

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

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

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2009**

SATURDAY



\*AT0XWMCU\*

A08

07/08/2010

202

COMPANIES HOUSE

# THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

## CONTENTS

---

	Page
Legal and administrative details of the Charity, its Trustees' and Advisers	1
Directors' and Trustees' report	2 - 5
Statement of Trustees' Responsibilities	6
Independent Auditors' report	7 - 8
Consolidated Statement of Financial Activities	9
Consolidated Balance Sheet	10
Charity Balance Sheet	11
Consolidated Cash Flow Statement	12
Notes to the Consolidated Cash Flow Statement	13
Notes to the Financial Statements	14 - 22

# THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

## LEGAL AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES' AND ADVISERS

---

### 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 2009

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	
Mr Francis Greenacre FMA	
Mr Jack Lambert B A B Arch	
Professor Wm Roger Louis CBE	
Sir Michael McWilliam KCMG	
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

<b>Charity number</b>	1097205
<b>Company number</b>	4698817
<b>Registered and Principal office</b>	Clock Tower Yard, Temple Meads, Bristol BS1 6QH
<b>Auditors</b>	Target Winters Limited, 29 Ludgate Hill, London EC4M 7JE
<b>Bankers</b>	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 2009

---

### 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 and Nominations that meet as required.

#### *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 (resigned December 09)	Finance
Allan Caldwell FCA (appointed December 09)	Finance

# **THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM**

## **DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009**

---

### **Risk assessment**

The Trustees have given consideration to the major risks to which the Charity 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.

In 2008 it was decided to close the Museum early in 2009 in preparation for its relocation to London. The Museum Trust 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 Museum continues to deliver its mission through three main activities –

- i Public information, instruction and entertainment delivered through 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 through the distribution of special course materials that address elements of the national curriculum and wider citizenship issues.

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 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 2010 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 in 2011 at the Brunel Galleries, London. Research and design is underway, with research trips to the Middle East being undertaken.

### **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. Through 2009/2010 the Museum has developed resources on the Palestine Mandate including a website [www.britaininpalestine.org.uk](http://www.britaininpalestine.org.uk)

# THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

## DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

---

### Financial review

Following the closure of the Museum exhibition galleries in 2008, total incoming resources fell by 37% from the previous year, with voluntary income falling from £200k to £103k, and income from charitable activities from £175k to £50k, whilst income from activities for generating funds also declined from £613k to £465k

Total expenditure at £778k was 44% lower than the previous year's total of £1,385k

The outcome for the year showed net outgoing resources of £159k, compared to £396k in 2008 and net reserves decreased by 9% to £1,589k

The group 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 services
- iii Income from grants and donations from individuals, trusts and companies in support of the charitable activities

In 2009 the relative contributions were property income 75%, charitable activities 8% and grants and donations 17%

Preparations for the Palestine Mandate exhibition, which will open in London in 2011, have accelerated during 2009. Expenditure and corresponding funding for the exhibition in 2009, each amounting to £120k, have been deferred and will be recognised in the consolidated statement of financial activities in 2011

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.

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

## DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

---

### 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 when the site is ready for occupation.

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 2011 and then will tour. A dedicated web site on the Exhibition, its research and the resources being collected will be launched in 2010.

### Auditors

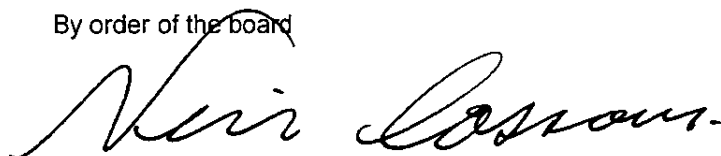
A resolution to re-appoint Target Winters Limited as the Charity's auditors will be proposed at the Annual General Meeting.

