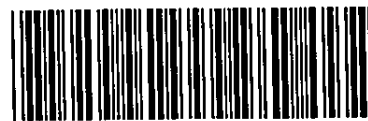


**FRIENDS OF BENJAMIN FRANKLIN HOUSE**  
(A company limited by guarantee)

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

THURSDAY



\*AYLO8PZD\*

A52

16/12/2010

46

COMPANIES HOUSE

---

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

---

---

**CONTENTS**

---

	Page
<b>Reference and administrative details of the charity, its trustees and advisers</b>	<b>1</b>
<b>Governors' report</b>	<b>2 - 8</b>
<b>Independent auditors' report</b>	<b>9 - 10</b>
<b>Statement of financial activities</b>	<b>11</b>
<b>Balance sheet</b>	<b>12</b>
<b>Notes to the financial statements</b>	<b>13 - 21</b>

---

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

---

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2010**

---

**Governors**

Mr J Studzinski, Chairman  
The Countess of Bessborough  
Ms M J Jacobi  
Mrs A P Keigher  
Mr T Aw  
Lady Joan Reid  
Mr G A Nixon (resigned 19 May 2009)

**Company registered number**

1362091

**Charity registered number**

276066

**Registered office**

36 Craven Street  
London  
WC2N 5NF

**Company secretary**

Ms E Tirone

**Auditors**

Reeves & Co LLP  
Chartered Accountants  
Statutory Auditors  
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 2010**

---

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 ended 31 March 2010. 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 also trades under the name 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 2004 to bring them into line with modern company law and practices.

The principal object of the charity is to advance education for the public benefit.

**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 six 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 have been established to enable regular reports to be produced so that necessary steps can be taken to manage these risks.

The governors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor.

---

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

---

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

---

**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, 36 Craven Street, the sole remaining residence of Benjamin Franklin anywhere in the world,
- (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 featuring hands-on experimentation with scientific discoveries from Franklin's London years, juxtaposing past and present knowledge to inspire young people – particularly primary school children from central London – to think and test in the mode of Franklin

---

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

---

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

---

- The Robert H Smith Scholarship Centre supporting Franklin-related research and promoting Anglo-American relations. It features a full set of the Papers of Benjamin Franklin, prepared by Yale University and purchased with support from the US Embassy London, and an active internship and events programme

### **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](http://www.BenjaminFranklinHouse.org) in the year "Wonderful! Great insight into the British/American relationship," "Very interesting and informative – it has made me much more curious about Benjamin Franklin and I will go away to find out more about him and the period he lived in," "I was completely immersed in the spirit of those times," "An amazing experience to fill in the 18th century."

Extensive marketing efforts resulted in over 35,000 visitors since opening. The majority participated in the Historical Experience, publicised among other places in the period on Good Morning America, the History Channel, Time Out, the BBC, and USA Today. Bloggers also highlighted the House, including Lauren Forbes for Weekend Notes who stated, "Whether you're a history buff looking to indulge in an afternoon of learning, or a Franklin novice mildly interested in his story, Benjamin Franklin House is well worth a visit. If nothing else you will leave feeling a lot more intelligent than when you arrived, and suitably impressed by the unbelievable life of this unbelievable man." New media including a YouTube channel, Facebook site, and a Twitter account 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 and a new website were developed in the period.

In the year, more than 1000 children, primarily from inner city schools, participated in our weekly student free day to discover Franklin's relevance in our time. The educational work of Benjamin Franklin House was 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 like programmes for National Archaeology Week, National Science and Engineering Week, and school holidays. The Annual Benjamin Franklin House Science Day involved students from London's St Gabriel's Primary and the Lycee Francaise. House scientist Dr Bryson Gore illustrated what became of Franklin science with potions and experiments, while Angela Malynn, an architect with Arup, made the case for sustainable buildings. The Annual Benjamin Franklin Science Fair encouraged children to explore Franklin's question at Craven Street, 'how can we get more energy using fewer resources?' An expert panel of judges, including a member of The Royal Society, to which Franklin was elected in 1756, reviewed projects and awarded the first prize to the eco-friendly home designs of two 10 year old students from St Clement's Dane School which featured sustainable wood, recycled grey water for landscaping, and solar and wind power.

Benjamin Franklin House, with the US Embassy London, held a student debate on international citizenship, the winning student from London's Burntwood School became the UK delegate to the Benjamin Franklin Summer Institute. This month-long gathering in North Carolina each July allows young people from the US and other parts of the world to explore global issues.

