

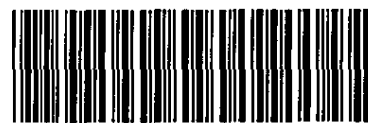
Company Registration No. 4698817 (England and Wales)
Registered Charity No. 1097205

THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM
(A company limited by guarantee)

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2008

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THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

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THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number	1097205
Company number	4698817
Principal office	Clock Tower Yard, Temple Meads, Bristol BS1 6QH
Auditors	Target Winters Limited, 29 Ludgate Hill, London EC4M 7JE
Bankers	Royal Bank of Scotland, 36-38 Baldwin Street, Bristol BS1 1NR

THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

Directors and trustees

The directors of the charitable company (the Charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The following directors and trustees have held office since 1 January 2008:

Sir Neil Cossons OBE (Chairman)	
Dr Robert Anderson FRSE	
Mr Nicolas Barker OBE	
Sir Nicholas Barrington KCMG CVO	
Mr Keith Bonham MBE DL	
Professor Sir David Cannadine FBA	
Councillor Christopher Davies	(Resigned 25 October 2008)
Mr Francis Greenacre FMA	
Mr Jack Lambert B.A. B.Arch. RIBA	
Professor Wm. Roger Louis CBE	
Sir Michael McWilliam KCMG	
Mrs Laura Marshall	(Resigned 9 April 2008)
Ms Patsy Robertson	
Mr John Smith CBE	
Sir James N Tidmarsh KCVO MBE JP	

Honorary trustees

Sir Jack Hayward OBE and Mr John Raisman CBE are Emeritus Trustees.

Structure, governance and management

Governing document

The British Empire and Commonwealth Museum is a company limited by guarantee governed by its Memorandum and Articles of Association dated 14 March 2003. It is registered as a charity with the Charity Commission.

Appointment of trustees

The trustees are appointed or removed by the Board of Trustees on the recommendation of the Nominations Committee

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Board committees

The board of trustees, which can have between 10 and 20 members, is responsible for the effective administration of the charity. The board meets three times a year and its Finance & General Purposes Committee meets at least six times a year. There are also board sub-committees for Capital Development, Fund Raising, Audit, Finance and Nominations that meet as required.

THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

Management

The Museum Director is appointed by the Trustees to manage the day to day operations of the Charity. Within terms of delegation approved by the Trustees, the management function is conducted through the senior management team comprising:

Dr Gareth Griffiths FRSA FRHistS	Museum Director
Sokoveti Irwin	Venue Hire
Anne Lineen	Mandate Project Director
Geoff Nicks FCA	Finance and Property

Related parties

On 1 January 2004 the Charity took over the activities of its subsidiary company, Empire Museum Ltd, from The Museum of Empire and Commonwealth Trust.

Risk assessment

The Trustees have given consideration to the major risks to which the company and its subsidiary company are exposed. The major risks, that have been identified, have been reviewed and, where reasonable and practicable, procedures established with a view to mitigating the consequences of those risks.

Objectives and activities

The Mission of The British Empire & Commonwealth Museum is to provide a national forum for preserving, exploring and studying Britain's cultural heritage associated with its former Empire and today's Commonwealth, and the restoration of the Brunel's Old Station.

The Museum is located at Temple Meads, Bristol, in the original GWR terminus designed by Isambard Kingdom Brunel. It was opened in 2002 after an extensive restoration programme funded by private benefactors and trusts. The sixteen galleries gave a representative presentation of the collections covering three historical phases: Building an Empire 1490-1800; Victoria's Empire 1800-1900; From Colonialism to Commonwealth 1900- present day. There was a separate gallery for special exhibitions.

The Museum delivers its mission through three main activities –

- i. Public information, instruction and entertainment delivered by displays in the permanent galleries, special events and exhibitions;
- ii. Conservation and research of the collections of materials, images and archives that have been donated to the Museum, carried out by curatorial staff and by research links with universities;
- iii. Primary and secondary school education programmes delivered at the Museum and through the distribution of special course materials that address elements of the national curriculum and wider citizenship issues. Following closure of the Commonwealth Institute in 2002, the Museum is the only institution in Britain that is dedicated to explaining and educating about the Commonwealth through school programmes and through its gallery displays.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

Achievements and performance

The Trustees are committed to enabling as many people as possible to access the archives, collections and images held by the Charity, and in particular that those in education benefit from the resources.