### 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 15 of the Companies Act 2006 relating to small companies.

By order of the board



Sir Neil Cossons OBE  
Chairman

17-6-2010

# **THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

---

The Trustees who are also directors of The British Empire and Commonwealth Museum for the purposes of company law are responsible for preparing the Trustees' Report and 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 of the incoming resources and application of resources including the income and expenditure of the charity for that period. In preparing these financial statements, the Trustees are required to

- a) select suitable accounting policies and apply them consistently,
- b) observe the methods and principles in the Charities SORP,
- c) make judgments and estimates that are reasonable and prudent,
- d) 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 that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Companies Act 2006. They are also responsible for safeguarding the assets of the charity 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 for the year ended 31 December 2009 which comprise the Statement of Financial Activities, the Balance Sheets, the Cash Flow Statement and the related notes. The 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 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 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 Trustees and auditors**

The Trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statement in accordance with applicable law and United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statement give a true and fair view are set out in the Statement of Trustees' 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 if, in our opinion, the Trustees' Annual Report is consistent with the 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 the accounting records and returns, if we have not received all of the information and explanations we require for our audit, or if certain disclosures of Trustees' remuneration specified by law are not made.

We read other information contained in the Trustees' Annual Report and 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 audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practice 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.

# THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

## INDEPENDENT AUDITORS' REPORT

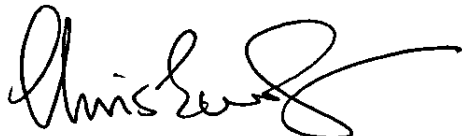
### TO THE MEMBERS OF THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

---

#### Opinion

In our opinion -

- the financial statements give a true and fair view of the state of the charity's and group's affairs as at 31 December 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities,
- the financial statements have been properly prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' Annual Report is consistent with the financial statements



**Chris Evans (Senior Statutory Auditor)**  
**For and on behalf of Target Winters Limited**

18 June 2010

**Chartered Accountants**  
**Statutory Auditor**

29 Ludgate Hill  
London  
EC4M 7JE

# THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account) FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2009 £	Total funds 2008 £
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income	2	90,370	13,079	103,449	199,755
Activities for generating funds	3	464,549	-	464,549	613,431
Incoming resources from charitable activities	4	50,236	-	50,236	174,608
<b>Total incoming resources</b>		<b>605,155</b>	<b>13,079</b>	<b>618,234</b>	<b>987,794</b>
<b>Resources expended</b>					
Costs of generating income					
Costs of generating voluntary income	5	1,874	-	1,874	2,754
Costs of commercial activities	6	148,612	-	148,612	149,813
Charitable activities	7	551,805	52,957	604,762	1,196,514
Governance costs	8	22,342	-	22,342	35,204
<b>Total resources expended</b>		<b>724,633</b>	<b>52,957</b>	<b>777,590</b>	<b>1,384,285</b>
<b>Net outgoing resources before transfers</b>		<b>(119,478)</b>	<b>(39,878)</b>	<b>(159,356)</b>	<b>(396,491)</b>
Transfers between funds		121,065	(121,065)	-	-
<b>Net movement in funds</b>		<b>1,587</b>	<b>(160,943)</b>	<b>(159,356)</b>	<b>(396,491)</b>
Balances brought forward		1,587,467	160,943	1,748,410	2,144,901
<b>Balances carried forward</b>		<b>1,589,054</b>	<b>-</b>	<b>1,589,054</b>	<b>1,748,410</b>

There are no recognised gains and losses other than those passing through the Consolidated Statement of Financial Activities

All of the charity's activities are continuing

# THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

## CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2009

	Notes	£	2009 £	£	2008 £
<b>Fixed assets</b>					
Tangible assets	11		2,760,016		2,855,405
Heritage assets	11		33,773		-
<b>Current assets</b>					
Stocks		-		-	
Debtors	13	264,884		228,749	
Cash at bank and in hand		3,717		2,984	
		268,601		231,733	
<b>Creditors amounts falling due within one year</b>	14	(503,336)		(368,728)	
<b>Net current liabilities</b>			(234,735)		(136,995)
			2,559,054		2,718,410
<b>Creditors amounts falling due after more than one year</b>	15	(970,000)		(970,000)	
<b>Net assets</b>			1,589,054		1,748,410
<b>Accumulated funds</b>					
Unrestricted funds					
Income and expenditure account			1,589,054		1,587,467
Restricted funds	16		-		160,943
			1,589,054		1,748,410

