

Registered number. 01362091
Charity number 276066

FRIENDS OF BENJAMIN FRANKLIN HOUSE
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

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FRIENDS OF BENJAMIN FRANKLIN HOUSE
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2012**

Governors

Mr John Studzinski, Chairman
Mary, Countess of Bessborough
Ms Anne P Keigher
Mr Tudor Aw
Mr Joe Phelan
Lady Joan Reid (resigned 31 December 2011)
Mr Rory Sutherland
Ms Elizabeth Tirone, Secretary
Mr Jonathan Fanton (appointed 6 March 2012)

Director of Museum

Dr Márcia Balisciano

Company registered number

01362091

Charity registered number

276066

Registered office

36 Craven Street
London
WC2N 5NF

Company secretary

Ms E Tirone

Auditors

Reeves & Co LLP
Chartered Accountants
Third Floor
24 Chiswell Street
London
EC1Y 4YX

Bankers

Coutts & Co
440 The Strand
London
WC2R 0QS

FRIENDS OF BENJAMIN FRANKLIN HOUSE
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2012

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Friends of Benjamin Franklin House (the charity) for the year ended 31 March 2012. The Governors confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The charity is known to the public as Benjamin Franklin House.

Structure, governance and management

Constitution

The charity is a company limited by guarantee and was incorporated on 10 April 1978. It is governed by an updated memorandum and articles of association, which were adopted by special resolution on 9 July 2003 to bring them into line with modern company law and practices.

The principal object of the charity is described below.

Method of appointment or election of Governors

Governors are appointed using the procedure for nominations determined from time to time by the Board. The governors met three times during the period.

Policies adopted for the induction and training of Governors

On joining the Board, Governors are given a copy of the Memorandum and Articles of Association along with a document entitled Agreement and Consent to Membership of Benjamin Franklin House, which requires signature.

Risk management

The governors have examined the major strategic, business and operational risks which the charity faces and confirm that systems and reporting procedures are in place to ensure appropriate management of these risks.

The governors have considered the need for a specific internal audit function and have decided that it is not necessary at the present time.

Objectives and Activities

Policies and objectives

In setting objectives and planning for activities, the Governors have given due consideration to general guidance published by the charity commission relating to public benefit.

The object of the Foundation is to advance education for the public benefit by

- (i) providing a dynamic museum which makes real the life and times of Benjamin Franklin at 36 Craven Street, and for that purpose to own, improve, preserve and maintain Benjamin Franklin House, the sole remaining residence of Benjamin Franklin anywhere in the world,

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2012

- (ii) establishing a Student Science Centre for young people that emphasises the scientific method and encourages Benjamin Franklin's spirit of enquiry using experiments and other means to spur interest in science and Franklin-related subjects, bringing children together to foster cross-cultural understanding and dialogue and British-American relations, and
- (iii) instituting a Scholarship Centre for scholars, adult learners, and others, as a focal point in Europe for Benjamin Franklin and Franklin-related research, offering scholarships solely, or in conjunction with other individuals and institutions, at the discretion of the Board of Governors "

Strategies for achieving objectives

The first phase of work, completed on time and within budget in 1999, ensured the structural survival of the 1730s Grade I listed, Georgian terrace building, the world's only surviving home where Benjamin Franklin lived and worked. The Heritage Lottery Fund, English Heritage, the Getty Foundation and the William Hewlett Trust, among others, provided core funding.

We then focused on partial conservation of the ground and first floor along with designs for the Historical Experience, Student Science Centre, and Scholarship Centre. This essential work was made possible with support from individuals and foundations, including the Equitable Charitable Trust, the Wellcome Trust, the Weston Foundation, and the Wolfson Foundation.

Final works encompassed the remaining interior conservation and the installation of mechanical, electrical and multimedia services required to present Benjamin Franklin House to the public, thus realising the objectives of the charity.

We met our goal to open the House on the 300th anniversary of Franklin's birth, 17 January 2006. The then Foreign Secretary of the United Kingdom and the Ambassador of the United States presided over the ceremony at Craven Street.

