

THE BRITISH MUSEUM FRIENDS

England & Wales · Charity number 1086080

Details

Status	Registered
Legal form	Charitable company
Company number	04133346
Registered	2001-04-09
Register	View on the Charity Commission register

Contact

Address	British Museum Great Russell Street London WC1B 3DG
Phone	020 7323 8000
Email	friends@britishmuseum.org
Website	http://www.britishmuseum.org/membership.aspx

Activities

Objects: THE OBJECTS OF THE FRIENDS ARE TO SUPPORT AND ASSIST THE BRITISH MUSEUM IN MAINTAINING AND EXPANDING ITS COLLECTIONS AND SERVICES TO SCHOLARS AND TO THE GENERAL PUBLIC AND TO ASSIST OTHER CHARITABLE MUSEUMS TO ANY EXTENT THAT IN THE OPINION OF THE FRIENDS MIGHT HELP THE BRITISH MUSEUM IN THE AFOREMENTIONED MANNER.

Activities: To support and assist the British Museum in maintaining and expanding its collections and services to scholars and to the general public.

Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Sponsors Or Undertakes Research
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, Elderly/old People, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Camden

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£6,882,559	£6,781,172	£1,897,950	17
2024-03-31	£6,166,391	£6,354,803	£1,796,563	16
2023-03-31	£6,118,000	£9,115,000	£1,984,000	0
2022-03-31	£8,003,000	£8,559,000	£4,981,000	0
2021-03-31	£5,083,159	£1,355,805	£5,536,790	0

Trustees

Name	Role	Appointed
George Osborne	Chair	2021-09-01
Alejandro Santo Domingo		2022-07-13
Alison Jones		2025-09-19
Claudia Winkleman		2025-03-19
Dame Vivian Hunt DBE		2019-03-25
Dr CHRISTOPHER HUGH GOSDEN		2018-08-02
Dr Tiffany Jenkins		2025-03-19
Erdem Moralioglu		2025-09-19
George Garfield Weston		2019-03-25
Leena Kumar Nair CBE		2026-06-03
Lord Daniel William Finkelstein		2025-03-19
Martha Kearney		2025-03-19
Philipp Michael Hildebrand		2019-08-01
Professor Dame Winifred Mary Beard		2020-03-19
Professor Sarah Elizabeth Worthington		2020-03-01
Sir Jonathan Ive		2025-06-10
Sir Mark Jeremy Walport		2020-12-01
TOM HOLLAND		2025-03-19
Tracey Karima Emin		2023-11-28
Weijian Shan		2022-07-13

THE BRITISH MUSEUM FRIENDS

England & Wales - Charity number 1086080

Accounts

THE
BRITISH
MUSEUM
FRIENDS



Annual Report and Financial Statements
for the year ended 31 March 2025

Contents

	Page
Directors and Trustees	3
Auditors, registered office, bankers	3
Structure, governance, and management	4
Achievements and performance	5
Plans for future periods	6
Grants	7
Public benefit	7
Fundraising	7
Auditors	7
Disclosure of information to Auditors	8
Financial review	8
Statement of Trustees' responsibilities	9
Independent Auditor's report to the Members	10
Statement of financial activities	14
Balance sheet	15
Notes to the accounts	16

Directors and Trustees

The Rt Hon George Osborne CH (Chair)
Professor Abhijit V Banerjee
Professor Dame Mary Beard DBE, FSA, FBA
Dame Elizabeth Corley DBE (resigned 1 October 2024)
Dame Tracey Emin DBE, RA
Ms Clarissa Farr (resigned 1 October 2024)
Lord Daniel Finkelstein OBE (appointed 19 March 2025)
Professor Chris Gosden FBA
Mr Philipp Hildebrand
Mr Tom Holland (appointed 19 March 2025)
Dame Vivian Hunt DBE (Deputy Chair)
Dr Tiffany Jenkins (appointed 19 March 2025)
Ms Martha Kearney (appointed 19 March 2025)
The Rt Hon Lord Jonathan Marland of Odstock
Sir Charlie Mayfield (Deputy Chair)
Mr Mark Pears CBE (resigned 20 February 2025)
Sir Paul Ruddock FSA (resigned 1 October 2024)
Mr Alejandro Santo Domingo
Baroness Minouche Shafik DBE (resigned 9 April 2024)
Mr Weijian Shan
Ms Priyanka Wadhawan
Professor Sir Mark Walport FRCP, FRS, FMedSci,
HonFRSE
Mr George Weston
Ms Claudia Winkleman (appointed 19 March 2025)
Professor Dame Sarah Worthington DBE, KC (Hon), FBA

Auditors

Moore Kingston Smith LLP
6th Floor
9 Appold Street
London EC2A 2AP

Registered office

The British Museum Friends
Great Russell Street
London WC1B 3DG

Telephone +44(0)20 7323 8195
friends@britishmuseum.org

Bankers

National Westminster
PO Box 158, 214 High Holborn
London WC1V 7BX

Santander UK
298 Deansgate
Manchester
M3 4HH

Structure, governance, and management

Organisational structure

The British Museum Friends (BMF) is a registered charity (registration number 1086080) and a company limited by guarantee (registration number 4133346). The Board of Trustees of the British Museum, as a body corporate, is the sole company law member of the BMF. The Trustees of the British Museum are, individually, the charity trustees and the company law directors of the BMF. They govern the BMF in accordance with its Memorandum and Articles of Association.

The Board of Trustees is responsible for determining the overall strategy of the BMF. Trustees are appointed automatically on their appointment to the Board of Trustees of the British Museum, for fixed terms of service coterminous with their trusteeship of the British Museum. They are non-executive and unpaid. The Board of Trustees of the British Museum may consist of up to 25 members, of which 15 are appointed by the Prime Minister, one by the Sovereign, four by the Secretary of State on the nominations of the Royal Academy, the British Academy, the Society of Antiquaries of London and the Royal Society, and five by the Museum's Trustees. The Chair is appointed by the Board from its members.

Day-to-day management of the BMF is delegated to the Head of Membership who is supported by a team of staff, all of whom are employed by the British Museum. Volunteers are occasionally used to assist with programme delivery; this can involve working at one of the Member events, assisting with membership recruitment or performing one-off office tasks.

The Board of Trustees is supported by the Advisory Council to the BMF (the "Council"). Elected from amongst the Membership, the Council acts to ensure that the work of the BMF is in line with the interests of the Members as a whole and advises on approaches likely to be of most interest. It provides advice and support to the Head of Membership on the strategic approach to marketing, fundraising, events and communication activities. The Council holds a skills register to record the expertise of Council Members. Vacancies are advertised through the regular membership mailings. The Council Members are then appointed following a selection and interview process led by the Chair of the Council, through the nominations committee. New Council Members have induction meetings with the Chair, Deputy Chair and Head of Membership.

Risk management

Risk is unavoidable and the resources available for managing risk are finite. The aim of risk management within the BMF is therefore to achieve an optimum response to risk, prioritised in accordance with an evaluation of the risks. Risk management is everybody's responsibility and is embedded within the BMF through established business planning processes, which ensure that risks to achieving planned initiatives are identified as those initiatives are developed. The Board, the Museum's Internal Controls Committee, and the Audit Risk and Compliance Committee support this through regular review of the risk register.

The inherent risks faced by the BMF include reaching membership profit targets, member retention, and management of the Members' room. Each of these is mitigated effectively by a strong system of internal control. Through positive Member engagement and by closely managing costs the Board is optimistic that these risks can be effectively managed over the coming year.

Objectives and activities

The overall object of the BMF, as laid down in the Memorandum of Association, is "to support and assist the British Museum in maintaining and expanding its collections and services to scholars and

to the general public and to assist other charitable museums to any extent that in the opinion of the Friends might help the British Museum in the aforementioned manner”.

The BMF fulfils this object by granting funds to the British Museum from the surplus generated from membership subscriptions and other activities as part of the membership offer. The BMF also runs fundraising campaigns to generate funds for specific items or projects as requested by the British Museum.

The overall strategy of the BMF is to increase the level of support to the British Museum, through increasing member numbers and income, whilst providing an excellent quality of service to all Members.

Achievements and performance

2024/25 has been another excellent year for the British Museum Friends. Income from membership subscriptions reached £6.1m with 79,000 Members. We have seen a very high level of recruitment of new Members this year, delivered thanks to a consistent exhibition programme, with *Legion* and *Silk Roads* proving particularly popular with our core audiences. The Members' Room performed exceptionally well this year – benefiting from the increased traffic onsite driven by the exhibition programme. The Member events programme had another excellent year with lectures for adult Members and sleepovers for Young Friends continuing to be a success. Our priority remains ensuring that Members have an exceptional experience when engaging with the Museum, wherever they are in the world.

Achievement and performance against objectives

- Ensuring the Member events programme is a valued part of the Membership offering, accessible by as many Members as possible

2024/25 was a strong year for the Membership events programme. The focus was building the quality of the core programme established the year before, alongside offering new ways for Members to engage creatively with the collection and managing the rising costs of delivering the events. Alongside two sell-out conferences on *Silk Roads* and *Roman Britain*, the regular hybrid lecture programme continued to be very popular, with more Members than ever choosing to join events online.

2024/25 saw a strong uptake in engagement with workshops and special programming. This included regular yoga and tai chi classes, new workshops on Picasso's printmaking and Michelangelo's drawing, and the growing popularity of *Behind the Screens* – all of which sold out. In response to feedback, we also continued to offer Members a variety of free ways to engage with the programme, including new LGBTQ+ tours, welcome tours and bimonthly lunchtime talks with curators. We also hosted two of the most popular Members' evenings post-pandemic and a fully booked preview screening of *KAOS* in collaboration with Netflix.

Sleepovers were cemented as a key benefit for the updated Young Friends scheme and enabled us to programme five sell out sleepovers (with an additional date added due to demand).

- Reviewing the staffing of the Membership team, in order to ensure we are best positioned to look after our Members

In 2024/25 the Museum completed a review of the staffing of the Membership Engagement team, who oversee Membership events and communications. A new structure has been proposed which

will be introduced in 2025/26, and which aims to ensure the Museum's engagement activities have the biggest possible impact on Members and supporters.

- Growing participation in the Young Friends freemium scheme

The Young Friends free to join ("freemium") scheme has continued to go from strength to strength this year, increasing to 16,000 subscribers from 11,000 at the beginning of the financial year (a 45% increase). This continued increase in numbers has maintained the popularity of sleepovers, continuing to generate revenue for the Museum despite the scheme itself being free.

- Maximising the level of grant to the Museum, with a focus on securing donations and Gift Aid declarations

With high Member retention rates and recruitment, we have achieved net income of £5.0m excluding grants (2023/24: £4.4m). This includes legacies totalling £0.2m (2023/24: £0.2m).

This successful financial performance has allowed us, during the year, to approve an unrestricted grant of £4.8m to the British Museum (in 23/24 a restricted grant of £4.5m to the British Museum Trust was approved).

Additionally restricted grants were awarded to the British Museum of £62k mostly in respect of a legacy received in BMF but is to be used in The British Museum's Print & Drawings department.

- Continuing the growth of Membership activities in line with our strategy

2024/25 has seen the Membership community continue to grow. The consistent strength and variety of the exhibition programme (*Legion*, *Michelangelo: the last decades*, *Silk Roads*, *Hew Locke: what have we here?* and *Picasso: printmaker*) delivered high recruitment rates of core audiences.

Plans for future periods

In 2025/26 we will be working to understand the impact of Masterplan on the Museum, how we can ensure to deliver an excellent Membership experience as work commences and conveying to Members how they can support the campaign. We will also be working to ensure all our operations comply with the new Digital Markets, Competition and Consumers Act.

Key priorities for the forthcoming financial year are:

- Ensuring the Member events programme is a valued part of the Membership offering, accessible by as many Members as possible;
- Reviewing the programme of communications for Members to ensure we deliver excellent content for Members, and good value for the Museum;
- Understanding the impact of the Digital Markets, Competition and Consumers Act on our programme and operations and ensuring we are operating in a compliant manner;
- Growing participation in the Young Friends scheme;
- Maximising the level of grant in support of the Museum, with a focus on securing donations and Gift Aid declarations;
- Continuing the growth of Membership activities in line with our strategy.

Grants

In 2024/25 an unrestricted grant of £4.8m was awarded to the British Museum, with a further £62k restricted grant awarded to the British Museum. This compares to a total of £4.5m restricted grants awarded to the British Museum Trust in 2023/24, and £69k restricted grant awarded to the British Museum in 2023/24.

Restricted grants made during the year included:

The British Museum

- Appeal towards Scientific Research equipment (£4k)
- Contribution towards the Museum's research of the collection (£1k)
- Contribution towards the Museum's Print & Drawings department (£57k)

Restricted grants awarded to the British Museum during the prior financial year included £5k to support the Greece and Rome department, £2k towards the Museum's research of the collection, and £62k towards Scientific Research equipment.

Public benefit

In setting the BMF's objectives and planning its activities, the Trustees believe that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The Trustees demonstrate this through making grants in support of the British Museum for new acquisitions for the collection, research, building work, and other projects, which will benefit not just Members but also the general public in deepening our understanding of the cultures of the world. The Trustees also deliver public benefit by providing the opportunity for all visitors to the British Museum to become a Member at cost-effective rates; and by providing a set of valued benefits to Members of the BMF (particularly engagement with, and increased accessibility to, the Museum and its collection).

Fundraising

The BMF is registered with the Fundraising Regulator and works according to the Fundraising Promise. No agents are used for fundraising and the staff involved in fundraising are subject to the British Museum Code of Conduct. The BMF has a number of feedback channels and responds to questions from its supporters.

Auditors

Moore Kingston Smith LLP have expressed their willingness to continue in office and will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Disclosure of information to Auditors

So far as the Trustees are aware, there is no relevant audit information of which BMF's auditors are unaware. The Trustees believe that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that BMF's auditors are aware of that information.

Financial review

Income and expenditure (excluding grants)

Total incoming resources of £6.9m were generated this year, an increase of 12% compared to 2023/24 (£6.2m). Income from charitable activities increased to £6.5m, from £5.8m in 2023/24. Donations and legacies were in line with 2023/24, at £0.3m.

The BMF incurred expenditure (excluding grants) of £1.9 million in the year, an increase of 7% compared to 2023/24.

Balance sheet

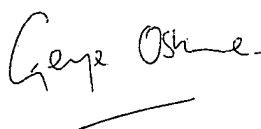
Total funds at 31 March 2025 were £1.9 million, all of which is unrestricted. The cash position remains satisfactory.

Reserves policy

The reserves policy is to retain three to six months' expenditure (excluding grants and exceptional items), to provide financial stability and to act as a safeguard against unforeseen expenditure and lower than expected income. This represents £0.5m - £1.0m. As at 31 March 2025, the BMF held unrestricted reserves of £1.9 million, all of which are general reserves. This is in excess of the amount required by the policy. The Trustees wish to mitigate against the potential negative impact on membership retention of the closure of lecture and gallery space in the coming years, as a result of the Masterplan.

Small companies exemption

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.



George Osborne CH
Chair
The British Museum Friends
3 July 2025

Statement of Trustees' responsibilities

The Trustees (who are also directors of The British Museum Friends for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with United Kingdom Accounting Standards and applicable laws (FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Companies Act 2006).

Company law requires trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the charitable company and of its income and expenditure for the financial year. 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;
- state whether applicable UK Accounting Standards including FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice applies and has been followed, subject to any material departures which are explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's report to the Members of the British Museum Friends

Opinion

We have audited the financial statements of The British Museum Friends ('the company') for the year ended 31 March 2025, which comprise the Statement of Financial Activities, the Balance Sheet, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the

course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' annual report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 9, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council]
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company'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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

James Cross (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP,
Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Date: 11 July 2025

Statement of financial activities (including income and expenditure account) for the year ended 31 March 2025

	Note	Unrestricted Funds 2025 £'000	Restricted Funds 2025 £'000	TOTAL 2025 £'000	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	TOTAL 2024 £'000
Income from:							
Donations and legacies	2	200	62	262	187	69	256
Charitable activities	3	6,498	-	6,498	5,777	-	5,777
Investments	4	122	-	122	134	-	134
Total		6,820	62	6,882	6,098	69	6,167
Expenditure on:							
Raising funds	5	(6)	-	(6)	(5)	-	(5)
Charitable activities:							
Members' activities	6	(1,912)	-	(1,912)	(1,780)	-	(1,780)
Grant making	8	(4,800)	(62)	(4,862)	(4,500)	(69)	(4,569)
Total expenditure		(6,718)	(62)	(6,780)	(6,285)	(69)	(6,354)
Net income / (expenditure)		102	-	102	(187)	-	(187)
Transfers between funds	13	-	-	-	-	-	-
Net movement in funds		102	-	102	(187)	-	(187)
Reconciliation of funds:							
Total funds brought forward	13	1,797	-	1,797	1,984	-	1,984
Total funds carried forward	13	1,899	-	1,899	1,797	-	1,797

All activities are derived from continuing operations.
The Statement of Financial Activities contains all gains and losses in the year.
The notes on pages 16 to 25 form part of these accounts.