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

The financial statements were approved by the board on 17-6-2010

  
A K Bonham FCA  
Director

  
Neil Cossons OBE  
Chairman

Company Registration number: 4698817

# THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

## BALANCE SHEET AS AT 31 DECEMBER 2009

	Notes	2009 £	2008 £
<b>Fixed assets</b>			
Tangible assets	11	9,180	9,180
Heritage assets	11	33,773	-
<b>Current assets</b>			
Debtors	13	170,207	160,642
Cash at bank		1,356	63
		<u>171,563</u>	<u>160,705</u>
<b>Creditors: amounts falling due within one year</b>	14	-	-
		<u>171,563</u>	<u>160,705</u>
<b>Net current assets</b>		171,563	160,705
<b>Net assets</b>		<u>214,516</u>	<u>169,885</u>
<b>Accumulated funds</b>			
Unrestricted funds		214,516	8,942
Restricted funds		-	160,943
		<u>214,516</u>	<u>169,885</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the board on 17-6-2010

*A. K. Bonham*

A K Bonham FCA  
Director

*Neil Cossons*

Neil Cossons OBE  
Chairman

Company Registration number 4698817

# THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £	2008 £
Net cash inflow/(outflow) from operating activities	(a)	75,551	(37,036)
Returns on investment and servicing of finance	(b)	(75,750)	(78,787)
Net cash outflow from capital items	(b)	(17,398)	(1,235)
Decrease in cash in the year	(c)	(17,597)	(117,058)
Reconciliation of net cash outflow to movement in net debt			
Decrease in cash in the year	(c)	(17,597)	(117,058)
Net debt at 1 January 2009		(1,133,717)	(1,016,659)
Net debt at 31 December 2009	(c)	(1,151,314)	(1,133,717)

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 2009

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

	2009 £	2008 £
Net outgoing resources	(159,356)	(396,491)
Bank interest payable	75,750	78,786
Depreciation	112,787	156,036
Decrease in stock	-	8,517
(Increase)/decrease in debtors	(36,135)	131,471
Increase/(decrease) in creditors	82,505	(15,355)
	<u>75,551</u>	<u>(37,036)</u>
Net cash inflow/(outflow) from operating activities	<u>75,551</u>	<u>(37,036)</u>

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

	£	£
<b>Returns on investments and servicing of finance</b>		
Bank interest payable	(75,750)	(78,787)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<u>(75,750)</u>	<u>(78,787)</u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(17,398)	(1,235)
<b>Net cash outflow from capital items</b>	<u>(17,398)</u>	<u>(1,235)</u>

### (c) Analysis of net debt

	1 January 2009	Cash flow	Other movements	31 December 2009
Cash at bank and in hand	2,984	733	-	3,717
Bank overdraft	(166,701)	(18,330)	-	(185,031)
Bank loan	(970,000)	-	-	(970,000)
	<u>(1,133,717)</u>	<u>(17,597)</u>	<u>-</u>	<u>(1,151,314)</u>

# THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

---

### 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, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006. 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 2006 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 408 of the Companies Act 2006 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 2009

---

### 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

#### (i) Heritage assets

Heritage assets are the tangible assets of the Charity that are of historical importance and are held to advance the preservation, conservation and educational objectives of the Charity and through public access contribute to the nation's culture and education.

Due to the historic and unique nature of the assets concerned, the Trustees consider these assets held by the Charity to have an indefinite useful life and a high residual value. As a result any depreciation charged on these assets is considered immaterial and as a consequence has not been provided for in the financial statements.