The House now advances understanding of Franklin's achievements and values through

- A Historical Experience that presents the excitement and uncertainty of Franklin's London years using the rooms where so much took place as staging for a drama which seamlessly integrates live performance, cutting edge lighting, sound and projection technology. It stands alone among London attractions in its 'museum as theatre' approach and has created a new standard for historical interpretation.
- The Student Science Centre focuses on Franklin's London science – from lightning rods to hydrodynamics, allowing school children to satisfy their historical and scientific curiosity, free of charge. Outreach, including Ben's Travelling Suitcase, brings our educational activities into schools and the community.
- The Robert H. Smith Scholarship Centre is a focal point in Europe for study of Franklin and the myriad subjects with which he is associated, featuring a full set of the Papers of Benjamin Franklin catalogued by Yale University, as well as an active internship programme, and nearly 40 public events per year.

Achievements and performance

Review of activities

Visitors to Benjamin Franklin House provide the best gauge of the House and its offerings. Indicative are these comments as posted on the House's comprehensive website at www.BenjaminFranklinHouse.org in the year "Extremely professional and enjoyable – a fine way of bringing a man to life," "Brilliant actress, great visuals

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2012

Feels like I have been transported into the past," "Very thought provoking and enlightening experience "

Extensive marketing efforts resulted in over 52,000 visitors since opening by the close of the period. The majority participated in the Historical Experience, publicised during the financial year in among other places, The Telegraph online, BBC Radio 3, Quintessentially, and guidebook London's Houses. House Director, Márcia Balisciano, recorded an "In Conversation" interview with British Airways playing indefinitely on long haul flights. Concerted use of social media including YouTube, Facebook, and Twitter help broaden awareness and engagement with the House.

We collaborated on joint marketing as a founder member of London Shh (London Small Historic Houses). The group aims to improve access to London's special historic houses in order to diversify and increase audiences, and to share skills, knowledge and resources amongst members. A number of London Shh events, including a hotel concierge reception at Handel House, took place in the financial year.

Over 1,000 children, primarily from inner city schools, participated in our weekly student free day to discover Franklin's relevance in our time. The House's educational work is recognised with a Sanford Educational Award and a Learning Outside the Classroom Quality Badge.

Extensive educational outreach activities included school visits by the House's Education Manager with Ben's Travelling Suitcase filled with Craven Street related items, and special offerings for British Archaeology Week, National Science and Engineering Week, and school holidays. The Annual Benjamin Franklin House Science Day involved students from London's Risley Avenue Primary, Holy Trinity School, Lycee Francais CDG, Churchill Gardens Primary, and St Vincent de Paul School. House scientist, Dr Bryson Gore, captured the children's attention with experiments that showed how Franklin's 18th century explorations have led to some of today's most important technologies. The Annual Benjamin Franklin Science Fair took place in November with students from St Mary Magdalene CE Primary School creating projects to explore gaining more energy from less fuel, a challenge Franklin pursued at Craven Street with investigations into fuel efficient stoves. Judging the competition was Sevrá Davis, Senior Developer of Design Education at the Royal Society of Arts, an institution which appointed Franklin their first international member.

We held our annual debate tournament for secondary school children in collaboration with the US Embassy London in spring 2011. The winning student, from Wandsworth's Burntwood School, participated in the US State Department's Benjamin Franklin Summer Institute at Wake Forest University with students from across the United States and Europe. This month-long gathering each July allows young people from the US and other parts of the world to explore global issues.

We also expanded Sister Schools, linking schools in London with their US counterparts. For a period of four weeks, children participate in a fun and collaborative curriculum based on the life of Franklin – particularly his years in London and his efforts to strengthen Anglo-American relations. Themes include our shared heritage, citizenship, and science and innovation. During the period Weston Park Primary School, Haringey linked with PS 208 in Brooklyn, New York, Risley Avenue Primary, Haringey linked with PS244 in Brooklyn, Westminster Cathedral Primary School linked with Samuel Adams Elementary in Boston. Sister Schools has been made possible with the support of the New-York Historical Society and Britain's Big Lottery Fund.

