Directorate Group meetings.
- The British Museum Consultative Committee (BMCC) provides a formal opportunity for management and union representatives to discuss issues raised by staff. The Director and a trustee attend one meeting each year. Sub Committees of that group support major change projects.
- Information from Management Group meetings is disseminated through departmental meetings and weekly breakfast presentations on topical issues are open to all staff.
- Staff are encouraged to pass on feedback via a biennial Employee Opinion Survey. The survey produces a regular action plan for improvements which feed in to the BM's Operating Plan.
- Feedback can be provided at any time via an anonymous online submission tool.
- Workshops and focus groups are increasingly used within key projects to enable staff engagement.
- The BM's performance management process helps employees plan their work, further their personal development and assess their achievements. It also ensures that the work and objectives of employees are aligned with departmental and BM plans.
- A programme of learning and development activities is designed in response to individual and organisational needs.
- An Employee Assistance Programme is in place, complemented by regular Health and Wellbeing events for staff.
- An Engaging Managers training course aims to help managers understand the importance of engaging with their staff and provides an opportunity for some of the required skills to be developed.
- Staff social groups and events are encouraged, supported and well attended.

The BM acknowledges its responsibility for, and commitment to, a management policy that ensures matters relating to health and safety for visitors, staff, and contractors, will receive due priority for action at all times.

In 2015/16, the average number of days lost for sickness and absenteeism was 5.2 days per person, compared with 5.6 in 2014/15.

The pay and grading system is based on job families and market rates. Pension scheme membership is available to British Museum and British Museum Company staff, as described in note 20 to the financial statements.

### *Diversity*

The BM is an equal opportunities employer. It recruits people based on merit and endeavours to recruit from the diverse communities in London and nationally. It has a published policy on the recruitment, employment and the development of staff regardless of their age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation. The current ethnic profile of staff is: 79.9% white, 5.9% black, 4.4% Asian, 3.1% mixed, 1.5% Chinese, 2.3% other and 2.9% unstated. The gender profile is 55% female and 45% male.

The museum continues to support initiatives and programmes that positively develop the organisations relationship with its diverse audiences.

The Museum actively works with 1,000 community-based organisations. Programmes include broadening access to exhibitions and events, training for group leaders and organisations new to the museum, sessions for groups less able to visit the museum and increasing programmes for older visitors. The Museum continues to consult with community members and organisations on the direction and content of galleries, exhibitions and programming.

The Museum's HLF Skills for the Future Programme: Learning Museum, is training 20 entry-level trainees across two intakes to access the museum and cultural sector. Each trainee undertakes a 12 month placement at a regional partner museum, and works towards a Level 3 qualification in Cultural Heritage.

In the past year the Museum has successfully developed and trialled sessions for young people centred on sex and relationship education and LGBTQ+ issues. The Museum also continues to work with the Lord Leonard and Lady Estelle Wolfson Foundation, providing high quality programming for learning disabled audiences.

### *Volunteers*

Approximately 600 people offered their time freely to support the BM's activities last year. The volunteers contribute to almost every area of the BM. Departmental volunteers provide support with administration and varied projects, for example helping to scan object records. Front of house, they deliver the Hands On programme and daily tours helping to extend access to the collection to large numbers of people. Last year, 290,312 visitors took part in a volunteer-led tour or visited one of seven Hands On Desks. The volunteers also play an important role in ensuring that public events and family activities run smoothly.

Several trials of opportunities for young volunteers have taken place. These included local disadvantaged young people aged 14-24 hosting events and providing a new level of visitor experience working alongside existing volunteers on the Hands On desks. Over 50 days of youth volunteering were completed with participants recruited from 27 local community organisations.

The accounts do not provide for any notional costs for the value of these volunteers' services.

## Plans for future periods

The key priorities for the BM in 2016/17 include:

- a major programme which will increase access to collections currently stored at Blythe House;
- the development of long-term options for the accommodation and display of the collection;
- increasing national engagement;
- the Zayed National Museum project;
- extending digital reach;

- developing a new Financial Sustainability Programme; and
- increasing fundraising revenue.

## Fundraising and finance

### Support for the BM

The BM is fortunate to have many generous and visionary benefactors who support much of its work.

The national collection of prints and drawings, which is held at the BM, received a major benefaction from the Monument Trust. Generous funding from the Trust will support curatorships and international fellowships; the head of the department is now the Simon Sainsbury Keeper of Prints and Drawings. The excellence of the Museum's curatorial work was recognised with a generous grant from the Garfield Weston Foundation in honour of Neil MacGregor and supporting the role of the Weston Curator of Roman Britain. The Tabor Foundation continued its support for the work of the Curator of South Asia.

In April 2015 the Marie-Louise von Motesiczky Charitable Trust made a generous pledge to match, up to £500,000, every pound the Museum could raise to support the continued delivery of the ITP, as part of the training programme's tenth anniversary. A successful appeal to the Members of the British Museum formed a key part of this challenge fund and, in July 2015, the Museum launched an appeal to its Patrons. Additional gifts from the American Friends of the British Museum, as well as legacies and renewed grants from foundations, enabled the Museum to reach this ambitious goal. The success of the challenge fund means the programme can move forward with renewed confidence. The Marie-Louise von Motesiczky Charitable Trust's gift was made in honour of the directorship of Neil MacGregor, 2002–2015.

The Museum's role in professional development and fieldwork received vital funding from the Headley Trust to support internships in the Portable Antiquities Scheme. Partnership with the Leon Levy Foundation and the Kowalski Family Foundation has also enabled the BM and the Penn Museum to develop a virtual vision of Leonard Woolley's important excavations at Ur in Mesopotamia during the 1920s and 1930s. Miss Ida Carrara, a supporter of the BM for over 20 years, left a bequest to support archaeology in Italy and her generosity will help the Museum to continue its excavations at Tivoli.

The BM has been awarded important new acquisitions from the Cultural Gifts and the Acceptance in Lieu Schemes, including, in 2015, the Great Seal of Queen Victoria: one half had been acquired by the BM in 1977, and the donation of the second half reunites the Great Seal as a whole. Other generous supporters bequeathed objects directly to the BM, such as a Chinese handscroll by 20th-century artist Pu Quan donated by Katherine Talati.

The Museum's contemporary collecting received a boost with an Art Fund New Collecting Award. The BM's Curator of Modern Money will use the grant over the next three years to build a collection of 20th-century numismatic material from socialist and former socialist countries. The Museum's work was also recognised when IAG Cargo's logistical support for the BP exhibition *Indigenous Australia: Enduring Civilisation* was shortlisted in the 2016 UK Sponsorship Awards.

In 2015 BM Trustee John Micklethwait was elected Chairman of the American Friends of the British Museum, which has given over \$40m in gifts (both financial and works of art) since its foundation. The Fund for the Future enabled income from legacies and bequests to be spent on the areas of most urgent need at the BM. The Fund welcomed in memoriam gifts from, among others, Claire Brisby, Ian Logan and Joya Gritton in memory of their mother Irene Logan.

It was a successful year for grants for BM conservation and scientific facilities. Philanthropist Mark Pigott KBE, OBE made a major donation towards the Pictorial Conservation Studio in the WCEC. Other support came from Oleg and Galina Smirnov for the Chemical Treatment Room and a private donation for equipment in the BM's Hirayama Studio.

Some of the BM's annual subscribers have an interest in particular aspects of the collection. The Ottley Group was the first special interest group to cater to people with particular interest in collecting Old Master and English drawings. The Contemporary Middle East Art Acquisitions Group welcomed new members and the Vollard Group supported the acquisition of modern and contemporary works on paper.



The BM now has new membership tiers of corporate members and partners who enjoy special access to the Museum for their staff and clients. This growing community of supporters underpins much of the work of the BM.

Donations and legacies totalling £25.9 million were received during the year (£28.6 million in 2014/15). This figure mainly included donations and legacies received from individuals, trusts and foundations and gifts in kind. A further £23.7 million (£22.8 million in 2014/15) was received from other trading activities and £19.2 million (£23.7 million in 2014/15) from charitable activities. Overall income and endowments excluding grant-in-aid and investment income for the year was 8% below that for 2014/15, with significant one-off grants received last year from the British Museum Trust to support work on the WCEC and from the European Research Council for the *Beyond Boundaries* project – a study of India in the first millennium AD.

The Museum's total expenditure for the year was £100.6 million (£104.9 million in 2014/15). Expenditure on raising donations and legacies was £1.2 million, comparable to £1.1 million in 2014/15. Expenditure on other trading activities was £12.1 million (£12.2 million in 2014/15). Expenditure on charitable activities was £87.3 million, 5% lower than 2014/15 largely as a result of reduced expenditure on the WCEC following the opening of the building in 2014.

### Grant-in-Aid

The British Museum received £39.2 million revenue and £2.6 million capital grant-in-aid from the Department for Culture, Media and Sport in 2015/16 (£40.2 million and £3.0 million in 2014/15).

### Capital expenditure

Capital expenditure, mainly on plant, building fabric, gallery refurbishments and software, amounted to £9.8 million, compared with £7.9 million in 2014/15. Significant capital additions during the year included work on the perimeter properties, Waddesdon Bequest Gallery and preparatory work for the new Albukhary Foundation Galleries of the Islamic World. A further £1.1 million was spent on acquiring heritage assets, with donated heritage assets during the year of £1.9 million.

### Grants

The British Museum made grants totalling £15.2 million during the financial year. This includes grants of £1 million to support the work of find liaison officers throughout the UK working on the Portable Antiquities Scheme, the only proactive mechanism in England and Wales for recording archaeological finds made by the public. Also included are grants of £13.5 million, restricted for furtherance of the BM's charitable objectives, to the British Museum Trust Limited, an independent registered charity (registration number: 1140844).

### Reserves

At 31 March 2016 the BM's reserves were as follows:

	£m
Collection items acquired since 31 March 2001	80.6
Museum land, buildings, plant and equipment	685.7
Permanent endowment	14.6
Expendable endowment	4.8
Restricted funds	33.3
Designated funds	0.4
Investment estate	2.1
Unrestricted funds	9.2
Unrestricted funds: subsidiaries	6.8
<b>Total</b>	<b>837.5</b>

The collection items and the fixed assets are fully employed in the operation of the BM and are not available for any other purposes.

The permanent endowment funds are restricted funds where the Trustees do not have the power to convert the capital to income.

The restricted funds represent disposal proceeds and donations over which there are specific conditions or legal restrictions relating to their application. Note 16 to the accounts summarises the value and purposes of the BM's principal restricted funds.

#### *Reserves policy*

During the year, and with reference to guidance from the Charity Commission, the Trustees re-confirmed their commitment to the reserves policy to hold unrestricted and undesignated reserves of between one and three months' expenditure in order to enable financial stability and act as a safeguard against volatile and unpredictable income streams and unforeseen expenditure or liabilities. The balance at March 2016 represents cover of 1.1 months.

#### *Monitoring levels of reserves*

The Standing Committee monitors the levels of reserves at the BM on a quarterly basis as part of their review of the Management Accounts.

During the year, the total level of reserves was affected by the upward revaluation of the BM's tangible fixed assets (£112.7 million), gains on investments (£1.3 million), other gains (£0.3 million) and losses on the defined benefit pension scheme (£45,000).

#### *Maintaining reserves*

The Operating Plan and Budget ensure adequate levels of reserves are maintained.

#### *Reviewing the reserves policy*

The Board of Trustees reviews the reserves policy when circumstances change and at least annually.

#### *Designations*

Note 16 to the accounts sets out the Trustees' designation of funds, including the quantity, and purpose of expenditure from the funds.

## Investments and financial risks

The Trustees manage the BM's endowment, restricted and general funds as three separate portfolios. The Investment Sub-committee (ISC) considers the level of risk appropriate for each portfolio, together with future cash flows, and sets objectives as part of the investment policy:

- General portfolio: the total return on the general minimum reserves required under the reserves policy should be maximised, within the constraints of a low risk investment portfolio and high liquidity requirement. The total return on funds in excess of these requirements should be maximised, within the constraints of a medium to low risk investment portfolio.
- Restricted portfolio: funds must be able to deliver specific purposes. Total return should therefore be maximised within the constraint that capital value must be preserved.
- Endowment portfolio: the objective is to maximise the total return on the funds within the constraints of the requirement to maintain funds to meet the needs of future beneficiaries.

The financial risks relating to investments are managed by:

- setting a clear risk tolerance as part of the investment policy;
- reviewing liquidity levels on a quarterly basis; and
- monitoring investment performance of individual holdings against agreed and relevant benchmarks on a quarterly basis.

The ISC has appointed Newton Investment Management Limited to manage its investments on a discretionary basis in accordance with the agreed investment policy. Apart from certain legacy holdings in unlisted equity

and investment funds (£0.1m, general portfolio and £3.5m, endowment and restricted portfolios), all funds are invested in UK investment funds under Newton's management.

During the financial year, the endowment portfolio outperformed, delivering returns of +1.53% compared with its benchmark of -1.08%. The restricted portfolio with returns of 0.44% and the general portfolio at 0.43% fell slightly short of their benchmark of 0.5%. The Trustees are satisfied with the performance of the fund managers during the year.

Overall, the BM made total net returns on its investments, including investment properties, of £2.0 million, comprised of interest, dividends and rent of £0.7m, plus net realised and unrealised gains after management fees of £1.3m.

#### *Permanent endowments*

On 2 July 2015, the Trustees resolved to adopt a total return approach to the investment of the permanent endowments under powers included in section 104A-B Charities Act 2011. Under a total return approach to investment, an endowment has two distinct components:

- the value of the original and any subsequent gifts made to the capital of the endowment which is termed the 'trust for investment'; and
- the 'unapplied total return' which represents the accumulated investment returns from the investment of the endowment less any amounts which have been allocated to income for spending.

The initial values of the trust for investment and the unapplied total return were based on the value of the funds as at 31 March 2015. Historic paperwork was reviewed in order to determine the value of original and subsequent gifts; in some instances and in line with Charity Commission guidance, only a reasonable estimate was possible because of the limited information available for some of the older funds dating back to eighteenth and early twentieth century.

On the recommendation of the Investment Sub-Committee, the Trustees have approved an investment policy which aims to maximise the total return on the endowment funds within the constraints of the requirement to maintain funds to meet the needs of future beneficiaries.

The Trustees then determined how much of the 'unapplied total return' is released for spending and how much is retained for investment as a component of the endowment. This allocation must be made equitably to balance the need for income to meet current requirements and to hold funds as part of the endowment to produce investment returns for the future. The Trustees agreed a spending rate of 3.3% of a five year moving average total fund value, designed in order to provide for as much spending as possible without depleting the fund's real value. This represents the Museum's best estimate of the long-term real rate of return on endowment investments and is reviewed regularly.

In determining this spending rate, the Trustees were advised by the Museum's investment manager, Newton Investment Management Limited and by the Museum's Investment Sub-Committee.

#### *Expendable endowments*

Expendable endowment funds are donations that have been given to a charity to be held as capital, where the trustees do have a discretionary power to use the funds as income. The Trustees may, therefore, decide to spend the full value of the fund.

On 26 October 2015 the Trustees resolved that the expendable endowments would be invested as part of the endowment portfolio with expenditure determined on a case by case basis in order to deliver the funds' charitable objects.

Further information on the BM's financial risk management, including quantitative disclosures, is included in note 22 to the accounts.

## Public benefit, sustainability, social and community issues

### Public benefit

The British Museum today continues its tradition of responsibility to the public. It first opened its doors to the public on 15 January 1759. The British Museum Act six years earlier had ensured that the founding collection of Sir Hans Sloane – over 71,000 objects, as well as his library and herbarium – would be ‘preserved and maintained, not only for the Inspection and Entertainment of the learned and the curious, but for the general Use and Benefit of the Public’. A building was found, Montagu House on Great Russell Street, and the Sloane collection gradually moved in under the supervision of the ‘Officers of the House’ and the Board of Trustees.

The stewardship of the Trustees has been an essential ingredient in making the BM the cosmopolitan institution it is. Supported by the government, but at one remove from it, the Board ensured that the BM was neither an arm of state nor a royal prerogative (as in other countries) but a genuinely public museum – the world’s first encyclopaedic museum on such a scale. The number and variety of Trustees from that earliest group in the 1750s have always ensured that the institution has been governed by a plurality of opinions and ideas.

The BM is one of the marvels of the Enlightenment. Access to the greatest achievements of humanity was made free to all, and what was once the preserve of privilege became the right of everyone. Annual visitors grew; a few thousand in the 18th century; there were nearly 300,000 a year by the mid-1830s; 6.9 million visited in 2015/16.

The BM is a world collection for the world – for experts and the general public, for anyone who chooses to enter its doors. And those doors are not merely a gateway in Bloomsbury. Beyond the BM’s popularity in London, it is accessed online by millions of visitors annually. Their presence increasingly redefines the BM today as an international online space where records of more than 3.5 million objects can be freely seen and downloaded by anyone at any time. The collection is also taken across the UK and the globe.

The Trustees believe that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of the BM.

### Estates management

All the BM’s departments are based on its main site at Bloomsbury. Two buildings in Hoxton, London provide additional workshops and storage. Textiles and archaeological and general materials are stored at Blythe House, a property in Hammersmith, London shared with the Science Museum and the Victoria and Albert Museum. Additional off-site storage is leased in Wiltshire to house unregistered material that requires relatively infrequent access.

Current visitor numbers at Bloomsbury are a measure of the Museum’s enormous success, but they create severe points of congestion and put a strain on the building. Over the coming years continued significant investment in the Museum estate is required to maintain appropriate conditions for the collection, improve public access and accommodate the growing number of visitors, and ensure long-term sustainability.

### Sustainability report

The BM recognises that its activities impact on society and the environment at local, regional and global levels through the resources it consumes, the waste it produces, the travel and work patterns it encourages amongst its staff and the products it buys. The Museum’s sustainable development policy was approved by the Trustees in 2007.