#### (ii) Other tangible assets

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%
Heritage assets	nil

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

# THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

### 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

### 2 Voluntary income

	Unrestricted funds	Restricted funds	Total funds 2009	Total funds 2008
	£	£	£	£
Grants and donations	90,370	13,079	103,449	199,755

### 3 Activities for generating funds

Income from property	148,675	-	148,675	161,446
Venue hire	315,874	-	315,874	451,985
	464,549	-	464,549	613,431

### 4 Incoming resources from charitable activities

Museum entry	-	-	-	117,098
Museum shop and café	-	-	-	24,515
Other	5,246	-	5,246	23,910
Images of Empire archive	44,990	-	44,990	9,085
	50,236	-	50,236	174,608

### 5 Costs of generating voluntary income

Promotional costs	1,874	-	1,874	653
Salaries and wages	-	-	-	2,101
	1,874	-	1,874	2,754

# THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

### 6 Costs of commercial activities

	Unrestricted funds	Restricted funds	Total funds 2009	Total funds 2008
	£	£	£	£
Cost of goods and services	65,836	-	65,836	56,692
Salaries and wages	82,776	-	82,776	93,121
	<u>148,612</u>	<u>-</u>	<u>148,612</u>	<u>149,813</u>

### 7 Charitable activities

	Unrestricted funds	Restricted funds	Total funds 2009	Total funds 2008
	£	£	£	£
Salaries and wages	175,590	2,597	178,187	358,904
Exhibitions	4,581	235	4,816	285,133
Education	462	-	462	2,106
Shop purchases	-	-	-	12,278
Curatorial costs & special projects	30,891	-	30,891	16,725
Academic research fees	-	-	-	6,314
Administration & office costs	140,691	-	140,691	152,206
Property costs	56,586	-	56,586	103,604
Promotions and publications	-	-	-	16,728
Bank charges and interest	80,342	-	80,342	86,480
Depreciation	62,662	50,125	112,787	156,036
	<u>551,805</u>	<u>52,957</u>	<u>604,762</u>	<u>1,196,514</u>

The charitable activities represent the costs of maintaining the Brunel's Old Station venue and running museum services while the new museum is developed in London

# THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

### 8 Governance costs

	Unrestricted funds	Restricted funds	Total funds 2009	Total funds 2008
	£	£	£	£
Salaries and wages	12,088	-	12,088	18,585
Legal and professional fees	1,411	-	1,411	7,919
Audit	8,000	-	8,000	8,000
Accountancy	843	-	843	700
	<u>22,342</u>	<u>-</u>	<u>22,342</u>	<u>35,204</u>

### 9 Staff costs

Staff costs comprised within notes 6, 7 and 8 were

	2009 £	2008 £
Salaries and wages	248,460	434,057
Social security costs	24,591	38,462
	<u>273,051</u>	<u>472,519</u>

	No.	No.
The average weekly number of employees, including part-timers, was	<u>8</u>	<u>21</u>
The weekly full time equivalent number of employees, at the year end, was	<u>7</u>	<u>10</u>

The number of employees with annual remuneration packages in excess of £60,000 was as follows

	2009 Group £	Charity £	2008 Group £	Charity £
£60,000 to £70,000	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

### 10 Net incoming/ (outgoing) resources for the year on unrestricted funds

	2009 £	2008 £
Retained by the parent company	2,754	(291,937)
Dealt with in the financial statements of the subsidiary undertaking	<u>(162,110)</u>	<u>(104,554)</u>

# THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

### 11 Fixed assets – The Group

	Freehold property	Permanent gallery £	Museum exhibits and office equipment £	Heritage Assets £	Total £
<b>Cost or valuation</b>					
At 1 January 2009	3,107,420	968,530	606,545	-	4,682,495
Additions	16,790	-	608	33,773	51,171
Disposals	-	(968,530)	-	-	(968,530)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2009	3,124,210	-	607,153	33,773	3,765,136
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At 1 January 2009	353,188	968,530	505,372	-	1,827,090
Charge for the year	62,100	-	50,687	-	112,787
Disposals	-	(968,530)	-	-	(968,530)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2009	415,288	-	556,059	-	971,347
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
At 31 December 2009	2,708,922	-	51,094	33,773	2,793,789
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008	2,754,232	-	101,173	-	2,855,405
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The freehold property comprises the long leasehold held by the subsidiary company and the freehold acquired by the Charity during 2008. 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 King Sturge, 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 2009.