We held the Benjamin Franklin House Literary Prize, with partner The Telegraph, asking young writers (under the age of 25) to provide their own response to the Franklin quote, "Light often arises from a collision of opinions, as fire from flint and steel". The two winners chosen by our Literary Prize panel received cash prizes (the Literary Prize is endowed by House Chairman John Studzinski) and their entries were featured on the House and Telegraph websites.

Tickets were sold out for the Annual Benjamin Franklin House Symposium in autumn 2011, in association with the Eccles Centre for American Studies at the British Library, which featured author Andrea Wulf on the connection between the gardening passions and political activities of America's founders.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2012

In addition, among approximately 40 events were

- Lady Joan Reid lecture series, including 'Franklin and Thomas Paine'
- Chairman's cultivation dinners
- American Independence Day reception
- London Open House weekend
- Thanksgiving Dinner at the Butchers' Hall sponsored by Bloomberg
- Children's Christmas party
- House 6th and Franklin 306th Birthday Celebration
- Museums & Galleries at Night
- London Open House weekend
- Robert H. Smith Lecture in American Democracy with Sir Christopher Meyer

Under the leadership of the Chairman, the Board progressed its activities through working groups comprising Board members, Director Márcia Balisciano, and others. The Maintenance and Operations Committee and Programme and Development Committee met regularly to aid the House's operation, preservation, and advancement.

The Year Ahead

In addition to the founding Director, the House's excellent management team includes the Operations Manager, Education Manager, and Front of House and Marketing Supervisor, who help realise the House's objectives each day.

The House marketing plan is continually refined with ongoing approaches to key visitor channels including tour operators, hotel concierges, guidebooks, US alumni groups, other attractions, press, and many others. From detailed weekly metrics we identify efforts most successful in attracting visitors such as improved street signage, distribution of House literature, collaborative activities with organisations like London Pass, and website referrals. We continue to hold a charitable Google Ad Words account which has helped optimise the House when searching for a range of key words such as 'London attraction', 'unique museum' and 'Anglo-American history'. We estimate total visitor numbers since opening will reach nearly 60,000 by the close of 2012.

Fundraising is a key activity to ensure the sustainability of our operations. We pursue grant applications from public and private foundations for which we are eligible on both sides of the Atlantic. Outstanding are grant requests to charitable institutions such as Trusthouse Foundation, BBC Children in Need, and the Andrew Lloyd Weber Foundation. We work with major donors and hold ongoing cultivation events including private views of the Historical Experience, dinners and receptions. In addition, targeted promotion of the House for venue hire contributes to earned income. We aim to hire a head of development to help generate funding for core operations.

Benjamin Franklin House collaborates with the Benjamin Franklin House Foundation in the United States, an active and independent organisation. The Foundation will celebrate the work of the House at a 2013 event to be hosted by the British Embassy in Washington, DC. The House and Foundation will lend support to a Benjamin Franklin Day at the DiMenna Children's History Museum of the New-York Historical Society in January 2013.

The House is an exciting hub of daily activity with visitors from around the world. Contributing to the House's inclusive atmosphere, our internship programme engages students from American and British universities – as well as from across Europe and farther afield – helping them gain skills in education, marketing, fundraising and museum operations. On average 15 volunteers and interns assist with the smooth running of the House at any one time. Among other means of recruitment, the Guardian newspaper allows us to place free advertisements for volunteers and interns helping us attract high calibre candidates.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2012

In May 2012, we held our second Robert H Smith Lecture in American Democracy, in association with the Eccles Centre for American Studies at the British Library 2012 speaker, distinguished diplomat Lord Hannay of Chiswick, former Minister at the British Embassy in Washington and former British Ambassador to the United Nations, discussed 'Some Thoughts on the Diplomacy of a Great Democracy by an Outside Observer' This annual lecture honours American business leader and philanthropist Robert H Smith, for whom the Benjamin Franklin House Scholarship Centre is named, who exemplified Franklin's belief in the importance of civic and personal responsibility

In all our activities, we enjoy extensive pro bono support including from Morrison and Foerster (legal), Google (advertising) and John McAslan Architects, and Dp9 (designs for a courtyard addition to extend the House's offerings), and the Guardian Online (free online intern recruitment adverts)