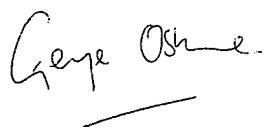
Balance sheet as at 31 March 2025

	Note	2025 £'000	2024 £'000
Current assets			
Debtors	9	1,029	823
Investments	10	-	2,579
Cash at bank and in hand		1,522	1,479
		2,551	4,881
Liabilities			
Creditors: amounts falling due within one year	11	(652)	(3,084)
Net current assets		1,899	1,797
Total assets less current liabilities		1,899	1,797
Total net assets		1,899	1,797
Represented by:			
Designated unrestricted funds	13-14	-	-
General unrestricted funds	13-14	1,899	1,797
Total charity funds		1,899	1,797

The notes on pages 16 to 25 form part of these accounts.

These financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies, the Statement of Recommended Practice, Accounting & Reporting by Charities (SORP FRS 102), and applicable accounting standards.

The financial statements were approved at a Board meeting on 3 July 2025 and signed on its behalf by:



George Osborne CH
Chair
The British Museum Friends

Notes to the accounts for the year ended 31 March 2025

1. Accounting policies

Basis of accounting

The financial statements comply with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland; the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (Charities SORP (FRS 102)); and the Companies Act 2006. The financial statements are prepared under the historical cost convention and are presented in sterling (£) which is the functional currency of the charitable company. Monetary amounts are rounded to the nearest thousand.

The financial statements have been prepared on a going concern basis. The Trustees have considered possible events or conditions that might cast significant doubt on the ability of the British Museum Friends to continue as a going concern. The Trustees have a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future.

The principal accounting policies adopted in the preparation of the financial statements are as follows:

a) Income

In general, income is accounted for when a transaction or other event results in an increase in the BMF's assets or a reduction in its liabilities.

Subscriptions are recognised on a receipts basis as the charity is entitled to the subscription income once a member has paid. Membership extensions are only granted in exceptional circumstances.

Publication and paid events income is recognised as income to the extent that the BMF has provided the associated goods or services. Where income is received in advance and the BMF does not have entitlement to these resources until the goods or services have been provided, the income is deferred.

Income from donations is recognised in the SOFA when there is evidence of entitlement (for example, when the conditions for their receipt have been met), receipt is probable and its amount can be reliably measured.

Catering income is recognised based on the net profit generated during the year by the catering provider. Any catering losses are recognised as costs incurred during the year.

Legacies are recognised as income when there has been grant of probate, there are sufficient assets in the estate, evidence of entitlement has been received from the executor and the amount receivable can be measured with sufficient accuracy.

b) Expenditure

Expenditure is recognised in the financial statements when a present legal or constructive obligation exists, it is more likely than not that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured or estimated reliably. Resources expended are classified in the SOFA under the principal categories of expenditure on raising funds and on charitable activities.

Costs of raising funds are those incurred in seeking voluntary contributions for the BMF. Costs of charitable activities are those incurred in supporting the membership and include the governance costs incurred to ensure compliance with constitutional and statutory requirements. Support costs are assigned to the SOFA headings in the same proportion as directly attributable staff costs.

c) Fixed assets and depreciation

Tangible assets with an economic life of more than one year and value greater than £5,000 are capitalised. Depreciation is provided on these tangible assets, at rates calculated to write off the value of each asset evenly over its expected useful economic life (see below) with no residual value assumed.

- Furniture, fit out and equipment – 2 to 20 years

Depreciation is charged evenly over the life of the asset, to the nearest month. Impairment reviews are carried out at the end of each reporting period to ensure that the carrying values of the assets do not exceed their recoverable amounts.

No assets of a depreciating nature are currently held.

d) Investments

All investments are stated at fair value at year end. Valuations for investments with an active market are based on published quoted prices at or close to the balance sheet date. Valuations for investments where there is no active market have been estimated with reference to recent valuation reports. The SOFA includes any realised and unrealised investment gains and losses arising on revaluation and disposals throughout the year.

Investments that are intended to produce a return, but which are placed in deposits of less than six months' duration, are treated as current assets. All other investments, which are intended to produce a long-term return and not intended to be spent within the next year, are treated as fixed assets.

e) Irrecoverable VAT

Irrecoverable VAT is treated as a support cost and is apportioned over the activities of the BMF as described in Note 6.

f) Grants

Grants payable are recognised when the criteria for a constructive obligation are met, payment is probable, values can be measured reliably, and there are no conditions attached to payment that limit recognition.

g) Funds structure

The BMF has the following categories of funds:

- Unrestricted funds: these are available for use at the discretion of the Trustees in furtherance of the general objectives of the BMF. These include designated funds, which are set aside at the discretion of the Trustees for specific purposes;
- Restricted funds: these funds are subject to specific restrictions imposed by donors.

The major funds comprising each category, the summary results for the year and a description of the movements between the funds are set out in Note 13.

h) Financial Instruments

The BMF only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

i) Cash at bank and in hand

Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes.

Significant judgements and estimates

All judgements applied in preparing the financial statements are disclosed in the accounting policies above. No material estimates have been applied.

Disclosure exemptions

As a qualifying subsidiary of the British Museum, the BMF has taken advantage of some of the disclosure exemptions available under FRS 102. These are:

- A statement of cash flows;
- Detailed disclosures relating to financial instruments (equivalent disclosures are included in the Museum's consolidated accounts); and
- Disclosure of total remuneration of key management personnel (reference is made in note 6e to the equivalent disclosures included in the consolidated accounts)

The British Museum's consolidated financial statements are available to view at:
http://www.britishmuseum.org/about_us/management/annual_reports_and_accounts.aspx.

2. Donations and legacies

	2025 £'000	2024 £'000
Unrestricted		
Legacies	164	160
Donations	36	27
Total unrestricted	<u>200</u>	<u>187</u>
Restricted		
Legacies	57	5
Scientific Research	4	62
Townley	1	2
Total restricted	<u>62</u>	<u>69</u>
Total unrestricted and restricted	<u><u>262</u></u>	<u><u>256</u></u>

3. Charitable activities

	2025 £'000	2024 £'000
Membership subscriptions	6,054	5,387
Paid events and catering	360	307
Publications	84	83
	<u>6,498</u>	<u>5,777</u>

4. Income from investments

	2025 £'000	2024 £'000
Interest income receivable	122	134

5. Cost of raising funds

	2025 £'000	2024 £'000
Fundraising costs	6	5

6. Members' activities

	Directly attributable costs		Support Costs	Total	Total
	Staff	Others	Note 6 (a)	2025	2024
	£'000	£'000	£'000	£'000	£'000
Member promotion	196	18	50	264	288
Membership services	474	444	122	1,040	978
Paid events and catering	216	166	56	438	351
Publications	30	132	8	170	163
	916	760	236	1,912	1,780

6. (a) Support costs

	2025 £'000	2024 £'000
External audit fee		
Current year	11	10
Under provision in previous year	1	1
Council expenses	-	1
Directors', Officers' and Trustees' liability insurance	1	1
Total governance costs	13	13
Staff costs	92	86
Other non-staff costs	131	135
	236	234

Support costs have been allocated to charitable activities in the same proportion as directly attributable staff costs.

6. (b) Staff costs

	2025 £'000	2024 £'000
Wages and salaries	588	579
Social security costs	63	64
Pension costs	144	124
Agency staff costs	211	175
	1,006	942

Permanent staff are employed by the British Museum, who recharge these costs to the BMF. Agency staff are contracted directly by the BMF.

6. (c) The average number of full-time equivalent employees excluding agency staff during 2024/25 was 16.1 (2023/24: 15.9). Including agency staff, 22.1 full time equivalent were employed in 2024/25 (2023/24: 21.4 FTE). The average head count during the year excluding agency staff was 21 (2023/24: 20).

6. (d) No employees received employee benefits (excluding employer pension costs) of more than £60,000 (2023/24: 0).

6. (e) The British Museum employs senior management that oversees the BMF. Remuneration of the British Museum's key management personnel is disclosed in their financial statements, available to view at: http://www.britishmuseum.org/about_us/management/annual_reports_and_accounts.aspx

7. Trustees

The Trustees neither received nor waived any emoluments or other benefits from the BMF in the year (2023/24: £0).

All Trustees are entitled to reimbursement for reasonable travel and subsistence expenses incurred in the performance of their duties. In 2024/25, no travel and subsistence expenses were paid to Trustees or directly to third parties on their behalf (2023/24: £0).

During the year, the BMF purchased charity Trustees' liability insurance at a premium of £623 (2023/24: £645).

8. Grant making

	2025 £'000	2024 £'000
Donations from unrestricted donations	4,800	4,500
Donations from restricted funds	62	69
Total grants	4,862	4,569

A £4.8m unrestricted grant was made to the British Museum, and £62k of restricted grants were made to the British Museum. (In the prior year, a £4.5m grant was made to the British Museum Trust, restricted for the British Museum's Masterplan, and £69k of restricted grants were made to the British Museum). Details of grants can be found on page 7.

9. Debtors

	2025 £'000	2024 £'000
Trade debtors	79	32
Less: Provision for bad debts	(4)	(4)
	<u>75</u>	<u>28</u>
Other debtors:		
The British Museum	46	4
The British Museum Company	-	-
HM Revenue & Customs	820	713
Prepayments and accrued income	88	78
	<u>1,029</u>	<u>823</u>

10. Current asset investments

	2025 £'000	2024 £'000
Current asset investments	<u>-</u>	<u>2,579</u>

11. Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Trade creditors	105	39
The British Museum	474	405
Accruals, deferred income and others	73	2,640
	<u>652</u>	<u>3,084</u>

12. (a) Deferred income

	Total 2025 £'000	Total 2024 £'000
Falling due within one year	<u>29</u>	<u>51</u>
	<u>29</u>	<u>51</u>

The movement on the deferred income account is as follows:

	Total 2025 £'000	Total 2024 £'000
Deferred income brought forward	51	17
Released in year	(51)	(17)
Deferred in year	<u>29</u>	<u>51</u>
Deferred income carried forward	<u>29</u>	<u>51</u>

13. Funds

		At 1 April 2023	Incoming resources 2023/24	Resources expended 2023/24	Transfer between funds	At 31 March 2024	Incoming resources 2024/25	Resources expended 2024/25	Transfer between funds	At 31 March 2025
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted Funds										
General funds		1,984	6,098	(6,285)	-	1,797	6,820	(6,718)	-	1,899
Restricted Funds:										
Legacies	1	-	5	(5)	-	-	57	(57)	-	-
Scientific Research	2	-	62	(62)	-	-	4	(4)	-	-
Townley	3	-	2	(2)	-	-	1	(1)	-	-
		-	69	(69)	-	-	62	(62)	-	-
		1,984	6,167	(6,354)	-	1,797	6,882	(6,780)	-	1,899

1 This is two restricted legacies towards the Print & Drawings department.

2 The 2023/24 Scientific Research appeal was set up to support the Museum's purchase of an Arago photogrammetry rig.

3 The Townley Research Fund was set up to support research in the Museum.

14. Analysis of net assets between funds

	Unrestricted funds 2025	Restricted funds 2025	Total 2025	Unrestricted funds 2024	Restricted funds 2024	Total 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Current and fixed assets	2,489	62	2,551	4,812	69	4,881
Creditors	(590)	(62)	(652)	(3,015)	(69)	(3,084)
	1,899	-	1,899	1,797	-	1,797

15. Member's liability

The charity is a company limited by guarantee and has no share capital. The liability of the Member in the event of winding-up is limited to £1.

16. Contingent asset

Two unrestricted legacies were bequeathed to BMF. One unrestricted legacy was newly bequeathed in 2024/25 and the other unrestricted legacy was notified in 2023/24 with a final distribution to be received. The amount and timing of these payments are uncertain as the BMF's interest in these legacies is residuary and cannot be measured reliably. It is therefore not practicable to quantify the estimated amounts receivable and accordingly they have not been recognised in the financial statements.

17. Events occurring after the end of the reporting period

No significant events took place after the end of the reporting period.

18. Related party transactions

The financial statements of the BMF are consolidated into the British Museum's group financial statements (available to view at: <https://www.britishmuseum.org/about-us/governance>).

In line with paragraph 33.1A of FRS 102, the BMF, wholly owned by the Trustees of the British Museum, is not required to disclose transactions with other wholly owned members of the group headed by the Trustees of the British Museum. However, details of material transactions and balances with the British Museum and other subsidiary entities of the British Museum are shown in the relevant notes to the financial statements.

During 2024/25 the charity entered into material transactions with related parties outside the group headed by the British Museum as set out below:

Party	Nature of relationship	Transaction	Income for the year ended 31 March 2025 (£'000s)	Expenditure for the year ended 31 March 2025 (£'000s)	Creditor balance at 31 March 2025 (£'000s)	Debtor balance at 31 March 2025 (£'000s)
Ashmolean Museum	Professor Chris Gosden FBA [†] is a Member of the Ashmolean Museum Board of Visitors	Advertising income	2	-	-	-
Royal Academy of Arts	Tracey Emin CBE RA is a Trustee of the Royal Academy of Arts	Advertising income	2	-	-	-

[†] Trustee of the British Museum during the year ended 31 March 2025.

A number of employees of the British Museum, Trustees and co-opted members of Board Committees and their family members, and members of the BMF Advisory Council, are members of the BMF.

Trustees and employees of the BMF and the British Museum are entitled to discounts on purchases from the Museum's shops and cafes.

THE BRITISH MUSEUM FRIENDS

England & Wales - Charity number 1086080

Accounts



Annual Report and Financial Statements
for the year ended 31 March 2024

Contents

	Page
Directors and Trustees	3
Auditors, registered office, bankers	3
Structure, governance, and management	4
Achievements and performance	5
Plans for future periods	6
Grants	7
Public benefit	7
Fundraising	7
Auditors	7
Disclosure of information to Auditors	8
Financial review	8
Statement of Trustees' responsibilities	9
Independent Auditor's report to the Members	10
Statement of financial activities	14
Balance sheet	15
Notes to the accounts	16

Directors and Trustees

Mr George Osborne CH (Chair)
Ms Muriel Gray FRSE (Deputy Chair) (retired 27 November 2023)
Baroness (Minouche) Shafik DBE (Deputy Chair until 22 March 2024)
Professor Abhijit V Banerjee
Professor Dame Mary Beard DBE, FSA, FBA
Dame Elizabeth Corley DBE
Dame Tracey Emin DBE, RA (appointed 28 November 2023)
Ms Clarissa Farr
Professor Chris Gosden FBA
Mr Philipp Hildebrand
Dame Vivian Hunt DBE (Deputy Chair from 22 March 2024)
Lord Marland of Odstock
Sir Charlie Mayfield (Deputy Chair from 22 March 2024)
Mr Mark Pears CBE
Sir Grayson Perry CBE, RA (retired 1 April 2023)
Sir Paul Ruddock FSA
Mr Alejandro Santo Domingo
Mr Weijian Shan
Ms Priyanka Wadhawan
Professor Sir Mark Walport FRCP, FRS, FMedSci, HonFRSE
Mr George Weston
Professor Dame Sarah Worthington DBE, KC (Hon), FBA

Auditors

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London EC2A 2AP

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The British Museum Friends
Great Russell Street
London WC1B 3DG

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Bankers

National Westminster
PO Box 158, 214 High Holborn
London WC1V 7BX

Santander UK
298 Deansgate
Manchester
M3 4HH

Structure, governance, and management

Organisational structure

The British Museum Friends (BMF) is a registered charity (registration number 1086080) and a company limited by guarantee (registration number 4133346). The Board of Trustees of the British Museum, as a body corporate, is the sole company law member of the BMF. The Trustees of the British Museum are, individually, the charity trustees and the company law directors of the BMF. They govern the BMF in accordance with its Memorandum and Articles of Association.

The Board of Trustees is responsible for determining the overall strategy of the BMF. Trustees are appointed automatically on their appointment to the Board of Trustees of the British Museum, for fixed terms of service coterminous with their trusteeship of the British Museum. They are non-executive and unpaid. The Board of Trustees of the British Museum may consist of up to 25 members, of which 15 are appointed by the Prime Minister, one by the Sovereign, four by the Secretary of State on the nominations of the Royal Academy, the British Academy, the Society of Antiquaries of London and the Royal Society, and five by the Museum's Trustees. The Chair is appointed by the Board from its members.

Day-to-day management of the BMF is delegated to the Head of Membership who is supported by a team of staff, all of whom are employed by the British Museum. Volunteers are occasionally used to assist with programme delivery; this can involve working at one of the Member events, assisting with membership recruitment or performing one-off office tasks.