<b>Greenhouse gas emissions</b>		<b>2015/16</b>	<b>2014/15 (restated)</b>	<b>2013/14</b>	<b>2012/13</b>
Non-financial indicators (tonnes CO <sub>2</sub> e)	Emissions: scope 1 and 2	12,367	11,403	11,163	10,122
	Emissions: scope 3	53	50	45	81
	Total emissions	12,420	11,453	11,208	10,203
	Emission per million visitors	1,800	1,709	1,648	1,822
Energy consumption (thousand kWh)	Total gas & electricity consumption	36,313	28,337	28,043	28,506
	Consumption per million visitors	5,263	4,229	4,124	5,090
Financial indicators (£ million)	Total gas & electricity cost	2.1	2.2	2.1	2.0
	Cost per million visitors	0.3	0.3	0.3	0.4
<p>Energy consumption on site, and associated scope 1 and 2 greenhouse gas emissions, has increased as the full facilities of the WCEC including exhibition space, office accommodation, research and conservation laboratories and object storage space come into use. Increased scope 3 emissions are primarily due to a greater volume of train travel to UK partner organisations and by participants in nationwide training schemes administered by the Museum. Total gas and electricity costs have declined as a consequence of drops in global commodity prices.</p> <p>Data for 2015/16 include the BM's share of emissions from the Blythe House storage facility, which has previously been excluded. The 2014/15 data has been restated to include these amounts and to fully convert to expressing emissions in tonnes CO<sub>2</sub>e in line with reporting guidance. These two changes have added 81 tonnes of CO<sub>2</sub>e emissions and 481 thousand kWh to the amounts reported for 2014/15. Insufficient data is available to convert comparatives for 2013/14 and 2012/13.</p>					

<b>Waste</b>		<b>2015/16</b>	<b>2014/15</b>	<b>2013/14</b>	<b>2012/13</b>
Non-financial indicators (tonnes)	Waste sent to landfill	Nil	Nil	Nil	51
	Waste recycled/reused	185	241	197	386
	Waste incinerated	407	444	374	Nil
	Total waste arising	592	685	571	437
	Waste per million visitors	86	102	84	78
Financial indicators (£k)	Total disposal cost	134	135	127	67
	Cost per million visitors	19	20	19	12
<p>Total waste arising has decreased by 93 tonnes (or 14%) in 2015/16 compared to 2014/15. The majority of the waste continues to be sent for energy recovery (407 tonnes or 69%). Under the current waste management processes, the Museum continues to achieve zero waste to landfill.</p>					

<b>Finite resource consumption</b>		<b>2015/16</b>	<b>2014/15</b>	<b>2013/14</b>	<b>2012/13</b>
Non-financial indicators ('000 m <sup>3</sup> )	Total water consumption	127	96	82	63
	Consumption per million visitors	18	14	12	11
Financial indicators (£k)	Total water cost	265	170	152	118
	Cost per million visitors	38	25	22	21
<p>The increased demand on utilities from the opening of the WCEC has contributed to the greater consumption of water in the current year. Further to this, corrections to prior year meter readings have resulted in larger volumes and their associated costs being recognised in the current year.</p>					

**Biodiversity action planning**

The WCEC design incorporates a pilot scale "green roof". This area was initially planted with varieties selected to attract priority species of birds and insects in the London Biodiversity Action Plan. Since the establishment of the area no further planting has been carried out and it has been allowed to develop with any new plants arriving by wind or animal dispersal. Since its creation a three year monitoring plan has been running to ensure that the scheme does not inadvertently attract pest species which could pose a threat to the collection if they gain access to the building. No adverse effects have been noted to date and if this continues throughout the assessment phase then the green roof will be expanded across the whole suitable area of the WCEC roof.

In partnership with Inmidtown, an organisation that seeks to improve the working and living environment of Holborn, Bloomsbury and St Giles through collaboration with local businesses, two beehives were installed on the roof of the WCEC in 14/15. This has now been expanded with a further hive.

**Sustainable procurement**

The Museum policy on Sustainable Development states that the procurement of goods and services which have the least environmental impact in terms of their production, delivery, installation, use and disposal will be considered wherever practical and appropriate. Contractors and suppliers are encouraged to develop environmentally preferable goods and services and to be aware of sustainability issues and comply with statutory legislation. The Museum has sought to implement the Department for Environment, Food and Rural Affairs (Defra) Government Buying Standards for specifying sustainable goods and services across its departments. The Museum specifies the use of FSC timber and wood products for its building projects and low energy LED lamps when lighting is replaced across the estate.

**Notes:**

1. This report has been prepared in accordance with guidelines laid down by HM Treasury in *Public Sector Sustainability Reporting* published at [www.financial-reporting.gov.uk](http://www.financial-reporting.gov.uk).
2. The data relate to consumption on the main Museum site in Bloomsbury, its perimeter properties, and at off-site workshops and storage in Hoxton. They do not include the off-site storage in Wiltshire.
3. Emissions accounting includes Scope 1 and 2 emissions along with separately identified emissions related to official travel.
  - a. Scope 1 reflects direct emissions, and only includes fuels combustion, for which Defra/Carbon Trust conversion factors have been used. The data is based on the invoices received from energy suppliers as set out in the Carbon Reduction Commitment Data Management Process. Emissions from physical or chemical processing and fugitive emissions have not been included; robust estimates are not possible at this point, but the Museum does not consider the values to be material.
  - b. Scope 2 reflects indirect emissions, and includes purchased electricity. The British Museum does not have any purchased heat, steam and cooling.
  - c. Scope 3 emissions relate to official business travel directly paid for by the Museum. They are estimated on the basis of information from the Museum's major suppliers and using the Defra/Carbon Trust conversion factors, and do not include international travel by air or rail, in line with GGC.
4. Waste data are based on information from the Facility Services provider, who is responsible within the contract for disposal of all site waste, with the exceptions listed below. Figures prior to 2013/14 were exclusive of catering waste but this is now included in waste disposal figures. The figure provided does not include construction waste, refurbishment programmes or hazardous waste i.e. chemical or laboratory wastes. Reporting of operational construction waste is not a minimum requirement as laid out in the Public Sector Sustainability guidelines.

**Suppliers**

The BM aims to settle bills within 30 days or by the due date. This is calculated from the invoice date rather than the date the invoice is received by the BM. Currently the BM does not hold reliable data on the date that invoices are received. In 2015/16 it paid 70% of all invoices within the target (61% in 2014/15).

## Activity under immunity from seizure

On 12 June 2008 the Secretary of State granted the British Museum “approved status” under Part 6 Tribunals, Courts and Enforcement Act 2007 entitling it to confer protection from judicial seizure on objects loaned from abroad for temporary public exhibitions, provided the conditions set out in section 134 of the Act are met when the objects are brought into the UK.

During the financial year, the British Museum has granted protection under Part 6 Tribunals, Courts and Enforcement Act 2007 to objects brought into the UK for the following exhibitions:

<i>Defining Beauty: the body in ancient Greek art</i>	16
<i>Indigenous Australia: enduring civilisations</i>	9
<i>Egypt: Faith after the pharaohs</i>	61
<i>Celts: art and identity</i>	60
<i>Sunken Cities: Egypt's lost worlds</i>	292
<i>Sicily: culture and conquest</i>	50

A wide variety of objects have been protected, including stone and bronze sculpture, metalwork, paintings, textiles, works on paper, and archaeological materials from museums, other public institutions, and private collections.

The due diligence process has been conducted by exhibition curators. In most cases, the objects borrowed were previously published, and establishing provenance presented few difficulties.

In the case of unpublished objects, lending institutions and individuals were asked to provide information about the circumstances in which objects were acquired or excavated, and where appropriate, copies of export licences were requested. Searches were made on the Art Loss Register where provenance history appeared incomplete (including during the period 1933-45 or where objects were excavated after 1970).

During the period from 1 April 2015 to 31 March 2016 the British Museum received no requests for information from potential claimants pursuant to article 7 of the Protection of Cultural Objects on Loan (Publication and Provision of Information) Regulations 2008.

## Reference and administrative details

### The Board of Trustees<sup>2</sup>

Trustees	Attended / Meetings Held	Trustees	Attended / Meetings Held
Sir Richard Lambert (Chair) (C)	5/5	Lord Lupton CBE (A)	5/5
Ms Karen Armstrong OBE (A)	3/5	Sir Deryck Maughan (A)	5/5
Professor Sir Christopher Bayly (D) (deceased 18/04/15)	0/0	Mr John Micklethwait CBE (A)	3/5
The Hon Nigel Boardman (A)	5/5	Sir Paul Nurse FRS (F)	4/5
Ms Cheryl Carolus (B)	1/5	Mr Gavin Patterson (A)	5/5
Miss Patricia Cumper MBE (A)	4/5	Mr Grayson Perry CBE RA (G) (appointed 02/04/15)	4/5
Dame Liz Forgan DBE FBA (A) (Deputy Chair)	4/5	Lord Sassoon (A)	3/5
Professor Clive Gamble (E)	5/5	Professor Amartya Sen (C)	1/5
Ms Muriel Gray (A) (appointed 05/01/16)	1/1	Dame Nemat (Minouche) Shafik (A) (appointed 05/01/16)	1/1
Ms Penny Hughes CBE (A) (retired 30/06/15)	0/0	Ms Ahdaf Soueif (A)	5/5
Sir George Iacobescu CBE (A) (retired 30/06/15)	0/0	Lord Stern of Brentford PBA (A) (Deputy Chair)	5/5
Ms Wasfi Kani OBE (A)	3/5	Lord Turner of Ecchinswell (C)	4/5
Professor Nicola Lacey FBA (D) (Appointed 01/09/15)	3/4	Baroness Wheatcroft of Blackheath (A) (Deputy Chair)	4/5

(A) 15 Trustees are appointed by the Prime Minister.

The remaining Trustees are appointed by:

- (B) the Sovereign;
- (C) the Trustees; or
- the Secretary of State on the nomination of:
  - (D) the British Academy
  - (E) the Society of Antiquaries of London
  - (F) the Royal Society
  - (G) the Royal Academy

A register of Trustees' interests is maintained by the Governance and Planning Manager and is open to inspection at the BM on application to him. Details of related party transactions are disclosed in note 18 to the accounts.

<sup>2</sup> The fractions reflect attendance at eligible meetings during the year.



## Trustees' committees and membership

<b>Standing Committee</b>		<b>Nominations and Governance Committee</b>	
Sir Richard Lambert (Chair)	6/6	Dame Liz Forgan (Chair)	3/3
Professor Clive Gamble	4/6	Miss Patricia Cumper	3/3
Dame Liz Forgan	5/6	Sir Richard Lambert	3/3
Ms Penny Hughes (retired 30/06/15)	1/2	Lord Stern of Brentford	2/3
Mr Gavin Patterson	5/6	Baroness Wheatcroft of Blackheath	1/3
Lord Stern of Brentford	6/6		
Lord Turner of Ecchinswell	3/6	<b>Investment Sub-committee</b>	
Baroness Wheatcroft of Blackheath	6/6	Baroness Wheatcroft of Blackheath (Chair)	2/2
		The Hon Nigel Boardman	1/2
<b>Audit Committee</b>		Mrs Elizabeth Corley (co-opted)	2/2
Lord Turner of Ecchinswell (Chair)	4/4	Mr Stephen Fitzgerald (co-opted 01/08/15)	1/1
The Hon Nigel Boardman	3/4	Mr John Micklethwait CBE (retired 12/11/15)	0/2
Professor Clive Gamble	2/4	Lord Sassoon	2/2
Sir Ian Johnston (co-opted)	4/4		
Ms Wasfi Kani (retired 21/01/16)	0/3	<b>Research Committee</b>	
Lord Lupton	3/4	Lord Stern of Brentford (Chair)	2/2
Mr John Micklethwait CBE (retired 21/01/16)	0/3	Professor Sir Christopher Bayly (deceased 18/04/15)	0/0
Mr David Norgrove (co-opted, retired 26/10/15)	1/1	Professor Sir Richard Brook (co-opted)	2/2
Lord Sassoon	4/4	Professor Linda Colley (co-opted)	2/2
Baroness Wheatcroft of Blackheath	3/4	Miss Patricia Cumper	1/2
		Professor Clive Gamble	1/2
<b>International Strategy Committee (closed 15/09/15)</b>		Sir Paul Nurse	2/2
Sir Richard Lambert (Chair)	1/1	Professor Andrew Prescott (co-opted)	1/2
Ms Karen Armstrong	0/1	Professor Amartya Sen	1/2
Professor Sir Christopher Bayly (deceased 18/04/15)	0/0	Professor Greg Woolf (co-opted)	2/2
Mr Niall FitzGerald KBE (co-opted)	1/1		
The Hon Lady Keswick (co-opted)	0/1		
Lord Sassoon	1/1		
Ms Ahdaf Soueif	0/1		
Lord Stern of Brentford	0/1		
<b>Major Projects Committee</b>			
Dame Liz Forgan (Chair)	4/4		
The Hon Nigel Boardman	3/4		
Miss Patricia Cumper	4/4		
Ms Bonnie Greer (co-opted)	3/4		
Ms Wasfi Kani	4/4		
Lord Lupton	3/4		
Mr Gavin Patterson	3/4		

## Trustee membership of related Councils and Boards

### *British Museum Friends Advisory Council*

Professor Clive Gamble (Chair)

Ms Wasfi Kani

### *The American Friends of the British Museum*

Sir Richard Lambert (ex officio Director)

Sir Deryck Maughan (Chair to 17/06/15)

Mr John Micklethwait (Chair from 18/06/15)

## Official addresses as at 31 March 2016

Principal address:	The British Museum, Great Russell Street, London WC1B 3DG
The British Museum Great Court Limited:	The British Museum, Great Russell Street, London WC1B 3DG
The British Museum Company Limited:	The British Museum, Great Russell Street, London WC1B 3DG
Auditors:	
The Museum and the group	The Comptroller and Auditor General, 157-197 Buckingham Palace Road, Victoria, London SW1W 9SP
The British Museum Company Limited, The British Museum Ventures Limited, The British Museum Great Court Limited	Grant Thornton UK LLP, Grant Thornton House, Melton Street, Euston Square, London NW1 2EP
The British Museum Friends Limited	Kingston Smith LLP, Devonshire House, 60 Goswell Road, London EC1M 7AD
Bankers:	National Westminster Bank Plc, 214 High Holborn, London WC1V 7BX
Solicitor:	Mr Tony Doubleday, Head of Legal Services, British Museum
Investment advisers:	Newton Investment Management Limited, 160 Queen Victoria Street, London EC4V 4LA

## DCMS' performance indicators

The Museum signed a Management Agreement with DCMS for the period 2014/15 to 2015/16, which includes a requirement to report on a number of performance indicators in place since 2008/09 to facilitate consistent reporting across national museums and galleries.

	2015/16	2014/15	2013/14	2012/13	2011/12
Number of visits to the Museum (excluding virtual visits)	6.9m	6.7m	6.8m	5.6m	5.8m
Number of unique website visits <sup>3</sup>	32.5m	33.7m	35.3m	27.3m	23.8m
Number of visits by children under 16	1.0m	987k	891k	871k	765k
Number of overseas visits	4.5m	4.3m	3.8m	3.6m	3.5m
Number of facilitated and self-directed visits to the Museum by children under 18 in formal education	259k	271k	262k	251k	251k
Number of instances of children under 18 participating in on-site organised activities	146k	143k	145k	117k	111k
% of visitors who would recommend a visit	97%	97%	96%	99%	97%
Admissions income	£2.5m	£3.7m	£5.7m	£1.2m	£2.2m
Trading income <sup>4</sup>	£16.4m	£15.4m	£18.5m	£11.9m	£12.3m
Fundraising <sup>5</sup>	£30.8m	£37.6m	£54.2m	£39.5m	£16.5m
Number of UK loan venues	166	170	187	169	162

<sup>3</sup> This includes visits to all BM websites.

<sup>4</sup> Defined by DCMS as net profit from activities which involve selling a product or service to a customer, and including international touring exhibitions, consultancy and retail. From 2013/14 the calculation includes the profit of the British Museum Company Ltd rather than the contribution paid to the British Museum during the year.

<sup>5</sup> Defined by DCMS as activities which involve seeking financial support, e.g. from sponsors, private benefactors, charitable trusts. From 2013/14 the calculation includes the full BM group.

## Basis of Preparation of Financial Statements and Accounting Policies and Practices

These financial statements have been prepared in a form directed by the Secretary of State for Culture, Media and Sport with the consent of the Treasury in accordance with sections 9(4) and 9(5) of the Museums and Galleries Act 1992, the *Government Financial Reporting Manual*, the *Statement of Recommended Practice* (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (effective 1 January 2015), and FRS 102.

So far as the Accounting Officer and Board of Trustees are aware, there is no relevant audit information of which the BM's auditors are unaware. The Accounting Officer and Board of Trustees believe they have taken all the steps that they ought to have taken to make themselves aware of any information relevant to the audit and to establish that the BM's auditors are aware of that information.

The Accounting Officer and Board of Trustees take responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

## Remuneration Report

The BM has prepared this Remuneration Report in accordance with the *Government Financial Reporting Manual*, which requires disclosure of information about directors' remuneration, where 'directors' is interpreted to mean those who influence the decisions of the BM as a whole. In the BM's opinion this means the Trustees and the Director. As additional disclosures, the emoluments and pension details of the Deputy Director who, during the year, had oversight responsibility for Finance and HR are also presented below (Christopher Yates).

The Chair and Board of Trustees neither received nor waived any remuneration for their services during the year (2014/15: £nil). Further details about the Trustees are included within the Governance Statement.

Hartwig Fischer took up his post as Director of the BM on 4 April 2016. He received no remuneration during the year (2014/15: £nil).

Neil MacGregor was Director until 31 December 2015. Between 1 January 2016 and 3 April 2016, Christopher Yates was Acting Director; his permanent role is Deputy Director.

The remuneration for both during the whole year is disclosed below. Neither received bonuses, overtime, allowances, benefits in kind or other cash or non-cash benefits of value during the year. The Board of Trustees assesses the performance of the Director each year. His salary is agreed with the Chair.

Both Neil MacGregor and Christopher Yates have been members of the Principal Civil Service Pension Scheme, although Neil MacGregor opted out of the scheme from 1 April 2012. Details about the Civil Service pension arrangements can be found at the website <http://www.civilservice.gov.uk/pensions>

Both had open-ended appointments. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

The banded remuneration of the highest-paid employee at the reporting period end date was £130-135k (2014/15: £185-190k). This was 5.2 times the median remuneration of the workforce (2014/15: 7.5 times) at the reporting period end date, which was £25.3k (2014/15: £25.0k). The variance compared with last year can largely be explained by the fact that at the reporting end date the permanent role of Director was vacant and the highest-paid employee was therefore the Acting Director.

Remuneration for the workforce at the reporting end date, including fees paid, agency staff, apprentices and excluding the highest-paid employee, ranged from £14k to £120k (2014/15: £12k – £131k). Total remuneration includes salary, performance related pay, and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

## Remuneration (Salary and Pensions)

Single total figure of remuneration			
	Salary <sup>6</sup>	Pension benefits <sup>7</sup>	Total
Neil MacGregor Director	£140-145k to 31 Dec 2015 (2014/15: £185-£190k)	Nil <sup>8</sup> (2014/15: Nil)	£140-145k to 31 Dec 2015 (2014/15: £185-190k)
Christopher Yates Deputy Director	£130-135k (2014/15: £130-135k)	£65k (2014/15: £39k)	£195-200k (2014/15: £170-175k)

Pension Benefits<sup>9</sup>

	Accrued pension at pension age <sup>10</sup> as at 31/3/16 and related lump sum	Real increase in pension and related lump sum at pension age	CETV <sup>11</sup> at 31/3/16	CETV at 31/3/15	Real increase in CETV <sup>12</sup>
Christopher Yates Deputy Director	£25-30k plus £85-90k lump sum	£2.5-5k plus £0-2.5k lump sum	£501k	£421k	£30k

The figures in the remuneration report have been audited.

*Hartwig Fischer*  
Accounting Officer  
7 July 2016

*Sir Richard Lambert*  
Chair

<sup>6</sup> Salary comprises gross salary payable during the year.

<sup>7</sup> The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

<sup>8</sup> Neil MacGregor chose not to be covered by the Civil Service pension arrangements during the reporting year.

<sup>9</sup> Neil MacGregor chose not to be covered by the Civil Service pension arrangements during the reporting year.