The historical cost of the freehold property at the balance sheet date is £3,522,304 (2008 £3,521,069).

The Trustees consider that the current market value of the property is in excess of the carrying value shown in these accounts. In October 2009, the directors obtained an indicative valuation of £3.75 million for the long leasehold property from Knight Frank, chartered surveyors.

# THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

### 11 Fixed assets (continued) – The Charity

	Freehold property £	Heritage Assets £	Total £
<b>Cost or valuation</b>			
At 1 January 2009	9,180	-	9,180
Additions	-	33,733	33,733
	<hr/>	<hr/>	<hr/>
At 31 December 2009	9,180	33,733	42,913
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 January 2009	-	-	-
Charge for the year	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2009	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 2009	9,180	33,733	42,913
	<hr/>	<hr/>	<hr/>
At 31 December 2008	9,180	33,733	42,913
	<hr/>	<hr/>	<hr/>

### 12 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 Museum on behalf of and at the direction of the directors of its parent company. A summary of the company's results are as follows:

	2009 £	2008 £
Aggregate capital and reserves	1,374,538	1,578,525
Loss for the period	203,987	104,554
Turnover	<u>615,200</u>	<u>1,279,635</u>

# THE BRITISH EMPIRE AND COMMONWEALTH MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

13	Debtors	2009		2008	
		Group £	Charity £	Group £	Charity £
	Trade debtors	49,704	-	71,314	-
	Amount due from subsidiary undertaking	-	159,407	30,446	129,269
	Other debtors	215,180	10,800	126,989	31,373
		<u>264,884</u>	<u>170,207</u>	<u>228,749</u>	<u>160,642</u>
		<u><u>264,884</u></u>	<u><u>170,207</u></u>	<u><u>228,749</u></u>	<u><u>160,642</u></u>
14	Creditors: amounts falling due within one year	2009		2008	
		Group £	Charity £	Group £	Charity £
	Bank loans and overdraft (secured)	185,031	-	166,701	-
	Trade creditors	51,348	-	64,294	-
	Other taxes and social security costs	16,231	-	24,575	-
	Other creditors and accruals	250,726	-	113,158	-
		<u>503,336</u>	<u>-</u>	<u>368,728</u>	<u>-</u>
		<u><u>503,336</u></u>	<u><u>-</u></u>	<u><u>368,728</u></u>	<u><u>-</u></u>
15	Creditors' amounts falling due after more than one year	2009		2008	
		Group £	Charity £	Group £	Charity
	Bank loan – repayable after 5 years	970,000	-	970,000	-
		<u>970,000</u>	<u>-</u>	<u>970,000</u>	<u>-</u>
		<u><u>970,000</u></u>	<u><u>-</u></u>	<u><u>970,000</u></u>	<u><u>-</u></u>

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 2009

### 16 Restricted funds

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

	Balance at 31 December 2008 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2009 £
Capital expenditure	2,099	-	-	(2,099)	-
Slavery exhibition	156,971	13,079	(52,957)	(117,093)	-
Palestine Mandate Appeal	-	-	-	-	-
Other under £2,500	1,873	-	-	(1,873)	-
	<u>160,943</u>	<u>13,079</u>	<u>(52,957)</u>	<u>(121,065)</u>	<u>-</u>

Name of fund	Description, nature and purposes of the fund
Capital expenditure	Acquisition of capital assets
Slavery exhibition	Heritage Lottery Fund grant to establish an exhibition marking the bicentenary of the ending of the Transatlantic slave trade. Assets with a carrying value of £117,093 were transferred to the unrestricted fund following completion of this exhibition.
Palestine Mandate Appeal	Conference held in 2008 and exhibition to be held in 2011, marking the 60 <sup>th</sup> Anniversary of the ending of the British Mandate in Palestine.

### 17 Analysis of group net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	2,793,789	-	2,793,789
Cash at bank and in hand	3,717	-	3,717
Other net current liabilities	(238,452)	-	(238,452)
Bank loan	(970,000)	-	(970,000)
	<u>1,589,054</u>	<u>-</u>	<u>1,589,054</u>

### 18 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.