The Board of Trustees is supported by the Advisory Council to the BMF (the "Council"). Elected from amongst the Membership, the Council acts to ensure that the work of the BMF is in line with the interests of the Members as a whole, and advises on approaches likely to be of most interest. It provides advice and support to the Head of Membership on the strategic approach to marketing, fundraising, events and communication activities. The Council holds a skills register to record the expertise of Council Members. Vacancies are advertised through the regular membership mailings. The Council Members are then appointed following a selection and interview process led by the Chair of the Council, through the nominations committee. New Council Members have induction meetings with the Chair, Deputy Chair and Head of Membership.

Risk management

Risk is unavoidable and the resources available for managing risk are finite. The aim of risk management within the BMF is therefore to achieve an optimum response to risk, prioritised in accordance with an evaluation of the risks. Risk management is everybody's responsibility and is embedded within the BMF through established business planning processes, which ensure that risks to achieving planned initiatives are identified as those initiatives are developed. The Board, the Museum's Internal Controls Committee, and the Audit Risk and Compliance Committee support this through regular review of the risk register.

The inherent risks faced by the BMF include reaching membership profit targets, member retention, and management of the Members' room. Each of these is mitigated effectively by a strong system of internal control. Through positive Member engagement and by closely managing costs the Board is optimistic that these risks can be effectively managed over the coming year.

Objectives and activities

The overall object of the BMF, as laid down in the Memorandum of Association, is "to support and assist the British Museum in maintaining and expanding its collections and services to scholars and

to the general public and to assist other charitable museums to any extent that in the opinion of the Friends might help the British Museum in the aforementioned manner”.

The BMF fulfils this object by granting funds to the British Museum from the surplus generated from membership subscriptions and other activities as part of the membership offer. The BMF also runs fundraising campaigns to generate funds for specific items or projects as requested by the British Museum.

The overall strategy of the BMF is to increase the level of support to the British Museum, through increasing member numbers and income, whilst providing an excellent quality of service to all Members.

Achievements and performance

2023/24 has been an excellent year for the British Museum Friends. Income from membership subscriptions has remained high at £5.4m. We have seen a very high level of recruitment of new Members this year, delivered thanks to a strong exhibition programme, with China’s Hidden Century proving particularly popular with young people and attracting Under 26 Members.

The Member events programme has been hugely successful this year. We have increased the amount of income generated through the events programme, while also delivering regular free programming to support Member retention, with the huge success of the sleepover programme (supported by the transition of Young Friends to a freemium scheme) particularly notable. Our priority continues to be ensuring that Members have an exceptional experience when engaging with the Museum, wherever they are in the world.

Achievement and performance against objectives

- Ensuring the Member events programme is a valued part of the Membership offering, accessible by as many Members as possible

2023/24 was an outstanding year for the Membership events programme, with an unprecedented number of events for Members. The lecture programme continued to be very successful and, with the option to join on-site or online, more Members than ever had the opportunity to engage with our regular schedule of talks. Alongside two conferences, we also held our first literary season, featuring some of the UK’s top historical fiction writers. We also expanded our free programming offer to Members, introducing new online daytime talks, making our bimonthly welcome tours free and hosting two very busy Members’ evenings. The number and breadth of tours also expanded this year. We offered tours of the archives in the Round Reading Room for the first time and reintroduced Conservation Studio tours after a four-year hiatus, broadening the ways in which Members can explore behind the scenes.

A highlight this year was the popularity of sleepovers, and all four sleepovers were sell-out events. Feedback was extremely positive and with the expansion of the Young Friends programme (see below), we saw new audiences engage with the Museum through these events.

- Reviewing the staffing of the Membership team, in order to ensure we are best positioned to look after our Members

The Museum restructured the Membership Services team in 2023/24, to ensure that there are more mid-level roles within the teams and to allow us to offer more internal progression for those who join the team as Assistants. The mid-level roles also offer greater specialisation, allowing us to focus on key areas of activity and deliver a better level of customer service for Members.

- Growing participation in the Young Friends freemium scheme

The Museum launched the Young Friends scheme as a free to join (“freemium”) scheme this year, contacting current Young Friends, Members and Museum email subscribers. The scheme now has over 11,000 participants (the paid-for scheme only had 632). This substantial increase in numbers has in turn meant that the popularity of sleepovers has increased (see above), generating revenue for the Museum despite the scheme itself being free.

- Maximising the level of grant to the Museum, with a focus on securing donations and Gift Aid declarations

With high Member retention rates and recruitment, we have achieved net income of £4.4m excluding grants (2022/23: £4.5m). This includes legacies totalling £0.2m (2022/23: £0.2m).

This successful financial performance has allowed us, during the year, to approve a grant of £4.5m to the British Museum Trust (registered charity: 1140844). The grant is in support of the British Museum’s ambitious long-term plans, currently known by the working title of the masterplan.

Additionally restricted grants were awarded to the British Museum of £69k mostly in respect of the 23/24 Membership Appeal towards Scientific Research equipment purchase.

- Continuing the growth of Membership activities in line with our strategy

2023/24 has seen the Membership community continue to grow. The exceptionally strong performance of China’s Hidden Century contributed to higher than anticipated levels of recruitment, and the exhibition’s popularity with younger audiences saw an increase in the number of Under 26 Members. The success of the events programme has also contributed to good renewal rates which have seen us retain our core Membership audience.

Plans for future periods

2023/24 was an exceptionally successful year for the British Museum Friends, and we expect this success to continue in 2024/25. There is a strong exhibition programme which should deliver high levels of new Member recruitment. We are proposing a similar set of goals to last year, but also aware that as the Museum embarks on its campaign to support the Masterplan, we will need to determine how this affects Members and how they can support the campaign.

Key priorities for the forthcoming financial year are:

- Ensuring the Member events programme is a valued part of the Membership offering, accessible by as many Members as possible;
- Reviewing the staffing of the Membership team, in order to ensure we are best positioned to look after our Members;
- Growing participation in the Young Friends scheme;
- Maximising the level of grant in support of the Museum, with a focus on securing donations and Gift Aid declarations; and
- Continuing the growth of Membership activities in line with our strategy.

Grants

In 2023/24 a restricted grant of £4.5m was awarded to the British Museum Trust, with a further £69k restricted grant awarded to the British Museum. This compares to a total of £7.5m restricted grants awarded to the British Museum Trust in 2022/23, and £28k restricted grant awarded to the British Museum in 2022/23.

Restricted grants made during the year included:

The British Museum Trust

- Contribution towards the Museum's masterplan (£4.5m)

The British Museum

- Appeal towards Scientific Research equipment (£62k)
- Contribution towards the Museum's research of the collection (£2k)
- Contribution towards the Museum's Greece and Rome department (£5k)

Restricted grants awarded to the British Museum during the prior financial year included £24k to support the Greece and Rome department in memory of Ian Jenkins, £2k towards the Museum's research of the collection, and £2k towards preserving the collection.

Public benefit

In setting the BMF's objectives and planning its activities, the Trustees believe that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The Trustees demonstrate this through making grants in support of the British Museum for new acquisitions for the collection, research, building work, and other projects, which will benefit not just Members but also the general public in deepening our understanding of the cultures of the world. The Trustees also deliver public benefit by providing the opportunity for all visitors to the British Museum to become a Member at cost-effective rates; and by providing a set of valued benefits to Members of the BMF (particularly engagement with, and increased accessibility to, the Museum and its collection).

Fundraising

The BMF is registered with the Fundraising Regulator and works according to the Fundraising Promise. No agents are used for fundraising and the staff involved in fundraising are subject to the British Museum Code of Conduct. The BMF has a number of feedback channels and responds to questions from its supporters.

Auditors

Moore Kingston Smith LLP have expressed their willingness to continue in office and will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Disclosure of information to Auditors

So far as the Trustees are aware, there is no relevant audit information of which BMF's auditors are unaware. The Trustees believe that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that BMF's auditors are aware of that information.

Financial review

Income and expenditure (excluding grants)

Total incoming resources of £6.2m million were generated this year in line with 2022/23 (£6.1m). Income from charitable activities was in line with last year at £5.8 million. Donations and legacies were similarly comparable to 2022/23 at £0.3m.

The BMF incurred expenditure (excluding grants) of £1.8 million in the year, an increase of 12% compared to 2022/23.

Balance sheet

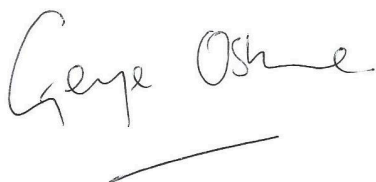
Total funds at 31 March 2024 were £1.8 million, all of which is unrestricted. The cash position remains satisfactory.

Reserves policy

The reserves policy is to retain three to six months' expenditure (excluding grants and exceptional items), to provide financial stability and to act as a safeguard against unforeseen expenditure and lower than expected income. This represents £0.4m - £0.9m. As at 31 March 2024, the BMF held unrestricted reserves of £1.8 million, all of which are general reserves. This is in excess of the amount required by the policy. It is currently expected that reserves will be brought in line with the reserves policy over the next couple of years.

Small companies exemption

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.



George Osborne CH
Chair
The British Museum Friends
4 July 2024

Statement of Trustees' responsibilities

The Trustees (who are also directors of The British Museum Friends for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with United Kingdom Accounting Standards and applicable laws (FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Companies Act 2006).

Company law requires trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the charitable company and of its income and expenditure for the financial year. 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;
- state whether applicable UK Accounting Standards including FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice applies and has been followed, subject to any material departures which are explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's report to the Members of the British Museum Friends

Opinion

We have audited the financial statements of The British Museum Friends ('the company') for the year ended 31 March 2024, which comprise the Statement of Financial Activities, the Balance Sheet, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the

course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' annual report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 9, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

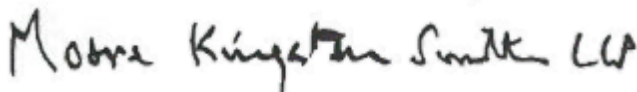
Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council]
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company'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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Cross (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP,
Statutory Auditor

9 July 2024

6th Floor
9 Appold Street
London
EC2A 2AP

Statement of financial activities (including income and expenditure account) for the year ended 31 March 2024

	Note	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	TOTAL 2024 £'000	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	TOTAL 2023 £'000
Income from:							
Donations and legacies	2	187	69	256	223	28	251
Charitable activities	3	5,777	-	5,777	5,815	-	5,815
Investments	4	134	-	134	52	-	52
Total		6,098	69	6,167	6,090	28	6,118
Expenditure on:							
Raising funds	5	(5)	-	(5)	(1)	-	(1)
Charitable activities:							
Members' activities	6	(1,780)	-	(1,780)	(1,586)	-	(1,586)
Grant making	8	(4,500)	(69)	(4,569)	(7,500)	(28)	(7,528)
Total expenditure		(6,285)	(69)	(6,354)	(9,087)	(28)	(9,115)
Net income / (expenditure)		(187)	-	(187)	(2,997)	-	(2,997)
Transfers between funds	13	-	-	-	-	-	-
Net movement in funds		(187)	-	(187)	(2,997)	-	(2,997)
Reconciliation of funds:							
Total funds brought forward	13	1,984	-	1,984	4,981	-	4,981
Total funds carried forward	13	1,797	-	1,797	1,984	-	1,984

All activities are derived from continuing operations.
The Statement of Financial Activities contains all gains and losses in the year.
The notes on pages 16 to 25 form part of these accounts.

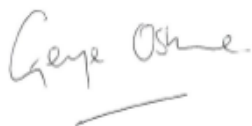
Balance sheet as at 31 March 2024

	Note	2024 £'000	2023 £'000
Current assets			
Debtors	9	823	882
Investments	10	2,579	3,026
Cash at bank and in hand		1,479	1,551
		4,881	5,459
Liabilities			
Creditors: amounts falling due within one year	11	(3,084)	(3,475)
Net current assets		1,797	1,984
Total assets less current liabilities		1,797	1,984
Total net assets		1,797	1,984
Represented by:			
Designated unrestricted funds	13-14	-	-
General unrestricted funds	13-14	1,797	1,984
Total charity funds		1,797	1,984

The notes on pages 16 to 25 form part of these accounts.

These financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies, the Statement of Recommended Practice, Accounting & Reporting by Charities (SORP FRS 102), and applicable accounting standards.

The financial statements were approved at a Board meeting on 4 July 2024 and signed on its behalf by:



George Osborne CH
Chair
The British Museum Friends

Notes to the accounts for the year ended 31 March 2024

1. Accounting policies

Basis of accounting

The financial statements comply with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland; the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (Charities SORP (FRS 102)); and the Companies Act 2006. The financial statements are prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis. The Trustees have considered possible events or conditions that might cast significant doubt on the ability of the British Museum Friends to continue as a going concern. The Trustees have a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future.

The principal accounting policies adopted in the preparation of the financial statements are as follows:

a) Income

In general, income is accounted for when a transaction or other event results in an increase in the BMF's assets or a reduction in its liabilities.

Subscriptions are recognised on a receipts basis as the charity is entitled to the subscription income once a member has paid. Membership extensions are only granted in exceptional circumstances. We ceased selling lifetime memberships in 2006.

Publication and paid events income is recognised as income to the extent that the BMF has provided the associated goods or services. Where income is received in advance and the BMF does not have entitlement to these resources until the goods or services have been provided, the income is deferred.

Income from donations is recognised in the SOFA when there is evidence of entitlement (for example, when the conditions for their receipt have been met), receipt is probable and its amount can be reliably measured.

Catering income is recognised based on the net profit generated during the year by the catering provider. Any catering losses are recognised as costs incurred during the year.

Legacies are recognised as income when there has been grant of probate, there are sufficient assets in the estate, evidence of entitlement has been received from the executor and the amount receivable can be measured with sufficient accuracy.

b) Expenditure

Expenditure is recognised in the financial statements when a present legal or constructive obligation exists, it is more likely than not that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured or estimated reliably. Resources expended are classified in the SOFA under the principal categories of expenditure on raising funds and on charitable activities.

Costs of raising funds are those incurred in seeking voluntary contributions for the BMF. Costs of charitable activities are those incurred in supporting the membership and include the governance costs incurred to ensure compliance with constitutional and statutory requirements. Support costs are assigned to the SOFA headings in the same proportion as directly attributable staff costs.

c) Fixed assets and depreciation

Tangible assets with an economic life of more than one year and value greater than £5,000 are capitalised. Depreciation is provided on these tangible assets, at rates calculated to write off the value of each asset evenly over its expected useful economic life (see below) with no residual value assumed.

- Furniture, fit out and equipment – 2 to 20 years

Depreciation is charged evenly over the life of the asset, to the nearest month. Impairment reviews are carried out at the end of each reporting period to ensure that the carrying values of the assets do not exceed their recoverable amounts.

No assets of a depreciating nature are currently held.

d) Investments

All investments are stated at fair value at year end. Valuations for investments with an active market are based on published quoted prices at or close to the balance sheet date. Valuations for investments where there is no active market have been estimated with reference to recent valuation reports. The SOFA includes any realised and unrealised investment gains and losses arising on revaluation and disposals throughout the year.

Investments that are intended to produce a return, but which are placed in deposits of less than six months' duration, are treated as current assets. All other investments, which are intended to produce a long-term return and not intended to be spent within the next year, are treated as fixed assets.

e) Irrecoverable VAT

Irrecoverable VAT is treated as a support cost and is apportioned over the activities of the BMF as described in Note 6.

f) Grants

Grants payable are recognised when the criteria for a constructive obligation are met, payment is probable, values can be measured reliably, and there are no conditions attached to payment that limit recognition.

g) Funds structure

The BMF has the following categories of funds:

- Unrestricted funds: these are available for use at the discretion of the Trustees in furtherance of the general objectives of the BMF. These include designated funds, which are set aside at the discretion of the Trustees for specific purposes;
- Restricted funds: these funds are subject to specific restrictions imposed by donors.

The major funds comprising each category, the summary results for the year and a description of the movements between the funds are set out in Note 13.

h) Financial Instruments

The BMF only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

i) Cash at bank and in hand

Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes.

Significant judgements and estimates

All judgements applied in preparing the financial statements are disclosed in the accounting policies above. No material estimates have been applied.

Disclosure exemptions

As a qualifying subsidiary of the British Museum, the BMF has taken advantage of some of the disclosure exemptions available under FRS 102. These are:

- A statement of cash flows;
- Detailed disclosures relating to financial instruments (equivalent disclosures are included in the Museum's consolidated accounts); and
- Disclosure of total remuneration of key management personnel (reference is made in note 6e to the equivalent disclosures included in the consolidated accounts)

The British Museum's consolidated financial statements are available to view at:
http://www.britishmuseum.org/about_us/management/annual_reports_and_accounts.aspx.