The Museum's major exhibition 'Breaking the Chains', which opened in April 2007, continued to attract many groups and distinguished visitors and many hundreds of adult and school groups visits.

The achievement of the exhibition was recognised through its graphic design winning a national award, and the Museum being shortlisted from over a hundred museums for the UK's largest arts prize, the Art Fund Prize.

The Museum has identified a London site with a development partner for the Museum to reopen in 2012. Planning consent for the proposal is expected in the autumn of 2009 and for detailed design to follow.

During this period of planning, the Museum's off site education loans programme will continue as will the Images of Empire film and photographic archive service. A major exhibition on the Palestine Mandate is planned for London, to open at the end of 2010. Research and design is underway, with research trips to the Middle East being undertaken.

Financial review

With the planned closure of the Museum exhibition galleries, and no major new projects commencing during the year, total incoming resources fell by 51.1% over the previous year, with voluntary income falling from £1.123m to £200k, and income from charitable activities from £342k to £175k, whilst income from activities for generating funds rose from £556k to £613k.

Total expenditure at £1.384m was 17.6% lower than the previous year's total of £1.680m.

The outcome for the year showed net outgoing resources of £396k, compared with net incoming resources of £342k in 2007. As a result net reserves decreased by 18.5% to £1.748m.

During the year the group obtained an increased overdraft facility of £250k, and a continuing loan repayments holiday provided further support to cashflow.

The Museum's business model is to finance its operations from three streams of revenue:

- i. Property income from space that is not required for museum purposes, comprising venue and room hire charges, rental income from a nursery and a café, and car parking fees.
- ii. Income generated from museum activities and services, comprising admission fees and shop revenue, and fees charged by the education and commercial archives departments.
- iii. Income from grants and donations from the Heritage Lottery Fund, individuals, trusts and companies in support of the Museum's activities.

In 2008 the relative contributions were property income 62%, charitable activities 18% and grants and donations 20%.

THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

Financial review (continued)

The annual budget is prepared with the involvement of departmental heads and the Senior Management Team. It is then reviewed and approved (subject to amendment) by the Finance & General Purposes Committee. Departmental heads have the responsibility to deliver their budgets. Procedures are in place to control expenditure and to monitor results.

The Trust is grateful for the support received from many trusts and individuals, notably the MBI Foundation, Linbury Trust, Quattan Foundation, and two anonymous bequests.

Grateful thanks are also due to our volunteer helpers who contribute many hours to the benefit of the Museum in the film and photograph archive, costume department, administration of the gift aid records, and conducting Brunel Tours amongst others.

The Trustees consider that the current market value of the property is in excess of the carrying value shown in these accounts.

Reserves policy

The Trustees' policy for reserves is to maintain the current level of reserves so as to enable it to continue to meet its core property and staff costs for the period until the Museum relocates to its new premises in London, whilst raising funds specifically for its ongoing planned exhibitions and collaborations.

Plans for future periods

The Trustees had taken the decision to offer a lease for sale on the property owned by the group, and to relocate the Museum, with its exhibitions, to London. Following the downturn in the property market, the Trustees have decided to withdraw the property owned by the group from sale.

Whilst the Museum's exhibition floors closed in October 2008, the venue hire and conference business continues under its rebranded name of 'Brunel's Old Station'. The Trustees have identified a London site with a development partner for the Museum to reopen in 2012.

During this period of planning, the Museum's off site education loans programme will continue, as will the Images of Empire film and photographic archive service. The next few years will see the planning for the relocation to London; in the interim the Trust will continue to manage the Brunel's Old Station site, reviewing the position when appropriate.

The next exhibition, on the Mandate will open in London in 2010 and will tour from the middle of 2011.

Auditors

A resolution to re-appoint Target Winters Limited as the Charity's auditors will be proposed at the Annual General Meeting.

THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

Statement of disclosure to auditors

- so far as the trustees are aware there is no relevant audit information of which the charity's auditors are unaware, and
- they have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



Sir Neil Cossons OBE
Chairman

24 June 2009

THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees, who are also directors for the purposes of company law, are responsible for preparing the Trustees' 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

We have audited the financial statements of The British Empire and Commonwealth Museum Limited for the year ended 31 December 2008 which comprise the Statement of Financial Activities, the Balance Sheets, the Cash Flow Statement and the related notes. 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 January 2007).