<sup>10</sup> The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

<sup>11</sup> A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

<sup>12</sup> This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

## Statement of Trustees' and Accounting Officer's responsibilities

Under Section 9 (4) and (5) of the Museum and Galleries Act 1992, the Secretary of State for Culture, Media and Sport with the consent of the Treasury has directed the Trustees of the British Museum to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the British Museum and of its net resource outturn, application of resources, changes in funds and cash flows for the financial year.

In preparing the BM's accounts, the Trustees and Accounting Officer are required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards and statements of recommended practice have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the BM will continue in operation.

The Accounting Officer of the Department for Culture, Media and Sport designated Neil MacGregor as Accounting Officer of the British Museum to 31 December 2015. Between 1 January 2016 and 3 April 2016 Christopher Yates was Accounting Officer. From 4 April 2016 Hartwig Fischer was the designated Accounting Officer.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the British Museum's assets, are set out in *Managing Public Money* issued by the HM Treasury.

*Hartwig Fischer*  
Accounting Officer  
7 July 2016

*Sir Richard Lambert*  
Chair

## Governance statement

The governing body of the BM is the Board of Trustees whose members are appointed for fixed terms of service. They are non-executive and unpaid. The Board may consist of up to 25 members, of whom 15 are appointed by the Prime Minister, one by the Sovereign, one each by the Secretary of State on the nominations of the Royal Academy, the British Academy, the Society of Antiquaries of London and the Royal Society respectively, and five by the BM's Trustees. The Chairman is appointed by the Board from its members. The names of Trustees serving during the year are listed in the section 'Reference and administrative details' above.

The induction of new Trustees is primarily through a programme of department visits and meetings with the Director, Deputy Directors, and members of the senior management team. An introductory pack of key documents and publications including the Governance Policies and Principles, the BM Strategy and Operating Plan, the Annual Report and Accounts, and the organisation chart is provided. Induction programmes and training are further tailored to the individual needs and interests of the Trustee. A programme of training and briefing sessions is available to all Trustees throughout their term of appointment.

The corporate governance framework; matters for the Board's decision; and the respective responsibilities of the Board, Trustees' Committees and Management are clearly defined in the BM's Governance Policies and Principles, which is available on the BM's website. The BM follows governance best practice for public service and charitable bodies, and insofar as it applies, the BM complies with the principles of the Corporate Governance in Central Government Departments: Code of Good Practice.

A register of Trustees' and co-opted committee members' interests is maintained and is available for public inspection on request; this is reviewed by all Trustees and co-opted committee members at least once a year. Trustees and co-opted members are required to declare any conflicts or potential conflicts of interest at Board and committee meetings, and these are recorded in the minutes. Depending on the nature of the conflict or potential conflict, the Chair may require a Trustee or co-opted member to either leave the meeting, or not take part in a discussion or decision on a particular issue. During the year, one Trustee declared conflicts of interest in relation to a paper discussed by the Board and the Standing Committee and took no part in any discussion where conflicts arose.

Board / Committee	Hierarchy	Remit
Board of Trustees	Board	To discharge statutory duties under the British Museum Act 1963 and Museums and Galleries Act 1992 for the general management and control of the BM. The Board appoints the Director with the approval of the Prime Minister, defines the strategic direction of the BM, and approves its execution in an operating plan drawn up in consultation with the Director.
Standing Committee	Board Committee	To discharge the functions of the Board between quarterly Board meetings, including monitoring achievement of the plan.
Director	Accounting Officer	All Board authority granted to the management and staff of the BM is delegated through the Director, so that all authority and accountability is considered to be the authority and accountability of the Director so far as the Board is concerned. The Director attends Board meetings. The Director as the Accounting Officer is accountable to Parliament for the stewardship of the resources within the BM's control.
Audit Committee	Board Committee	To support the Board and the Accounting Officer in their responsibilities for issues of risk, control and governance by reviewing the comprehensiveness, reliability and integrity of assurances provided to them.
Nominations and Governance Committee	Board Committee	To advise on succession planning for Trustees, recommend candidates as Trustees for appointment, and provide assurance on governance.
Investment Sub-Committee	Sub-committee of the Standing Committee	To advise the Standing Committee on the investment of the BM's funds. To recommend an investment policy for approval by the Trustees, and to appoint and review the performance of investment managers.



Board / Committee	Hierarchy	Remit
International Strategy Committee	Sub-committee of the Standing Committee	To provide advice on the BM's international strategy, and to monitor and report on the Zayed National Museum project to the Standing Committee. The committee closed on 15 September 2015, to be replaced by an executive-led international advisory group.
Research Committee	Sub-committee of the Standing Committee	To provide expert advice and oversight of the BM's research programme, to monitor the implementation of the research strategy and provide quality assurance.
Major Projects Committee	Sub-committee of the Standing Committee	To monitor the scope and design of major projects.
Directorate Group	Executive Committee	To lead the BM's planning process, manage risk and oversee operational activity. Its membership during the year comprised the Director and four Deputy Directors.
BM Management Group	Executive Committee	To raise and discuss current and emerging issues relating to BM activity and external developments; and act as an information sharing group for heads of department. Its membership is drawn from the Directorate Group and the heads of BM departments. During the year this comprised of the following: <ul style="list-style-type: none"> <li>■ <i>Collections:</i> Africa, Oceania &amp; the Americas; Ancient Egypt &amp; Sudan; Asia; Coins &amp; Medals; Britain, Europe &amp; Prehistory; Collections Services; Conservation &amp; Scientific Research; Greece &amp; Rome; Middle East; Prints &amp; Drawings.</li> <li>■ <i>Public Engagement:</i> Digital &amp; Publishing; Exhibitions; International Engagement; Learning &amp; National Partnerships; Press &amp; Marketing; Zayed National Museum Project.</li> <li>■ <i>Operations &amp; Projects:</i> Capital Planning &amp; Programme Management; Property &amp; Facilities Management; Security and Visitor Services.</li> <li>■ <i>Administration:</i> Corporate Affairs; Development; Finance; Human Resources; Information Services; Legal Services; Retail Buying &amp; Sales.</li> </ul>

Some Trustees also attend certain executive groups covering issues such as advocacy, marketing and digital in an advisory capacity.

## Board effectiveness

The Board reviews its effectiveness annually through a questionnaire completed by each Trustee, which assesses performance in five areas:

- Vision, mission and strategic direction
- Performance and corporate behaviour
- Legal and regulatory compliance
- Guardianship of the BM's assets
- Capacity to govern

A report of findings is considered by the Nominations and Governance Committee and action points agreed by the Board. At least every three years, the review includes an element of independent assessment, the last of which was in 2013. The review of performance in 2015 showed that the Board was effective, except on fundraising where the Trustees agreed that the Board needed to strengthen its capacity.

The British Museum's strategy, *Towards 2020*, is supported by an Operating Plan and Budget. The Trustees receive quarterly reports on the Museum's performance against its key objectives; a summary of performance is included above in the section 'Strategic direction and performance against objectives'.

The Board has high standards in terms of the data it expects to receive to support it in discharging its duties. Data relating to the delivery of the Museum's objectives, including financial control and the management of risk, is regularly reviewed by the Board and its committees. The 2015 review of Board performance showed that the Trustees agreed that they received an appropriate level of information and that there were effective mechanisms in place to measure performance.

## Reports from Board committees

- *Audit Committee*: in addition to its on-going review of the risk register and a detailed consideration of the overall approach to risk management, during 2015/16 the Committee considered in detail the management of risks relating to fire, HR, security, and the collection on display and in storage, as well as discussing the Zayed National Museum (ZNM) project. It received regular updates on operations and collections management. Representatives from the National Audit Office and the Head of Internal Audit attended each meeting and the Committee considered the work undertaken.
- *Nominations & Governance Committee*: during 2015/16, the committee agreed role specifications for five Trustee posts for appointment by the Prime Minister; these appointments were announced in January 2016 by the Prime Minister. The committee endorsed the British Academy's nomination to the Board and this was approved by the Secretary of State in September 2015. The committee also considered the cases for Trustee reappointments: one Trustee's reappointment was approved by the Board in March 2016; and the case for the reappointment of three Trustees was submitted to the Prime Minister in February and was subsequently approved in May 2016.
- *Standing Committee*: the committee continued to discharge the functions of the Board between quarterly Board meetings.

Reports from the Chairs of the Standing Committee, Audit Committee and Nominations and Governance Committee are recorded in the minutes of Board meetings which are published on the BM's website. Sub-committee business is reported to the Standing Committee.

The Trustees established a Director Search Committee to identify a candidate for the role of Director of the British Museum. On 21 September 2015, the Board approved the Search Committee's recommendation to appoint Hartwig Fischer and this was subsequently approved by the Prime Minister. He took up post on 4 April 2016.

Attendance at meetings of the Board and its committees is noted in the section 'Reference and administrative details' above.

## Risk management framework and risk assessment

Risk is unavoidable and the resources available for managing risk are finite. The aim of risk management within the BM is therefore to achieve an optimum response to risk, prioritised in accordance with an evaluation of the risks. The approach adopted takes into account the HM Treasury guidance on management of risk, with reference as appropriate to best practice guidance from the National Audit Office and risk management standards.

The Museum assesses risk through consideration of the likelihood of something happening, and its potential impact. Risk management within the Museum includes:

- identifying and assessing risks (the "inherent risks");
- assigning each of those risks to an individual risk owner;
- setting an agreed risk appetite (the "risk targets");
- evaluating the effectiveness of relevant mitigating controls;
- assessing the risks remaining given the controls in place (the "residual risks"); and
- agreeing, implementing and monitoring controls to reduce the variance between residual and target risks.

Risk management is everybody's responsibility, and is embedded within the Museum through established business planning processes which ensure that risks to achieving plan initiatives are identified as those initiatives are developed and project risks are considered at each project gateway.

*The Board of Trustees* has statutory duties under the British Museum Act 1963 and Museums and Galleries Act 1992 ("the Acts") for the general management and control of the Museum. The Board appoints the Director with the approval of the Prime Minister, defines the strategic direction of the Museum, and approves its execution in an operating plan drawn up in consultation with the Director.

*The Director* is the Accounting Officer for the purposes of reporting to the Department for Culture, Media and Sport, and has overall responsibility for the Museum's risk management framework. Hartwig Fischer assumed the role of Accounting Officer on 4 April 2016. Since his appointment his induction programme has included meetings with the previous Accounting Officer, Trustees, the National Audit Office, the Department for Culture, Media and Sport, Internal Audit, and employees from across the Museum. He has attended the Civil Service Learning "Introduction to Accounting Officer Responsibilities" course, and has sought assurances from Internal Audit, the Internal Controls Committee and the Audit Committee about the operation of controls over the course of the year ending 31 March 2016.

*The Audit Committee* supports the Board and the Accounting Officer in their responsibilities for issues of risk, control and governance by reviewing the comprehensiveness, reliability and integrity of assurances provided to them. The Audit Committee reviews the risk register and actions taken at each of its meetings. In addition to a rolling programme of review, the committee focuses on the highest rated residual risks in terms of their likelihood and impact taken together, and topical risks. The Audit Committee challenges the Museum's officers for evidence of good management and routinely requires managers to provide assurance that risk management and internal controls are thoroughly understood and effectively implemented at an operating level. The Chairman of the Audit Committee reports to the Board of Trustees annually with regard to the effectiveness of risk management and the system of internal control and as required for emerging issues related to risk management.

*The Directorate Group* reviews risks, and receives and considers reports or recommendations for action or decision.

*The Internal Controls Committee* oversees the implementation of risk management principles and practice throughout the Museum with the objective of eliminating, transferring, mitigating or accepting risks. It seeks to co-ordinate activities to obtain a more effective risk management process from existing resources and ensure the dissemination of good practice throughout the Museum. It aims to provide the Directorate Group and so the Accounting Officer and the Audit Committee with assurance that an effective system of internal control has been maintained and is operated within the Museum.

*Internal Audit* acts as an independent review of the internal control framework, including risk management. In addition to reports on individual reviews, Internal Audit produces an annual report that contains the Head of Internal Audit's opinion of the overall adequacy and effectiveness of the risk management, control and governance processes.

During the year the BM's risk management policy was reviewed and it was agreed that no changes were required.

Security of the site and the safety of people in it remain a high priority for the Trustees. The most significant residual risks currently facing the BM arise from the programme to move collections out of Blythe House and ambitious strategies for increasing income generation.

The BM has suffered no significant losses or thefts of personal or other protected data during 2015/16 and has made no report to the Information Commissioner's Office.

The Museum continues to focus its efforts on scrutinising areas of perceived higher risk and, in particular, is further strengthening controls operating around objects on display and in storage, digital security, and health and safety.

Hartwig Fischer  
Accounting Officer  
7 July 2016

Sir Richard Lambert  
Chair

## The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the British Museum for the year ended 31 March 2016 under the Museums and Galleries Act 1992. The financial statements comprise: the Consolidated Statement of Financial Activities, the Consolidated and Museum Balance Sheets, the Consolidated Statement of Cash Flows and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

### Respective responsibilities of the Board of Trustees, the Accounting Officer and auditor

As explained more fully in the Statement of Trustees' and Accounting Officer's Responsibilities, the Trustees and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Museums and Galleries Act 1992. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the British Museum's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the British Museum; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate and report.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the British Museum's affairs as at 31 March 2016 and of its net income/(expenditure) for the year then ended; and
- the financial statements have been properly prepared in accordance with the Museums and Galleries Act 1992 and Secretary of State directions issued thereunder with HM Treasury's consent.

## Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made with HM Treasury's consent under the Museums and Galleries Act 1992;
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Report

I have no observations to make on these financial statements.

*Sir Amyas C. E. Morse*  
Comptroller and Auditor General

11 July 2016

National Audit Office  
157-197 Buckingham Palace Road,  
Victoria,  
London SW1W 9SP

## Consolidated Statement of Financial Activities for the year ended 31 March 2016

	Revenue Funds			Capital Funds			Total Funds						
	Notes	Unrestricted £000s	Restricted £000s	Total £000s	Unrestricted £000s	Restricted £000s	Collection Acquisitions £000s	Total £000s	Unrestricted £000s	Restricted £000s	Permanent Endowments £000s	Expendable Endowments £000s	Total 2016 £000s
<b>Income and endowments from</b>													
Grant-in-aid	2	38,690	475	39,165	-	2,603	-	2,603	38,690	3,078	-	-	41,768
Donations and legacies		2,275	3,744	6,019	-	14,029	1,877	15,906	2,275	19,650	5	4,000	25,930
Charitable activities	3	17,826	1,077	18,903	-	323	-	323	17,826	1,400	-	-	19,226
Other trading activities	11(b)	23,713	-	23,713	-	-	-	-	23,713	-	-	-	23,713
Investments	4	249	8	257	-	38	-	38	249	46	342	45	682
Total income and endowments		82,753	5,304	88,057	-	16,993	1,877	18,870	82,753	24,174	347	4,045	111,319
<b>Expenditure on</b>													
<b>Raising funds</b>													
Expenditure on raising donations and legacies	6	(1,250)	-	(1,250)	-	-	-	-	(1,250)	-	-	-	(1,250)
Expenditure on other trading activities	6, 11(b)	(12,059)	-	(12,059)	-	-	-	(10)	(12,059)	(17)	(7)	-	(12,059)
Investment management costs	6	(1)	(7)	(8)	-	(10)	-	(10)	(1)	(19,359)	(95)	-	(25)
<b>Charitable activities</b>	6	(66,834)	(6,162)	(72,996)	(993)	(13,197)	-	(14,190)	(67,827)	(19,359)	-	(95)	(87,281)
Total expenditure	6	(80,144)	(6,169)	(86,313)	(993)	(13,207)	-	(14,200)	(81,137)	(19,376)	(7)	(95)	(100,615)
Net (losses)/gains on investments	10(a)	(35)	190	155	562	547	-	1,109	527	737	(193)	268	1,339
<b>Net income/(expenditure)</b>	5	2,574	(675)	1,899	(431)	4,333	1,877	5,779	2,143	5,535	147	4,218	12,043
Transfers between funds	16	(926)	(2,337)	(3,263)	(1,195)	1,614	1,083	1,502	(2,121)	360	1,167	594	-
<b>Other recognised gains/(losses)</b>													
Gains on revaluation of fixed assets	7(a)	-	-	-	-	112,669	-	112,669	-	112,669	-	-	112,669
Actuarial losses on defined benefit pension scheme	20	(45)	-	(45)	-	-	-	(4)	(45)	(3)	(15)	(3)	(45)
Other gains/(losses)		328	1	329	-	(4)	-	(4)	328	(3)	(15)	(3)	307
<b>Net movement in funds</b>		1,931	(3,011)	(1,080)	(1,626)	118,612	2,960	119,946	305	118,561	1,299	4,809	124,974
<b>Reconciliation of funds:</b>													
Total funds brought forward	16(a)	13,647	23,772	37,419	4,593	579,665	77,613	661,871	18,240	681,050	13,274	-	712,564
<b>Total funds carried forward</b>	16(a)	15,578	20,761	36,339	2,967	698,277	80,573	781,817	18,545	799,611	14,573	4,809	837,538

All operations of the British Museum continued throughout 2015/16 and 2014/15 and none were discontinued in either period. The British Museum has no recognised gains and losses other than those above and consequently no separate Statement of Total Recognised Gains and Losses has been presented. The notes on pages 40 to 74 form part of these accounts.

## Consolidated Statement of Financial Activities for the year ended 31 March 2015

	Notes	Revenue Funds			Capital Funds			Total Funds			Total Restated* 2015 £000s
		Unrestricted £000s	Restricted £000s	Total £000s	Unrestricted £000s	Restricted £000s	Collection Acquisitions £000s	Total Unrestricted £000s	Restricted £000s	Permanent Endowments £000s	
<b>Income and endowments from</b>											
Grant-in-aid	2	38,967	1,256	40,223	-	2,992	-	2,992	4,248	-	43,215
Donations and legacies		1,470	4,944	6,414	-	19,174	3,029	1,470	27,147	-	28,617
Charitable activities	3	19,501	4,171	23,672	-	-	-	19,501	4,171	-	23,672
Other trading activities	11(b)	22,796	-	22,796	-	-	-	22,796	-	-	22,796
Investments	4	531	322	853	-	20	-	531	342	-	873
Total income and endowments		83,265	10,693	93,958	-	22,186	3,029	83,265	35,908	-	119,173
<b>Expenditure on</b>											
<b>Raising funds</b>											
Expenditure on raising donations and legacies	6	(1,148)	-	(1,148)	-	-	-	(1,148)	-	-	(1,148)
Expenditure on other trading activities	6, 11(b)	(12,171)	-	(12,171)	-	-	-	(12,171)	-	-	(12,171)
Investment management costs	6	(42)	(1)	(43)	-	(1)	-	(42)	(2)	(1)	(45)
<b>Charitable activities</b>	6	(66,587)	(6,556)	(73,143)	(4,742)	(13,294)	-	(71,329)	(19,850)	(314)	(91,493)
Total expenditure	6	(79,948)	(6,557)	(86,505)	(4,742)	(13,295)	-	(84,690)	(19,852)	(315)	(104,857)
Net (losses)/gains on investments		(177)	380	203	156	322	-	478	702	1,475	2,156
<b>Net income/(expenditure)</b>	5	3,140	4,516	7,656	(4,586)	9,213	3,029	7,656	16,758	1,160	16,472
Transfers between funds	16	(5,368)	(454)	(5,822)	4,454	(1,643)	3,037	5,848	940	(26)	-
<b>Other recognised gains/(losses)</b>											
Gains on revaluation of fixed assets		-	-	-	-	20,653	-	20,653	-	-	20,653
Actuarial losses on defined benefit pension scheme	20	(3,461)	-	(3,461)	-	-	-	(3,461)	-	-	(3,461)
<b>Net movement in funds</b>		(5,689)	4,062	(1,627)	(132)	28,223	6,066	34,157	38,351	1,134	33,664
<b>Reconciliation of funds:</b>											
Total funds brought forward	16(a)	19,336	19,710	39,046	4,725	551,442	71,547	627,714	24,061	12,140	678,900
<b>Total funds carried forward</b>	16(a)	13,647	23,772	37,419	4,593	579,665	77,613	661,871	18,240	13,274	712,564

All operations of the British Museum continued throughout 2015/16 and 2014/15 and none were discontinued in either period. The British Museum has no recognised gains and losses other than those above and consequently no separate Statement of Total Recognised Gains and Losses has been presented. The notes on pages 40 to 74 form part of these accounts.