2. Donations and legacies

	2024 £'000	2023 £'000
Unrestricted		
Legacies	160	207
Donations	27	16
Total unrestricted	<u>187</u>	<u>223</u>
Restricted		
Legacies	5	-
In memory of Ian Jenkins (Greece & Rome)	-	24
Preserving the collection	-	2
Scientific Research	62	-
Townley	2	2
Total restricted	<u>69</u>	<u>28</u>
Total unrestricted and restricted	<u><u>256</u></u>	<u><u>251</u></u>

3. Charitable activities

	2024 £'000	2023 £'000
Membership subscriptions	5,387	5,502
Paid events and catering	307	247
Publications	83	66
	<u>5,777</u>	<u>5,815</u>

4. Income from investments

	2024 £'000	2023 £'000
Interest income receivable	134	52

5. Cost of raising funds

	2024 £'000	2023 £'000
Fundraising costs	5	1

6. Members' activities

	Directly attributable costs		Support Costs	Total	Total
	Staff £'000	Others £'000	Note 6 (a) £'000	2024 £'000	2023 £'000
Member promotion	217	12	59	288	303
Membership services	438	420	120	978	800
Paid events and catering	171	133	47	351	304
Publications	30	125	8	163	179
	856	690	234	1,780	1,586

6. (a) Support costs

	2024 £'000	2023 £'000
External audit fee		
Current year	10	10
Under provision in previous year	1	-
Council expenses	1	-
Directors', Officers' and Trustees' liability insurance	1	1
Total governance costs	13	11
Staff costs	86	65
Other non-staff costs	135	134
	234	210

Support costs have been allocated to charitable activities in the same proportion as directly attributable staff costs.

6. (b) Staff costs

	2024 £'000	2023 £'000
Wages and salaries	579	411
Social security costs	64	44
Pension costs	124	96
Agency staff costs	175	189
	<u>942</u>	<u>740</u>

Permanent staff are employed by the British Museum, who recharge these costs to the BMF. Agency staff are contracted directly by the BMF.

6. (c) The average number of full-time equivalent employees excluding agency staff during 2023/24 was 15.9 (2022/23: 12.4). Including agency staff, 21.4 full time equivalent were employed in 2023/24 (2022/23: 18.6 FTE). The average head count during the year excluding agency staff was 20 (2022/23: 17).

6. (d) No employees received employee benefits (excluding employer pension costs) of more than £60,000 (2022/23: 0).

6. (e) The British Museum employs senior management that oversees the BMF. Remuneration of the British Museum's key management personnel is disclosed in their financial statements, available to view at: http://www.britishmuseum.org/about_us/management/annual_reports_and_accounts.aspx

7. Trustees

The Trustees neither received nor waived any emoluments or other benefits from the BMF in the year (2022/23: £0).

All Trustees are entitled to reimbursement for reasonable travel and subsistence expenses incurred in the performance of their duties. In 2023/24, no travel and subsistence expenses were paid to Trustees or directly to third parties on their behalf (2022/23: £0).

During the year, the BMF purchased charity Trustees' liability insurance at a premium of £645 (2022/23: £645).

8. Grant making

	2024 £'000	2023 £'000
Donations from unrestricted donations	4,500	7,500
Donations from restricted funds	69	28
Total grants	<u>4,569</u>	<u>7,528</u>

A £4.5m grant was made to the British Museum Trust, restricted for the British Museum's masterplan. £69k of grants were made to the British Museum. Details of grants can be found on page 7.

9. Debtors

	2024 £'000	2023 £'000
Trade debtors	32	29
Less: Provision for bad debts	(4)	(5)
	<u>28</u>	<u>24</u>
Other debtors:		
The British Museum	4	138
The British Museum Company	-	-
HM Revenue & Customs	713	695
Prepayments and accrued income	78	25
	<u>823</u>	<u>882</u>

10. Current asset investments

	2024 £'000	2023 £'000
Current asset investments	<u>2,579</u>	<u>3,026</u>

11. Creditors: amounts falling due within one year

	2024	2023
	£'000	£'000
Trade creditors	39	48
The British Museum	405	311
Accruals, deferred income and others	2,640	3,116
	3,084	3,475

12. (a) Deferred income

	Total	Total
	2024	2023
	£'000	£'000
Falling due within one year	51	17
	51	17

The movement on the deferred income account is as follows:

	Total	Total
	2024	2023
	£'000	£'000
Deferred income brought forward	17	20
Released in year	(17)	(20)
Deferred in year	51	17
Deferred income carried forward	51	17

13. Funds

		At 1 April 2022	Incoming resources 2022/23	Resources expended 2022/23	Transfer between funds	At 31 March 2023	Incoming resources 2023/24	Resources expended 2023/24	Transfer between funds	At 31 March 2024
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted Funds										
Designated funds	1	4,000	-	-	(4,000)	-	-	-	-	-
General funds		981	6,090	(9,087)	4,000	1,984	6,098	(6,285)	-	1,797
Restricted Funds:										
Legacies	2	-	-	-	-	-	5	(5)	-	-
In memory of Ian Jenkins	3	-	24	(24)	-	-	-	-	-	-
Preserving the collection	4	-	2	(2)	-	-	-	-	-	-
Scientific Research	5	-	-	-	-	-	62	(62)	-	-
Townley	6	-	2	(2)	-	-	2	(2)	-	-
		-	28	(28)	-	-	69	(69)	-	-
		4,981	6,118	(9,115)	-	1,984	6,167	(6,354)	-	1,797

- 1 To give BMF financial sustainability in the face of the current uncertainties, the Trustees had designated a resilience fund of £4m. During 2022/23, in light of easing financial uncertainties, the Trustees released this designated amount.
- 2 This is a restricted legacy towards the Greece & Rome department.
- 3 The 2021/22 appeal was set up in memory of Ian Jenkins to support Greece & Rome projects at the Museum.
- 4 The 2019/20 Preserving the collection appeal was set up to fund vital conservation projects at the Museum.
- 5 The 2023/24 Scientific Research appeal was set up to support the Museum's purchase of an Arago photogrammetry rig.
- 6 The Townley Research Fund was set up to support research in the Museum.

14. Analysis of net assets between funds

	Unrestricted funds 2024	Restricted funds 2024	Total 2024	Unrestricted funds 2023	Restricted funds 2023	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Current and fixed assets	4,812	69	4,881	5,431	28	5,459
Creditors	(3,015)	(69)	(3,084)	(3,447)	(28)	(3,475)
	1,797	-	1,797	1,984	-	1,984

15. Member's liability

The charity is a company limited by guarantee and has no share capital. The liability of the Member in the event of winding-up is limited to £1.

16. Contingent asset

One restricted and one unrestricted legacy were bequeathed to BMF. The restricted legacy was newly bequeathed in 2023/24 and the unrestricted legacy was notified in 2022/23 with a final distribution to be received. The amount and timing of these payments are uncertain as the BMF's interest in these legacies are residuary and cannot be measured reliably. It is therefore not practicable to quantify the estimated amounts receivable and accordingly they have not been recognised in the financial statements.

17. Events occurring after the end of the reporting period

No significant events took place after the end of the reporting period.

18. Related party transactions

The financial statements of the BMF are consolidated into the British Museum's group financial statements (available to view at: <https://www.britishmuseum.org/about-us/governance>).

In line with paragraph 33.1A of FRS 102, the BMF, wholly owned by the Trustees of the British Museum, is not required to disclose transactions with other wholly owned members of the group headed by the Trustees of the British Museum. However, details of material transactions and balances with the British Museum and other subsidiary entities of the British Museum are shown in the relevant notes to the financial statements.

During 2023/24 the charity entered into material transactions with related parties outside the group headed by the British Museum as set out below:

Party	Nature of relationship	Transaction	Income for the year ended 31 March 2024 (£'000s)	Expenditure for the year ended 31 March 2024 (£'000s)	Creditor balance at 31 March 2024 (£'000s)	Debtor balance at 31 March 2024 (£'000s)
Ashmolean Museum	Professor Chris Gosden FBA [†] is a Member of the Ashmolean Museum Board of Visitors	Trade income	2	-	-	-

[†] Trustee of the British Museum during the year ended 31 March 2024.

A number of employees of the British Museum, Trustees and co-opted members of Board Committees and their family members, and members of the BMF Advisory Council, are members of the BMF.

Trustees and employees of the BMF and the British Museum are entitled to discounts on purchases from the Museum's shops and cafes.

THE BRITISH MUSEUM FRIENDS

England & Wales - Charity number 1086080

Accounts



Annual Report and Financial Statements
for the year ended 31 March 2023

Contents

	Page
Directors and Trustees	3
Auditors, registered office, bankers	3
Structure, governance, and management	4
Achievements and performance	5
Plans for future periods	6
Grants	7
Public benefit	7
Fundraising	7
Auditors	7
Disclosure of information to Auditors	8
Financial review	8
Statement of Trustees' responsibilities	9
Independent Auditor's report to the Members	10
Statement of financial activities	14
Balance sheet	15
Notes to the accounts	16

Directors and Trustees

Mr George Osborne CH (Chair)
Ms Muriel Gray FRSE (Deputy Chair)
Baroness (Minouche) Shafik DBE (Deputy Chair)
Professor Abhijit V Banerjee
Professor Dame Mary Beard DBE, FSA, FBA
Dame Elizabeth Corley DBE
Ms Clarissa Farr
Professor Chris Gosden FBA
Mr Philipp Hildebrand
Dame Vivian Hunt DBE
Lord Jonathan Marland
Sir Charlie Mayfield
Mr Mark Pears CBE
Sir Grayson Perry CBE, RA
Sir Paul Ruddock FSA
Mr Alejandro Santo Domingo (appointed 7 July 2022)
Mr Weijian Shan (appointed 7 July 2022)
Ms Priyanka Wadhawan
Professor Sir Mark Walport FRCP, FRS, FMedSci,
HonFRSE
Mr George Weston
Professor Dame Sarah Worthington DBE, QC (Hon), FBA

Auditors

Moore Kingston Smith LLP
6th Floor
9 Appold Street
London EC2A 2AP

Registered office

The British Museum Friends
Great Russell Street
London WC1B 3DG

Telephone +44(0)20 7323 8195
Facsimile +44(0)20 7323 8985
friends@britishmuseum.org

Bankers

National Westminster
PO Box 158, 214 High Holborn
London WC1V 7BX

Santander UK
298 Deansgate
Manchester
M3 4HH

Structure, governance, and management

Organisational structure

The British Museum Friends (BMF) is a registered charity (registration number 1086080) and a company limited by guarantee (registration number 4133346). The Board of Trustees of the British Museum, as a body corporate, is the sole company law member of the BMF. The Trustees of the British Museum are, individually, the charity trustees and the company law directors of the BMF. They govern the BMF in accordance with its Memorandum and Articles of Association.

The Board of Trustees is responsible for determining the overall strategy of the BMF. Trustees are appointed automatically on their appointment to the Board of Trustees of the British Museum, for fixed terms of service coterminous with their trusteeship of the British Museum. They are non-executive and unpaid. The Board of Trustees of the British Museum may consist of up to 25 members, of which 15 are appointed by the Prime Minister, one by the Sovereign, four by the Secretary of State on the nominations of the Royal Academy, the British Academy, the Society of Antiquaries of London and the Royal Society, and five by the Museum's Trustees. The Chair is appointed by the Board from its members.

Day-to-day management of the BMF is delegated to the Head of Membership who is supported by a team of staff, all of whom are employed by the British Museum. Volunteers are occasionally used to assist with programme delivery; this can involve working at one of the Member events, assisting with membership recruitment or performing one-off office tasks.

The Board of Trustees is supported by the Advisory Council to the BMF (the "Council"). Elected from amongst the Membership, the Council acts to ensure that the work of the BMF is in line with the interests of the Members as a whole, and advises on approaches likely to be of most interest. It provides advice and support to the Head of Membership on the strategic approach to marketing, fundraising, events and communication activities. The Council holds a skills register to record the expertise of Council Members. Vacancies are advertised through the regular membership mailings. The Council Members are then appointed following a selection and interview process led by the Chair of the Council, through the nominations committee. New Council Members have induction meetings with the Chair, Deputy Chair and Head of Membership.

Risk management

Risk is unavoidable and the resources available for managing risk are finite. The aim of risk management within the BMF is therefore to achieve an optimum response to risk, prioritised in accordance with an evaluation of the risks. Risk management is everybody's responsibility and is embedded within the BMF through established business planning processes, which ensure that risks to achieving planned initiatives are identified as those initiatives are developed. The Board, the Museum's Internal Controls Committee, and the Audit Committee support this through regular review of the risk register.

The inherent risks faced by the BMF include reaching membership profit targets, member retention, and management of the Members' room. Each of these is mitigated effectively by a strong system of internal control. Through positive Member engagement and by closely managing costs the Board is optimistic that these risks can be effectively managed over the coming year.

Objectives and activities

The overall object of the BMF, as laid down in the Memorandum of Association, is "to support and assist the British Museum in maintaining and expanding its collections and services to scholars and

to the general public and to assist other charitable museums to any extent that in the opinion of the Friends might help the British Museum in the aforementioned manner”.

The BMF fulfils this object by granting funds to the British Museum from the surplus generated from membership subscriptions and other activities as part of the membership offer. The BMF also runs fundraising campaigns to generate funds for specific items or projects as requested by the British Museum.

The overall strategy of the BMF is to increase the level of support to the British Museum, through increasing member numbers and income, whilst providing an excellent quality of service to all Members.

Achievements and performance

In 2022/23 The British Museum Friends has been pleased to see a continued recovery from the impact of the pandemic, and that we have increased the income from charitable activities this year. We have successfully claimed historic Gift Aid and continued to welcome back Members who may have lapsed in the prior two years.

This year has also seen the expansion of our on-site events programme, with the introduction of our first Friends fortnight a particular highlight. Our priority continues to be ensuring that Members have an exceptional experience when engaging with the Museum, wherever they are in the world.

Achievement and performance against objectives

- Continuing to improve digital opportunities to engage with the Museum

This year we have completed a thorough review of our Membership engagement offering, with a particular focus on how the introduction of digital opportunities to engage with the Museum has affected our programme. We continue to offer Members live stream tickets to watch any on-site events taking place in the lecture theatre. As expected, this has proved popular with international Members but has also been well received by UK Members, especially in light of travel disruption meaning some individuals preferred to attend from home.

We have worked to standardise our approach to email communications, creating different types of emails to cater for those who are looking for information about upcoming events versus those who are looking for content to enjoy immediately.

- Ensuring the Member events programme is a valued part of the Membership offering, accessible by as many Members as possible

This year saw the continued success of our on-site lecture programme and we were pleased to hold our first Members’ conference since 2019 – a one-day event looking at the history of Iraq. Feedback on this format is overwhelmingly positive, and we intend to hold two conferences in 2023-24. We also held several sold-out sleepovers.

In 2022/23 we also introduced several new formats, to further round out the programme. We held our first ever “Friends fortnight”; a focussed two weeks of exclusive Membership events. This was intended to provide top quality programming in a period when the Museum did not have exhibitions open. It also ensured that Members who live further away from the Museum could plan a visit within the fortnight, knowing there would be a full programme to engage with. As part of the fortnight we held our first torchlit tours and gallery yoga events, two popular new formats which were repeated several times during the year to ensure as many Members as possible could take part.

- Reviewing the Young Friends programme

The Museum completed a thorough review of the Young Friends programme in 2022/23 and concluded that the Museum and young people would be better served by a free to join digital Membership scheme. This will ensure as many young people as possible can benefit from the resources produced by the team while removing the costliest elements (print and postage). Additional events, including our flagship sleepovers, will have a ticket fee.

- Maximising the level of grant to the Museum, with a focus on securing donations and Gift Aid declarations

With high Member retention rates and recruitment, we have achieved net income of £4.5m excluding grants (2021/22: £3.6m before exceptional VAT settlement with HMRC of £2.8m). This includes legacies totalling £0.2m (2021/22: £0.2m).

This successful financial performance has allowed us, during the year, to approve a grant of £7.5m to the British Museum Trust (registered charity: 1140844). The grant is in support of the British Museum's ambitious long-term plans, currently known by the working title of the masterplan.

Additionally restricted grants were awarded to the British Museum of £28k mostly in respect of the 21/22 Membership Appeal in memory of Ian Jenkins (Greece and Rome).

- Continuing the growth of Membership activities in line with our strategy

In 2022/23 our Membership offering has recovered from the pandemic and continued to go from strength to strength. We have maintained pre-pandemic Membership numbers and have introduced new programming to demonstrate to renewing Members how valuable their support is, while capitalising on a successful exhibition programme to recruit new Members.

Plans for future periods

While we have been pleased to end 2022/23 with pre-pandemic Membership numbers, the impact of the pandemic is still felt in reduced visitor numbers to the Museum. With this in mind, we propose to set similar goals to last year and to continue focusing on integrating our online and on-site activities, to ensure we are offering an exceptional experience for Members however they choose to engage with the Museum.