Financial review

Reserves policy

The Governors have reviewed the reserves of the charity The review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments, and the nature of the reserves The governors considered the financial requirement for the working capital requirements of the charity and ongoing maintenance The governors concluded that to allow the charity to be managed efficiently, free reserves should be maintained, ideally at three months of the projected expenditure Management and governors monitor actual and projected cash flows on a regular basis

Principal funding

Income generation

The charity's total income in the year was £335,508 (2011 £294,919) Fundraising continues to be effected by the global recession, with its impact on personal and corporate donations The Director maintains a tight budget and avoids all non-essential expenditure Fundraising efforts in the year have focused on enhancing our circle of donors, including individuals and trusts and foundations, committed to the House's educational and cultural activities

Resources Expended

The Board developed a prudent operational budget and cash flow forecasts, which have been closely monitored by management and the governors

The primary outgoing expense is wages, (£150,702 from £138,675) This is due to a full year of costs for a member of staff in the new role of Front of House and Marketing Supervisor Repair costs accounted for £11,151 (2011 £13,685) Careful attention to power consumption, focusing on the most popular days, enabled us to reduce energy costs by 12.77% (£6,845 from £7,847) Careful management of costs enable us to restrain any increase in total operating costs (excluding depreciation) to 23.05% (£295,051 from £239,788)

Changes in fixed assets

The movements in fixed assets during the year are set out in Note 13 to the financial statements

Creditors falling due after more than one year

Following repayment of a loan from the Architectural Heritage Fund in March 2007, the charity continues to be free from all debt

Post balance sheet event

There are no post balance sheet events required for disclosure

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2012

Governors' responsibilities statement

The Governors (who are also directors of Friends of Benjamin Franklin House for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to

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

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

Provision of information to auditor

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information

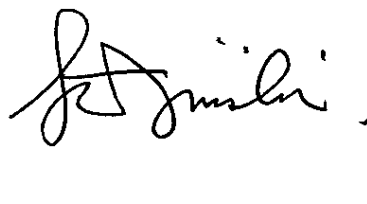
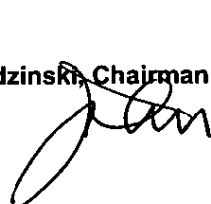
Auditor

The auditors, Reeves & Co LLP, have indicated their willingness to continue in office. The Designated Governors will propose a motion re-appointing the auditors at a meeting of the Governors.

In preparing this report, the Governors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Governors on 10/12/2012 and signed on their behalf, by

Mr John Studzinski, Chairman
Governor



FRIENDS OF BENJAMIN FRANKLIN HOUSE
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRIENDS OF BENJAMIN FRANKLIN HOUSE

We have audited the financial statements of Friends of Benjamin Franklin House for the year ended 31 March 2012 set out on pages 10 to 21. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Governors and auditors

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us 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 charity's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charity's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

FRIENDS OF BENJAMIN FRANKLIN HOUSE
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRIENDS OF BENJAMIN FRANKLIN HOUSE

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Governors' report



Stephen Tanner BSc(Econ) FCA (Senior statutory auditor)
for and on behalf of

Reeves & Co LLP
Chartered Accountants
Statutory Auditors
Third Floor
24 Chiswell Street
London
EC1Y 4YX
Date *20th November, 2012*

FRIENDS OF BENJAMIN FRANKLIN HOUSE
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2012

	Note	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	46,250	195,831	242,081	215,495
Activities for generating funds	3	-	51,128	51,128	37,643
Investment income	4	-	120	120	127
Incoming resources from charitable activities	5	-	32,714	32,714	36,132
Other incoming resources		-	9,465	9,465	5,522
Total incoming resources		46,250	289,258	335,508	294,919
Resources expended					
Charitable activities	6	142,517	176,643	319,160	306,939
Governance costs	7	-	46,171	46,171	13,303
Total resources expended		142,517	222,814	365,331	320,242
Movement in total funds for the year - Net income/(expenditure) for the year		(96,267)	66,444	(29,823)	(25,323)
<i>Total funds at 1 April 2011</i>		<i>1,508,868</i>	<i>783,429</i>	<i>2,292,297</i>	<i>2,317,620</i>
Total funds at 31 March 2012		1,412,601	849,873	2,262,474	2,292,297