We held the Benjamin Franklin House Literary Prize, with partner The Telegraph, asking young writers (under the age of 25) and professional writers to provide their own response to the Franklin quote, "They who can give up essential liberty to obtain a little temporary safety, deserve neither liberty nor safety." Our Literary Prize

---

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

---

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

---

panel chose Nicola Simpson as the first place Young Writers winner, and Heather Parker as the first place Professional Writers winner. Their entries were featured on the House and Telegraph websites.

The Annual Benjamin Franklin House Symposium in autumn 2009, in association with the Eccles Centre for American Studies at the British Library, featured Paul Smith, Director of Kew Garden's Millennium Seed Bank, in celebration of Kew's 250th Anniversary. Among Franklin's many passions was botany, a passion he shared with his friend and botanist Joseph Banks, who laid the foundations of the Seed Bank's work cataloguing and preserving the world's flora.

In addition, among approximately 40 events were

- Lady Joan Reid annual lecture series, including Franklin and Climate Change
- American Independence Day reception
- Thanksgiving at Benjamin Franklin House, a university student reception
- Poor Richard's Almanack and how Franklin Perfected the Genre by House Administrator and Operations Manager Sally James
- Museums & Galleries at Night
- Story of London walking tour
- London Open House weekend
- Benjamin Franklin and the Junto with Dr George Boudreau, Penn State
- Rivers Baghdad water exhibition
- Children's Christmas party
- Holiday Open House

Under the leadership of Chairman John Studzinski, the Board progressed its activities through its 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 Education Manager, House Administrator and Operations Manager, and a Front of House and Marketing Supervisor.

Benjamin Franklin House receives support from Benjamin Franklin House Foundation in the United States, an active and independent organisation. The House is collaborating with the Foundation on the World of Possibilities endowment campaign, launched in June 2009 at a gala event in Washington DC at the Newseum, to secure the long-term future of the House and its educational aims. Co-chaired by the British Ambassador to the United States, efforts are supported by an Advisory Group of more than 25 congressional and parliamentary leaders and an Educational Panel of transatlantic scholars. In August 2010 the House and Foundation received a contingent grant of \$575,000 toward the endowment, it will be necessary to raise three times this sum to claim funds over the next four years.

The House marketing plan is continually refined with ongoing approaches for key groups 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, collaborative activities with organisations like London Pass, distribution of House literature, and website referrals. We estimate total visitor numbers since opening will be over 41,000 by the close of 2010. In comparison with the previous financial year, to the close of March 2010, visitor numbers were up more than 17%. Targeted promotion of the House for venue hire has helped to advance earned income.

---

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

---

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

---

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 like the John Ellerman Foundation, Esmée Fairbairn Foundation, and the Allan and Nesta Ferguson Charitable Trust. In addition, we work with major donors and hold ongoing cultivation events including breakfasts, dinners and receptions.

The House is an exciting hub of daily activity with visitors from around the world. In addition, our internship programme attracts students from American and British universities, as well as those across Europe, helping them gain skills in education, marketing and museum operations.

We will be collaborating with the New York Historical Society on a pilot Benjamin Franklin House Sister Schools initiative to link British and American school children. For several weeks, they will participate in activities based on Franklin's years in London, utilizing technology to bridge the gap between the two countries and cultures. Central to the programme are themes of citizenship and responsibility, liberty and justice, conflict resolution and diplomacy, and science and innovation.

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

#### **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 recent actual and projected cash flows on a regular basis.

#### **Principal funding**

#### **Income generation**

The charity's total income in the year was £293,140 (2009: £186,348), which is an improvement from last year when recession had an 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, committed to the House's educational and cultural activities, as opposed to the conservation activities of previous years.

#### **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, (£154,109 from £127,056). Repair costs accounted for £24,070 (2009: £15,184). We focused on careful management of costs to limit increases in total operating costs, which rose (excluding depreciation) by 8.9% (£274,200 from £249,663).