\*The restatements relate to changes required under FRS 102. See note 1 for further information.

## Consolidated Balance Sheet as at 31 March 2016

	Notes	2016 £000s	2015 £000s Restated*
<b>Fixed assets</b>			
Tangible assets	7(a)	<b>685,405</b>	575,100
Intangible assets	8	<b>1,140</b>	–
Heritage assets	9	<b>80,573</b>	77,613
Investments	10(a)	<b>81,236</b>	67,020
Total fixed assets		<b>848,354</b>	719,733
<b>Current assets</b>			
Stock-goods for resale	11(c)	<b>1,680</b>	2,033
Debtors	12	<b>41,595</b>	42,389
Investments	10(b)	<b>6,706</b>	5,869
Cash at bank and in hand	10(c)	<b>9,613</b>	12,095
Total current assets		<b>59,594</b>	62,386
Creditors: amounts falling due within one year	13	<b>(60,121)</b>	(58,741)
Net current (liabilities)/assets		<b>(527)</b>	3,645
Total assets less current (liabilities)/assets		<b>847,827</b>	723,378
Creditors: amounts falling due after more than one year	13	<b>(1,806)</b>	(2,214)
Provision for liabilities and charges	14	<b>(7)</b>	(106)
Net assets excluding pension liability		<b>846,014</b>	721,058
Defined benefit pension scheme liability	20	<b>(8,476)</b>	(8,494)
<b>Total net assets</b>		<b>837,538</b>	712,564
<b>The funds of the charity:</b>			
Permanent endowments		<b>14,573</b>	13,274
Expendable endowments		<b>4,809</b>	–
Restricted funds		<b>799,611</b>	681,050
Unrestricted funds			
Designated funds		<b>452</b>	486
General funds		<b>11,290</b>	12,080
General funds held in subsidiaries		<b>6,803</b>	5,674
		<b>18,545</b>	18,240
<b>Total charity funds</b>	16(a)	<b>837,538</b>	712,564

The notes on pages 40 to 74 form part of these accounts.

\*The restatements relate to changes required under FRS 102. See note 1 for further information.

Hartwig Fischer  
Accounting Officer

Sir Richard Lambert  
Chair

7 July 2016



## Museum Balance Sheet as at 31 March 2016

	Notes	2016 £000s	2015 £000s Restated*
<b>Fixed assets</b>			
Tangible assets	7(b)	<b>684,566</b>	573,923
Intangible assets	8	<b>1,140</b>	–
Heritage assets	9	<b>80,573</b>	77,613
Investments	10(a)	<b>81,236</b>	67,020
Investment in subsidiaries	11(a)	<b>1,250</b>	1,250
Total fixed assets		<b>848,765</b>	719,806
<b>Current assets</b>			
Debtors	12	<b>36,306</b>	37,382
Cash at bank and in hand	10(c)	<b>3,555</b>	6,111
Total current assets		<b>39,861</b>	43,493
Creditors: amounts falling due within one year	13	<b>(56,377)</b>	(54,861)
Net current liabilities		<b>(16,516)</b>	(11,368)
Total assets less current liabilities		<b>832,249</b>	708,438
Creditors: amounts falling due after more than one year	13	<b>(1,507)</b>	(1,503)
Provision for liabilities and charges	14	<b>(7)</b>	(45)
<b>Total net assets</b>		<b>830,735</b>	706,890
<b>The funds of the charity:</b>			
Permanent endowments		<b>14,573</b>	13,274
Expendable endowments		<b>4,809</b>	–
Restricted funds		<b>799,611</b>	681,050
Unrestricted funds			
Designated funds		<b>452</b>	486
General funds		<b>11,290</b>	12,080
		<b>11,742</b>	12,566
<b>Total charity funds</b>	16(a)	<b>830,735</b>	706,890

The notes on pages 40 to 74 form part of these accounts.

\*The restatements relate to changes required under FRS 102. See note 1 for further information.

Hartwig Fischer  
Accounting Officer

Sir Richard Lambert  
Chair

7 July 2016

## Consolidated Statement of Cash Flows For the year ended 31 March 2016

	Notes	<b>2016</b> <b>£000s</b>	2015 £000s Restated*
<b>Cash flows from operating activities</b>			
<b>Net cash provided by operating activities</b>	17	<b>23,004</b>	13,273
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments	4	<b>682</b>	873
Purchase of fixed asset investments	10(a)	<b>(50,630)</b>	(37,038)
Proceeds from the sale of fixed asset investments	10(a)	<b>35,903</b>	24,938
Purchase of tangible fixed assets	7(a)	<b>(9,081)</b>	(7,867)
Purchase of intangible fixed assets	8	<b>(747)</b>	-
Purchase of heritage assets	9	<b>(1,083)</b>	(3,037)
<b>Net cash used in investing activities</b>		<b>(24,956)</b>	(22,131)
<b>Change in cash and cash equivalents in the year</b>		<b>(1,952)</b>	(8,858)
<b>Cash and cash equivalents at the beginning of the year</b>		<b>17,964</b>	26,773
<b>Change in cash and cash equivalents due to exchange movements</b>		<b>307</b>	49
<b>Cash and cash equivalents at the end of the year</b>		<b>16,319</b>	17,964
<b>Analysis of cash and cash equivalents</b>			
Current asset investments		<b>6,706</b>	5,869
Cash at bank and in hand		<b>9,613</b>	12,095
<b>Total cash and cash equivalents</b>		<b>16,319</b>	17,964

The notes on pages 40 to 74 form part of these accounts.

\*The restatements relate to changes required under FRS 102. See note 1 for further information.

## Notes to the Accounts

### 1. ACCOUNTING POLICIES

#### *Accounting Conventions*

- (a) The accounts comply with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (effective 1 January 2015), FRS 102, the Government Financial Reporting Manual (FRM), Museum and Galleries Act 1992, the Accounts Direction issued by the Secretary of State for Culture, Media and Sport, and, in the case of the subsidiaries, the Companies Act 2006. A copy of the Direction is available from the Department for Culture, Media and Sport. Where there is a conflict between the requirements of the SORP and the FRM, the SORP has been followed with additional disclosure provided to comply with the FRM.
- (b) The financial statements are prepared under the historical cost convention as modified by the revaluation of tangible fixed assets and the treatment of investments, which have been included at fair value.

Consolidated accounts include the British Museum's (BM) operating statement, trust funds owned and administered by the BM, and the British Museum Development Trust, a dormant charity, which together make up the Museum. Also consolidated are the British Museum Company Limited (BMCo) and its subsidiary British Museum Ventures Limited, the British Museum Great Court Limited (BMGC) and the British Museum Friends Limited (BMF), which together make up the Group.

The Trustees have considered the implications of recent reductions in the government grant, and believe that there are no material uncertainties about the Museum's ability to continue and the accounts have therefore been prepared on the going concern basis.

#### (c) *Statement of Financial Activities (SOFA)*

- (i) This statement discloses the totality of the resources receivable by the BM during the year and their disposition. The BM provides enhanced disclosure in the Statement of Financial Activities beyond the requirements of the SORP in order to allow readers of the accounts to distinguish between the ongoing revenue income and costs of operating the BM, and the impact of donations in support of capital expenditure and collection acquisitions. The value of such donations is often material, and can vary significantly from year to year. Donations and grants in support of capital expenditure and collections acquisitions are recognised in the SOFA when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably. But the associated capital expenditure is depreciated over the expected useful life of the asset, and heritage assets are not depreciated at all. The mismatch between the treatment of funding and expenditure gives the misleading appearance of an increase in funds during the year, and of a consequent reserve carried forward to the future, when in reality the funding has already been used, often to acquire an inalienable asset. Aggregation of capital and revenue funding therefore disguises the funding of running costs, limiting any assessment of future financial performance.
- (ii) In general, income is accounted for when a transaction or other event results in an increase in the BM's assets or a reduction in its liabilities. Grant-in-aid is taken to the SOFA in the year in which it is received. Income from grants and donations is recognised in the SOFA when there is evidence of entitlement (for example, when the conditions for their receipt have been met), receipt is probable and its amount can be reliably measured. Legacies are recognised as income when there has been grant of probate, there are sufficient assets in the estate, evidence of entitlement has been received from the executor, and the amount receivable can be measured with sufficient accuracy.

Contractual and trading income is recognised as income to the extent that the BM has provided the associated goods or services. Where income is received in advance and the BM does not have entitlement to these resources until the goods or services have been provided, the income is deferred.

The income and profit on long term contracts are accounted for in accordance with FRS 102. Attributable profit is calculated on a prudent basis, and the amount recognised in the accounts reflects the proportion of work carried out at the accounting date. Income included in the SOFA is calculated on the basis of time spent as a proportion of total time expected to be spent in fulfilling the contract. The costs incurred in reaching this stage of completion are matched with the income. The difference between the amount

recognised in the SOFA and the cash received is disclosed in either debtors or creditors as prepayments and accrued income or accruals and deferred income.

- (iii) Expenditure is recognised in the financial statements when a present legal or constructive obligation exists, it is more likely than not that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured or estimated reliably.

Grants payable are recognised when the criteria for a constructive obligation are met, payment is probable, values can be measured reliably, and there are no conditions attaching to its payment that limit its recognition.

Expenditure is classified in the SOFA under the principal categories of expenditure on raising funds and expenditure on charitable activities.

Where costs cannot be directly attributed, they are allocated to activities according to the method described in note 6. Expenditure on raising funds comprises costs incurred in raising donations and legacies and other trading activities and investment management costs. Expenditure on charitable activities comprises resources applied to meet the charitable objectives of the BM, namely care, research and conservation, public access and events and charitable trading activities. Governance costs are those costs incurred in connection with the general governance of the British Museum including compliance with constitutional and statutory requirements.

The BM is covered by the provisions of the VAT Act 1994 s 33a, which allows it to recover the majority of its VAT. Irrecoverable VAT is treated as a support cost and apportioned over the activities of the BM as described in note 6.

(d) *Gifts in Kind*

*Heritage Assets*

The BM accounts for the objects in its collection as non-operational heritage assets, in accordance with SORP Module 18 Accounting for Heritage Assets. A heritage asset is defined as “a tangible or intangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.”

*Heritage assets acquired since 1 April 2001*

The BM includes donated or purchased heritage assets acquired since 1 April 2001 on the balance sheet at cost or valuation at the time of acquisition. Valuations are performed during the year of acquisition by internal curatorial experts based on their expert knowledge and, where appropriate, with reference to recent sales of similar objects. The cost or valuation is not subject to revaluation because such information can not be obtained at a cost commensurate with the benefit to users of the financial statements.

Capitalised heritage assets are not depreciated because they are deemed to have indefinite lives, but are subject to impairment reviews where damage or deterioration is reported.

*Heritage assets acquired before 1 April 2001*

The BM has not capitalised heritage assets acquired prior to 1 April 2001. This is because comprehensive valuation, as illustrated below, would not provide a meaningful figure for users of the financial statements and the cost of doing so is not commensurate with the benefits to users of the financial statements.

Historic cost – while it may be possible to assign a cost to items purchased within a financial year, historic cost quickly becomes obsolete and meaningless, not only because of general price movements where markets for similar items do exist, but also because of changing opinions about attribution and authenticity, subsequent research into objects that reveals new value, the emergence of new information about the provenance of an item or changes in taste.

Valuation – attempting to value heritage assets acquired historically raises a number of further conceptual concerns. Valuation of heritage assets is complicated by the nature of many such assets. They are rarely sold and often have a value enhanced above the intrinsic through their association with a person, event or collection, there are a very limited number of buyers, no homogeneous population of assets on the market, and imperfect information about the items for sale. In contrast with many commercial assets, therefore, there is seldom an active market to provide indicative values of similar objects. This makes materially accurate valuations impossible to achieve for many heritage assets.

*Donated Services*

Donated services are included as income and expenditure in the year in which the service is used by the BM. The service is valued at the price the BM would have paid in the open market for a service of equivalent utility.

The BM also engages with unpaid volunteers to support the BM's activities over the course of the year. Due to the absence of a reliable measurement basis, the contributions of volunteers are not included as income in the accounts. The details of the roles played by these volunteers and the nature of their contributions can be found in the section 'Investing in our people'.

*(e) Tangible Fixed Assets*

Assets with an economic life of more than one year and value greater than £5,000 are capitalised. All the BM's land, properties and plant and machinery are revalued for accounting purposes by external chartered surveyors in accordance with the Appraisal and Valuation Standards as published by the Royal Institute of Chartered Surveyors and with FRS 102. A full valuation of the BM's land, buildings and plant and machinery was carried out by Gerald Eve on 31 March 2014. The valuation included the main BM site at Great Russell Street, its perimeter buildings, the World Conservation and Exhibitions Centre, two properties used for storage at Orsman Road, and Blythe House. The main BM site is valued on a depreciated replacement cost basis and Blythe House, the Orsman Road properties and the perimeter buildings are valued on an existing use basis. Between the quinquennial valuations, Gerald Eve undertakes a desktop valuation to update the values of land, buildings and plant and machinery.

Galleries are revalued annually using relevant indices provided by the Office for National Statistics.

Furniture, fit out and equipment are carried at depreciated historic cost because the Trustees consider that this is not materially different from current cost valuation.

Depreciation is provided on all tangible assets, other than freehold land, at rates calculated to write off the value of each asset evenly over its expected useful life with no residual value assumed:

Freehold buildings	15 to 100 years
Capital improvements to leasehold properties	life of lease
Galleries	10 to 25 years
Plant and machinery	10 to 35 years
Furniture, fit out and equipment	1 to 20 years

A full year of depreciation is charged in the year of acquisition and no depreciation is charged in the year of disposal. Impairment reviews are carried out at the end of each reporting period to ensure that the carrying values of the assets do not exceed their recoverable amounts.

*(f) Intangible Fixed Assets*

Intangible assets with an economic life of more than more than one year and value greater than £5,000 are capitalised. All intangible assets are measured at cost.

Costs relating to assets developed internally are capitalised in accordance with the requirements of FRS102.

Amortisation is provided on all intangible assets, at rates calculated to write off the value of each asset evenly over its expected useful life with no residual value assumed.

Purchased software licences	the contractual period
Websites	2 to 5 years
Developed software	2 to 5 years

A full year of amortisation is charged in the year when the asset is ready for use and no amortisation is charged in the year of disposal.

Impairment reviews are carried out at the end of each reporting period in accordance with FRS102 to ensure that the carrying values of the assets do not exceed their recoverable amounts.

*(g) Financial instruments**Recognition, measurement and impairment*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognised on the BM's balance sheet

when the BM becomes a party to the contractual provisions of the instrument. Assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the BM has transferred substantially all risks and rewards of ownership. Liabilities are derecognised when all obligations in respect of them have been discharged. Where material, assets and liabilities falling due after more than one year are discounted to their present value.

The BM's investments are measured at fair value, with any gains or losses reflected in the SOFA in the period in which they arise. Other financial instruments (notably trade debtors, current asset investments, cash at bank and in hand, and trade creditors) are initially recognised at fair value (i.e. cost) plus or minus material transaction costs directly attributable to their acquisition or issue; and subsequently measured at cost, less impairment where material.

An assessment of whether there is objective evidence of impairment is carried out for material financial assets at the balance sheet date. Objective evidence includes, for example, significant financial difficulty of the issuer or debtor, disappearance of an active market for the financial asset, or data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition. Where there is objective evidence that a financial instrument is impaired, its loss is reflected in the SOFA.

#### *Investment properties*

Freehold investment properties are carried at open market value and are not depreciated. A formal valuation of the investment properties is carried out annually by independent valuers in accordance with the RICS Appraisal and Valuation manual.

#### *Investments in subsidiaries*

The investments in subsidiaries are carried at cost less any provision for impairment. The BM carries out an annual impairment review of the investment in each subsidiary.

#### *(h) Stocks and work in progress*

Stock is stated at the lower of cost and net realisable value, where cost includes materials, labour and attributed 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. All stocks relate to BMCo's retail activities.

#### *(i) Liabilities*

Liabilities are recognised when a present legal or constructive obligation exists, it is more likely than not that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured or estimated reliably.

#### *(j) Provisions*

The BM provides for legal or constructive obligations which are of uncertain timing or amount on the balance sheet date on the basis of best estimate of the expenditure required to settle the obligation. Provisions are recognised where there is a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

#### *(k) Cash and cash equivalents*

Cash and cash equivalents, as referred to in the statement of cash flows, include cash at bank and in hand and current asset investments. Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes. Current asset investments comprise cash on deposit and cash equivalents with a maturity of less than one year held for investment purposes rather than to meet short-term cash commitments as they fall due.

#### *(l) Leases*

The BM has no finance leases. Costs relating to operating leases are charged on a straight line basis over the life of the lease.

*(m) Foreign Currencies*

Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate at that date. Foreign exchange differences arising on translation are reflected in the SOFA.

*(n) Pensions*

Present and past employees of the BM are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “alpha”. The PCSPS and CSOPS are an unfunded multi-employer defined benefit scheme but the BM is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2012. Details may be found in the resource accounts of the Cabinet Office: Civil Superannuation. ([www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk))

The BM has, in the past, operated an early retirement scheme which gives retirement benefits to certain qualifying employees. These benefits conform to the rules of the Principal Civil Service Pension Scheme. The BM bears the costs of these benefits until normal retirement age of the employees concerned. Future payments of these benefits have been discounted at a rate of -1.55% and included in provisions.

BMCo operates both defined benefit and defined contribution pension schemes. 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. The defined benefit scheme requires contributions to be made to a separately administered fund. The amounts charged to operating profit are the current service costs (included within staff costs) and the net interest on the net defined benefit liability. Actuarial gains and losses are recognised immediately on the face of the SOFA. The defined benefit scheme is subject to a full actuarial valuation every three years by an independent qualified actuary. In accordance with SORP Module 17 Retirement and Post-employment Benefits, 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.