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken 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 the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

As described in the statement of trustees' responsibilities, trustees' are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

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

Fundamental uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in note 1c concerning the preparation of the financial statements on a going concern basis. The validity of this basis is dependent upon the continuing support of the group's bankers and its supporters. The financial statements do not include any adjustments that would be necessary if this basis is inappropriate. Our opinion is not qualified in this respect.

THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charity's and group's affairs as at 31 December 2008 and of their incoming resources and application of resources, including their income and expenditure, in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the trustees' report is consistent with the financial statements.



Target Winters Limited
Chartered Accountants
Registered Auditors
29 Ludgate Hill
London
EC4M 7JE

Date 21-08-2009

THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including Consolidated Income and Expenditure Account) FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2008 £	Total funds 2007 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	128,110	71,645	199,755	1,123,062
Activities for generating funds	3	613,431	-	613,431	556,361
Incoming resources from charitable activities	4	174,608	-	174,608	342,340
Total incoming resources		916,149	71,645	987,794	2,021,763
Resources expended					
Costs of generating income					
Costs of generating voluntary income	5	2,754	-	2,754	36,180
Costs of commercial activities	6	148,579	1,234	149,813	155,173
Charitable activities	7	861,910	334,604	1,196,514	1,455,492
Governance costs	8	35,204	-	35,204	33,316
Total resources expended		1,048,447	335,838	1,384,285	1,680,159
Net movement in funds for the year		(132,298)	(264,193)	(396,491)	341,604
Balances brought forward		1,719,765	425,136	2,144,901	1,803,297
Balances carried forward		1,587,467	160,943	1,748,410	2,144,901

THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008

	Notes	£	2008 £	£	2007 £
Fixed assets					
Tangible assets	12		2,855,405		3,010,206
Current assets					
Stocks		-		8,517	
Debtors	14	228,749		360,220	
Cash at bank and in hand		2,984		4,108	
		231,733		372,845	
Creditors: amounts falling due within one year	15	(368,728)		(268,150)	
Net current (liabilities)/assets			(136,995)		104,695
			2,718,410		3,114,901
Creditors: amounts falling due after more than one year	16	(970,000)		(970,000)	
			1,748,410		2,144,901
Accumulated funds					
Unrestricted funds					
Income and expenditure account			1,587,467		1,719,765
Restricted funds	17		160,943		425,136
			1,748,410		2,144,901

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the board on 24 June 2009.

Keith Bonham

Keith Bonham FCA
Director

Sir Neil Cossons

Sir Neil Cossons OBE
Chairman


THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

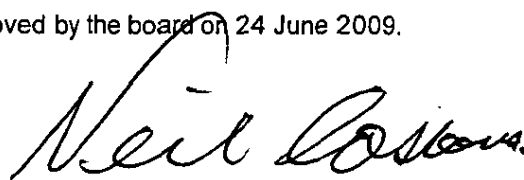
BALANCE SHEET AS AT 31 DECEMBER 2008

	Notes	2008 £	2007 £
Fixed assets	12	9,180	9,180
Current assets			
Debtors	14	160,642	462,547
Cash at bank		63	96
		<u>160,705</u>	<u>462,643</u>
Creditors: amounts falling due within one year	15	-	(10,000)
		<u>-</u>	<u>-</u>
Net current assets		160,705	452,643
		<u>169,885</u>	<u>461,823</u>
Accumulated funds			
Unrestricted funds		8,942	36,687
Restricted funds		160,943	425,136
		<u>169,885</u>	<u>461,823</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the board on 24 June 2009.


Keith Bonham FCA
Director


Sir Neil Cossons OBE
Chairman

THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
Net cash (outflow)/inflow from operating activities	(a)	(37,036)	411,549
Returns on investment and servicing of finance	(b)	(78,787)	(70,118)
Net cash outflow from capital items	(b)	(1,235)	(311,359)
(Decrease)/increase in cash in the year	(c)	<u>(117,058)</u>	<u>30,072</u>
Reconciliation of net cash outflow to movement in net debt			
(Decrease)/increase in cash in the year	(c)	(117,058)	30,072
Net debt at 1 January 2008		<u>(1,016,659)</u>	<u>(1,046,731)</u>
Net debt at 31 December 2008	(c)	<u>(1,133,717)</u>	<u>(1,016,659)</u>

The notes to the Cash Flow Statement are set out on page 13.

THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

(a) Reconciliation of changes in resources to operating cash flows

	2008 £	2007 £
Net (outgoing)/incoming resources	(317,705)	411,722
Depreciation	156,036	143,644
Decrease in stock	8,517	29,430
Decrease/(increase) in debtors	131,471	(180,203)
Increase/(decrease) in creditors	(15,355)	6,956
	<u> </u>	<u> </u>
Net cash (outflow)/inflow from operating activities	(37,036)	411,549
	<u> </u>	<u> </u>

(b) Analysis of cash flows for headings netted in the cash flow statement

	£	£
Returns on investments and servicing of finance		
Bank interest payable	(78,787)	(70,118)
	<u> </u>	<u> </u>
Net cash outflow from returns on investments and servicing of finance	(78,787)	(70,118)
	<u> </u>	<u> </u>
Capital expenditure		
Purchase of tangible fixed assets	(1,235)	(311,359)
	<u> </u>	<u> </u>
Net cash outflow from capital items	(1,235)	(311,359)
	<u> </u>	<u> </u>

(c) Analysis of net debt

	1 January 2008	Cash flow	Other movements	31 December 2008
Cash at bank and in hand	4,108	(1,124)	-	2,984
Bank overdraft	(50,767)	(115,934)	-	(166,701)
Bank loan	(970,000)	-	-	(970,000)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	(1,016,659)	(117,058)	-	(1,133,717)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

a. Basis of preparation

The financial statements have been prepared under the historic cost convention, as modified by the revaluation of certain fixed assets. The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005, and the Financial Reporting Standard for Smaller Entities (effective January 2007). The principal accounting policies adopted in the preparation of the financial statements are set out below.

The format of the income and expenditure accounts has been adjusted from the format specified within Schedule 4 of the Companies Act 1985 and within SORP 2005 to include headings which are relevant to its activities and to enable it to show a true and fair view.

b. Group financial statements

These financial statements consolidate the results of the Charity and its wholly owned subsidiary Empire Museum Limited on a line by line basis. A separate statement of financial activities and income and expenditure account are not presented for the Charity itself following the exemptions afforded by section 230 of the Companies Act 1985 and paragraph 397 of the SORP.

c. Going concern

The financial statements have been prepared on a going concern basis which assumes that the group will continue to trade. The validity of this assumption is dependent upon the continuing support of the group's bankers and its supporters. In turn, this support is dependent upon the ability of both the company and its subsidiary undertaking to secure adequate financing to ensure the successful operation of the museum. In the event of the company ceasing to trade, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for any further liabilities that may arise, and to reclassify fixed assets as current assets.

d. Incoming resources

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the Charity has unconditional entitlement.

Income from commercial trading activities is recognised as earned or when the related goods and services are provided.

Investment income is recognised on a receivable basis.

Grants and donations comprise both capital and revenue grants. Grants are credited to the income and expenditure account.

THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

e. Volunteers

The value of services provided by volunteers is not incorporated into these financial statements.

f. Resources expended

Expenditure is accounted for on an accruals basis and includes, where applicable, value added tax where this is irrecoverable. Liabilities are recognised as resources expended where there is a legal or constructive obligation committing the group to the expenditure.

Costs of generating funds comprise the costs associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource.

g. Tangible fixed assets and depreciation

Tangible fixed assets are depreciated on a straight line basis over their estimated useful lives as follows:

Asset Category	Annual rate
Freehold buildings	2%
Museum exhibits and office equipment	25%

Individual fixed assets costing £250 or more are capitalised at cost.

h. Funds structure

The Charity has a number of restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

All other funds are unrestricted income funds.

THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

2	Voluntary income	Unrestricted funds	Restricted funds	Total funds 2008	Total funds 2007
		£	£	£	£
	Grants and donations	128,110	71,645	199,755	1,123,062
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
3	Activities for generating funds				
	Income from property	161,446	-	161,446	169,696
	Venue Hire	451,985	-	451,985	386,665
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
		613,431	-	613,431	556,361
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
4	Incoming resources from charitable activities				
	Museum entry	117,098	-	117,098	187,124
	Museum shop and café	24,515	-	24,515	68,769
	Education	23,910	-	23,910	43,891
	Images of Empire archive	9,085	-	9,085	42,556
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
		174,608	-	174,608	342,340
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
5	Costs of generating voluntary income				
	Promotional costs	653	-	653	5,808
	Salaries and wages	2,101	-	2,101	30,372
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
		2,754	-	2,754	36,180
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

6 Costs of commercial activities

	Unrestricted funds	Restricted funds	Total funds 2008	Total funds 2007
	£	£	£	£
Cost of goods and services	55,458	1,234	56,692	54,930
Salaries and wages	93,121	-	93,121	100,243
	<u>148,579</u>	<u>1,234</u>	<u>149,813</u>	<u>155,173</u>

7 Charitable activities

	Unrestricted funds	Restricted funds	Total funds 2008	Total funds 2007
	£	£	£	£
Salaries and wages	320,777	38,127	358,904	580,191
Exhibitions	38,781	246,352	285,133	250,606
Education	2,106	-	2,106	21,261
Shop purchases	12,278	-	12,278	48,351
Curatorial costs & special projects	16,725	-	16,725	20,639
Academic research fees	6,314	-	6,314	9,455
Administration & office costs	152,206	-	152,206	169,843
Property costs	103,604	-	103,604	70,910
Promotions and publications	16,728	-	16,728	62,968
Bank charges and interest	86,480	-	86,480	77,624
Depreciation	105,911	50,125	156,036	143,644
	<u>861,910</u>	<u>334,604</u>	<u>1,196,514</u>	<u>1,455,492</u>

The charitable activities represent the costs of running and developing the museum and its related services.

THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

8 Governance costs

	Unrestricted funds	Restricted funds	Total funds 2008	Total funds 2007
	£	£	£	£
Salaries and wages	18,585	-	18,585	21,053
Legal and professional fees	7,919	-	7,919	263
Audit	8,000	-	8,000	4,000
Accountancy	700	-	700	8,000
	<u>35,204</u>	<u>-</u>	<u>35,204</u>	<u>33,316</u>

9 Staff costs

Salaries and wages	434,057	669,814
Social security costs	38,462	62,045
	<u>472,519</u>	<u>731,859</u>

These costs comprise the staff costs referred to in notes 6, 7, 8 and 9.

	No	No
The average weekly number of employees, including part-timers, was	<u>21</u>	<u>31</u>
The weekly full time equivalent number of employees, at the year end, was:	<u>10</u>	<u>22</u>

No expenses were reimbursed to any Trustees, and no Trustee received any remuneration in either year.

10 Auditor's remuneration

The auditor's remuneration of £8,000 (2007: £4,000) related solely to the audit with additional services provided of £1,700 (2007: £8,000).

11 Net outgoing resources for the year on unrestricted funds

	2008 £	2007 £
Retained by the parent company	(291,937)	415,881
Dealt with in the financial statements of the subsidiary undertaking	<u>(104,554)</u>	<u>(74,277)</u>

THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

12 Fixed assets – The Group

	Freehold property £	Permanent gallery £	Museum exhibits and office equipment £	Total £
Cost or valuation				
At 1 January 2008	3,106,185	968,530	606,545	4,681,260
Additions	1,235	-	-	1,235
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008	3,107,420	968,530	606,545	4,682,495
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2008	291,223	968,530	411,301	1,671,054
Charge for the year	61,965	-	94,071	156,036
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008	353,188	968,530	505,372	1,827,090
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2008	2,754,232	-	101,173	2,855,405
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2007	2,814,962	-	195,244	3,010,206
	<hr/>	<hr/>	<hr/>	<hr/>

The freehold property comprises the long leasehold held by the subsidiary company and the freehold acquired by the Charity during the year. It has been included in the balance sheet on the basis of a valuation carried out in 2002, as augmented by subsequent additions at cost.

The long leasehold property was revalued in February 2002 by KingSturge, chartered surveyors, on the basis of open market value at £1,900,000 and this valuation was included in the accounts. Subsequent additions, at cost, have been included in the balance sheet value at 31 December 2008.