---

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

---

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

---

**Changes in fixed assets**

The movements in fixed assets during the year are set out in Note 10 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 events**

There are no post balance sheet events required for disclosure

**Plans for the future**

**Statement of Governors' responsibilities**

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 and charity law requires the Governors to prepare financial statements for each financial year which 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 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 proper 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

---

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

---

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

---

**Provision of information to auditors**

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


**Auditors**

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 *9 DECEMBER 2010* and signed on their behalf, by

**Mr J Studzinski, Chairman**  
**Governor**



---

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

---

**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 2010 set out on pages 11 to 21. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

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**

The Governors' (who are also the directors of the company for the purposes of company law) responsibilities 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), and for being satisfied that the financial statements give a true and fair view, are set out in the Statement of Governors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Governors' report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with these accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

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

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Governors in the preparation of the financial statements and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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

---

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

---

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

---

**Opinion**

In our opinion

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Governors' report is consistent with the financial statements

*Reeves & Co LLP*

Michael Procter BSc 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 *9 DECEMBER 2010*

**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 2010**

	Note	Restricted funds 2010 £	Unrestricted funds 2010 £	Total funds 2010 £	Total funds 2009 £
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income	2	50,821	188,521	239,342	133,169
Activities for generating funds	3	-	14,233	14,233	13,865
Investment income	4	-	87	87	1,030
Incoming resources from charitable activities	5	-	33,931	33,931	30,222
Other incoming resources		-	5,547	5,547	8,062
<b>Total incoming resources</b>		<b>50,821</b>	<b>242,319</b>	<b>293,140</b>	<b>186,348</b>
<b>Resources expended</b>					
Charitable activities	6	148,819	182,676	331,495	310,399
Governance costs	7	-	13,811	13,811	10,614
<b>Total resources expended</b>		<b>148,819</b>	<b>196,487</b>	<b>345,306</b>	<b>321,013</b>
<b>Movement in total funds for the year -</b>					
<b>Net income/(expenditure) for the year</b>		<b>(97,998)</b>	<b>45,832</b>	<b>(52,166)</b>	<b>(134,665)</b>
<i>Total funds at 1 April 2009</i>		<i>1,702,190</i>	<i>667,596</i>	<i>2,369,786</i>	<i>2,504,451</i>
<b>Total funds at 31 March 2010</b>		<b>1,604,192</b>	<b>713,428</b>	<b>2,317,620</b>	<b>2,369,786</b>

The notes on pages 13 to 21 form part of these financial statements

**FRIENDS OF BENJAMIN FRANKLIN HOUSE**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER. 1362091**

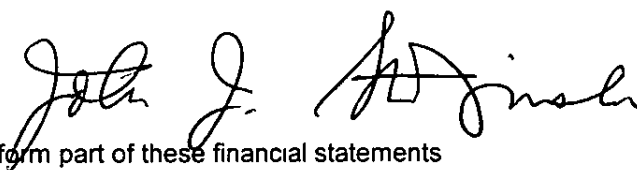
**BALANCE SHEET**  
**AS AT 31 MARCH 2010**

	Note	£	2010 £	£	2009 £
<b>Fixed assets</b>					
Tangible assets	13		2,272,279		2,343,383
<b>Current assets</b>					
Debtors	15	1,171		4,761	
Cash at bank and in hand		58,286		36,671	
		<u>59,457</u>		<u>41,432</u>	
<b>Creditors: amounts falling due within one year</b>	16	(14,116)		(15,029)	
<b>Net current assets</b>			<u>45,341</u>		<u>26,403</u>
<b>Total assets less current liabilities</b>			<u>2,317,620</u>		<u>2,369,786</u>
<b>Charity Funds</b>					
Restricted funds	17		1,604,192		1,702,190
Unrestricted funds	17		713,428		667,596
			<u>2,317,620</u>		<u>2,369,786</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 *9 DECEMBER 2010* and signed on their behalf, by

Mr J Studzinski, Chairman



The notes on pages 13 to 21 form part of these financial statements

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

---

**1 Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, 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.

**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.

**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).

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

**1. Accounting policies (continued)**

**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 property	-	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

**2. Voluntary income**

	<b>Restricted funds 2010 £</b>	<b>Unrestricted funds 2010 £</b>	<b>Total funds 2010 £</b>	<b>Total funds 2009 £</b>
Corporate	-	11,518	11,518	16,603
Individuals	10,000	33,422	43,422	32,871
US charitable foundation	-	143,581	143,581	83,695
Grants	40,821	-	40,821	-
	<u>50,821</u>	<u>188,521</u>	<u>239,342</u>	<u>133,169</u>