The notes on pages 12 to 21 form part of these financial statements

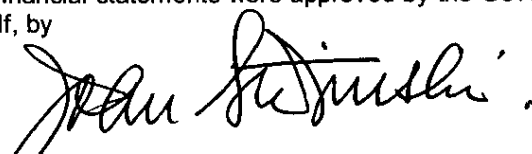
FRIENDS OF BENJAMIN FRANKLIN HOUSE
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REGISTERED NUMBER 01362091

BALANCE SHEET
AS AT 31 MARCH 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	13		2,127,545		2,197,825
Current assets					
Debtors	15	1,157		1,157	
Cash at bank and in hand		149,002		108,223	
		<u>150,159</u>		<u>109,380</u>	
Creditors: amounts falling due within one year	16	(15,230)		(14,908)	
Net current assets			<u>134,929</u>		<u>94,472</u>
Net assets			<u>2,262,474</u>		<u>2,292,297</u>
Charity Funds					
Restricted funds	17		1,412,601		1,508,868
Unrestricted funds	17		849,873		783,429
			<u>2,262,474</u>		<u>2,292,297</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Governors on 10 December 2012 and signed on their behalf, by


Mr John Studzinski, Chairman

The notes on pages 12 to 21 form part of these financial statements

FRIENDS OF BENJAMIN FRANKLIN HOUSE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies Act 2006

1.2 Company status

The charity is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Bank interest is allocated to the appropriate fund.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Donated services or facilities, which comprise donated services, are included within voluntary income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

During the year the charity received legal support on a pro-bono basis valued at £32,111 (2011 Nil). The valuation is based on the charge out cost of time spent on legal services provided by each lawyer.

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

1. Accounting policies (continued)

1.6 Cash flow

The financial statements do not include a cash flow statement because the charitable organisation, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.7 Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental costs of acquisition

Property renovation costs including associated professional fees have been capitalised in full

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold land and building	-	2% straight line
Historical Experience	-	5% straight line
Student Science Centre	-	5% straight line
Computer and office equipment	-	33 3% straight line

1.8 Inalienable assets

Inalienable assets are not capitalised in the accounts due to there being no readily available and reliable valuation of the assets. Details of such assets are included in note 14 of these financial statements

2 Voluntary income

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Corporate	-	8,476	8,476	6,774
Individuals	-	7,160	7,160	-
Grants	46,250	-	46,250	44,206
Donations	-	148,084	148,084	164,515
Value of legal advice received pro-bono	-	32,111	32,111	-
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	46,250	195,831	242,081	215,495

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

3. Activities for generating funds

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Sale of merchandise	-	4,615	4,615	4,118
Room hire	-	6,513	6,513	13,525
Events	-	40,000	40,000	20,000
	<u>-</u>	<u>51,128</u>	<u>51,128</u>	<u>37,643</u>

4 Investment income

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Interest received	-	120	120	127
	<u>-</u>	<u>120</u>	<u>120</u>	<u>127</u>

5. Incoming resources from charitable activities

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Historical Experience - Ticket sales	-	32,714	32,714	36,132
	<u>-</u>	<u>32,714</u>	<u>32,714</u>	<u>36,132</u>

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(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

6. Expenditure by charitable activity

Summary by fund type

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Historical Experience	48,792	30,259	79,051	77,379
Student Science Centre	9,995	60,039	70,034	59,108
Voluntary Income	-	15,118	15,118	17,590
Other	83,730	71,227	154,957	152,862
	<u>142,517</u>	<u>176,643</u>	<u>319,160</u>	<u>306,939</u>

Summary by expenditure type

	Depreciation 2012 £	Other costs 2012 £	Total 2012 £	Total 2011 £
Historical Experience	16,015	63,036	79,051	77,379
Student Science Centre	9,235	60,799	70,034	59,108
Voluntary Income	-	15,118	15,118	17,590
Other	45,030	109,927	154,957	152,862
	<u>70,280</u>	<u>248,880</u>	<u>319,160</u>	<u>306,939</u>

