

**BRITISH MUSEUM VENTURES
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2003



BRITISH MUSEUM VENTURES LIMITED

FINANCIAL STATEMENTS

For the year ended 31 MARCH 2003

Company Registration Number: 1442912

Registered Office: 46 Bloomsbury Street
London
WC1B 3QQ

Directors: Nicholas Barber (Chairman)
Sukie Hemming
Hugh Stevenson
Andrew Thatcher

Secretary: Helen Watts

Bankers: Barclays Bank plc
London Corporate Banking
PO Box 544
54 Lombard Street
London
EC3V 9EX

Solicitors: Memery Crystal
31 Southampton Row
London
WC1B 5HT

Auditors: Grant Thornton
Registered Auditors
Chartered Accountants
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

BRITISH MUSEUM VENTURES LIMITED

FINANCIAL STATEMENTS

For the year ended 31 MARCH 2003

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BRITISH MUSEUM VENTURES LIMITED

REPORT OF THE DIRECTORS

For the year ended 31 MARCH 2003

The directors present their report together with the audited financial statements for the year ended 31 March 2003.

Review of business

The company's objectives further the aims of the British Museum as stated in the Museum's plan. These activities include creating replicas, jewellery, textiles and other products based on the collections, and retailing on the Museum site, at 22 Bloomsbury Street and Heathrow Airport.

Despite fewer visitors to the Museum, the retail business operated successfully and with higher levels of profitability.

Results and dividends

There was a profit for the year after taxation amounting to £328,000 (2002: £110,000).

The directors do not recommend the payment of a dividend, with payments under Gift Aid amounting to £318,000 (2002: £110,000) to be made to the Trustees of The British Museum.

Directors

The present membership of the Board of the Company is set out below. All directors served throughout the year

Nicholas Barber (Chairman)
Sukie Hemming
Hugh Stevenson
Andrew Thatcher

No director had any interest in the shares of the company at either 31 March 2003 or 31 March 2002.

Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BRITISH MUSEUM VENTURES LIMITED

REPORT OF THE DIRECTORS

For the year ended 31 MARCH 2003

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

Helen Watts

Helen Watts
Secretary

July 1, 2003

REPORT OF THE AUDITORS TO THE MEMBERS OF BRITISH MUSEUM VENTURES LIMITED

We have audited the financial statements of British Museum Ventures Limited for the year ended 31 March 2003 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

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

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

Basis of opinion

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

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

**REPORT OF THE AUDITORS TO THE MEMBERS OF
BRITISH MUSEUM VENTURES LIMITED**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

LONDON



2003

BRITISH MUSEUM VENTURES LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The company has taken advantage of paragraph 3(c) of Financial Reporting Standard 8, Related Party Disclosures, not to disclose transactions with The British Museum, whose *consolidated accounts are publicly available*.

As this is the first year of trading for the company no comparatives have been included for profit and loss items.

The principal accounting policies of the company and are set out below.

TURNOVER

Turnover comprises trade and retail sales of products and services relating to The British Museum, net of Value Added Tax.

STOCKS

Stocks are stated at the lower of cost and net realisable value, where cost includes materials, labour and attributable overheads.

FOREIGN CURRENCIES

Transactions in foreign currencies are expressed in sterling at the rates of exchange ruling on the date of conversion into sterling.

OPERATING LEASES

Payments in respect of operating lease agreements are charged to the profit and loss account on a straight line basis.

BRITISH MUSEUM VENTURES LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 MARCH 2003

	Note	2003 £'000	2002 £'000
Turnover	1	3,436	3,277
Cost of sales		<u>(1,346)</u>	<u>(1,650)</u>
Gross profit		2,090	1,627
Administrative expenses		(1,762)	(1,517)
Other operating income		<u>-</u>	<u>-</u>
Operating profit	1	<u>328</u>	<u>110</u>
Profit for the year before and after taxation	1	328	110
Gift aid		(328)	(110)
Profit and loss account brought forward		<u>-</u>	<u>-</u>
Profit and loss account carried forward		<u>-</u>	<u>-</u>

Turnover and profit for the year before and after taxation relate exclusively to continuing operations.

The group has no recognised gains or losses other than its profit for the year as set out above.

The accompanying accounting policies and notes form an integral part of these financial statements.

BRITISH MUSEUM VENTURES LIMITED

BALANCE SHEET AT 31 MARCH 2003

	Note	2003 £'000	2002 £'000
Current assets			
Stock	5	576	1,020
Debtors	6	742	90
		<u>1,318</u>	<u>1,110</u>
Creditors: amounts falling due within one year	7	(318)	(110)
Net current assets		<u>1,000</u>	<u>1,000</u>
Equity capital and reserves			
Called up share capital	8	1,000	1,000
Profit and loss account		-	-
Shareholders' funds	9	<u>1,000</u>	<u>1,000</u>

The financial statements were signed on behalf of the Board of Directors on: JULY 1, 2003

A. Thatcher

Andrew Thatcher - Director

The accompanying accounting policies and notes form an integral part of these financial statements.

BRITISH MUSEUM VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2003

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is stated after charging:

	2003 £'000	2002 £'000
Auditors' remuneration	<u>1</u>	<u>1</u>

2 CONTRIBUTION TO THE PARENT COMPANY AND ULTIMATE PARENT UNDERTAKING

The British Museum Company Limited owns the entire share capital of the company. The ultimate parent of the company is The British Museum.

Gift Aid of £318,000 is due in respect of the year ended 31 March 2003 and £10,000 in respect of the year ended 31 March 2002 (2002: £100,000).

3 DIRECTORS AND EMPLOYEES

The company does not have any employees. No director received any remuneration from this company.

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The company is subject to UK Corporation Tax. The corporation tax charge for the year at current rates is nil, based on the result for the year.

5 STOCKS

	2003 £'000	2002 £'000
Finished goods and goods for resale	<u>576</u>	<u>1,020</u>

6 DEBTORS

	2003 £'000	2002 £'000
Due from parent company	<u>742</u>	<u>90</u>

BRITISH MUSEUM VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2003

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £'000	2002 £'000
Due to The British Museum	<u>318</u>	<u>100</u>

8 SHARE CAPITAL

	2003 £	2002 £
Authorised 1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid 1,000,000 (2002: 1,000,000) ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £'000	2002 £'000
Profit for the financial year	-	-
Ordinary shares issued	-	1,000
Shareholders' funds at 1 April 2002	<u>1,000</u>	-
Shareholders' funds at 31 March 2003	<u>1,000</u>	<u>1,000</u>

10 CAPITAL COMMITMENTS

	2003 £'000	2002 £'000
Capital commitments authorised but not contracted for	<u>-</u>	<u>-</u>
Contracted for but not provided in these financial statements	<u>-</u>	<u>-</u>

11 RELATED PARTY TRANSACTIONS

As a wholly-owned subsidiary of the Trustees of The British Museum, the company is exempt from the requirements of Financial Reporting Standard No 8 to disclose transactions with other members of the group headed by the Trustees.

BRITISH MUSEUM VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2003

12 CONTROLLING RELATED PARTY

The directors consider that the ultimate controllers of this company are the Trustees of The British Museum.

Copies of the group financial statements can be obtained from the registered office of The British Museum, Great Russell Street, London, WC1B 3DG.