Further details can be found in note 20 to the accounts.

*(o) Taxation*

The BM, BMCo and BMF are eligible under Part 11 Corporation Tax Act 2010, section 25 Inheritance Tax Act 1984, and section 271 Taxation of Chargeable Gains Act 1992 to exemption from taxes on income, donations and capital gains arising from the pursuit of its charitable objectives. BMV and BMGC donate their profits to their respective charitable parents.

*(p) Funds Structure*

The BM has the following categories of funds:

- restricted permanent endowment funds which the donors have stated are to be held as capital.
- restricted expendable endowment funds of which trustees have the power to convert all or part into income.
- restricted funds whose investment or usage is subject to specific restriction imposed by sponsors or donors.
- designated funds which have been set aside at the discretion of the Trustees for specific purposes.
- general funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the BM.

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 16.

*(q) Transition to FRS 102*

The Group has adopted the SORP and FRS 102 for the first time in preparing these financial statements. This transition has resulted in the following changes to accounting policy:

**Change 1: Defined Benefit Pension Scheme measurement**

FRS 17 recognised, in net income and expenditure, the expected return on scheme assets and the interest cost associated with the unwinding of the discount on scheme liabilities. By contrast, FRS 102 recognises net interest determined by multiplying the net defined benefit liability by the discount rate.

**Change 2: Annual leave accrual**

FRS 102 and the SORP require an accrual for the value of paid annual leave carried forward by employees at year end. Under previous accounting standards, the Group was not subject to such a requirement.

**Change 3: Fixed asset investments**

The SORP requires investment gains and losses, whether realised or unrealised, to be combined and shown in the heading 'Net gains/(losses) on investments' in the SOFA. Under SORP 2005, investment gains and losses were presented after 'Net incoming/outgoing resources' and 'Transfers between funds' in the SOFA.

**Change 4: Income**

The SORP requires that income is recognised when its receipt is probable whereas the equivalent criterion under SORP 2005 was virtually certain.

The comparative figures in these financial statements have been restated to reflect these changes. The financial position and financial performance previously reported are reconciled to the restated figures below.

**Impact of transition on total funds at 1 April 2014:**

	Total funds at 1 April 2014 as previously reported	Change 1	Change 2	Change 3	Change 4	Total funds at 1 April 2014 as restated
	£000s	£000s	£000s	£000s	£000s	£000s
Group	679,329	–	(429)	–	–	678,900
Museum	673,804	–	(378)	–	–	673,426

**Impact of transition on total funds at 31 March 2015:**

	Total funds at 31 March 2015 as previously reported	Changes from 1 April 2014	Change 1	Change 2	Change 3	Change 4	Total funds at 31 March 2015 as restated
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Group	711,969	(429)	–	9	–	1,015	712,564
Museum	706,254	(378)	–	(1)	–	1,015	706,890



**Impact of transition on net income for 2014/15:**

	Consolidated SOFA for the year ended 31 March 2015 as previously reported	Change 1	Change 2	Change 3	Change 4	Consolidated SOFA for the year ended 31 March 2015 as restated
	£000s	£000s	£000s	£000s	£000s	£000s
<b>Net income/ (expenditure)</b>	13,554	(262)	9	2,156	1,015	16,472
Gains/(losses) on investments	2,156	-	-	(2,156)	-	-
Gains on revaluation of fixed assets	20,653	-	-	-	-	20,653
Actuarial (losses)/ gains on defined benefit pension scheme	(3,723)	262	-	-	-	(3,461)
<b>Net movement in funds</b>	<u>32,640</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>1,015</u>	<u>33,664</u>

**2. GRANT-IN-AID**

	<b>2016</b>	2015
	<b>£000s</b>	£000s
Unrestricted revenue	<b>38,690</b>	38,967
Restricted revenue	<b>475</b>	1,256
Restricted capital	<b>2,603</b>	2,992
	<u><b>41,768</b></u>	<u>43,215</u>

**3. ANALYSIS OF INCOME AND ENDOWMENTS FROM CHARITABLE ACTIVITIES**

	<b>2016</b>	2015
	<b>£000s</b>	£000s
Care, research and conservation	<b>1,965</b>	5,090
Public access and events	<b>977</b>	374
Charitable trading	<b>16,284</b>	18,208
	<u><b>19,226</b></u>	<u>23,672</u>

Care, research and conservation includes research grants and grants for acquisitions. Public access and events income arises from sales of guides, lectures and recovery of costs relating to loans of the collection and includes grants for programmes to promote and assist access. Charitable trading includes admission fees, sponsorship of the exhibition programme and membership fees.

EU funding of £553k is included in income in the current year. EU funding of £3,925k was included in the prior year.

**4. INCOME FROM INVESTMENTS**

	<b>2016</b>	2015
	<b>£000s</b>	£000s
Income from UK bank deposits	<b>75</b>	99
Income from UK fixed interest investments	<b>126</b>	379
Income from UK investment funds	<b>436</b>	326
Income from overseas investment funds	–	9
Other interest receipts	<b>2</b>	–
	<b>639</b>	813
Rents receivable	<b>43</b>	60
	<b>682</b>	873

**5. NET INCOME/(EXPENDITURE) BEFORE TRANSFERS**

is stated after charging:	<b>2016</b>	2015
	<b>£000s</b>	£000s
Auditors' remuneration: Comptroller and Auditor General audit fee	<b>56</b>	53
Auditors' remuneration: Subsidiary companies audit fee	<b>54</b>	48
Operating lease rentals: Hire of plant and machinery	<b>37</b>	11
Operating lease rentals: Land and buildings	<b>104</b>	158
Loss on disposal of fixed assets	<b>792</b>	175
Movement on bad debt provision	<b>70</b>	33

There were no non-audit services provided by the Comptroller and Auditor General during 2015/16 (2014/15: nil).

**6. ANALYSIS OF EXPENDITURE**

6(a)	Direct Costs £000s	Grants £000s	Depreciation & Amortisation £000s	Support Costs £000s	<b>Total 2016 £000s</b>
Raising donations and legacies	1,104	–	18	128	<b>1,250</b>
Other trading activities	11,496	–	–	563	<b>12,059</b>
Investment management costs	25	–	–	–	<b>25</b>
Care, research and conservation	30,370	15,052	6,504	2,913	<b>54,839</b>
Public access and events	16,281	137	4,961	1,314	<b>22,693</b>
Charitable trading	8,778	–	627	344	<b>9,749</b>
Charitable activities	<u>55,429</u>	<u>15,189</u>	<u>12,092</u>	<u>4,571</u>	<b>87,281</b>
Total expenditure	<u>68,054</u>	<u>15,189</u>	<u>12,110</u>	<u>5,262</u>	<b>100,615</b>
	Direct Costs £000s	Grants £000s	Depreciation & Amortisation £000s	Support Costs £000s	<b>Total 2015 £000s Restated</b>
Raising donations and legacies	979	–	18	151	<b>1,148</b>
Other trading activities	11,544	–	–	627	<b>12,171</b>
Investment management costs	44	–	–	1	<b>45</b>
Care, research and conservation	35,957	13,606	6,427	3,341	<b>59,331</b>
Public access and events	14,104	163	4,723	1,254	<b>20,244</b>
Charitable trading	10,627	–	735	556	<b>11,918</b>
Charitable activities	<u>60,688</u>	<u>13,769</u>	<u>11,885</u>	<u>5,151</u>	<b>91,493</b>
Total expenditure	<u>73,255</u>	<u>13,769</u>	<u>11,903</u>	<u>5,930</u>	<b>104,857</b>

Of the total grants of £15.2m (2014/15: £13.8m), £14.9m (2014/15: £13.5m) were made to institutions and £0.3m were made to individuals (2014/15: £0.3m).

The main elements of the grant figure are as follows:

- Grants totalling £13.5m (2014/15: £12m) to the British Museum Trust Limited, restricted for furtherance of the British Museum's charitable objectives;
- Grants of £1m (2014/15: £1m) under the Portable Antiquities Scheme. The scheme is the only proactive mechanism in England and Wales for recording archaeological finds made by the public. The grants are made to local authorities to support the work of Find Liaison Officers. Details of these grants are obtainable from the Portable Antiquities Scheme administrator at the British Museum;
- Grants of £0.2m (2014/15: £0) to the British Library, Victoria and Albert Museum and the Tate for the China-UK Partnership; and
- Grants of £0.1m (2014/15: £0.2m) from restricted funding as part of research in the field of bioarchaeology.

Costs of the BM and the BMGC that cannot be directly attributed to one of the BM's objectives are allocated to activities on a basis consistent with the use of resources. Finance costs, including irrecoverable VAT, and governance costs are allocated using the proportion of direct expenditure spent on each of the objectives. Human resources and legal services costs are allocated based on staff numbers. Information Systems costs are allocated using staff numbers adjusted for non-computer based roles. Support costs related to grant-making activities are considered minimal and hence no support costs have been included in the grant figure. Depreciation and amortisation have been allocated according to the proportion of space occupied by each activity.

6(b) Support costs	Finance Information		Human	Legal Governance		2016
	Services	Services	Resources	Services	Costs	Total
	£000s	£000s	£000s	£000s	£000s	£000s
Care, research and conservation	747	1,244	612	132	178	<b>2,913</b>
Public access and events	408	302	416	90	98	<b>1,314</b>
Charitable trading	92	132	65	14	41	<b>344</b>
Charitable activities	1,247	1,678	1,093	236	317	<b>4,571</b>
Raising donations and legacies	23	63	31	6	5	<b>128</b>
Other trading activities	101	256	126	27	53	<b>563</b>
Investment management costs	-	-	-	-	-	-
	<b>1,371</b>	<b>1,997</b>	<b>1,250</b>	<b>269</b>	<b>375</b>	<b>5,262</b>
	Finance Information		Human	Legal Governance		2015
	Services	Services	Resources	Services	Costs	Total
	£000s	£000s	£000s	£000s	£000s	£000s
						<b>Restated</b>
Care, research and conservation	796	1,385	848	106	206	<b>3,341</b>
Public access and events	290	214	600	76	74	<b>1,254</b>
Charitable trading	244	147	90	11	64	<b>556</b>
Charitable activities	1,330	1,746	1,538	193	344	<b>5,151</b>
Raising donations and legacies	21	74	45	6	5	<b>151</b>
Other trading activities	124	258	159	20	66	<b>627</b>
Investment management costs	1	-	-	-	-	<b>1</b>
	<b>1,476</b>	<b>2,078</b>	<b>1,742</b>	<b>219</b>	<b>415</b>	<b>5,930</b>
6(c) Governance costs					<b>2016</b>	2015
					<b>£000s</b>	£000s
Staff costs					<b>123</b>	152
British Museum auditor's remuneration					<b>56</b>	53
Subsidiary charities auditors' remuneration					<b>54</b>	48
Professional services					<b>5</b>	5
Internal audit costs					<b>89</b>	84
Cost of meetings					<b>42</b>	72
Reimbursement of trustee expenses					<b>6</b>	1
					<b>375</b>	415
6(d) Staff costs					<b>2016</b>	2015
					<b>£000s</b>	£000s
						Restated
Wages and salaries					<b>28,542</b>	28,661
Social security costs					<b>2,232</b>	2,227
Pension costs (note 20)					<b>5,405</b>	4,869
Agency staff costs					<b>3,362</b>	2,558
Early retirement and redundancy costs					<b>78</b>	423
					<b>39,619</b>	38,738

In addition to the total above, £259k (2014/15: £211k) of staff costs has been capitalised.

There was no expenditure on consultancy during 2015/16 (2014/15: nil).

The number of employees whose full time equivalent emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	<b>2016</b>	2015
£60,001 – £70,000	<b>16</b>	21
£70,001 – £80,000	<b>6</b>	6
£80,001 – £90,000	<b>1</b>	3
£90,001 – £100,000	<b>1</b>	–
£100,001 – £110,000	<b>1</b>	2
£110,001 – £120,000	<b>1</b>	1
£120,001 – £130,000	<b>1</b>	–
£130,001 – £140,000	<b>1</b>	1
£180,001 – £190,000	–	1
£190,001 – £200,000	<b>1</b>	–

23 staff (2014/15: 28) whose emoluments amounted to more than £60,000 in the year are members of a defined benefit scheme and 5 staff (2014/15: 6) are members of a defined contributions scheme. Contributions of £33k (2014/15: £40k) were paid on behalf of the members of the defined contribution scheme.

6(e) The average number of full time equivalent employees, analysed by function was:

2016	Agency and contract		Total
	Staff	staff	
Care, research and conservation	419	9	428
Public access and events	290	97	387
Charitable trading	75	15	90
Raising donations and legacies	22	2	24
Other trading activities	127	8	135
	<u>933</u>	<u>131</u>	<u>1,064</u>

  

2015	Agency and contract		Total
	Staff	staff	
Care, research and conservation	415	16	431
Public access and events	296	73	369
Charitable trading	85	17	102
Raising donations and legacies	25	2	27
Other trading activities	120	10	130
	<u>941</u>	<u>118</u>	<u>1,059</u>

The average head count during the year excluding agency and contract staff was 1,064 (2014/15: 1,076).

6(f) Reporting of Civil Service and other compensation schemes – exit packages

The number of exit packages agreed during the year are shown by cost band in the table below:

Exit package cost band (£)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages for 2015/16	Total number of exit packages for 2014/15
0 – 24,999	1	5	6	14
25,000 – 49,999	–	–	–	5
50,000 – 74,999	–	–	–	1
75,000 – 99,999	–	–	–	2
Total	<u>1</u>	<u>5</u>	<u>6</u>	<u>22</u>
Total cost (£000)	<u>15</u>	<u>63</u>	<u>78</u>	<u>530</u>

Where applicable, redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Where the BM has agreed early retirements under the Civil Service Compensation Scheme, the additional costs are met by the BM and not by the Civil Service Pension Scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

#### 6(g) Trustees:

None of the trustees have been paid any remuneration or received any other benefits during 2015/16 (2014/15: £nil). All Trustees are entitled to be reimbursed for reasonable travel and subsistence expenses incurred in the performance of their duties. In 2015/16, travel and subsistence expenses of £51k (2014/15: £73k) were paid, including £6k (2014/15: £1k) reimbursed to 4 Trustees (2014/15: 3) and £45k (2014/15: £72k) paid directly to third parties. The amount of expenses waived by trustees was not material in 2015/16 and 2014/15.

#### 6(h) Off-payroll engagements

Following the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012 and implemented on 23 August 2012, departments and their arm's length bodies must publish information on their highly paid and/or senior off-payroll engagements.

#### a For all off-payroll engagements as of 31 March 2016, for more than £220 per day and that last for longer than six months:

No. that have existed for less than one year at time of reporting	1
No. that have existed for between one and two years at time of reporting	–
No. that have existed for between two and three years at time of reporting	2
	<u>3</u>

Each year, the BM ensures that assurance regarding the income tax and NICS obligations of off-payroll appointees has been received for all those engaged with more than six months of elapsed service as at 23 August; the anniversary of the date of implementation of this government requirement.

#### b For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2015 and 31 March 2016, for more than £220 per day and that last for longer than six months:

No. of new engagements, or those reaching 6 months in duration, during the period	1
No. of the above which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligations	1
No. for whom assurance has been requested	–
Of which:	
No. for whom assurance has been received	–
No. for whom assurance has not been received	–
No. that have been terminated as a result of assurance not being received	–

#### c For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2015 and 31 March 2016:

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	–
No. of individuals that have been deemed board members, and/or, senior officials with significant financial responsibility, during the financial year	28

**7. TANGIBLE FIXED ASSETS**

## 7(a) Group tangible fixed assets

	Land £000s	Buildings £000s	Assets in the Course of Construction £000s	Galleries £000s	Plant and Machinery £000s	Equipment £000s	Total £000s
<b>Current Cost</b>							
At 1 April 2015	141,879	314,534	4,367	31,143	95,781	12,446	<b>600,150</b>
Additions during the year	–	964	6,315	70	1,490	242	<b>9,081</b>
Disposals during the year	–	(90)	(154)	–	(308)	(756)	<b>(1,308)</b>
Transfer from assets under construction	–	68	(5,720)	4,184	1,297	171	–
Transfer to intangible fixed assets	–	–	(566)	–	–	–	<b>(566)</b>
Transfer from investment properties	1,542	268	–	–	40	–	<b>1,850</b>
Revaluation adjustment	15,360	68,290	–	–	19,987	–	<b>103,637</b>
At 31 March 2016	158,781	384,034	4,242	35,397	118,287	12,103	<b>712,844</b>
<b>Depreciation</b>							
At 1 April 2015	–	–	–	(17,309)	–	(7,741)	<b>(25,050)</b>
Disposals during the year	–	–	–	–	–	516	<b>516</b>
Provided during the year	–	(3,701)	–	(1,599)	(5,331)	(1,306)	<b>(11,937)</b>
Revaluation adjustment	–	3,701	–	–	5,331	–	<b>9,032</b>
At 31 March 2016	–	–	–	(18,908)	–	(8,531)	<b>(27,439)</b>
<b>Net Book Value</b>							
<b>At 31 March 2016</b>	<b>158,781</b>	<b>384,034</b>	<b>4,242</b>	<b>16,489</b>	<b>118,287</b>	<b>3,572</b>	<b>685,405</b>
At 31 March 2015	141,879	314,534	4,367	13,834	95,781	4,705	<b>575,100</b>

## 7(b) Museum tangible fixed assets

	Land £000s	Buildings £000s	Assets in the Course of Construction £000s	Galleries £000s	Plant and Machinery £000s	Equipment £000s	Total £000s
<b>Current Cost</b>							
At 1 April 2015	141,879	314,534	4,367	31,143	95,781	8,692	<b>596,396</b>
Additions during the year	–	964	6,315	70	1,490	112	<b>8,951</b>
Disposals during the year	–	(90)	(154)	–	(308)	(753)	<b>(1,305)</b>
Transfer from assets under construction	–	68	(5,720)	4,184	1,297	171	–
Transfer to intangible fixed assets	–	–	(566)	–	–	–	<b>(566)</b>
Transfer from investment properties	1,542	268	–	–	40	–	<b>1,850</b>
Revaluation adjustment	15,360	68,290	–	–	19,987	–	<b>103,637</b>
At 31 March 2016	158,781	384,034	4,242	35,397	118,287	8,222	<b>708,963</b>
<b>Depreciation</b>							
At 1 April 2015	–	–	–	(17,309)	–	(5,164)	<b>(22,473)</b>
Disposals during the year	–	–	–	–	–	513	<b>513</b>
Provided during the year	–	(3,701)	–	(1,599)	(5,331)	(838)	<b>(11,469)</b>
Revaluation adjustment	–	3,701	–	–	5,331	–	<b>9,032</b>
At 31 March 2016	–	–	–	(18,908)	–	(5,489)	<b>(24,397)</b>
<b>Net Book Value</b>							
<b>At 31 March 2016</b>	<b>158,781</b>	<b>384,034</b>	<b>4,242</b>	<b>16,489</b>	<b>118,287</b>	<b>2,733</b>	<b>684,566</b>
At 31 March 2015	141,879	314,534	4,367	13,834	95,781	3,528	<b>573,923</b>

For asset valuation purposes, buildings and their fit-out are treated as one category.