Key priorities for the forthcoming financial year are:

- Ensuring the Member events programme is a valued part of the Membership offering, accessible by as many Members as possible;
- Reviewing the staffing of the Membership team, in order to ensure we are best positioned to look after our Members;
- Growing participation in the Young Friends scheme;
- Maximising the level of grant in support of the Museum, with a focus on securing donations and Gift Aid declarations; and
- Continuing the growth of Membership activities in line with our strategy.

Grants

In 2022/23 a restricted grant of £7.5m was awarded to the British Museum Trust, with a further £28k restricted grant awarded to the British Museum. This compares to a total of £7m restricted grants awarded to the British Museum in 2021/22.

Restricted grants made during the year included:

The British Museum Trust

- Contribution towards the British Museum's masterplan (£7.5m)

The British Museum

- Appeal in memory of Ian Jenkins, to support the Greece and Rome department (£24k)
- Contribution towards the Museum's research of the collection (£2k)
- Contribution towards preserving the collection (£2k)

Restricted grants awarded to the British Museum during the prior financial year included £7m towards the Museum's capital programme, £23k to support the Greece and Rome department in memory of Ian Jenkins, £3k towards the Museum's research of the collection, and £1k towards preserving the collection.

Public benefit

In setting the BMF's objectives and planning its activities, the Trustees believe that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The Trustees demonstrate this through making grants in support of the British Museum for new acquisitions for the collection, research, building work, and other projects, which will benefit not just Members but also the general public in deepening our understanding of the cultures of the world. The Trustees also deliver public benefit by providing the opportunity for all visitors to the British Museum to become a Member at cost-effective rates; and by providing a set of valued benefits to Members of the BMF (particularly engagement with, and increased accessibility to, the Museum and its collection).

Fundraising

The BMF is registered with the Fundraising Regulator and works according to the Fundraising Promise. No agents are used for fundraising and the staff involved in fundraising are subject to the British Museum Code of Conduct. The BMF has a number of feedback channels and responds to questions from its supporters.

Auditors

Moore Kingston Smith LLP have expressed their willingness to continue in office and will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Disclosure of information to Auditors

So far as the Trustees are aware, there is no relevant audit information of which BMF's auditors are unaware. The Trustees believe that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that BMF's auditors are aware of that information.

Financial review

Income and expenditure (excluding grants)

Total incoming resources of £6.1m million were generated this year, an increase of £0.9 million or 18% compared with 2021/22. Income from charitable activities was 19% higher at £5.8 million. Donations and legacies were comparable with 2021/22 at £0.3m.

The BMF incurred expenditure (excluding grants) of £1.6 million in the year, an increase of 4% compared to 2021/22.

Balance sheet

Total funds at 31 March 2023 were £2.0 million, all of which is unrestricted. The cash position remains satisfactory.

Reserves policy

The reserves policy is to retain three to six months' expenditure (excluding grants and exceptional items), to provide financial stability and to act as a safeguard against unforeseen expenditure and lower than expected income. This represents £0.4m - £0.8m. As at 31 March 2023, the BMF held unrestricted reserves of £2.0 million, all of which are general reserves. This is in excess of the amount required by the policy. It is currently expected that reserves will be brought in line with the reserves policy over the next couple of years.

Small companies exemption

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

George Osborne CH
Chair
The British Museum Friends
29 June 2023

Statement of Trustees' responsibilities

The Trustees (who are also directors of The British Museum Friends for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with United Kingdom Accounting Standards and applicable laws (FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Companies Act 2006).

Company law requires trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the charitable company and of its income and expenditure for the financial year. 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;
- state whether applicable UK Accounting Standards including FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice applies and has been followed, subject to any material departures which are explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's report to the Members of the British Museum Friends

Opinion

We have audited the financial statements of The British Museum Friends ('the company') for the year ended 31 March 2023, which comprise the Statement of Financial Activities, the Balance Sheet, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the

course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' annual report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 9, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council]
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company'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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

James Cross (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP,
Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Statement of financial activities (including income and expenditure account) for the year ended 31 March 2023

	Note	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	TOTAL 2023 £'000	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000	TOTAL 2022 £'000
Income from:							
Donations and legacies	2	223	28	251	266	27	293
Charitable activities	3	5,815	-	5,815	4,870	-	4,870
Investments	4	52	-	52	1	-	1
Total		6,090	28	6,118	5,137	27	5,164
Expenditure on:							
Raising funds	5	(1)	-	(1)	(19)	-	(19)
Charitable activities:							
Members' activities	6	(1,586)	-	(1,586)	(1,513)	-	(1,513)
Grant making	8	(7,500)	(28)	(7,528)	(7,000)	(27)	(7,027)
Total expenditure		(9,087)	(28)	(9,115)	(8,532)	(27)	(8,559)
Exceptional item	9	-	-	-	2,839	-	2,839
Net income / (expenditure)		(2,997)	-	(2,997)	(556)	-	(556)
Transfers between funds	13	-	-	-	-	-	-
Net movement in funds		(2,997)	-	(2,997)	(556)	-	(556)
Reconciliation of funds:							
Total funds brought forward	13	4,981	-	4,981	5,537	-	5,537
Total funds carried forward	13	1,984	-	1,984	4,981	-	4,981

All activities are derived from continuing operations.
The Statement of Financial Activities contains all gains and losses in the year.
The notes on pages 16 to 25 form part of these accounts.

Balance sheet as at 31 March 2023

	Note	2023 £'000	2022 £'000
Current assets			
Debtors	10	882	599
Investments	11	3,026	7,213
Cash at bank and in hand		1,551	4,415
		5,459	12,227
Liabilities			
Creditors: amounts falling due within one year	12	(3,475)	(7,246)
Net current assets		1,984	4,981
Total assets less current liabilities		1,984	4,981
Total net assets		1,984	4,981
Represented by:			
Designated unrestricted funds	13-14	-	4,000
General unrestricted funds	13-14	1,984	981
Total charity funds		1,984	4,981

The notes on pages 16 to 25 form part of these accounts.

These financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies, the Statement of Recommended Practice, Accounting & Reporting by Charities (SORP FRS 102), and applicable accounting standards.

The financial statements were approved at a Board meeting on 29 June 2023 and signed on its behalf by:

George Osborne CH
Chair
The British Museum Friends

Notes to the accounts for the year ended 31 March 2023

1. Accounting policies

Basis of accounting

The financial statements comply with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland; the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (Charities SORP (FRS 102)); and the Companies Act 2006. The financial statements are prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis. The Trustees have considered possible events or conditions that might cast significant doubt on the ability of the British Museum Friends to continue as a going concern. The Trustees have a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future.

The principal accounting policies adopted in the preparation of the financial statements are as follows:

a) Income

In general, income is accounted for when a transaction or other event results in an increase in the BMF's assets or a reduction in its liabilities.

Subscriptions are recognised on a receipts basis as the charity is entitled to the subscription income once a member has paid. Membership extensions are only granted in exceptional circumstances. We ceased selling lifetime memberships in 2006.

Publication and paid events income is recognised as income to the extent that the BMF has provided the associated goods or services. Where income is received in advance and the BMF does not have entitlement to these resources until the goods or services have been provided, the income is deferred.

Income from donations is recognised in the SOFA when there is evidence of entitlement (for example, when the conditions for their receipt have been met), receipt is probable and its amount can be reliably measured.

Catering income is recognised based on the net profit generated during the year by the catering provider. Any catering losses are recognised as costs incurred during the year.

Legacies are recognised as income when there has been grant of probate, there are sufficient assets in the estate, evidence of entitlement has been received from the executor and the amount receivable can be measured with sufficient accuracy.

b) Expenditure

Expenditure is recognised in the financial statements when a present legal or constructive obligation exists, it is more likely than not that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured or estimated reliably. Resources expended are classified in the SOFA under the principal categories of expenditure on raising funds and on charitable activities.

Costs of raising funds are those incurred in seeking voluntary contributions for the BMF. Costs of charitable activities are those incurred in supporting the membership and include the governance costs incurred to ensure compliance with constitutional and statutory requirements. Support costs are assigned to the SOFA headings in the same proportion as directly attributable staff costs.

c) Fixed assets and depreciation

Tangible assets with an economic life of more than one year and value greater than £5,000 are capitalised. Depreciation is provided on these tangible assets, at rates calculated to write off the value of each asset evenly over its expected useful economic life (see below) with no residual value assumed.

- Furniture, fit out and equipment – 2 to 20 years

Depreciation is charged evenly over the life of the asset, to the nearest month. Impairment reviews are carried out at the end of each reporting period to ensure that the carrying values of the assets do not exceed their recoverable amounts.

No assets of a depreciating nature are currently held.

d) Investments

All investments are stated at fair value at year end. Valuations for investments with an active market are based on published quoted prices at or close to the balance sheet date. Valuations for investments where there is no active market have been estimated with reference to recent valuation reports. The SOFA includes any realised and unrealised investment gains and losses arising on revaluation and disposals throughout the year.

Investments that are intended to produce a return, but which are placed in deposits of less than six months' duration, are treated as current assets. All other investments, which are intended to produce a long-term return and not intended to be spent within the next year, are treated as fixed assets.

e) Irrecoverable VAT

Irrecoverable VAT is treated as a support cost and is apportioned over the activities of the BMF as described in Note 6.

f) Grants

Grants payable are recognised when the criteria for a constructive obligation are met, payment is probable, values can be measured reliably, and there are no conditions attached to payment that limit recognition.

g) Funds structure

The BMF has the following categories of funds:

- Unrestricted funds: these are available for use at the discretion of the Trustees in furtherance of the general objectives of the BMF. These include designated funds, which are set aside at the discretion of the Trustees for specific purposes;
- Restricted funds: these funds are subject to specific restrictions imposed by donors.

The major funds comprising each category, the summary results for the year and a description of the movements between the funds are set out in Note 13.

h) Financial Instruments

The BMF only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

i) Cash at bank and in hand

Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes.

Significant judgements and estimates

All judgements applied in preparing the financial statements are disclosed in the accounting policies above. No material estimates have been applied.

Disclosure exemptions

As a qualifying subsidiary of the British Museum, the BMF has taken advantage of some of the disclosure exemptions available under FRS 102. These are:

- A statement of cash flows;
- Detailed disclosures relating to financial instruments (equivalent disclosures are included in the Museum's consolidated accounts); and
- Disclosure of total remuneration of key management personnel (reference is made in note 6e to the equivalent disclosures included in the consolidated accounts)

The British Museum's consolidated financial statements are available to view at:
http://www.britishmuseum.org/about_us/management/annual_reports_and_accounts.aspx.

2. Donations and legacies

	2023 £'000	2022 £'000
Unrestricted		
Legacies	207	180
Donations	16	86
Total unrestricted	<u>223</u>	<u>266</u>
Restricted		
In memory of Ian Jenkins (Greece & Rome)	24	23
Preserving the collection	2	1
Townley	2	3
Total restricted	<u>28</u>	<u>27</u>
Total unrestricted and restricted	<u><u>251</u></u>	<u><u>293</u></u>

3. Charitable activities

	2023 £'000	2022 £'000
Membership subscriptions	5,502	4,622
Paid events and catering	247	185
Publications	66	63
	<u><u>5,815</u></u>	<u><u>4,870</u></u>

4. Income from investments

	2023 £'000	2022 £'000
Interest income receivable	52	1

5. Cost of raising funds

	2023 £'000	2022 £'000
Fundraising costs	1	19

6. Members' activities

	Directly attributable costs		Support Costs	Total	Total
	Staff £'000	Others £'000	Note 6 (a) £'000	2023 £'000	2022 £'000
Member promotion	216	20	67	303	265
Membership services	296	412	92	800	805
Paid events and catering	134	128	42	304	286
Publications	29	141	9	179	157
	675	701	210	1,586	1,513

6. (a) Support costs

	2023 £'000	2022 £'000
External audit fee		
Current year	10	10
Under provision in previous year	-	1
Council expenses	-	-
Directors', Officers' and Trustees' liability insurance	1	1
Total governance costs	11	12
Staff costs	65	61
Other non-staff costs	134	186
	210	259

Support costs have been allocated to charitable activities in the same proportion as directly attributable staff costs.

6. (b) Staff costs

	2023 £'000	2022 £'000
Wages and salaries	411	444
Social security costs	44	45
Pension costs	96	114
Agency staff costs	189	153
	<u>740</u>	<u>756</u>

Permanent staff are employed by the British Museum, who recharge these costs to the BMF. Agency staff are contracted directly by the BMF.

6. (c) The average number of full-time equivalent employees excluding agency staff during 2022/23 was 12.4 (2021/22: 13.8). Including agency staff, 18.6 full time equivalent were employed in 2022/23 (2021/22: 19.0 FTE). The average head count during the year excluding agency staff was 17 (2021/22: 15).

6. (d) No employees received employee benefits (excluding employer pension costs) of more than £60,000 (2021/22: 0).

6. (e) The British Museum employs senior management that oversees the BMF. Remuneration of the British Museum's key management personnel is disclosed in their financial statements, available to view at: http://www.britishmuseum.org/about_us/management/annual_reports_and_accounts.aspx

7. Trustees

The Trustees neither received nor waived any emoluments or other benefits from the BMF in the year (2021/22: £0).

All Trustees are entitled to reimbursement for reasonable travel and subsistence expenses incurred in the performance of their duties. In 2022/23, no travel and subsistence expenses were paid to Trustees or directly to third parties on their behalf (2021/22: £0).

During the year, the BMF purchased charity Trustees' liability insurance at a premium of £645 (2021/22: £607).

8. Grant making

	2023 £'000	2022 £'000
Donations from unrestricted donations	7,500	7,000
Donations from restricted funds	28	27
Total grants	<u>7,528</u>	<u>7,027</u>

A £7.5m grant was made to the British Museum Trust, restricted for the British Museum's masterplan. £28k of grants were made to the British Museum. Details of grants can be found on page 7.

9. Exceptional item

	2023 £'000	2022 £'000
Refund of VAT on membership subscriptions	-	2,839

The dispute with HMRC in respect of historic VAT charged on membership subscriptions concluded in June 2021, when HMRC refunded £2.8m to BMF.

10. Debtors

	2023 £'000	2022 £'000
Trade debtors	29	21
Less: Provision for bad debts	(5)	(4)
	24	17
Other debtors:		
The British Museum	138	49
The British Museum Company	-	1
HM Revenue & Customs	695	492
Prepayments and accrued income	25	40
	882	599

11. Current asset investments

	2023 £'000	2022 £'000
Current asset investments	3,026	7,213

12. Creditors: amounts falling due within one year

	2023	2022
	£'000	£'000
Trade creditors	48	51
The British Museum	311	7,120
Accruals, deferred income and others	3,116	75
	3,475	7,246

12. (a) Deferred income

	Total	Total
	2023	2022
	£'000	£'000
Falling due within one year	17	20
	17	20

The movement on the deferred income account is as follows:

	Total	Total
	2023	2022
	£'000	£'000
Deferred income brought forward	20	-
Released in year	(20)	-
Deferred in year	17	20
Deferred income carried forward	17	20

13. Funds

		At 1 April 2021	Incoming resources 2021/22	Resources expended 2021/22	Transfer between funds	At 31 March 2022	Incoming resources 2022/23	Resources expended 2022/23	Transfer between funds	At 31 March 2023
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted Funds										
Designated funds	1	3,000	-	-	1,000	4,000	-	-	(4,000)	-
General funds		2,537	5,137	(5,693)	(1,000)	981	6,090	(9,087)	4,000	1,984
Restricted Funds:										
In memory of Ian Jenkins	2	-	23	(23)	-	-	24	(24)	-	-
Preserving the collection	3	-	1	(1)	-	-	2	(2)	-	-
Townley	4	-	3	(3)	-	-	2	(2)	-	-
		-	27	(27)	-	-	28	(28)	-	-
		5,537	5,164	(5,720)	-	4,981	6,118	(9,115)	-	1,984

- 1 To give BMF financial sustainability in the face of the current uncertainties, the Trustees had designated a resilience fund of £4m. During the year, in light of easing financial uncertainties, the Trustees released this designated amount.
- 2 The 2021/22 appeal was set up in memory of Ian Jenkins to support Greece & Rome projects at the Museum.
- 3 The 2019/20 Preserving the collection appeal was set up to fund vital conservation projects at the Museum.
- 4 The Townley Research Fund was set up to support research in the Museum.

14. Analysis of net assets between funds

	Unrestricted funds 2023	Restricted funds 2023	Total 2023	Unrestricted funds 2022	Restricted funds 2022	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Current and fixed assets	5,431	28	5,459	12,200	27	12,227
Creditors	(3,447)	(28)	(3,475)	(7,219)	(27)	(7,246)
	1,984	-	1,984	4,981	-	4,981

15. Member's liability

The charity is a company limited by guarantee and has no share capital. The liability of the Member in the event of winding-up is limited to £1.