7. Governance costs

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Governance	-	46,171	46,171	13,303
	<u>-</u>	<u>46,171</u>	<u>46,171</u>	<u>13,303</u>

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8. Direct costs

	Governance £	Historical Experience £	Student Science Centre £	Voluntary Income £
Fundraising costs	-	-	-	15,118
Science / family days	-	-	760	-
Historical Experience	-	7,816	1,248	-
Ticket booking fee	-	946	-	-
Wages	-	50,318	43,113	-
Employers NIC	-	3,896	4,649	-
Travel	-	-	3,251	-
Employee expenses	-	-	-	-
Audit	6,260	-	-	-
Accountancy	6,106	-	-	-
Legal & professional	33,805	-	-	-
Bank charges	-	-	-	-
Miscellaneous	-	-	-	-
Telephone	-	60	-	-
Loss on disposal of fixed assets	-	-	-	-
	46,171	63,036	53,021	15,118
			Total	Total
		Administration	2012	2011
		£	£	£
Fundraising costs		7,281	22,399	12,504
Science / family days		-	760	1,059
Historical Experience		6	9,070	4,776
Ticket booking fee		-	946	845
Wages		57,271	150,702	138,675
Employers NIC		5,061	13,606	12,215
Travel		1,082	4,333	3,385
Employee expenses		-	-	525
Audit		-	6,260	6,390
Accountancy		-	6,106	5,190
Legal & professional		-	33,805	1,723
Bank charges		861	861	737
Miscellaneous		296	296	738
Telephone		-	60	2,425
Loss on disposal of fixed assets		613	613	3,348
Subtotal		72,471	249,817	194,535
Other direct costs		-	-	(6,390)
		72,471	249,817	188,145

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9 Support costs

	Historical Experience £	Student Science Centre £	Administration £	Total 2012 £	Total 2011 £
Telephone	-	4,692	-	4,692	5,781
Printing, postage & stationery	-	2,786	1,049	3,835	8,416
Insurance	-	-	7,808	7,808	7,575
Security	-	-	2,503	2,503	2,164
Repairs	-	-	11,151	11,151	13,685
Heat & light	-	-	6,845	6,845	7,847
Cleaning	-	-	7,555	7,555	7,754
Computer costs	-	-	139	139	-
Subscriptions	-	-	-	-	(71)
Staff welfare	-	-	406	406	970
Marketing	-	300	-	300	480
Depreciation	16,015	9,235	45,030	70,280	71,106
	<u>16,015</u>	<u>17,013</u>	<u>82,486</u>	<u>115,514</u>	<u>125,707</u>

10 Net income / (Expenditure)

This is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the charity	70,280	71,106
Auditors' remuneration	6,260	-
Auditors' remuneration - non-audit	1,980	-
	<u>78,520</u>	<u>71,106</u>

During the year, no Governors received any remuneration (2011 - £NIL)
During the year, no Governors received any benefits in kind (2011 - £NIL)
During the year, no Governors received any reimbursement of expenses (2011 - £NIL)

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11 Staff costs

The average monthly number of employees during the year was as follows

	2012 No	2011 No
Management and administration	<u>17</u>	<u>13</u>

No employee received remuneration amounting to more than £60,000 in either year

12. Taxation

As a charity, Friends of Benjamin Franklin House is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

13 Tangible fixed assets

	Freehold Land and Buildings £	Historical Experience £	Student Science Centre £	Computer and Office Equipment £	Total £
Cost					
At 1 April 2011 and 31 March 2012	<u>2,231,024</u>	<u>320,284</u>	<u>185,057</u>	<u>45,118</u>	<u>2,781,483</u>
Depreciation					
At 1 April 2011	389,031	94,402	55,517	44,708	583,658
Charge for the year	<u>44,620</u>	<u>16,015</u>	<u>9,235</u>	<u>410</u>	<u>70,280</u>
At 31 March 2012	<u>433,651</u>	<u>110,417</u>	<u>64,752</u>	<u>45,118</u>	<u>653,938</u>
Net book value					
At 31 March 2012	<u>1,797,373</u>	<u>209,867</u>	<u>120,305</u>	<u>-</u>	<u>2,127,545</u>
At 31 March 2011	<u>1,841,993</u>	<u>225,882</u>	<u>129,540</u>	<u>410</u>	<u>2,197,825</u>

In 2008, an indication valuation was given on the property of approximately £1.3 million. The Trustees are of the opinion that this is well below the market value of the building and are satisfied that the net book value above is reasonable.