7(c) A full valuation of the BM's land, buildings and plant and machinery was carried out by Gerald Eve on 31 March 2014. The valuations included the main BM site at Great Russell Street, its perimeter buildings, the WCEC building, two properties used for storage at Orsman Road and Blythe House. The British Museum owns the freehold on all land and buildings apart from Blythe House.

An interim desktop valuation has been obtained to update the values of land, buildings and plant and machinery. The valuation used the depreciated replacement cost method which, due to building cost inflation reported for the financial year, has led to a larger revaluation at year end than that seen in recent years.

Blythe House is occupied by the British Museum, the Science Museum and the Victoria and Albert Museum on a shared basis with the rights and obligations of ownership accruing to the occupants. Because of this, Gerald Eve only valued the space occupied by the British Museum and it is this value which is included in the BM's balance sheet. The value of Blythe House land and buildings is £2,081k (2014/15: £1,850k) and £3,661k (2014/15: £3,480k) respectively.

The historic cost of the land and buildings and certain plant and machinery is not known.

## 8. INTANGIBLE FIXED ASSETS

Group and Museum intangible fixed assets

	Software Licences £000s	Websites £000s	Developed Software £000s	Assets in the Course of Construction £000s	<b>Total £000s</b>
<b>Current Cost</b>					
At 1 April 2015	–	–	–	–	–
Additions during the year	176	30	216	325	<b>747</b>
Disposals during the year	–	–	–	–	–
Transfer from tangible fixed assets	–	–	–	566	<b>566</b>
At 31 March 2016	176	30	216	891	<b>1,313</b>
<b>Amortisation</b>					
At 1 April 2015	–	–	–	–	–
Disposals during the year	–	–	–	–	–
Provided during the year	(63)	(6)	(104)	–	<b>(173)</b>
At 31 March 2016	(63)	(6)	(104)	–	<b>(173)</b>
<b>Net Book Value</b>					
<b>At 31 March 2016</b>	<b>113</b>	<b>24</b>	<b>112</b>	<b>891</b>	<b>1,140</b>
At 31 March 2015	–	–	–	–	–

Intangible fixed assets have not previously been reported separately as their value was not significant. Expenditure in this area is expected to increase and therefore a separate asset note has now been included. Historic expenditure on some in-use intangible assets, for example the main British Museum website, has not been reclassified. These assets are insignificant in value.

## 9. HERITAGE ASSETS – GROUP AND MUSEUM

9(a) Nature and scale of the collection

The British Museum is a universal museum holding an encyclopaedic collection of material from across the world and all periods of human culture and history. Although the collection is sometimes estimated to contain about eight million objects, the question of what constitutes a single object often does not have a definitive answer: for example, a pack of playing cards could be considered to be a single object or a collection of individual objects.

The BM records its collection on a database that includes a description of the objects and often image, age, location and other information. Currently, more than 3.5 million objects are available to review online at: [http://www.britishmuseum.org/research/search\\_the\\_collection\\_database.aspx](http://www.britishmuseum.org/research/search_the_collection_database.aspx). The BM continues to enhance the database to expand the information recorded on each asset, add objects not yet included and improve the functionality of the database.



The collection is a truly global one, and its great strength is the way it records the interrelated histories of humanity as a whole. To that extent, any attempt to break the collection into categories is necessarily reductive. However, for illustrative purposes, the following table gives information about the collection by BM department:

Africa, Oceania & the Americas	This department holds a wide range of historical, archaeological, ethnographic and contemporary collections from the peoples of Africa, Australia and the Pacific, and the whole of the Americas. It also has important pictorial collections, including photographs, drawings and prints, relating to these regions.
Ancient Egypt & Sudan	The collection illustrates every aspect of the cultures of the Nile Valley, from the Neolithic period (about 10,000 BC) until the late nineteenth century AD. Highlights include the important collection of the Book of the Dead, papyri, coffins, mummies and monumental sculptures such as the colossus of Rameses II. The Rosetta Stone, inscribed with hieroglyphics, demotic and Greek, provided the key to decipher hieroglyphs.
Asia	The collection includes material from a vast geographical area embracing all of East Asia, South Asia, Southeast Asia, and parts of Central Asia and covers a broad chronological range from humanity's earliest artefacts to contemporary times. The collections encompass archaeological materials, artworks, and objects that reflect daily life and social structure and issues. Among the many special highlights of the collection are Chinese antiquities, ceramics, and graphic arts; Japanese antiquities, graphic arts, and modern crafts; Korean ceramics and lacquer; Indian paintings and sculpture, and Indonesian shadow puppets.
Coins & Medals	The collection includes coinage from its origins in the seventh century BC to the present day and related material such as coin weights, tokens and money boxes, the national collection of paper money ranging from one of the first Chinese banknotes to the euro, and a world-class collection of commemorative art medals from the Italian Renaissance to the present.
Greece & Rome	This is one of the most comprehensive collections of antiquities from the Classical world which range in date from the beginning of the Greek Bronze Age (about 3200 BC) to the reign of the Roman emperor Constantine in the fourth century AD. The Cycladic, Minoan and Mycenaean cultures are represented and the Greek collection includes important sculpture from the Parthenon in Athens as well as elements of two of the Seven Wonders of the Ancient World: the Mausoleum at Halikarnassos and the Temple of Artemis at Ephesos. The collection also includes ancient jewellery and bronzes, Greek vases and Roman glass and silver.
Middle East	The collection includes a wide range of archaeological material, ancient and contemporary art from Mesopotamia (Iraq), Iran, the Levant (Syria, Jordan, Lebanon, Palestine and Israel), Anatolia and Urartu (Turkey and Armenia), Arabia and the Gulf, Central Asia and the Caucasus. Highlights of the collection include the Assyrian reliefs, treasures from the cemetery of Ur, the Oxus Treasure, Phoenician ivories from Nimrud, the Cyrus Cylinder and the library of cuneiform tablets from Nineveh.
Britain, Europe & Prehistory	This department is responsible for collections that cover a vast expanse of time from human tools in Africa and Asia two million years ago to the art and archaeology of Europe from the earliest times to the present day including the history of Britain under the Roman occupation.
Prints & Drawings	This is the national collection of Western prints and drawings dating from the beginning of the fifteenth century to the present day. The collection covers the history of drawing and print making as fine arts with large holdings of the works of important artists such as Durer, Michelangelo, Rembrandt, Goya and Picasso, large documentary collections of historical, satirical and topographical prints and important collections of printed ephemera such as trade and visiting cards, fans and playing cards.

## 9(b) BM policies on acquisitions, preservation, management and disposal

### *Acquisition*

The BM is committed to sustaining and improving its collection for the benefit of its audience now and in the future. Acquisitions are made in accordance with the policy which can be found on the BM's website at: [http://www.britishmuseum.org/about\\_us/management/museum\\_governance.aspx](http://www.britishmuseum.org/about_us/management/museum_governance.aspx)

### *Preservation and Management*

The BM has dedicated Collection Services, Conservation and Scientific Research teams.

Collection Services provides advice and expertise on storage of the collection, coordinating loans and collection documentation. The storage aspect of the department's work involves implementing a rolling programme of improvements to storage of the collection and ensuring compliance with BM storage guidelines.

Conservation and Scientific Research teams work alongside other departments in the BM to care for and preserve the collection. As stated in the BM Conservation Policy, where possible the collections are preserved by reducing or halting deterioration and damage rather than through treatment and repair. That is preventive conservation methods are applied in preference to interventive conservation treatments.

Preventative conservation methods used by the BM include providing guidelines for the appropriate environmental conditions in which to store, handle, display, study and transport the collection, reducing the risk of damage to the collection by implementing a comprehensive integrated pest management programme operating across the entire BM estate, and having systems in place to monitor and measure the state of the collections and the environments and spaces in which they are stored or displayed.

When interventive conservation treatment is required the BM ensures that these are conducted by qualified conservators (or trainees under supervision) in accordance with international best practice and ethical guidelines. All treatments carried out on the collections are documented fully and the resultant records are available for study. Treatment methods are safe, stable and use tested materials that, where possible, do not compromise future conservation treatment or scientific examination.

The new World Conservation and Exhibitions Centre opened in 2014 provided state of the art conservation and storage facilities.

The BM has a statutory obligation to make the collection available to members of the public. Members of the public can view objects online using the BM database or request to inspect objects in person. Paper and/or digital records ensure that BM objects can be located.

When complete, the database will contain a record of every object in the BM collection with associated conservation and scientific reports. The current database is the result of 30 years work but it is still in its early stages. The database of more than 3.5 million objects can be found on the BM website at:

[http://www.britishmuseum.org/research/collection\\_online/search.aspx](http://www.britishmuseum.org/research/collection_online/search.aspx)

### *Disposal*

Objects vested in the Trustees as part of the collection of the BM cannot be disposed of by them except in circumstances allowed by the British Museum Act 1963. Therefore the Trustees' power to de-accession from the collection whether by sale, exchange, or gift (including response to any third party claim for restitution or repatriation) is limited and there is a strong legal presumption against this. The detail of the BM's policy on de-accession can be found on the BM's website at:

[http://www.britishmuseum.org/about\\_us/management/museum\\_governance.aspx](http://www.britishmuseum.org/about_us/management/museum_governance.aspx)

## 9(c) Heritage assets capitalised

As detailed in the accounting policy, heritage assets acquired before 1 April 2001 are not included on the balance sheet because information on value is not readily available and cannot be obtained at a cost commensurate with the benefits to users of the financial statements. Acquisitions since 1 April 2001 have been capitalised and are held at historic cost for purchased assets and valuation at the time of acquisition for donated assets. The table shows the details of additions for the current and previous four years.

	<b>2015/16 – £000s</b>		
	Donated	Purchased	<b>Total</b>
Opening balance	48,472	29,141	<b>77,613</b>
Additions	1,877	1,083	<b>2,960</b>
Closing balance	<u>50,349</u>	<u>30,224</u>	<b><u>80,573</u></b>
	<b>2014/15 – £000s</b>		
	Donated	Purchased	<b>Total</b>
Opening balance	45,443	26,104	<b>71,547</b>
Additions	3,029	3,037	<b>6,066</b>
Closing balance	<u>48,472</u>	<u>29,141</u>	<b><u>77,613</u></b>
	<b>2013/14 – £000s</b>		
	Donated	Purchased	<b>Total</b>
Opening balance	38,090	23,472	<b>61,562</b>
Additions	7,353	2,632	<b>9,985</b>
Closing balance	<u>45,443</u>	<u>26,104</u>	<b><u>71,547</u></b>
	<b>2012/13 – £000s</b>		
	Donated	Purchased	<b>Total</b>
Opening balance	31,147	22,378	<b>53,525</b>
Additions	6,943	1,094	<b>8,037</b>
Closing balance	<u>38,090</u>	<u>23,472</u>	<b><u>61,562</u></b>
	<b>2011/12 – £000s</b>		
	Donated	Purchased	<b>Total</b>
Opening balance	29,438	20,154	<b>49,592</b>
Additions	1,858	2,224	<b>4,082</b>
Adjustment*	(149)	–	<b>(149)</b>
Closing balance	<u>31,147</u>	<u>22,378</u>	<b><u>53,525</u></b>

\* During 2011/12 it was identified that certain collection items on loan to the British Museum were incorrectly capitalised. This was corrected in the adjustment line above.

## 10. INVESTMENTS

### 10(a) Fixed asset investments – Group and Museum

Investments comprised the following:

	<b>2016</b>	2015
	<b>£000s</b>	£000s
Investment assets in the UK:		
Investment funds	<b>75,555</b>	54,473
Fixed income	–	5,385
Investment assets outside the UK:		
Investment funds	<b>86</b>	109
Unlisted equities	<b>3,467</b>	3,637
Investment properties	<b>2,128</b>	3,416
	<b>81,236</b>	67,020
Investments at 1 April	<b>67,020</b>	52,813
Additions	<b>50,630</b>	37,038
Disposals	<b>(35,903)</b>	(24,938)
Transfer to tangible fixed assets	<b>(1,850)</b>	–
Gain in value	<b>1,339</b>	2,107
Investments at 31 March	<b>81,236</b>	67,020

All investments are stated at fair value at 31 March 2016. Valuations for investments with an active market are based on published quoted prices at or close to the balance sheet date. Valuations for investments where there is no active market have been estimated with reference to recent valuation reports.

The BM has entered into a long term commitment to invest a further \$0.9m (£0.6m) in unlisted equities outside the UK under subscription agreements with one investment manager.

The valuation of the BM's investment properties at open market value as at 31 March 2016 was carried out by chartered surveyors Montagu Evans. The valuation is in accordance with the RICS Appraisal and Valuation Manual.

Details of the BM's investment policy can be found in the investments and financial risks section in the Annual Report.

### 10(b) Current asset investments

	<b>Group</b>	Group	<b>Museum</b>	Museum
	<b>2016</b>	2015	<b>2016</b>	2015
	<b>Cost</b>	Cost	<b>Cost</b>	Cost
	<b>£000s</b>	£000s	<b>£000s</b>	£000s
Short term cash deposits	<b>6,706</b>	5,869	–	–

### 10(c) Cash at bank and in hand

	<b>Group</b>	Group	<b>Museum</b>	Museum
	<b>2016</b>	2015	<b>2016</b>	2015
	<b>£000s</b>	£000s	<b>£000s</b>	£000s
Balance with commercial banks and in hand	<b>9,613</b>	12,095	<b>3,555</b>	6,111

## 11. TRADING SUBSIDIARIES

11(a) The BM owns 100% of the issued share capital of BMCo. BMCo has capital consisting of 750,000 £1 shares all of which have been issued at par. BMCo owns the whole of the issued share capital of the British Museum Ventures Limited which consists of 1 million ordinary shares at £1 each.

The BM owns 100% of the issued share capital of the BMGC. The BMGC has an authorised share capital of 10 million ordinary shares at £1 each, 500,000 of which have been issued at par.

The British Museum Friends (BMF) is a registered charity and a company limited by guarantee. The Board of Trustees of the British Museum, as a body corporate, is the sole company law member of the BMF.

11(b) Summary of results of consolidated entities

	<b>BMF</b>	<b>BMCo</b>	<b>BMGC</b>	<b>BM Intercompany Transactions</b>		<b>Total</b>
	<b>2015/16</b>	<b>2015/16</b>	<b>2015/16</b>	<b>2015/16</b>	<b>2015/16</b>	<b>2015/16</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Income and endowments from</b>						
Grant-in-aid	–	–	–	41,768	–	<b>41,768</b>
Donations and legacies	189	–	–	42,982	(17,241)	<b>25,930</b>
Charitable activities	4,725	6,416	–	9,920	(1,835)	<b>19,226</b>
Other trading activities	–	8,445	16,325	–	(1,057)	<b>23,713</b>
Investments	8	52	45	577	–	<b>682</b>
	<u>4,922</u>	<u>14,913</u>	<u>16,370</u>	<u>95,247</u>	<u>(20,133)</u>	<u><b>111,319</b></u>
<b>Expenditure on</b>						
Raising donations and legacies	(17)	–	–	(1,233)	–	<b>(1,250)</b>
Other trading activities*	–	(5,992)	(5,630)	(437)	–	<b>(12,059)</b>
Investment management costs	–	–	–	(25)	–	<b>(25)</b>
Charitable activities	(1,310)	(4,907)	–	(84,022)	2,958	<b>(87,281)</b>
Contribution/grants to the BM	(3,335)	(3,100)	(10,740)	–	17,175	–
	<u>(4,662)</u>	<u>(13,999)</u>	<u>(16,370)</u>	<u>(85,717)</u>	<u>20,133</u>	<u><b>(100,615)</b></u>
Net gains on investments	–	–	–	1,339	–	<b>1,339</b>
<b>Net income</b>	<u>260</u>	<u>914</u>	<u>–</u>	<u>10,869</u>	<u>–</u>	<u><b>12,043</b></u>
Gains on revaluation of fixed assets	–	–	–	112,669	–	<b>112,669</b>
Actuarial losses on defined benefit scheme	–	(45)	–	–	–	<b>(45)</b>
Other gains	–	–	–	307	–	<b>307</b>
<b>Net movement in funds</b>	<u>260</u>	<u>869</u>	<u>–</u>	<u>123,845</u>	<u>–</u>	<u><b>124,974</b></u>

\* In the Consolidated Statement of Financial Activities, expenditure on other trading activities includes a corporation tax charge of £12k (2014/15: £10k) for BMGC. The profit for the year before taxation of BMGC is £12k (2014/15: £10k) and the profit after taxation is £nil (2014/15: £nil).

	<b>BMF</b>	<b>BMCo</b>	<b>BMGC</b>	<b>BM Intercompany Transactions</b>		<b>Total</b>
	<b>2014/15</b>	<b>2014/15</b>	<b>2014/15</b>	<b>2014/15</b>	<b>2014/15</b>	<b>2014/15</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
	<b>Restated</b>	<b>Restated</b>		<b>Restated</b>		<b>Restated</b>
<b>Income and endowments from</b>						
Grant-in-aid	–	–	–	43,215	–	<b>43,215</b>
Donations and legacies	–	–	–	42,035	(13,418)	<b>28,617</b>
Charitable activities	4,866	7,615	–	13,317	(2,126)	<b>23,672</b>
Other trading activities	62	8,175	15,596	–	(1,037)	<b>22,796</b>
Investments	8	50	37	778	–	<b>873</b>
	<u>4,936</u>	<u>15,840</u>	<u>15,633</u>	<u>99,345</u>	<u>(16,581)</u>	<u><b>119,173</b></u>
<b>Expenditure on</b>						
Raising donations and legacies	(21)	–	–	(1,127)	–	<b>(1,148)</b>
Other trading activities	–	(5,924)	(5,653)	(594)	–	<b>(12,171)</b>
Investment management costs	–	–	–	(45)	–	<b>(45)</b>
Charitable activities	(1,298)	(6,222)	–	(86,924)	2,951	<b>(91,493)</b>
Contribution/grants to the BM	(3,650)	–	(9,980)	–	13,630	–
	<u>(4,969)</u>	<u>(12,146)</u>	<u>(15,633)</u>	<u>(88,690)</u>	<u>16,581</u>	<u><b>(104,857)</b></u>
Net gains on investments	–	–	–	2,156	–	<b>2,156</b>
<b>Net (expenditure)/income</b>	<u>(33)</u>	<u>3,694</u>	<u>–</u>	<u>12,811</u>	<u>–</u>	<u><b>16,472</b></u>
Gains on revaluation of fixed assets	–	–	–	20,653	–	<b>20,653</b>
Actuarial losses on defined benefit scheme	–	(3,461)	–	–	–	<b>(3,461)</b>
Net movement in funds	<u>(33)</u>	<u>233</u>	<u>–</u>	<u>33,464</u>	<u>–</u>	<u><b>33,664</b></u>

Net income/(expenditure) of the BMF is stated after charging staff costs of £585k (2014/15: £484k) and depreciation of tangible fixed assets of £nil (2014/15: £nil). Net income/(expenditure) of the BMCo is stated after charging staff costs, including agency, of £2,587k (2014/15: £3,328k) and depreciation of tangible fixed assets of £422k (2014/15: £485k). Net income/(expenditure) of the BMGC is stated after charging staff costs of £nil (2014/15: £nil) and depreciation of tangible fixed assets of £46k (2014/15: £46k).