16. Contingent asset

Two unrestricted legacies were bequeathed to BMF, one notified in 2020/21 with a final distribution to be received and another newly bequeathed in 2022/23. The amount and timing of these payments are uncertain as the BMF's interest in these legacies are residuary and cannot be measured reliably. They are however estimated at £28k and £17k respectively. These amounts have not been recognised in the financial statements.

17. Events occurring after the end of the reporting period

No significant events took place after the end of the reporting period.

18. Related party transactions

The financial statements of the BMF are consolidated into the British Museum's group financial statements (available to view at: <https://www.britishmuseum.org/about-us/governance>).

In line with paragraph 33.1A of FRS 102, the BMF, as a wholly owned subsidiary of the British Museum, is not required to disclose transactions with other wholly owned members of the group headed by the Trustees of the British Museum. However, details of material transactions and balances with the British Museum and other subsidiary entities of the British Museum are shown in the relevant notes to the financial statements.

During 2022/23 the charity entered into material transactions with related parties outside the group headed by the British Museum as set out below:

Party	Nature of relationship	Transaction	Income for the year ended 31 March 2023 (£'000s)	Expenditure for the year ended 31 March 2023 (£'000s)	Creditor balance at 31 March 2023 (£'000s)	Debtor balance at 31 March 2023 (£'000s)
Foundling Museum	Sir Grayson Perry CBE RA [†] is a Trustee of the Foundling Museum	Trade income	2	-	-	-

[†] Trustee of the British Museum during the year ended 31 March 2023.

A number of employees of the British Museum, Trustees and co-opted members of Board Committees and their family members, and members of the BMF Advisory Council, are members of the BMF.

Trustees and employees of the BMF and the British Museum are entitled to discounts on purchases from the Museum's shops and cafes.

THE BRITISH MUSEUM FRIENDS

England & Wales - Charity number 1086080

Accounts



Annual Report and Financial Statements
for the year ended 31 March 2022

Contents

	Page
Directors and Trustees	3
Auditors, Registered Office, Bankers	3
Structure, Governance and Management	4
Achievements and Performance	5
Plans for Future Periods	6
Grants	7
Public Benefit	7
Fundraising	7
Auditors	7
Disclosure of Information to Auditors	8
Financial Review	8
Statement of Trustee's Responsibilities	9
Independent Auditor's Report to the Members	10
Statement of Financial Activities	14
Balance Sheet	15
Notes to the Accounts	16

Directors and Trustees

Sir Richard Lambert (Chair) - (Retired 3 Oct 2021)
George Osborne CH (Chair) - (Appointed 1 Sept 2021,
Chair from 4 Oct 2021)
Ms Muriel Gray FRSE (Deputy Chair)
Lord Sassoon (Deputy Chair)
Baroness Shafik DBE (Deputy Chair)
Professor Abhijit Banerjee - (Appointed 23 Sept 2021)
Professor Dame Mary Beard DBE, FSA, FBA
Ms Cheryl Carolus - (Retired 19 June 2021)
Dame Elizabeth Corley DBE
Miss Patricia Cumper MBE - (Retired 26 Sept 2021)
Ms Clarissa Farr
Professor Chris Gosden FBA
Mr Philipp Hildebrand
Dame Vivian Hunt DBE
Lord Marland of Odstock - (Appointed 1 Dec 2021)
Sir Deryck Maughan - (Retired 26 Sept 2021)
Sir Charlie Mayfield
Mr Mark Pears CBE
Mr Grayson Perry CBE, RA
Sir Paul Ruddock FSA
Ms Priyanka Wadhawan – (Appointed 1 Dec 2021)
Professor Sir Mark Walport FRCP, FRS, FMedSci,
HonFRSE
Mr George Weston
Professor Dame Sarah Worthington DBE, QC (Hon), FBA

Auditors

Moore Kingston Smith LLP
6th Floor
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London EC2A 2AP

Registered Office

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Great Russell Street
London WC1B 3DG

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friends@britishmuseum.org

Bankers

National Westminster
PO Box 158, 214 High Holborn
London WC1V 7BX

Bank of Scotland
PO Box 545
Faryners House
25 Monument Street
London EC2R 8BQ

Structure, Governance and Management

Organisational Structure

The British Museum Friends (BMF) is a registered charity (registration number 1086080) and a company limited by guarantee (registration number 4133346). The Board of Trustees of the British Museum, as a body corporate, is the sole company law member of the BMF. The Trustees of the British Museum are, individually, the charity trustees and the company law directors of the BMF. They govern the BMF in accordance with its Memorandum and Articles of Association.

The Board of Trustees is responsible for determining the overall strategy of the BMF. Trustees are appointed automatically on their appointment to the Board of Trustees of the British Museum, for fixed terms of service coterminous with their trusteeship of the British Museum. They are non-executive and unpaid. The Board of Trustees of the British Museum may consist of up to 25 members, of which 15 are appointed by the Prime Minister, one by the Sovereign, four by the Secretary of State on the nominations of the Royal Academy, the British Academy, the Society of Antiquaries of London and the Royal Society, and five by the Museum's Trustees. The Chair is appointed by the Board from its members.

Day-to-day management of the BMF is delegated to the Head of Membership who is supported by a team of staff, all of whom are employed by the British Museum. Volunteers are occasionally used to assist with programme delivery; this can involve working at one of the Member events, assisting with membership recruitment or performing one-off office tasks.

The Board of Trustees is supported by the Advisory Council to the BMF (the "Council"). Elected from amongst the Membership, the Council acts to ensure that the work of the BMF is in line with the interests of the Members as a whole, and advises on approaches likely to be of most interest. It provides advice and support to the Head of Membership on the strategic approach to marketing, fundraising, events and communication activities. The Council holds a skills register to record the expertise of Council Members. Vacancies are advertised through the regular membership mailings. The Council Members are then appointed following a selection and interview process led by the Chair of the Council, through the nominations committee. New Council Members have induction meetings with the Chair, Deputy Chair and Head of Membership.

Risk Management

Risk is unavoidable and the resources available for managing risk are finite. The aim of risk management within the BMF is therefore to achieve an optimum response to risk, prioritised in accordance with an evaluation of the risks. Risk management is everybody's responsibility, and is embedded within the BMF through established business planning processes, which ensure that risks to achieving planned initiatives are identified as those initiatives are developed. The Board, the Museum's Internal Controls Committee, and the Audit Committee support this through regular review of the risk register.

The inherent risks faced by the BMF include reaching membership profit targets, member retention, and management of the Members' room. Each of these is mitigated effectively by a strong system of internal control. The COVID-19 pandemic is likely to continue to impact new Member recruitment, event income and Members' Room. However, BMF generates most income through membership renewals. Through positive Member engagement and by closely managing costs the Board is optimistic that these risks can be effectively managed over the coming year.

Objectives and Activities

The overall object of the BMF, as laid down in the Memorandum of Association, is “to support and assist the British Museum in maintaining and expanding its collections and services to scholars and to the general public and to assist other charitable museums to any extent that in the opinion of the Friends might help the British Museum in the aforementioned manner”.

The BMF fulfils this object by granting funds to the British Museum from the surplus generated from membership subscriptions and other activities as part of the membership offer. The BMF also runs fundraising campaigns to generate funds for specific items or projects as requested by the British Museum.

The overall strategy of the BMF is to increase the level of support to the British Museum, through increasing member numbers and income, whilst providing an excellent quality of service to all Members.

Achievements and Performance

In 2021/22 The British Museum Friends has worked to recover from the impact of closures during 2020/21 until the end of May 2021 (2021/22). We have seen an exceptional level of recruitment of new Members this year, delivered thanks to a strong exhibition programme and campaigns to re-engage with lapsed Members.

This year has also seen the return of our full on-site events programme, and we have worked to integrate our expanded digital offering into the annual calendar of communications and events. Our priority has been to ensure that Members have an exceptional experience when engaging with the Museum, wherever they are in the world.

Achievement and performance against objectives

- Understanding and responding to the continued impact of the COVID-19 pandemic

The pandemic and repeated closures of the Museum led to a reduction in Member numbers, and there was great uncertainty about the speed of recovery. We are delighted that 2021/22 saw a return to pre-pandemic Member numbers, thanks to high retention rates and exceptionally strong recruitment levels in the second half of the year. This recruitment was largely due to the sustained success of the exhibition programme.

- Continue improving digital opportunities to engage with the Museum

After accelerating our digital activities in 2020/21 to respond to the pandemic, this year we have worked to evaluate our digital offer and how Members are engaging with us. We have maintained a higher frequency of email communication, sharing video content and encouraging Members to deep dive into the collection from home.

With the return of on-site lectures this year (see below), we have offered the opportunity for people to purchase live stream tickets to watch the event at home for a small fee. In addition to this, email communications have also offered the opportunity for all Members to catch up with recordings of these lectures for free at a later date. Alongside this, we have continued a programme of free digital-only talks which have been very well received, particularly with international Members.

- Ensuring the Member events programme is a valued part of the Membership offering, accessible by as many Members as possible

This year saw the return of many of our best-loved events on site, albeit in amended formats to ensure compliance with continuing government guidance. We reintroduced our paid-for lecture programme and were delighted to see the majority of our events sell out. As noted above, we have introduced the option to watch these lectures from home which ensures the paid-for programme can be enjoyed by Members who cannot easily make it to the Museum in person.

We were able to bring back Members' evenings, an important free part of the programme that offers the opportunity to engage with the Museum out of hours. We were also able to hold our popular Christmas event, hosting a performance by the London Philharmonic Choir. And we were delighted to see the return of our sought-after sleepovers for Young Friends at the beginning of 2022.

- Maximising the level of grant to the Museum, with a focus on securing donations and Gift Aid declarations

With high Member retention rates and recruitment, we have achieved net income of £3.6m, including legacies totalling £0.2m. Furthermore, the dispute with HMRC in respect of historic VAT charged on membership subscriptions concluded in June 2021, when HMRC refunded £2.8m to BMF. We have therefore recommended a restricted grant to the British Museum in 2021/22 of £7m for the Capital Programme, additionally we have made restricted grants of £27k mostly in respect of the 21/22 Membership Appeal in memory of Ian Jenkins (Greece & Rome). In light of residual uncertainty about recovery from the pandemic and economic and geopolitical activity, we have designated a resilience fund of £4m. The Trustees currently expect to make use of the designated fund over the next couple of years, but this will be kept under review.

- Continuing the growth of Membership activities in line with our strategy.

As noted above, we are delighted to have returned to pre-pandemic Membership numbers. This year we have focussed on adjusting to the "new normal" in which we hope Members will feel their Membership offers valuable opportunities to interact with the Museum in person and online.

Plans for Future Periods

While we have been pleased to end 2021/22 with a return to pre-pandemic Membership numbers, the impact of the pandemic is still felt in reduced visitor numbers to the Museum. With this in mind, we propose to set similar goals to last year and to continue focusing on integrating our online and on-site activities, to ensure we are offering an exceptional experience for Members however they choose to engage with the Museum.

Key priorities for the forthcoming financial year are:

- Continuing to improve digital opportunities to engage with the Museum
- Ensuring the Member events programme is a valued part of the Membership offering, accessible by as many Members as possible
- Reviewing the Young Friends programme
- Maximising the level of grant to the Museum, with a focus on securing donations and Gift Aid declarations
- Continuing the growth of Membership activities in line with our strategy.

Grants

Grants totalling £7m were awarded to the British Museum in 2021/22, all of which was restricted. This compares to a total of £4k in 2020/21, all of which was restricted.

Restricted grants made during the year included:

- Contribution towards the Capital Programme (£7m)
- Appeal in memory of Ian Jenkins, to support the Greece & Rome department (£23k)
- Contribution towards the Museum's research of the collection (£3k)
- Contribution towards preserving the collection (£1k)

Restricted grants awarded during the prior financial year included £3k towards the Museum's research of the collection, and £1k towards preserving the collection.

Public Benefit

In setting the BMF's objectives and planning its activities, the Trustees believe that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The Trustees demonstrate this through making grants to the British Museum for new acquisitions for the collection, research, and other projects, which will benefit not just Members but also the general public in deepening our understanding of the cultures of the world. The Trustees also deliver public benefit by providing the opportunity for all visitors to the British Museum to become a Member at cost-effective rates; and by providing a set of valued benefits to Members of the BMF (particularly engagement with, and increased accessibility to, the Museum and its collection).

Fundraising

The BMF is registered with the Fundraising Regulator and works according to the Fundraising Promise. No agents are used for fundraising and the staff involved in fundraising are subject to the British Museum Code of Conduct. The BMF has a number of feedback channels and responds to questions from its supporters.

Auditors

Moore Kingston Smith LLP have expressed their willingness to continue in office and will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Disclosure of Information to Auditors

So far as the Trustees are aware, there is no relevant audit information of which BMF's auditors are unaware. The Trustees believe that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that BMF's auditors are aware of that information.

Financial Review

Income and Expenditure (Excluding Grants)

Total incoming resources of £5.2m million were generated this year, an increase of £0.1 million or 2% compared with 2020/21. Income from charitable activities was 21% higher at £4.9 million. Donations and legacies were lower than 2020/21 at £0.3m, due to a decrease in legacies bequeathed to BMF.

The BMF incurred expenditure (excluding grants) of £1.5 million in the year, an increase of 13% compared to 2020/21.

Balance Sheet

Total funds at 31 March 2022 were £5.0 million, all of which is unrestricted. The cash position remains satisfactory.

Reserves Policy

The reserves policy is to retain three to six months' expenditure (excluding grants and exceptional item), to provide financial stability and to act as a safeguard against unforeseen expenditure and lower than expected income. This represents £0.4m - £0.8m. As at 31 March 2022, the BMF held unrestricted reserves of £5 million, of which £4m have been designated. The remaining £1m are general reserves, which is in excess of the amount required by the policy. It is currently expected that reserves will be brought in line with the reserves policy over the next couple of years.

Small Companies Exemption

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

George Osborne CH
Chair
The British Museum Friends
11 July 2022

Statement of Trustees' Responsibilities

The Trustees (who are also directors of The British Museum Friends for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with United Kingdom Accounting Standards and applicable laws (FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Companies Act 2006).

Company law requires trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the charitable company and of its income and expenditure for the financial year. 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;
- state whether applicable UK Accounting Standards including FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice applies and has been followed, subject to any material departures which are explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members of the British Museum Friends

Opinion

We have audited the financial statements of The British Museum Friends ('the company') for the year ended 31 March 2022, which comprise the Statement of Financial Activities, the Balance Sheet, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the

course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on Which We Are Required to Report by Exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council]
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company'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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

James Cross (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP,
Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Statement of Financial Activities (Including Income and Expenditure Account) for the Year Ended 31 March 2022

	Note	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000	TOTAL 2022 £'000	Unrestricted Funds 2021 £'000	Restricted Funds 2021 £'000	TOTAL 2021 £'000
Income from:							
Donations and legacies	2	266	27	293	1,059	4	1,063
Charitable activities	3	4,870	-	4,870	4,017	-	4,017
Investments	4	1	-	1	3	-	3
Total		5,137	27	5,164	5,079	4	5,083
Expenditure on:							
Raising funds	5	(19)	-	(19)	-	-	-
Charitable activities:							
Members' activities	6	(1,513)	-	(1,513)	(1,351)	-	(1,351)
Grant making	8	(7,000)	(27)	(7,027)	-	(4)	(4)
Total expenditure		(8,532)	(27)	(8,559)	(1,351)	(4)	(1,355)
Exceptional item	9	2,839	-	2,839	-	-	-
Net income / (expenditure)		(556)	-	(556)	3,728	-	3,728
Transfers between funds	14	-	-	-	-	-	-
Net movement in funds		(556)	-	(556)	3,728	-	3,728
Reconciliation of funds:							
Total funds brought forward	14	5,537	-	5,537	1,809	-	1,809
Total funds carried forward	14	4,981	-	4,981	5,537	-	5,537

All activities are derived from continuing operations.
The Statement of Financial Activities contains all gains and losses in the year.
The notes on pages 15 to 23 form part of these accounts.

Balance Sheet as at 31 March 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Investments	10	-	612
		<u>-</u>	<u>612</u>
Current assets			
Debtors	11	599	678
Investments	12	7,213	1,600
Cash at bank and in hand		4,415	3,107
		<u>12,227</u>	<u>5,385</u>
Liabilities			
Creditors: amounts falling due within one year	13	(7,246)	(460)
Net current assets		<u>4,981</u>	<u>4,925</u>
Total assets less current liabilities		<u>4,981</u>	<u>5,537</u>
Creditors: amounts falling due after more than one year		-	-
Total net assets		<u>4,981</u>	<u>5,537</u>
Represented by:			
Designated unrestricted funds	14-15	4,000	3,000
General unrestricted funds	14-15	981	2,537
Total charity funds		<u>4,981</u>	<u>5,537</u>

The notes on pages 15 to 23 form part of these accounts.

These financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies, the Statement of Recommended Practice, Accounting & Reporting by Charities (SORP FRS 102), and applicable accounting standards.

The financial statements were approved at a Board meeting on 07 July 2022 and signed on its behalf by:

George Osborne CH
Chair
The British Museum Friends

Notes to the Accounts for the Year Ended 31 March 2022

1. Accounting Policies

Basis of Accounting

The financial statements comply with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland; the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (Charities SORP (FRS 102)); and the Companies Act 2006. The financial statements are prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis, after consideration of possible events or conditions that might cast significant doubt on the ability of the BMF to continue as a going concern. The on-going impact of COVID-19 remains under review and the Trustees will make appropriate decisions in the light of this.

The Trustees have reviewed the projections prepared by management, which demonstrate the organisation has adequate cash resources available, to finance its operations and meet its obligations as they fall due for a period of not less than twelve months following the date of approval of the financial statements. Accordingly they have continued to adopt the going concern basis in the preparation of the financial statements.

The principal accounting policies adopted in the preparation of the financial statements are as follows:

a) Income

In general, income is accounted for when a transaction or other event results in an increase in the BMF's assets or a reduction in its liabilities.

Subscriptions are recognised on a receipts basis as the charity is entitled to the subscription income once a member has paid. Membership extensions are only granted in exceptional circumstances. We ceased selling lifetime memberships in 2006.

Publication and paid events income is recognised as income to the extent that the BMF has provided the associated goods or services. Where income is received in advance and the BMF does not have entitlement to these resources until the goods or services have been provided, the income is deferred.

Income from donations is recognised in the SOFA when there is evidence of entitlement (for example, when the conditions for their receipt have been met), receipt is probable and its amount can be reliably measured.

Catering income is recognised based on the net profit generated during the year by the catering provider. Any catering losses are recognised as costs incurred during the year.

Legacies are recognised as income when there has been grant of probate, there are sufficient assets in the estate, evidence of entitlement has been received from the executor and the amount receivable can be measured with sufficient accuracy.

b) Expenditure

Expenditure is recognised in the financial statements when a present legal or constructive obligation exists, it is more likely than not that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured or estimated reliably. Resources expended are classified in the SOFA under the principal categories of expenditure on raising funds and on charitable activities.

Costs of raising funds are those incurred in seeking voluntary contributions for the BMF. Costs of charitable activities are those incurred in supporting the membership and include the governance costs incurred to ensure compliance with constitutional and statutory requirements. Support costs are assigned to the SOFA headings in the same proportion as directly attributable staff costs.

c) Fixed Assets and Depreciation

Tangible assets with an economic life of more than one year and value greater than £5,000 are capitalised. Depreciation is provided on these tangible assets, at rates calculated to write off the value of each asset evenly over its expected useful economic life (see below) with no residual value assumed.

- Furniture, fit out and equipment – 2 to 20 years

Depreciation is charged evenly over the life of the asset, to the nearest month. In the year, the policy changed from charging a full year of depreciation in the year of acquisition and no depreciation in the year of disposal. Impairment reviews are carried out at the end of each reporting period to ensure that the carrying values of the assets do not exceed their recoverable amounts.

No assets of a depreciating nature are currently held.

d) Investments

All investments are stated at fair value at year end. Valuations for investments with an active market are based on published quoted prices at or close to the balance sheet date. Valuations for investments where there is no active market have been estimated with reference to recent valuation reports. The SOFA includes any realised and unrealised investment gains and losses arising on revaluation and disposals throughout the year.

Investments that are intended to produce a return, but which are placed in deposits of less than six months' duration, are treated as current assets. All other investments, which are intended to produce a long-term return and not intended to be spent within the next year, are treated as fixed assets.

e) Irrecoverable VAT

Irrecoverable VAT is treated as a support cost and is apportioned over the activities of the BMF as described in note 6.

f) Grants

Grants payable are recognised when the criteria for a constructive obligation are met, payment is probable, values can be measured reliably, and there are no conditions attached to payment that limit recognition.

g) Funds Structure

The BMF has the following categories of funds:

- Unrestricted funds: these are available for use at the discretion of the Trustees in furtherance of the general objectives of the BMF. These include designated funds, which are set aside at the discretion of the Trustees for specific purposes;
- Restricted funds: these funds are subject to specific restrictions imposed by donors.

The major funds comprising each category, the summary results for the year and a description of the movements between the funds are set out in Note 14.

h) Financial Instruments

The BMF only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

i) Cash at bank and in hand

Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes.

Significant Judgements and Estimates

All judgements applied in preparing the financial statements are disclosed in the accounting policies above. No material estimates have been applied.

Disclosure Exemptions

As a qualifying subsidiary of the British Museum, the BMF has taken advantage of some of the disclosure exemptions available under FRS 102. These are:

- A statement of cash flows;
- Detailed disclosures relating to financial instruments (equivalent disclosures are included in the Museum's consolidated accounts); and
- Disclosure of total remuneration of key management personnel (reference is made in note 6e to the equivalent disclosures included in the consolidated accounts)

The British Museum's consolidated financial statements are available to view at:
http://www.britishmuseum.org/about_us/management/annual_reports_and_accounts.aspx.

2. Donations and Legacies

	2022 £'000	2021 £'000
Unrestricted		
Legacies	180	896
Donations	86	163
Total unrestricted	266	1,059
Restricted		
Legacies	-	-
In memory of Ian Jenkins (Greece & Rome)	23	-
Preserving the collection	1	1
Townley	3	3
Total restricted	27	4
Total unrestricted and restricted	293	1,063

3. Charitable Activities

	2022 £'000	2021 £'000
Membership subscriptions	4,622	3,942
Paid events and catering	185	30
Publications	63	45
	4,870	4,017

4. Income from Investments

	2022 £'000	2021 £'000
Interest income receivable	<u>1</u>	<u>3</u>

5. Cost of Raising Funds

	2022 £'000	2021 £'000
Fundraising costs	<u>19</u>	<u>-</u>

6. Members' Activities

	Directly attributable costs		Support Costs	Total	Total
	Staff £'000	Others £'000	Note 6 (a) £'000	2022 £'000	2021 £'000
Member promotion	181	17	67	265	251
Membership services	342	335	128	805	806
Paid events and catering	136	99	51	286	151
Publications	36	108	13	157	143
	<u>695</u>	<u>559</u>	<u>259</u>	<u>1,513</u>	<u>1,351</u>

6. (a) Support Costs

	2022 £'000	2021 £'000
External audit fee		
Current year	10	9
Under provision in previous year	1	-
Council expenses	-	-
Directors', officers' and trustees' liability insurance	1	1
Total governance costs	<u>12</u>	<u>10</u>
Staff costs	61	61
Other non-staff costs	186	184
	<u>259</u>	<u>255</u>

Support costs have been allocated to charitable activities in the same proportion as directly attributable staff costs.

6. (b) Staff Costs

	2022 £'000	2021 £'000
Wages and salaries	444	447
Social security costs	45	46
Pension costs	114	112
Agency staff costs	153	82
	<u>756</u>	<u>687</u>

Permanent staff are employed by the British Museum, who recharge these costs to the BMF. Agency staff are contracted directly by the BMF.

6. (c) The average number of full-time equivalent employees excluding agency staff during 2021/22 was 13.75 (2020/21: 14.76). Including agency staff, 19.01 full time equivalent were employed in 2021/22 (2020/21: 17.83 FTE). The average head count during the year excluding agency staff was 15 (20/21: 15)

6. (d) No employees received employee benefits (excluding employer pension costs) of more than £60,000 (2020/21: 0).

6. (e) The British Museum employs senior management that oversees the BMF. Remuneration of the British Museum's key management personnel is disclosed in their financial statements, available to view at: http://www.britishmuseum.org/about_us/management/annual_reports_and_accounts.aspx

7. Trustees

The Trustees neither received nor waived any emoluments or other benefits from the BMF in the year (2020/21: £0).

All Trustees are entitled to reimbursement for reasonable travel and subsistence expenses incurred in the performance of their duties. In 2021/22, no travel and subsistence expenses were paid to Trustees or directly to third parties on their behalf (2020/21: £0).

During the year, the BMF purchased charity trustees' liability insurance at a premium of £607 (2020/21: £661).

8. Grant Making

	2022 £'000	2021 £'000
Donations from unrestricted donations	7,000	-
Donations from restricted funds	27	4
Total grants	<u>7,027</u>	<u>4</u>

All grants were made to the British Museum. Details of grants can be found on page 7.

9. Exceptional item

	2022 £'000	2021 £'000
Refund of VAT on membership subscriptions	<u>2,839</u>	<u>-</u>

The dispute with HMRC in respect of historic VAT charged on membership subscriptions concluded in June 2021, when HMRC refunded £2.8m to BMF.

10. Fixed asset investments

	2022 £'000	2021 £'000
Investments brought-forward	612	610
Interest in the year	-	2
Disposal	<u>(612)</u>	<u>-</u>
Fixed asset investments	<u>-</u>	<u>612</u>

11. Debtors

	2022 £'000	2021 £'000
Trade debtors	21	21
Less: Provision for bad debts	<u>(4)</u>	<u>(9)</u>
	17	12
Other debtors:		
The British Museum	49	6
The British Museum Company	1	-
HM Revenue & Customs	492	619
Prepayments and accrued income	40	41
	<u>599</u>	<u>678</u>

12. Current asset investments

	2022 £'000	2021 £'000
Current asset investments	<u>7,213</u>	<u>1,600</u>

13. Creditors: Amounts Falling Due Within One Year

	2022	2021
	£'000	£'000
Trade creditors	51	23
The British Museum	7,120	299
HM Revenue & Customs	-	90
Accruals, deferred income and others	75	48
	7,246	460

13. (a) Deferred Income

	Total	Total
	2022	2021
	£'000	£'000
Falling due within one year	20	-
Falling due after more than one year	-	-
	20	-

The movement on the deferred income account is as follows:

	Total	Total
	2022	2021
	£'000	£'000
Deferred income brought forward	-	77
Released in year	-	(77)
Deferred in year	20	-
Deferred income carried forward	20	-

14. Funds

		At 1 April 2020	Incoming resources 2020/21	Resources expended 2020/21	Transfer between funds	At 31 March 2021	Incoming resources 2021/22	Resources expended 2021/22	Transfer between funds	At 31 March 2022
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted Funds										
Designated funds	1	-	-	-	3,000	3,000	-	-	1,000	4,000
General funds	2	1,809	5,079	(1,351)	(3,000)	2,537	5,137	(5,693)	(1,000)	981
Restricted Funds:										
In memory of Ian Jenkins	3	-	-	-	-	-	23	(23)	-	-
Preserving the collection	4	-	1	(1)	-	-	1	(1)	-	-
Townley	5	-	3	(3)	-	-	3	(3)	-	-
		-	4	(4)	-	-	27	(27)	-	-
		1,809	5,083	(1,355)	-	5,537	5,164	(5,720)	-	4,981

- 1 To give BMF financial sustainability in the face of the current uncertainties, the Trustees have designated a resilience fund of £4m. The Trustees currently expect to make use of the designated fund over the next couple of years, but this will be kept under review.
- 2 The trustees have recommended a restricted grant to support the Capital Programme at the Museum
- 3 The 2021/22 appeal was set up in memory of Ian Jenkins to support Greece & Rome projects at the Museum
- 4 The 2019/20 Preserving the collection appeal was set up to fund vital conservation projects at the Museum
- 5 The Townley Research Fund was set up to support research in the Museum.

15. Analysis of Net Assets Between Funds

	Unrestricted funds 2022	Restricted funds 2022	Total 2022	Unrestricted funds 2021	Restricted funds 2021	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Current and fixed assets	12,200	27	12,227	5,993	4	5,997
Creditors	(7,219)	(27)	(7,246)	(456)	(4)	(460)
	4,981	-	4,981	5,537	-	5,537

16. Member's Liability

The charity is a company limited by guarantee and has no share capital. The liability of the Member in the event of winding-up is limited to £1.

17. Contingent asset

One unrestricted legacy was bequeathed to BMF in 2021/22. The amount and timing of this payment is uncertain. It is however estimated at £0.1m; this amount has not been recognised in the financial statements.

18. Events occurring after the end of the reporting period

No significant events took place after the end of the reporting period.

19. Related Party Transactions

The financial statements of the BMF are consolidated into the British Museum's group financial statements (available to view at: <https://www.britishmuseum.org/about-us/governance>).

In line with paragraph 33.1A of FRS 102, the BMF, as a wholly owned subsidiary of the British Museum, is not required to disclose transactions with other wholly owned members of the group headed by the Trustees of the British Museum. However, details of material transactions and balances with the British Museum and other subsidiary entities of the British Museum are shown in the relevant notes to the financial statements.

There were no other transactions with related parties during the year requiring disclosure.

A number of employees of the British Museum, Trustees and co-opted members of Board Committees and their family members, and members of the BMF Advisory Council, are members of the BMF.

Trustees and employees of the BMF and the British Museum are entitled to discounts on purchases from the Museum's shops and cafes.

THE BRITISH MUSEUM FRIENDS

England & Wales - Charity number 1086080

Accounts



Annual Report and Financial Statements
for the year ended 31 March 2021

Contents

	Page
Directors and Trustees	3
Auditors, Registered Office, Bankers	3
Structure, Governance and Management	4
Achievements and Performance	5
Plans for Future Periods	6
Grants	7
Public Benefit	7
Fundraising	7
Auditors	7
Disclosure of Information to Auditors	8
Financial Review	8
Independent Auditor's Report to the Members	9
Statement of Trustees' Responsibilities	12
Statement of Financial Activities	13
Balance Sheet	14
Notes to the Accounts	15

Directors and Trustees

Sir Richard Lambert (Chair)
Professor Dame Mary Beard DBE, FSA, FBA
Ms Cheryl Carolus
Dame Elizabeth Corley DBE
Miss Patricia Cumper MBE
Ms Clarissa Farr
Professor Chris Gosden FBA
Ms Muriel Gray FRSE
Mr Philipp Hildebrand
Dame Vivian Hunt DBE
Sir Deryck Maughan
Sir Charlie Mayfield
Mr Mark Pears CBE
Mr Grayson Perry CBE, RA
Sir Paul Ruddock FSA
Lord (James) Sassoon
Baroness (Minouche) Shafik DBE (Deputy Chair)
Professor Sir Mark Walport FRCP, FRS,
FMedSci, HonFRSE (appointed 01 December 2020)
Mr George Weston
Professor Dame Sarah Worthington DBE, QC (Hon),
FBA
The Hon. Nigel Boardman (resigned 31 December 2020)
Sir Paul Nurse FRS (resigned 30 September 2020)
Mr Gavin Patterson (resigned 31 March 2020)
Lord Turner of Ecchinswell FRS (resigned 31 May 2020)

Auditors

Moore Kingston Smith LLP
Devonshire House
60 Goswell Road
London EC1M 7AD

Registered Office

The British Museum Friends
Great Russell Street
London WC1B 3DG

Telephone +44(0)20 7323 8195
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Bankers

National Westminster
PO Box 158, 214 High Holborn
London WC1V 7BX

Bank of Scotland
PO Box 545
Faryners House
25 Monument Street
London EC2R 8BQ

Structure, Governance and Management

Organisational Structure

The British Museum Friends (BMF) is a registered charity (registration number 1086080) and a company limited by guarantee (registration number 4133346). The Board of Trustees of the British Museum, as a body corporate, is the sole company law member of the BMF. The Trustees of the British Museum are, individually, the charity trustees and the company law directors of the BMF. They govern the BMF in accordance with its Memorandum and Articles of Association.

The Board of Trustees is responsible for determining the overall strategy of the BMF. Trustees are appointed automatically on their appointment to the Board of Trustees of the British Museum, for fixed terms of service coterminous with their trusteeship of the British Museum. They are non-executive and unpaid. The Board of Trustees of the British Museum may consist of up to 25 members, of which 15 are appointed by the Prime Minister, one by the Sovereign, four by the Secretary of State on the nominations of the Royal Academy, the British Academy, the Society of Antiquaries of London and the Royal Society, and five by the Museum's Trustees. The Chair is appointed by the Board from its members.

Day-to-day management of the BMF is delegated to the Head of Membership who is supported by a team of staff, all of whom are employed by the British Museum. Volunteers are occasionally used to assist with programme delivery; this can involve working at one of the Member events, assisting with membership recruitment or performing one-off office tasks.

The Board of Trustees is supported by the Advisory Council to the BMF (the "Council"). Elected from amongst the Membership, the Council acts to ensure that the work of the BMF is in line with the interests of the Members as a whole, and advises on approaches likely to be of most interest. It provides advice and support to the Head of Membership on the strategic approach to marketing, fundraising, events and communication activities. The Council holds a skills register to record the expertise of Council Members. Vacancies are advertised through the regular membership mailings. The Council Members are then appointed following a selection and interview process led by the Chair of the Council, through the nominations committee. New Council Members have induction meetings with the Chair, Deputy Chair and Head of Membership.