**3. Activities for generating funds**

	<b>Restricted funds 2010 £</b>	<b>Unrestricted funds 2010 £</b>	<b>Total funds 2010 £</b>	<b>Total funds 2009 £</b>
Sale of merchandise	-	6,071	6,071	3,083
Room hire	-	8,162	8,162	10,782
	<u>-</u>	<u>14,233</u>	<u>14,233</u>	<u>13,865</u>



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

**4 Investment income**

	<b>Restricted funds 2010 £</b>	<b>Unrestricted funds 2010 £</b>	<b>Total funds 2010 £</b>	<b>Total funds 2009 £</b>
Interest received	-	87	87	1,030

**5. Incoming resources from charitable activities**

	<b>Restricted funds 2010 £</b>	<b>Unrestricted funds 2010 £</b>	<b>Total funds 2010 £</b>	<b>Total funds 2009 £</b>
Historical experience - Ticket sales	-	33,931	33,931	30,222

**6. Expenditure by charitable activity**

**Summary by fund type**

	<b>Restricted funds 2010 £</b>	<b>Unrestricted funds 2010 £</b>	<b>Total funds 2010 £</b>	<b>Total funds 2009 £</b>
Historical experience	48,097	2,319	50,416	58,326
Student Science Centre	10,011	32,403	42,414	46,701
Voluntary Income	-	62,808	62,808	25,774
Other	90,711	85,146	175,857	179,598
	<b>148,819</b>	<b>182,676</b>	<b>331,495</b>	<b>310,399</b>

**Summary by expenditure type**

	<b>Depreciation 2010 £</b>	<b>Other costs 2010 £</b>	<b>Total 2010 £</b>	<b>Total 2009 £</b>
Historical experience	16,220	34,196	50,416	58,326
Student Science Centre	9,253	33,161	42,414	46,701
Voluntary Income	-	62,808	62,808	25,774
Other	45,633	130,224	175,857	179,598
	<b>71,106</b>	<b>260,389</b>	<b>331,495</b>	<b>310,399</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

**7. Governance costs**

	<b>Restricted funds 2010 £</b>	<b>Unrestricted funds 2010 £</b>	<b>Total funds 2010 £</b>	<i>Total funds 2009 £</i>
Governance	-	13,811	13,811	10,614

**8. Direct costs**

	<b>Governance £</b>	<b>Historical Experience £</b>	<b>Student Science Centre £</b>	<b>Voluntary Income £</b>
Fundraising costs	-	-	-	5,447
Science Days	-	-	759	-
Historical experience	-	6,301	-	-
Ticket booking fee	-	744	-	-
Wages	-	25,593	29,866	51,500
Employers NIC	-	1,181	2,536	5,861
Travel	-	-	-	-
Employee expenses	-	-	-	-
Audit	6,580	-	-	-
Accountancy	2,086	-	-	-
Legal & professional	5,145	-	-	-
Bank charges	-	-	-	-
Miscellaneous	-	377	-	-
Staff training	-	-	-	-
	<b>13,811</b>	<b>34,196</b>	<b>33,161</b>	<b>62,808</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

**8. Direct costs (continued)**

	Other £	Total 2010 £	Total 2009 £
Fundraising costs	-	5,447	2,114
Science Days	-	759	4,385
Historical experience	-	6,301	38,703
Ticket booking fee	-	744	747
Wages	47,150	154,109	127,056
Employers NIC	3,943	13,521	14,096
Travel	5,208	5,208	3,560
Employee expenses	3,244	3,244	383
Audit	-	6,580	6,432
Accountancy	-	2,086	2,045
Legal & professional	-	5,145	2,137
Bank charges	837	837	794
Miscellaneous	(748)	(371)	1,438
Staff training	1,508	1,508	-
	<u>61,142</u>	<u>205,118</u>	<u>203,890</u>

**9. Support costs**

	Historical Experience £	Student Science Centre £	Other £	Total 2010 £	Total 2009 £
Telephone	-	-	4,937	4,937	4,179
Printing, postage & stationery	-	-	4,106	4,106	3,959
Insurance	-	-	7,944	7,944	6,740
Security	-	-	1,994	1,994	1,353
Repairs	-	-	24,070	24,070	15,184
Heat & light	-	-	12,205	12,205	7,392
Cleaning	-	-	7,913	7,913	6,966
Computer costs	-	-	4,656	4,656	-
Subscriptions	-	-	291	291	-
Staff welfare	-	-	616	616	-
Marketing	-	-	350	350	-
Depreciation	16,220	9,253	45,633	71,106	71,350
	<u>16,220</u>	<u>9,253</u>	<u>114,715</u>	<u>140,188</u>	<u>117,123</u>