All fixed assets are held for charitable activities.

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14. Inalienable assets

The charity owns the following assets which are historic artifacts donated to the charity that occupied the premises prior to 1978 as follows

- Marble bust of Benjamin Franklin after Jean Antoine Houdon – This item was presented to the charity by the Franklin Institute in the 1960s
- Letter from Benjamin Franklin to his sister – Presented to the charity by Mr and Mrs Harrison and framed by the Morgan Library Restorers as a gift from Robert Pire, prior to 1978
- Moroccan leather purse – Presented to the charity by the Philadelphia Historic Society via Lord Inverchapel, prior to 1978
- Terracotta Medallion of Benjamin Franklin in 1777 by Jean Baptiste Nini – Presented to the charity by the Poor Richard Society in the 1950s
- Original 1869 (Royal) Society for Arts terracotta 'blue plaque' commissioned to honour Franklin's residence at 36 Craven Street in London – Donated by the Museum of London in 2010

These assets have not been capitalised in the accounts as there is no reliable valuation readily available

15. Debtors

	2012	2011
	£	£
Other debtors	176	176
Prepayments and accrued income	981	981
	<u>1,157</u>	<u>1,157</u>

16. Creditors:
Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	4,975	6,723
Other creditors	717	717
Accruals and deferred income	9,538	7,468
	<u>15,230</u>	<u>14,908</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

17 Statement of funds

	Brought Forward £	Incoming Resources £	Resources Expended £	Carried Forward £
Unrestricted funds				
General funds	783,429	289,258	(222,814)	849,873
Restricted funds				
Education and development	304,330	20,000	(41,679)	282,651
Conservation	1,186,510	-	(99,568)	1,086,942
Endowment	17,198	25,000	-	42,198
Sir Bob Reid School Fund	830	1,250	(1,270)	810
	<u>1,508,868</u>	<u>46,250</u>	<u>(142,517)</u>	<u>1,412,601</u>
Total of funds	<u>2,292,297</u>	<u>335,508</u>	<u>(365,331)</u>	<u>2,262,474</u>

The General Fund represents the free funds of the charity which are not designated for particular purposes

Restricted Funds

Funds donated for education and development are used to deliver the educational mission of the charity

Funds donated and expended for conservation are used for maintaining and preserving 36 Craven Street. The conservation balance reflects the building and related assets reduced by depreciation and other expenses

The Endowment Fund has been established to support the annual running and maintenance of the House as well as new developments. The goal is a £4 million fund

The Sir Bob Reid School Fund recognises excellence in the integration of science and history in the classroom through small cash gifts. Successful schools use the funds for costs associated with a visit to Benjamin Franklin House or activities, equipment or supplies that enhance pupils' knowledge of and interest in science

Summary of funds

	Brought Forward £	Incoming Resources £	Resources Expended £	Carried Forward £
General funds	783,429	289,258	(222,814)	849,873
Restricted funds	1,508,868	46,250	(142,517)	1,412,601
	<u>2,292,297</u>	<u>335,508</u>	<u>(365,331)</u>	<u>2,262,474</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18 Analysis of net assets between funds

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Tangible fixed assets	1,372,050	755,495	2,127,545	2,197,825
Current assets	43,008	107,151	150,159	109,380
Creditors due within one year	(2,457)	(12,773)	(15,230)	(14,908)
	<u>1,412,601</u>	<u>849,873</u>	<u>2,262,474</u>	<u>2,292,297</u>

19. Controlling party

The charity is controlled by its governors, and no one party controls the charity