#### 11(c) Financial position of consolidated entities

Net assets at 31 March 2016 comprise:

	<b>BMF</b>	<b>BMCo</b>	<b>BMGC</b>	<b>BM</b>	<b>Intercompany Transactions</b>	<b>Total</b>
	<b>2015/16</b>	<b>2015/16</b>	<b>2015/16</b>	<b>2015/16</b>	<b>2015/16</b>	<b>2015/16</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Fixed assets	1	784	54	848,765	(1,250)	<b>848,354</b>
Current assets	2,509	14,633	23,251	39,861	(20,660)	<b>59,594</b>
Creditors due within one year	(551)	(1,296)	(22,557)	(56,377)	20,660	<b>(60,121)</b>
Creditors due after one year	(65)	(8,476)	(234)	(1,514)	–	<b>(10,289)</b>
Net assets	<u>1,894</u>	<u>5,645</u>	<u>514</u>	<u>830,735</u>	<u>(1,250)</u>	<u><b>837,538</b></u>

Net assets at 31 March 2015 comprise:

	<b>BMF</b>	<b>BMCo</b>	<b>BMGC</b>	<b>BM</b>	<b>Intercompany Transactions</b>	<b>Total</b>
	<b>2014/15</b>	<b>2014/15</b>	<b>2014/15</b>	<b>2014/15</b>	<b>2014/15</b>	<b>2014/15</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
	<b>Restated</b>	<b>Restated</b>		<b>Restated</b>		<b>Restated</b>
Fixed assets	1	1,076	100	719,806	(1,250)	<b>719,733</b>
Current assets	2,485	14,220	22,206	43,493	(20,018)	<b>62,386</b>
Creditors due within one year	(781)	(2,026)	(21,152)	(54,861)	20,079	<b>(58,741)</b>
Creditors due after one year	(71)	(8,494)	(640)	(1,548)	(61)	<b>(10,814)</b>
Net assets	<u>1,634</u>	<u>4,776</u>	<u>514</u>	<u>706,890</u>	<u>(1,250)</u>	<u><b>712,564</b></u>

The current assets of BMCo include £1,680k (2014/15: £2,033k) of stock which comprises £68k (2014/15: £48k) of work in progress and £1,612k (2014/15: £1,985k) of finished goods and goods for resale.

**12. DEBTORS**

	<b>Group 2016 £000s</b>	Group 2015 £000s Restated	<b>Museum 2016 £000s</b>	Museum 2015 £000s Restated
Amounts falling due within one year:				
Trade debtors	<b>16,188</b>	15,579	<b>1,024</b>	816
Other debtors	<b>1,982</b>	1,899	<b>504</b>	751
Prepayments and accrued income	<b>13,793</b>	23,613	<b>13,274</b>	22,678
Taxation and social security	<b>1,054</b>	1,298	<b>1,603</b>	1,646
Amount due from subsidiaries	–	–	<b>11,323</b>	11,491
	<b>33,017</b>	42,389	<b>27,728</b>	37,382

	<b>Group 2016 £000s</b>	Group 2015 £000s	<b>Museum 2016 £000s</b>	Museum 2015 £000s
Amounts falling due after more than one year:				
Accrued income	<b>8,578</b>	–	<b>8,578</b>	–

Accrued income falling due to the Group and the Museum after more than one year relates to income from grants and donations. This is recognised where a formal offer of funding has been communicated to the museum and terms and conditions have been met.

	<b>Group 2016 £000s</b>	Group 2015 £000s	<b>Museum 2016 £000s</b>	Museum 2015 £000s
Total debtors	<b>41,595</b>	42,389	<b>36,306</b>	37,382

**13. CREDITORS**

	<b>Group 2016 £000s</b>	Group 2015 £000s Restated	<b>Museum 2016 £000s</b>	Museum 2015 £000s Restated
Amounts falling due within one year:				
Trade creditors	<b>5,806</b>	4,631	<b>5,299</b>	4,172
Other creditors	<b>1,752</b>	2,090	<b>1,646</b>	1,993
Taxation and social security	<b>635</b>	825	<b>580</b>	815
Early retirement	<b>318</b>	334	<b>318</b>	334
Other provisions falling due within one year	<b>985</b>	974	<b>924</b>	974
Accruals	<b>16,747</b>	16,589	<b>16,302</b>	16,153
Deferred income	<b>33,878</b>	33,298	<b>22,554</b>	22,886
Amount due to subsidiaries	–	–	<b>8,754</b>	7,534
	<b>60,121</b>	58,741	<b>56,377</b>	54,861

	<b>Group 2016 £000s</b>	Group 2015 £000s	<b>Museum 2016 £000s</b>	Museum 2015 £000s
Amounts falling due after more than one year:				
Deferred income	<b>1,806</b>	2,214	<b>1,507</b>	1,503

The Group deferred income falling due after more than one year relates to sponsorship, loan fees and corporate partners, recognised over the term of the contracts, and life membership fees which are recognised over the expected length of the lifetime memberships. The Museum deferred income falling due after more than one year relates to sponsorship and loan fees, recognised over the term of the contract.

The movement on the deferred income account is as follows:

	<b>Group 2016 £000s</b>	Group 2015 £000s Restated	<b>Museum 2016 £000s</b>	Museum 2015 £000s Restated
Deferred income brought forward	<b>35,512</b>	33,014	<b>24,389</b>	24,715
Released in year	<b>(12,142)</b>	(9,525)	<b>(1,572)</b>	(1,630)
Deferred in year	<b>12,314</b>	12,023	<b>1,244</b>	1,304
Deferred income carried forward	<b>35,684</b>	35,512	<b>24,061</b>	24,389

#### 14. PROVISIONS AND CHARGES – GROUP AND MUSEUM

Early retirement and voluntary redundancy commitments at 31 March 2016 are as follows:

	<b>Group 2016 £000s</b>	Group 2015 £000s	<b>Museum 2016 £000s</b>	Museum 2015 £000s
Early retirement provision brought forward	<b>379</b>	460	<b>379</b>	460
Provision made in year	<b>4</b>	5	<b>4</b>	5
Payments in year	<b>(58)</b>	(86)	<b>(58)</b>	(86)
	<b>325</b>	379	<b>325</b>	379
Less current portion – included in creditors amounts falling due within one year	<b>(318)</b>	(334)	<b>(318)</b>	(334)
	<b>7</b>	45	<b>7</b>	45

This provision is for annual compensation payments to those employees who retire under an approved redundancy scheme aged 50 years or over for the period until they reach the normal retirement age of 60 years. £318k is payable in the next year and £7k is payable between 2017/18 and 2018/19.

Other provisions for liabilities and charges at 31 March 2016 are as follows:

	<b>Group 2016 £000s</b>	Group 2015 £000s	<b>Museum 2016 £000s</b>	Museum 2015 £000s
Other provisions brought forward	<b>1,035</b>	1,096	<b>974</b>	1,096
Arising during the year	<b>7</b>	71	<b>1</b>	10
Utilised during the year	<b>(14)</b>	(126)	<b>(9)</b>	(126)
Reversed unused	<b>(43)</b>	(6)	<b>(42)</b>	(6)
Other provisions carried forward	<b>985</b>	1,035	<b>924</b>	974
Less current portion – included in creditors amounts falling due within one year	<b>(985)</b>	(974)	<b>(924)</b>	(974)
	<b>-</b>	61	<b>-</b>	-
Total provision for liabilities and charges falling due after more than one year:	<b>7</b>	106	<b>7</b>	45

Of the six provisions included here, four relate to legal claims, one relates to the potential return of fund to the Paul Hamlyn Foundation (note 16(a)) and one relates to redundancy.



## 15. FINANCIAL COMMITMENTS

At 31 March 2016 the British Museum had annual commitments under operating leases as follows:

	Land and Buildings		Plant and Machinery	
	2016 £000s	2015 £000s	2016 £000s	2015 £000s
Leases which expire: within one year	104	104	93	11
in the second to fifth year	17	121	347	28
	<b>121</b>	<b>225</b>	<b>440</b>	<b>39</b>

## 16(a) STATEMENT OF FUNDS

SOFA Classification	At 1 April 2015	Income	Expenditure	Net movement on investments and revaluation	Movement during year	Transfers between funds	At 31 March 2016
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<i>Permanent endowment funds</i> PE	13,274	347	(7)	(208)	132	1,167	14,573
<i>Expendable endowment funds</i> EE	–	4,045	(95)	265	4,215	594	4,809
<i>Restricted funds</i>							
Collection acquisitions fund CA	77,613	1,877	–	–	1,877	1,083	80,573
Collection purchase fund RC	2,112	788	(55)	32	765	(717)	2,160
Fixed asset revaluation fund RC	369,578	–	–	112,669	112,669	1,850	484,097
Fixed asset fund RC	204,345	–	(12,434)	–	(12,434)	9,698	201,609
Estates proceeds RC	3,611	30	(2)	283	311	–	3,922
Construction projects fund RC	19	16,175	(716)	228	15,687	(9,217)	6,489
Restricted income trust funds RR	3,519	7	(85)	30	(48)	(1,877)	1,594
Restricted income funds RR	20,253	5,126	(6,048)	161	(761)	(325)	19,167
British Museum Company RR	–	36	(36)	–	–	–	–
British Museum Friends RR	–	135	–	–	135	(135)	–
	<b>681,050</b>	<b>24,174</b>	<b>(19,376)</b>	<b>113,403</b>	<b>118,201</b>	<b>360</b>	<b>799,611</b>
<i>Unrestricted funds: BM</i>							
<i>Designated:</i>							
WCEC UC	–	–	(993)	–	(993)	993	–
Designated trust funds UR	486	3	(36)	(1)	(34)	–	452
	<b>486</b>	<b>3</b>	<b>(1,029)</b>	<b>(1)</b>	<b>(1,027)</b>	<b>993</b>	<b>452</b>
<i>General:</i>							
Investment estate UC	3,416	–	–	562	562	(1,850)	2,128
Unrestricted trust funds UR	8,296	131	(5)	(26)	100	–	8,396
General funds UR	368	48,051	(63,869)	320	(15,498)	15,896	766
	<b>12,080</b>	<b>48,182</b>	<b>(63,874)</b>	<b>856</b>	<b>(14,836)</b>	<b>14,046</b>	<b>11,290</b>
<i>Unrestricted funds: subsidiaries</i>							
BMCo UR	2,950	14,472	(9,897)	(45)	4,530	(3,369)	4,111
BMCo fixed assets UC	1,076	–	–	–	–	(292)	784
BMF UR	1,633	4,743	(747)	–	3,996	(3,736)	1,893
BMF fixed assets UC	1	–	–	–	–	–	1
BMGC UR	(86)	15,353	(5,590)	–	9,763	(9,717)	(40)
BMGC fixed assets UC	100	–	–	–	–	(46)	54
	<b>5,674</b>	<b>34,568</b>	<b>(16,234)</b>	<b>(45)</b>	<b>18,289</b>	<b>(17,160)</b>	<b>6,803</b>
<i>Unrestricted funds: group</i>	<b>18,240</b>	<b>82,753</b>	<b>(81,137)</b>	<b>810</b>	<b>2,426</b>	<b>(2,121)</b>	<b>18,545</b>
<b>Total funds</b>	<b>712,564</b>	<b>111,319</b>	<b>(100,615)</b>	<b>114,270</b>	<b>124,974</b>	<b>–</b>	<b>837,538</b>

SOFA Classification	At 1 April 2014	Income	Expenditure	Net movement on investments and revaluation	Movement during year	Transfers between funds	At 31 March 2015
	£000s	£000s	£000s	£000s	£000s	£000s	£000s Restated
<i>Permanent endowment funds</i>	PE	12,140	–	(315)	1,475	1,160	13,274
<i>Restricted funds</i>							
Collection acquisitions fund	CA	71,547	3,029	–	–	3,029	77,613
Collection purchase fund	RC	2,605	2,130	(234)	59	1,955	2,112
Fixed asset revaluation fund	RC	348,925	–	–	20,653	20,653	369,578
Fixed asset fund	RC	208,268	–	(11,544)	–	(11,544)	204,345
Estates proceeds	RC	3,518	2	(1)	92	93	3,611
Construction projects fund	RC	(11,874)	20,054	(1,516)	171	18,709	19
Restricted income trust funds	RR	3,486	317	(101)	117	333	3,519
Restricted income funds	RR	16,224	10,176	(6,306)	263	4,133	20,253
British Museum Company	RR	–	150	(150)	–	–	–
British Museum Friends	RR	–	50	–	–	50	–
		<b>642,699</b>	<b>35,908</b>	<b>(19,852)</b>	<b>21,355</b>	<b>37,411</b>	<b>681,050</b>
<i>Unrestricted funds: BM</i>							
<i>Designated:</i>							
WCEC	UC	–	–	(4,742)	–	(4,742)	–
Designated trust funds	UR	519	7	(32)	(3)	(28)	486
		<b>519</b>	<b>7</b>	<b>(4,774)</b>	<b>(3)</b>	<b>(4,770)</b>	<b>486</b>
<i>General:</i>							
Investment estate	UC	3,260	–	–	156	156	3,416
Unrestricted trust funds	UR	8,157	195	(7)	(49)	139	8,296
General funds	UR	6,651	48,248	(62,565)	(124)	(14,441)	368
		<b>18,068</b>	<b>48,443</b>	<b>(62,572)</b>	<b>(17)</b>	<b>(14,146)</b>	<b>12,080</b>
<i>Unrestricted funds: subsidiaries</i>							
BMCo	UR	2,467	15,316	(10,825)	(3,462)	1,029	2,950
BMCo fixed assets	UC	1,326	–	–	–	–	1,076
BMF	UR	1,666	4,840	(866)	–	3,974	1,633
BMF fixed assets	UC	1	–	–	–	–	1
BMGC	UR	(124)	14,659	(5,653)	–	9,006	(86)
BMGC fixed assets	UC	138	–	–	–	–	100
		<b>5,474</b>	<b>34,815</b>	<b>(17,344)</b>	<b>(3,462)</b>	<b>14,009</b>	<b>5,674</b>
<i>Unrestricted funds: group</i>		<b>24,061</b>	<b>83,265</b>	<b>(84,690)</b>	<b>(3,482)</b>	<b>(4,907)</b>	<b>18,240</b>
<b>Total funds</b>		<b>678,900</b>	<b>119,173</b>	<b>(104,857)</b>	<b>19,348</b>	<b>33,664</b>	<b>712,564</b>

Each fund is categorised in the SOFA as a permanent endowment (PE), expendable endowment (EE), collection acquisition (CA), restricted revenue (RR), restricted capital (RC), unrestricted capital (UC) or unrestricted revenue fund (UR).

The British Museum Co Ltd reserve includes a liability on a defined benefit pension scheme of £8.5m (2014/15 £8.5m), see note 20 for further details.

	<b>2016</b>	2015
	<b>£000s</b>	£000s
Investments at fair value	<b>81,236</b>	67,020
Investments at historic cost	<b>75,213</b>	60,778
Fair value reserve	<b>6,023</b>	6,242

The investment properties of fair value of £2,128k (2014/15: £3,416k) were acquired in the nineteenth century and have been included at a zero historic cost.

**Analysis of group net assets between funds**

	Permanent Endowments £000s	Expendable Endowments £000s	Restricted Funds £000s	Unrestricted Funds £000s	<b>Total 2016 £000s</b>	Total 2015 £000s Restated
Fund balances at 31 March 2016 are represented by:						
Tangible fixed assets	–	–	684,566	839	<b>685,405</b>	575,100
Intangible fixed assets	–	–	1,140	–	<b>1,140</b>	–
Heritage assets	–	–	80,573	–	<b>80,573</b>	77,613
Fixed asset investments	14,529	4,856	31,020	30,831	<b>81,236</b>	67,020
Net current (liabilities) / assets	44	(47)	2,312	(2,836)	<b>(527)</b>	3,645
Early retirement and other provision	–	–	–	(7)	<b>(7)</b>	(106)
Creditors: amounts falling due after more than one year	–	–	–	(1,806)	<b>(1,806)</b>	(2,214)
Liability on defined benefit pension scheme	–	–	–	(8,476)	<b>(8,476)</b>	(8,494)
<b>Total net assets</b>	<b>14,573</b>	<b>4,809</b>	<b>799,611</b>	<b>18,545</b>	<b>837,538</b>	<b>712,564</b>

The Trustees consider that sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restriction imposed.

**Permanent endowment funds**

These consist of funds for which the income alone can be used for the following purposes:

<i>Brooke-Sewell Permanent</i>	for the purchase of oriental antiquities and works of art
<i>King's Library Endowment</i>	sponsoring the post of curator of the King's Library
<i>Japanese Cultural Exchange</i>	for travel by scholars and conservators from the BM and Japan
<i>Sackler Scholar Prog. for Egypto-Nubian Studies</i>	for post graduate research in the Department of Ancient Egypt & Sudan
<i>Sackler Scholar Prog. for Ancient Iranian Studies</i>	for post graduate research in the Department of the Middle East
<i>Hill</i>	for the purchase of coins and medals
<i>Governor James Albert Noe and Anna Gray Noe Fellowships</i>	for the encouragement and stimulation of education and study in, and creative and analytical thinking and discussion concerning the Religious Traditions of the Middle East. During the financial year, the balance was transferred to the Linda Noe Laine Foundation.
<i>Lukonin Memorial Lecture</i>	a series of lectures or seminars on ancient Iranian and Near Eastern studies
<i>Dingwall-Beloe Lecture</i>	to sponsor an annual lecture in horology
<i>Florence</i>	for general purposes
<i>Sackler Lecture in Egyptology</i>	for an annual lecture in Egyptology and associated costs
<i>Fuller</i>	for field work by the Department of Africa, Oceania & Americas
<i>Birch</i>	for the salaries of three under-librarians

### Expendable endowment funds

Expendable endowment funds are donations that have been given to the BM to be held as capital, where the trustees have a discretionary power to use the funds as income for these purposes:

<i>Michael Bromberg Fellowship</i>	for the promotion of education by the study of prints and their history
<i>Monument Trust</i>	to support the department of Prints and Drawings by endowing the Keeper's role and funding a series of curators and fellows
<i>Rootstein-Hopkins</i>	for the acquisition of the works of qualifying artists in the fields of drawing and printmaking. During the year the Trustees approved a resolution to change the terms of the application of the trust.

### Restricted funds

A significant proportion of these funds represents the capitalised value of restricted and inalienable fixed assets (both tangible and intangible), including collection items which have been acquired since 1 April 2001.