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

---

**10. Net income / (Expenditure)**

This is stated after charging

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets - owned by the charity	<b>71,104</b>	<b>75,212</b>

During the year, no Governors received any remuneration (2009 - £NIL)

During the year, no Governors received any benefits in kind (2009 - £NIL)

During the year, no Governors received any reimbursement of expenses (2009 - £NIL)

**11 Staff costs**

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

	<b>2010</b>	<b>2009</b>
	<b>No.</b>	<b>No</b>
Management and administration	<b>16</b>	<b>12</b>

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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

**13 Tangible fixed assets**

	Freehold Land and Buildings £	Historical Experience £	Student Science Centre £	Computer and Office Equipment £	Total £
<b>Cost</b>					
At 1 April 2009 and 31 March 2010	2,231,023	324,402	185,057	45,118	2,785,600
<b>Depreciation</b>					
At 1 April 2009	299,791	62,732	37,011	42,683	442,217
Charge for the year	44,619	16,220	9,253	1,012	71,104
At 31 March 2010	344,410	78,952	46,264	43,695	513,321
<b>Net book value</b>					
At 31 March 2010	1,886,613	245,450	138,793	1,423	2,272,279
At 31 March 2009	1,931,232	261,670	148,046	2,435	2,343,383

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.

**14. Inalienable assets**

The charity owns the following assets which are historic artefacts donated to the charity as follows:

- Marble bust of Benjamin Franklin by 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
- Moroccan leather purse – Presented to the charity by the Philadelphia Historic Society via Lord Inverchapel
- Terracotta Medallion of Benjamin Franklin in 1777 by Jean Baptiste Nini – Presented to the charity by the Poor Richard Society in the 1950s

These assets have not been capitalised in the accounts as there is no reliable valuation readily available. During the financial year they were held on behalf of the Charity by Countess Bessborough.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

**15. Debtors**

	2010 £	2009 £
Other debtors	175	-
Prepayments and accrued income	996	4,761
	<u>1,171</u>	<u>4,761</u>

**16. Creditors:  
Amounts falling due within one year**

	2010 £	2009 £
Trade creditors	5,217	4,137
Other creditors	691	685
Accruals and deferred income	8,208	10,207
	<u>14,116</u>	<u>15,029</u>

**17 Statement of funds**

	Brought Forward £	Incoming Resources £	Resources Expended £	Carried Forward £
<b>Unrestricted funds</b>				
General funds	667,596	242,319	(196,487)	713,428
<b>Restricted funds</b>				
Education & Development	329,415	22,065	(56,608)	294,872
Conservation	1,351,243	28,756	(90,711)	1,289,288
Endowment	17,182	-	-	17,182
Sir Bob Reid School Fund	4,350	-	(1,500)	2,850
	<u>1,702,190</u>	<u>50,821</u>	<u>(148,819)</u>	<u>1,604,192</u>
<b>Total of funds</b>	<u>2,369,786</u>	<u>293,140</u>	<u>(345,306)</u>	<u>2,317,620</u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

**17. Statement of funds (continued)**

**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. Schools awarded will be able to use it for costs associated with a visit to the Benjamin Franklin House or an activity, equipment or supplies that will enhance the pupils' knowledge of and interest in science

**Summary of funds**

	<b>Brought Forward £</b>	<b>Incoming Resources £</b>	<b>Resources Expended £</b>	<b>Carried Forward £</b>
General funds	667,596	242,319	(196,487)	713,428
Restricted funds	1,702,190	50,821	(148,819)	1,604,192
	<b>2,369,786</b>	<b>293,140</b>	<b>(345,306)</b>	<b>2,317,620</b>

**18 Analysis of net assets between funds**

	<b>Restricted funds 2010 £</b>	<b>Unrestricted funds 2010 £</b>	<b>Total funds 2010 £</b>	<b>Total funds 2009 £</b>
Tangible fixed assets	1,604,192	668,086	2,272,278	2,343,382
Current assets	-	59,458	59,458	41,433
Creditors due within one year	-	(14,116)	(14,116)	(15,029)
	<b>1,604,192</b>	<b>713,428</b>	<b>2,317,620</b>	<b>2,369,786</b>

**19. Controlling party**

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