The historical cost of the freehold property at the balance sheet date is £ 3,522,304 (2007: £3,521,069).

In October 2004, the directors obtained an indicative valuation of £5.5 million to £6.5 million for the long leasehold property from Hartnell Taylor Cook, chartered surveyors.

As mentioned in the Trustees' Report, the Trustees consider that the current market value of the property is in excess of the carrying value shown in these accounts.

THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

12 Fixed assets (continued) – The Charity

	Freehold property £
Cost or valuation	
At 1 January 2008	9,180
Additions	-
	<hr/>
At 31 December 2008	9,180
	<hr/>
Depreciation	
At 1 January 2008	-
Charge for the year	-
	<hr/>
At 31 December 2008	-
	<hr/>
Net book value	
At 31 December 2008	9,180
	<hr/>
At 31 December 2007	9,180
	<hr/>

13 Fixed asset investments

The company's wholly owned subsidiary is Empire Museum Limited, a company limited by guarantee and registered in England and Wales. The principal activity of Empire Museum Limited is the development and operation of The British Empire and Commonwealth Museum, on behalf of and at the direction of the directors of its parent company.

THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

14 Debtors	2008		2007	
	Group £	Charity £	Group £	Charity £
Trade debtors	71,314	-	55,148	-
Amount owed by related parties	30,446	129,269	39,705	452,413
Other debtors	126,989	31,373	265,367	10,134
	<u>228,749</u>	<u>160,642</u>	<u>360,220</u>	<u>462,547</u>
15 Creditors: amounts falling due within one year	2008		2007	
	Group £	Charity £	Group £	Charity £
Bank overdraft (secured)	166,701	-	50,767	-
Trade creditors	64,294	-	82,936	-
Amount owed to subsidiary undertaking	-	-	-	-
Other taxes and social security costs	24,575	-	34,568	-
Other creditors and accruals	113,158	-	99,879	10,000
	<u>368,728</u>	<u>-</u>	<u>268,150</u>	<u>10,000</u>
16 Creditors: amounts falling due after more than one year	2008		2007	
	Group £	Charity £	Group £	Charity £
Bank loan – repayable after 5 years	970,000	-	970,000	-

The bank overdraft and loan are secured on the long leasehold property of the subsidiary company and its associated assets.

THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

17 Restricted funds

This fund represents grants and donations to finance capital expenditure on the museum's development.

	Balance at 31 December 2007 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2008 £
Capital expenditure	3,334	-	(1,235)	-	2,099
Education	-	15,000	(15,000)	-	-
Slavery exhibition	414,231	27,745	(285,005)	-	156,971
OSPA oral research and exhibition	5,698	12,500	(18,198)	-	-
Palestine Mandate Appeal	-	16,400	(16,400)	-	-
Other under £2,500	1,873	-	-	-	1,873
	<u>425,136</u>	<u>71,645</u>	<u>(335,838)</u>	<u>-</u>	<u>160,943</u>

Name of fund	Description, nature and purposes of the fund
Capital expenditure	Acquisition of capital assets
Education	In furtherance of the Charity's school education programmes
Slavery exhibition	Heritage Lottery Fund grant to establish an exhibition marking the bicentenary of the ending of the Transatlantic slave trade.
OSPA oral research and exhibition	Oral research and travelling exhibition on <i>Serving Empire</i> .
Palestine Mandate Appeal	Conference held in 2008 and exhibition to be held in 2010, marking the 60 th Anniversary of the ending of the British Mandate in Palestine

18 Analysis of group net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	2,698,434	156,971	2,855,405
Cash at bank and in hand	2,984	-	2,984
Other net current liabilities	(140,967)	3,972	(136,995)
Bank loan	(970,000)	-	(970,000)
	<u>1,587,467</u>	<u>160,943</u>	<u>1,748,410</u>

THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

19 Related party transactions

Other debtors include an amount receivable from The Museum of Empire and Commonwealth Trust of £30,446 (2007: £39,705). The Museum of Empire and Commonwealth Trust is a related party by virtue of a number of trustees and directors in common.

20 Company status

The British Empire and Commonwealth Museum is a charitable company limited by guarantee and has no share capital.

The liability of each member in the event of winding up is limited to £1.