*Restricted income trust funds:* these consist of a number of funds where the donors have specified the uses to which they may be put or have placed certain restrictions on the use of capital:

<i>Hamlyn Gift</i>	for maintaining and equipping a reference library at the British Museum. The Paul Hamlyn reference library was closed in 2011 and the British Museum is in discussion with the Paul Hamlyn Foundation about the future of the library and the associated fund. In the meantime, a provision has been made in the accounts for the potential return of the funds to the Paul Hamlyn Foundation
<i>Sharp</i>	for the purchase of books concerned with ancient Greece or Rome
<i>Sir Joseph Hotung Charitable Settlement – Asia</i>	to support research by the Department of Asia
<i>Hamlyn Bequest</i>	in furtherance of the study of the natural sciences
<i>Oppenheimer</i>	for the Department of Prints & Drawings
<i>Lloyd Bequest</i>	to acquire cabinets or other suitable accommodation for prints and drawings
<i>Romenuk Bequest</i>	for the purchase of 14/15th century Hebrew manuscripts or Flemish Art
<i>Dennis</i>	for the general purposes of the Department of Africa, Oceania & the Americas
<i>Duthrie Bequest</i>	to be used for acquisitions and/or maintenance
<i>Christy</i>	for purchases for Departments of Prehistory & Europe and Africa, Oceania & the Americas
<i>Woodward</i>	for the purchase of further English pottery and porcelain
<i>Ready Bequest</i>	for the purchase of Greek and Roman antiquities

### Unrestricted designated funds

These are unrestricted funds which the Trustees have set aside for a specific purpose.

*Designated Trust Funds:* these are funds from which income or capital may be spent and the Trustees designated how they wished them to be used:

<i>B.M. Publications Donations</i>	for BM publications. Based on historic spending patterns, the donations will be spent in the next ten to fifteen years.
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**Unrestricted general funds**

*Investment estate:* this represents the value of investment properties.

*Unrestricted Trust Funds:* these are funds which were donated simply for the general purposes of the BM: *Smith, Reddan, Shaw, Vallentin, Lawrence, and Planelles-Granell.*

*General funds:* these are funds that are expendable at the discretion of the Trustees.

## 16(b) Analysis of transfers between funds

	Restricted Capital Funds* £000s	Unrestricted Capital Funds £000s	Restricted Revenue Funds £000s	Unrestricted Revenue Funds £000s	Expendable Endowments Funds £000s	Permanent Endowments Funds £000s
Collection purchases from revenue funds	261	–	(174)	(87)	–	–
Capital asset purchases	480	(457)	(23)	–	–	–
Fixed asset transfers	1,850	(1,850)	–	–	–	–
Endowment transfers	–	–	(1,761)	–	594	1,167
Subsidiary transfers	103	(338)	(103)	338	–	–
Use of designated funds	–	1,450	–	(1,450)	–	–
Rationalisation of funds	3	–	(276)	273	–	–
Transfers as shown on the statement of funds note (16a)	<u>2,697</u>	<u>(1,195)</u>	<u>(2,337)</u>	<u>(926)</u>	<u>594</u>	<u>1,167</u>

\* Restricted capital funds include collection acquisition funds.

## 16(c) Total return approach to investments

	Trust for Investment £000s	Unapplied Total Return £000s	Total Permanent Endowment (Total Return) £000s	Other Permanent Endowment £000s	Total Permanent Endowment £000s
<b>Closing balance at 31 March 2015</b>	–	–	–	13,274	13,274
Transfers from restricted income	–	1,605	1,605	6	1,611
Gift component of the permanent endowment	2,085	–	2,085	(2,085)	–
Unapplied total return	–	11,172	11,172	(11,172)	–
<b>Total</b>	<u>2,085</u>	<u>12,777</u>	<u>14,862</u>	<u>23</u>	<u>14,885</u>
<b>Movements in the year</b>					
Gift of endowment funds	5	–	5	–	5
Investment income	–	342	342	–	342
Investment management costs	–	(7)	(7)	–	(7)
Net losses on investments	–	(193)	(193)	–	(193)
Other losses	–	–	–	(15)	(15)
<b>Total</b>	<u>5</u>	<u>142</u>	<u>147</u>	<u>(15)</u>	<u>132</u>
Unapplied total return allocated to income in the reporting period (transfers to restricted income)	–	(444)	(444)	–	(444)
<b>Net movements in the year</b>	<u>5</u>	<u>(302)</u>	<u>(297)</u>	<u>(15)</u>	<u>(312)</u>
<b>Closing balance at 31 March 2016</b>	<u>2,090</u>	<u>12,475</u>	<u>14,565</u>	<u>8</u>	<u>14,573</u>

Details of the power of investment to adopt a total return approach to investment can be found in the Investments and Financial Risks section of the Annual Report.

## 17. CASH FLOW INFORMATION

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

	<b>2016</b>	2015
	<b>£000s</b>	£000s
		Restated
Net income for the year	<b>12,043</b>	16,472
Gain on investments	<b>(1,339)</b>	(2,156)
Actuarial loss on defined benefit scheme	<b>(45)</b>	(3,461)
Donated assets – collection items	<b>(1,877)</b>	(3,029)
Investment income	<b>(682)</b>	(873)
Depreciation	<b>11,937</b>	11,903
Amortisation	<b>173</b>	–
Loss on disposal of fixed assets	<b>792</b>	175
Decrease in stocks	<b>353</b>	275
Decrease/(increase) in debtors	<b>794</b>	(2,542)
Increase/(decrease) in creditors	<b>972</b>	(6,833)
(Decrease)/increase in provisions	<b>(99)</b>	8
(Decrease)/increase in pension fund liability	<b>(18)</b>	3,334
Net cash provided by operating activities	<b>23,004</b>	13,273

## 18. RELATED PARTY TRANSACTIONS

The British Museum is a Non-Departmental Public Body whose sponsoring body is the Department for Culture, Media and Sport. The Department for Culture, Media and Sport is regarded as a related party. During the year the British Museum had a number of material transactions with the Department and with other entities for which the Department is the sponsor, for example; the British Library, the National Gallery, the Natural History Museum, the National Portrait Gallery, the Royal Armouries Museum, Sir John Soane's Museum, Tate Britain, Victoria and Albert Museum, and Wallace Collection.

The British Museum also entered into material transactions with other related parties during the year as set out below:

Party	Nature of Relationship	Transaction	Income for the year ended 31 March 2016	Expenditure for the year ended 31 March 2016	Debtor balance as at 31 March 2016	Creditor balance as at 31 March 2016
			£000s	£000s	£000s	£000s
Leverhulme Trust	Gregory Woolf is a member of the Leverhulme Trust Research Awards Advisory Committee	Research grants	10	–	1,126	–
Arts and Humanities Research Council	Andrew Prescott is a fellow and Gregory Woolf was a member of the Advisory Board of the Arts and Humanities Research Council	Research grants	749	–	943	–
The American Friends of the British Museum	A number of Trustees and BM staff members had roles with the AFBM.	Grants awarded during the year and administration costs associated with grant making	843	72	285	29
Pearson Plc	Sir Richard Lambert was a shareholder of Pearson Plc	Royalty income	23	–	–	–
Arts Council England	Christopher Yates is an independent member of the Performance and Audit Committee of the Arts Council England	Grant income	107	–	65	–
Ernst & Young LLP	Sir Richard Lambert is an independent non-executive director of Ernst & Young	Corporate partnership and professional services	32	35	42	35

Party	Nature of Relationship	Transaction	Income for the year ended 31 March 2016	Expenditure for the year ended 31 March 2016	Debtor balance as at 31 March 2016	Creditor balance as at 31 March 2016
			£000s	£000s	£000s	£000s
Slaughter & May	The Hon Nigel Boardman is a partner of Slaughter & May	Pro bono legal services	15	15	-	-
The Art Fund	Dame Liz Forgan is a trustee of the Art Fund	Grants, primarily for collection purchases	235	5	235	2
Greenhill & Co. International LLP	Lord Lupton is the Chairman of Greenhill Europe	Corporate partnership	26	-	-	-
Department of Energy and Climate Change	Professor Lord Stern of Brentford is a member of the DECC Economics Advisory Group	Carbon credits	-	204	-	204
BT Group Plc	Mr Gavin Patterson is Chief Executive of BT Group Plc	Corporate partnership and telephone costs	32	70	-	12
Guardian Media Group Plc	Dame Liz Forgan is Chair of the Scott Trust (sole shareholder of Guardian Media Group)	Sponsorship and advertising organised through a third party	50	50	-	-
British Airways Plc	Mr Gavin Patterson is a non-executive director of British Airways Plc	Flight costs	-	33	-	1
University of Cambridge	The late Professor Sir Christopher Bayly was a trustee of the University of Cambridge, and Lord Turner of Ecchinswell is a member of the Board, Keynes Fund for Applied Economics	Research grants	-	3	14	-
EDF Energy Plc	Sir Richard Lambert is Chair of the EDF Energy Stakeholder Panel	Electricity	-	1,438	-	236
British Academy	A number of Trustees were trustees, fellows or honorary fellows of the B.A.	Research grants	5	-	-	-
University of Oxford	David Norgrove is a member of the University of Oxford's Council	Research grants received and grants paid	2	73	22	2
DLA Piper LLP	Baroness Wheatcroft of Blackheath is an advisor to DLA Piper LLP	Legal services	-	6	-	-
London Review of Books	Professor Linda Colley is a board member of the London Review of Books	Advertisements	-	6	-	-
Royal Anthropological Institute	Professor Clive Gamble is a trustee of the Royal Anthropological Institute	Research grants	-	-	22	-
British Library	Andrew Prescott is a member of Council, Friends of British Library	Loan of exhibits and research grants	9	369	-	13
Royal Bank of Scotland Group Plc	Ms Penny Hughes CBE is a non-executive director of Royal Bank of Scotland Group Plc	Interest	21	-	-	-
Thriplow Trust	The late Professor Sir Christopher Bayly was a trustee of the Thriplow Trust	Research grants	8	-	-	-

Five trustees and their family members are members of the British Museum Friends and six trustees are patrons of the Museum.

Trustees, Directors and employees of the British Museum, the British Museum Company and British Museum Ventures Limited are entitled to discounts on purchases from the Museum's shops and cafés.

Members of the Art Fund are given discounted entry to the special exhibitions of the British Museum.

## 19. CAPITAL COMMITMENTS

At the balance sheet date the value of capital commitments was £6.8m (2014/15: £5.7m).

## 20. PENSIONS

### *British Museum*

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 3% and 8.05% of pensionable earnings for members of classic (and members of alpha who were members of classic immediately before joining alpha) and between 4.6% and 8.05% for members of premium, classic plus, nuvos and all other members of alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during the period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

For 2015/16 employer's contributions of £5,163,568 (2014/15: £4,582,050) were paid to the PCSPS at one of four rates in the range 20.0% to 24.5% of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2015-16 to be paid when the member retires and not the benefits paid during this period to existing pensioners.



Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £114,471 were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable earnings up to 30 September 2015 and from 8% to 14.75% of pensionable earnings from 1 October 2015. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £7,536, 0.8% of pensionable pay up to 30 September 2015 and 0.5% of pensionable pay from 1 October 2015, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

No individuals retired early on ill-health grounds.

Contributions due to the partnership pension providers at the balance sheet date were £0. Contributions prepaid at that date were £0.

#### *British Museum Company Limited*

##### 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 £109k (2015: £136k).

##### 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 2014, the date of the last completed full actuarial valuation, the scheme had 104 members, and the market value of the scheme was £10,784,000. The actuarial value of those assets was sufficient to cover 79% 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 has been 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.

Employer's pension contributions to the scheme during the year totalled £384k (2015: £395k). The company expects to contribute approximately £385k to its defined benefit pension scheme in the year ending 31 March 2017.

##### *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 2014, updated to 31 March 2016 by an independent qualified actuary 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 amounts recognised in the balance sheet are as follows:

	<b>2016</b>	2015
	<b>£000s</b>	£000s
Fair value of scheme assets	<b>11,765</b>	11,819
Present value of scheme obligations	<b>(20,241)</b>	(20,313)
Defined benefit pension scheme liability	<b>(8,476)</b>	(8,494)

The amounts recognised in the SOFA are as follows:

	<b>2016</b>	2015
	<b>£000s</b>	£000s
Current service costs	<b>38</b>	49
Net interest costs	<b>283</b>	219
Total	<b>321</b>	268

Changes in the present value of the defined benefit obligation:

	<b>2016</b>	2015
	<b>£000s</b>	£000s
Opening value of defined benefit obligation	<b>20,313</b>	16,090
Current service cost	<b>38</b>	49
Interest cost	<b>688</b>	702
Contributions by scheme participants	-	2
Actuarial gain – effect of experience adjustments	-	(390)
Actuarial (gain) / loss – effect of changes in assumptions	<b>(590)</b>	4,175
Benefits paid	<b>(208)</b>	(315)
Closing value of defined benefit obligation	<b>20,241</b>	20,313

The 31 March 2015 FRS 17 results have been restated to incorporate a value of £79k as at 31 March 2015 (£70k as at 31 March 2014), which relates to an annuity policy held with Friends Life Limited.

Changes in the fair value of the scheme assets:

	<b>2016</b>	2015
	<b>£000s</b>	£000s
Opening value of scheme assets	<b>11,819</b>	10,930
Interest income	<b>405</b>	483
Actuarial (loss) / gain – return on scheme assets excluding interest	<b>(635)</b>	324
Contributions by employer	<b>384</b>	395
Contributions by scheme participants	-	2
Benefits paid	<b>(208)</b>	(315)
Closing value of scheme assets	<b>11,765</b>	11,819
Actual return on scheme assets	<b>(230)</b>	807

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

	<b>2016</b>	2015
Cash	<b>1%</b>	1%
Property	<b>17%</b>	16%
Target return funds	<b>82%</b>	83%

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

	<b>2016</b>	2015
Discount rate at 31 March	<b>3.5%</b>	3.4%
Future salary increases	<b>3.1%</b>	3.0%
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>3.1%</b>	3.0%
Post 31 December 2007	<b>2.5%</b>	2.5%
Commutation allowance	<b>25.0%</b>	25.0%
RPI inflation	<b>3.1%</b>	3.0%
CPI inflation	<b>2.1%</b>	2.0%
Mortality – base table	<b>S2PA</b>	S2PA
Mortality – future improvements	<b>CMI 2015</b>	CMI 2014
	<b>1.0%</b>	1.0%
Life expectancy of male aged 60 now	<b>86.6</b>	86.7
Life expectancy of male aged 60 in 20 years	<b>88.0</b>	88.2
Life expectancy of female aged 60 now	<b>88.7</b>	88.9
Life expectancy of female aged 60 in 20 years	<b>90.3</b>	90.5

## 21. CONTINGENT LIABILITIES

The British Museum is currently contesting a case relating to the withdrawal of charitable relief against business rates on elements of the Bloomsbury site. The possible obligation is estimated at c. £1m. The timing of the full hearing of the contested issues is not yet known. The British Museum has no contingent liabilities as at 31 March 2015.

## 22. FINANCIAL INSTRUMENTS

Set out below are the accounting classifications of each class of financial assets and liabilities as at 31 March 2016, together with net gains and losses for each classification.

Group	Measured	Measured at	Total
	at cost	fair value	
	£000s	£000s	£000s
Investments	–	81,236	81,236
Trade debtors	16,188	–	16,188
Current asset investments	6,706	–	6,706
Cash at bank and in hand	9,613	–	9,613
Trade creditors	5,806	–	5,806
	<u>38,313</u>	<u>81,236</u>	<u>119,549</u>

### Financial risk management

Qualitative information on the BM's approach to financial risk management is disclosed in the "Reserves" and "Investments and financial risks" sections of the Annual Report, and in the Governance Statement. Quantitative disclosures are included here.

#### *Credit risk*

The BM is not exposed to significant trading credit risks. Most major customers are familiar. Term deposits and cash holdings, other than cash held as part of the investment portfolio, are placed only with approved UK banks and are spread across several institutions where appropriate. The BM has not suffered any loss in relation to cash held by bankers.

*Liquidity risk*

Approximately 38% (2014/15: 36%) of the BM's income before transfers and revaluations is provided by grant-in-aid from the Department for Culture, Media and Sport. The BM's reserves policy is set out in the Annual Report. The Trustees believe that the level of liquid unrestricted reserves at year-end and careful planning based on expected funding levels allows the BM to be free from unacceptably high liquidity risks.

The BM monitors its exposure to liquidity risk by regularly monitoring the liquidity of its investment portfolio and holding appropriate levels of liquid assets. The BM holds highly liquid assets amounting to £16 million as at 31 March 2016 (2014/15: £18 million), which are comprised of cash at bank and in hand and current asset investments. The level of highly liquid assets held is regularly reviewed by senior management. The BM also mitigates its exposure to liquidity risk through the investment of £76 million (2014/15: £60 million) in funds that are readily realisable.

*Market risk: interest rate risk*

The BM's financial assets, excluding short term debtors and creditors, are made up of investments and cash. Information about the BM's investments is disclosed in the "Investments and financial risks" section of the Annual Report and at note 10.

Cash at bank and in hand and current asset investments are held in a variety of bank accounts, split between non-interest bearing, fixed rate and floating rate accounts as follows:

Currency	Floating rate £000s	Fixed rate £000s	Non-interest bearing £000s	<b>2016 Total £000s</b>	2015 Total £000s
Sterling	15,428	604	183	<b>16,215</b>	16,906
US\$	–	–	85	<b>85</b>	277
Euro and other	–	–	19	<b>19</b>	781
	<u>15,428</u>	<u>604</u>	<u>287</u>	<u><b>16,319</b></u>	<u>17,964</u>

The weighted average interest rate on fixed rate financial assets is 0.71% (2014/15: 0.78%) and the weighted average period of deposit is 91 days (2014/15: 120 days). The interest receivable on the floating rate deposits is at a variable rate determined by the BM's bankers.

Interest income for the year was 0.2% (2014/15: 0.4%) of the BM's income before transfers and revaluations and the BM does not hold any loans, so exposure to interest rate risk is minimal.

*Market risk: foreign currency risk*

The BM has very limited foreign currency risk, with only approximately 4% (2014/15: 6%) of the BM's financial assets denominated in currencies other than pounds sterling, the base currency for the BM's operations.

The total value considered to be exposed to currency risk at 31 March was:

Currency	<b>Value 2016 £000s</b>	Value 2015 £000s
US\$	<b>3,638</b>	4,023
Euro	<b>12</b>	774
Other	<b>7</b>	7
	<u><b>3,657</b></u>	<u>4,804</u>

*Market risk: other price risk*

The BM is exposed to risks associated with market fluctuations on its investments – details of the investment policy and risk management are disclosed in the "investment and financial risks" section of the Annual Report above. For non-investment transactions, exposure to wider market price risks is reduced by competitive tendering and securing two or three year fixed price contracts, where appropriate.

*Concentration of exposure to other price risk*

An analysis of the BM's investment portfolio is shown in note 10(a). This shows that the majority of the investment value is in UK funds.

### **23. POST BALANCE SHEET EVENTS**

The result of the referendum held on 23 June 2016 was in favour of the UK leaving the European Union. This is a non-adjusting event. A reasonable estimate of the financial effect of this event cannot be made.

There were no other reportable events between 31 March 2016 and the date the accounts were authorised for issue.

The financial statements were authorised for issue by the Trustees and Accounting Officer on the date they were certified by the Comptroller and Auditor General.

ISBN 978-1-4741-3059-2



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