Risk Management

Risk is unavoidable and the resources available for managing risk are finite. The aim of risk management within the BMF is therefore to achieve an optimum response to risk, prioritised in accordance with an evaluation of the risks. Risk management is everybody's responsibility, and is embedded within the BMF through established business planning processes, which ensure that risks to achieving planned initiatives are identified as those initiatives are developed. The Board, the Museum's Internal Controls Committee, and the Audit Committee support this through regular review of the risk register.

The inherent risks faced by the BMF include reaching membership profit targets, member retention, and management of the Members' room. Each of these is mitigated effectively by a strong system of internal control. The COVID-19 pandemic is likely to continue to impact new Member recruitment, event income and Members' Room. However, BMF generates most income through membership renewals. Through positive Member engagement and by closely managing costs the Board is optimistic that these risks can be effectively managed over the coming year.

Objectives and Activities

The overall object of the BMF, as laid down in the Memorandum of Association, is “to support and assist the British Museum in maintaining and expanding its collections and services to scholars and to the general public and to assist other charitable museums to any extent that in the opinion of the Friends might help the British Museum in the aforementioned manner”.

The BMF fulfils this object by granting funds to the British Museum from the surplus generated from membership subscriptions and other activities as part of the membership offer. The BMF also runs fundraising campaigns to generate funds for specific items or projects as requested by the British Museum.

The overall strategy of the BMF is to increase the level of support to the British Museum, through increasing member numbers and income, whilst providing an excellent quality of service to all Members.

Achievements and Performance

2020/21 was a truly exceptional year, with the COVID-19 pandemic meaning the Museum was only open for three months. Despite this, the Museum benefited from the continued loyalty and support of Members of The British Museum Friends.

Recruitment of new Members was heavily impacted by the closure (as BMF predominantly recruit new Members by converting exhibition ticket buyers), though recruitment was strong in periods when the Museum was open. Retention was prioritised, with digital channels heavily utilised to bring the Museum into Members’ homes.

Achievement and performance against objectives

The objectives set out in last year’s report optimistically hoped that 2020/21 would be spent recovering from the COVID-19 pandemic. In reality, repeated closures of the Museum have meant that 2020/21 has been a very different year to what we had anticipated, but much has still been achieved.

- Understanding and responding to the impact of the COVID-19 pandemic

The COVID-19 pandemic has had a substantial impact on the work of The British Museum Friends. When the Museum reopened at the end of August 2020, all visitors (including Members) were required to book tickets. We have worked to ensure Members still feel they benefit from flexible access to the Museum, while balancing the vital need to comply with social distancing requirements.

While recruitment was impacted by the repeated closures of the Museum, we were encouraged to see very high levels of recruitment in periods when the Museum was open.

- Reviewing our communications, with a particular focus on improving digital opportunities to engage with the Museum

The COVID-19 pandemic accelerated work to improve our digital activities. The focus of emails was shifted from encouraging visitation to engaging with the collection from home. This has proved popular with Members.

We introduced Members’ exclusive videos and shared recordings of our online Members’ events (see next point) and the videos have received over 120,000 total views to date. We also introduced a new

list of Young Explorers for Members looking after children during lockdown. The list has grown to close to 1,000 subscribers

We were also very pleased to give Members access to a digital archive of *The British Museum Magazine*, with 10 years' worth of magazines released initially. We also replaced *What's on* (the Museum's printed events guide) with a newsletter sharing stories from the Museum. This has proved important to ensure the continued engagement of those who are not active online.

- Ensuring the Member events programme is a valued part of the Membership offering, accessible by as many Members as possible

In 2020-21 Members were able to access a series of online events (18 in total), featuring Museum staff, authors, and figures of note. The digital event programme has ensured that Members do not need to come to Bloomsbury to attend a Member event, and participation has been growing each week with an average of 600 viewers per event.

A particular highlight was a discussion between curator Dr Sue Brunning and author John Preston, (author of novel *The Dig*) to mark the release of the associated Netflix film, which over 2,000 Members joined live. Young Friends were also able to access digital sleepovers, which included an element of live programming from the Museum.

Programming within the lecture theatre was suspended due to the COVID-19 pandemic. However, we were pleased to be able to invite Members to an event to celebrate the reopening of the Museum, and to provide early and late viewing opportunities for the *Arctic* and *Tantra* exhibitions.

- Maximising the level of grant to the Museum, with a focus on securing donations and Gift Aid declarations

With high Member retention rates and careful cost monitoring, we have achieved net income of £3.7m. We have secured legacies totalling £0.9m. In order to safeguard our financial position and mitigate against unlikely, but possible, future fluctuations in number of Members, we have not recommended an unrestricted grant to the British Museum in 2020/21. Instead, to give BMF financial sustainability in the face of the current uncertainties, we have designated a resilience fund of £3m. The Trustees currently expect to make use of the designated fund over the next couple of years, but this will be kept under review.

We have made restricted grants totalling £4k in respect of restricted prior year appeals received in 2020/21.

- Continuing the growth of membership activities in line with our strategy

Despite being a difficult year for many reasons, a huge amount has been achieved in 2020/21, most notably the transformation of how the Museum engages with Members online, as outlined above. Having previously pursued a communications strategy which prioritised encouraging visitation to the Museum, this year the team have focussed on taking the Museum into the homes of Members and the response has been overwhelmingly positive.

Plans for Future Periods

The impact of the COVID-19 pandemic will continue to be felt well into 2021/22. With this in mind, we propose to set similar goals as last year and to continue focusing on deepening Member engagement with the Museum, through improved communications and a refined events programme.

Key priorities for the forthcoming financial year are:

- Understanding and responding to the continued impact of the COVID-19 pandemic
- Continue improving digital opportunities to engage with the Museum
- Ensuring the Member events programme is a valued part of the Membership offering, accessible by as many Members as possible
- Maximising the level of grant to the Museum, with a focus on securing donations and Gift Aid declarations
- Continuing the growth of Membership activities in line with our strategy.

Grants

Grants totalling £4k were awarded to the British Museum in 2020/21, all of which were restricted. This compares to a total of £4.3 million in 2019/20, of which £4.1 million was unrestricted.

Restricted grants made during the year included:

- Contribution towards the Museum's work in preserving the collection (£1k)
- Contribution towards the Museum's research of the collection (£3k)

Restricted grants for the prior financial year included £22k towards the Museum's work in the Middle East or Central Asia, and £135k towards preserving the collection.

Public Benefit

In setting the BMF's objectives and planning its activities, the Trustees believe that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The Trustees demonstrate this through making grants to the British Museum for new acquisitions for the collection, research, and other projects, which will benefit not just Members but also the general public in deepening our understanding of the cultures of the world. The Trustees also deliver public benefit by providing the opportunity for all visitors to the British Museum to become a Member at cost-effective rates; and by providing a set of valued benefits to Members of the BMF (particularly engagement with, and increased accessibility to, the Museum and its collection).

Fundraising

The BMF is registered with the Fundraising Regulator and works according to the Fundraising Promise. No agents are used for fundraising and the staff involved in fundraising are subject to the British Museum Code of Conduct. The BMF has a number of feedback channels and responds to questions from its supporters.

Auditors

Moore Kingston Smith LLP have expressed their willingness to continue in office and will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Disclosure of Information to Auditors

So far as the Trustees are aware, there is no relevant audit information of which BMF's auditors are unaware. The Trustees believe that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that BMF's auditors are aware of that information.

Financial Review

Income and Expenditure (Excluding Grants)

Total incoming resources of £5.1 million were generated this year, a decrease of £0.4 million or 7% compared with 2019/20. Income from charitable activities was 21% lower at £4.0 million. Donations and legacies were higher than 2019/20 at £1.0m, due to an increase in legacies bequeathed to BMF.

The BMF incurred expenditure (excluding grants) of £1.4 million in the year, a decrease of 13% compared to 2019/20.

Balance Sheet

Total funds at 31 March 2021 were £5.5 million, all of which were unrestricted. The cash position remains satisfactory.

Reserves Policy

The reserves policy is to retain three to six months' expenditure (excluding grants and exceptional item), to provide financial stability and to act as a safeguard against unforeseen expenditure and lower than expected income. This represents £0.4m - £0.8m, based on prior year expenditure figures. As at 31 March 2021, the BMF held unrestricted reserves of £5.5 million, of which £3.0m have been designated. The remaining £2.5m are general reserves, which is in excess of the amount required by the policy. It is currently expected that reserves will be brought in line with the reserves policy over the next couple of years.

Small Companies Exemption

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.



Sir Richard Lambert
Chair
The British Museum Friends
1 July 2021

Independent Auditor's Report to the Members of the British Museum Friends

We have audited the financial statements of The British Museum Friends ('the company') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

This report is made solely to the charitable company'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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on Which We Are Required to Report by Exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 12 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Moore Kingston Smith LLP

2 July 2021

James Cross (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP,
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Statement of Trustees' Responsibilities

The Trustees (who are also directors of The British Museum Friends for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with United Kingdom Accounting Standards and applicable laws (FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Companies Act 2006).

Company law requires trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the charitable company and of its income and expenditure for the financial year. 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;
- state whether applicable UK Accounting Standards including FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice applies and has been followed, subject to any material departures which are explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Financial Activities (Including Income and Expenditure Account) for the Year Ended 31 March 2021

	Note	Unrestricted Funds 2021 £'000	Restricted Funds 2021 £'000	TOTAL 2021 £'000	Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	TOTAL 2020 £'000
Income from:							
Donations and legacies	2	1,059	4	1,063	196	164	360
Charitable activities	3	4,017	-	4,017	5,090	-	5,090
Investments	4	3	-	3	11	-	11
Total		5,079	4	5,083	5,297	164	5,461
Expenditure on:							
Raising funds	5	-	-	-	8	-	8
Charitable activities:							
Members' activities	6	1,351	-	1,351	1,560	-	1,560
Grant making	8	-	4	4	4,100	164	4,264
Total		1,351	4	1,355	5,668	164	5,832
Net income / (expenditure)		3,728	-	3,728	(371)	-	(371)
Transfers between funds	15	-	-	-	-	-	-
Net movement in funds		3,728	-	3,728	(371)	-	(371)
Reconciliation of funds:							
Total funds brought forward	15	1,809	-	1,809	2,180	-	2,180
Total funds carried forward	15	5,537	-	5,537	1,809	-	1,809

All activities are derived from continuing operations.
The Statement of Financial Activities contains all gains and losses in the year.
The notes on pages 15 to 23 form part of these accounts.

Balance Sheet as at 31 March 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Investments	9	612	610
		<u>612</u>	<u>610</u>
Current assets			
Debtors	10	678	903
Investments	11	1,600	-
Cash at bank and in hand		3,107	1,025
		<u>5,385</u>	<u>1,928</u>
Liabilities			
Creditors: amounts falling due within one year	12	(460)	(682)
Net current assets		<u>4,925</u>	<u>1,246</u>
Total assets less current liabilities		<u>5,537</u>	<u>1,856</u>
Creditors: amounts falling due after more than one year	13-14	-	(47)
Total net assets		<u><u>5,537</u></u>	<u><u>1,809</u></u>
Represented by:			
Restricted funds	15-16	-	-
Designated unrestricted funds	15-16	3,000	-
General unrestricted funds	15-16	2,537	1,809
Total charity funds		<u><u>5,537</u></u>	<u><u>1,809</u></u>

The notes on pages 15 to 23 form part of these accounts.

These financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies, the Statement of Recommended Practice, Accounting & Reporting by Charities (SORP FRS 102), and applicable accounting standards.

The financial statements were approved at a Board meeting on 1 July 2021 and signed on its behalf by:



Sir Richard Lambert – Chair

Notes to the Accounts for the Year Ended 31 March 2021

1. Accounting Policies

Basis of Accounting

The financial statements comply with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland; the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (Charities SORP (FRS 102)); and the Companies Act 2006. The financial statements are prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis, after consideration of possible events or conditions that might cast significant doubt on the ability of the BMF to continue as a going concern. The on-going impact of COVID-19 remains under review and the Trustees will make appropriate decisions in the light of this.

The Trustees have reviewed the projections prepared by management, which demonstrate the organisation has adequate cash resources available, to finance its operations and meet its obligations as they fall due for a period of not less than twelve months following the date of approval of the financial statements. Accordingly they have continued to adopt the going concern basis in the preparation of the financial statements.

The principal accounting policies adopted in the preparation of the financial statements are as follows:

a) Income

In general, income is accounted for when a transaction or other event results in an increase in the BMF's assets or a reduction in its liabilities.

Subscriptions are recognised on a receipts basis as the charity is entitled to the subscription income once a member has paid. Membership extensions are only granted in exceptional circumstances. Life subscriptions were recognised in the Statement of Financial Activities (SOFA) over the expected length of lifetime membership, with the balance not recognised in the current year treated as deferred income. Since the amount held in the balance sheet as at 1 April 2020 had fallen to £50k, equivalent to c. 1% of membership subscriptions, the full amount has been released in 2020/21. We ceased selling lifetime memberships in 2006.

Publication and paid events income is recognised as income to the extent that the BMF has provided the associated goods or services. Where income is received in advance and the BMF does not have entitlement to these resources until the goods or services have been provided, the income is deferred.

Income from donations is recognised in the SOFA when there is evidence of entitlement (for example, when the conditions for their receipt have been met), receipt is probable and its amount can be reliably measured.

Catering income is recognised based on the net profit generated during the year by the catering provider. Any catering losses are recognised as costs incurred during the year.

Legacies are recognised as income when there has been grant of probate, there are sufficient assets in the estate, evidence of entitlement has been received from the executor and the amount receivable can be measured with sufficient accuracy.

b) Expenditure

Expenditure is recognised in the financial statements when a present legal or constructive obligation exists, it is more likely than not that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured or estimated reliably. Resources expended are classified in the SOFA under the principal categories of expenditure on raising funds and on charitable activities.

Costs of raising funds are those incurred in seeking voluntary contributions for the BMF. Costs of charitable activities are those incurred in supporting the membership and include the governance costs incurred to ensure compliance with constitutional and statutory requirements. Support costs are assigned to the SOFA headings in the same proportion as directly attributable staff costs.

c) Fixed Assets and Depreciation

Tangible assets with an economic life of more than one year and value greater than £5,000 are capitalised. Depreciation is provided on these tangible assets, at rates calculated to write off the value of each asset evenly over its expected useful economic life (see below) with no residual value assumed.

- Furniture, fit out and equipment – 2 to 20 years

Depreciation is charged evenly over the life of the asset, to the nearest month. In the year, the policy changed from charging a full year of depreciation in the year of acquisition and no depreciation in the year of disposal. Impairment reviews are carried out at the end of each reporting period to ensure that the carrying values of the assets do not exceed their recoverable amounts.

No assets of a depreciating nature are currently held.

d) Investments

All investments are stated at fair value at year end. Valuations for investments with an active market are based on published quoted prices at or close to the balance sheet date. Valuations for investments where there is no active market have been estimated with reference to recent valuation reports. The SOFA includes any realised and unrealised investment gains and losses arising on revaluation and disposals throughout the year.

Investments that are intended to produce a return, but which are placed in deposits of less than six months' duration, are treated as current assets. All other investments, which are intended to produce a long-term return and not intended to be spent within the next year, are treated as fixed assets.

e) Irrecoverable VAT

Irrecoverable VAT is treated as a support cost and is apportioned over the activities of the BMF as described in note 6.

f) Grants

Grants payable are recognised when the criteria for a constructive obligation are met, payment is probable, values can be measured reliably, and there are no conditions attached to payment that limit recognition.

g) Funds Structure

The BMF has the following categories of funds:

- Unrestricted funds: these are available for use at the discretion of the Trustees in furtherance of the general objectives of the BMF. These include designated funds, which are set aside at the discretion of the Trustees for specific purposes;
- Restricted funds: these funds are subject to specific restrictions imposed by donors.

The major funds comprising each category, the summary results for the year and a description of the movements between the funds are set out in Note 15.

h) Financial Instruments

The BMF only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Significant Judgements and Estimates

All judgements applied in preparing the financial statements are disclosed in the accounting policies above. No material estimates have been applied.

Disclosure Exemptions

As a qualifying subsidiary of the British Museum, the BMF has taken advantage of some of the disclosure exemptions available under FRS 102. These are:

- A statement of cash flows;
- Detailed disclosures relating to financial instruments (equivalent disclosures are included in the Museum's consolidated accounts); and
- Disclosure of total remuneration of key management personnel (reference is made in note 6e to the equivalent disclosures included in the consolidated accounts)

The British Museum's consolidated financial statements are available to view at:
http://www.britishmuseum.org/about_us/management/annual_reports_and_accounts.aspx.

2. Donations and Legacies

	2021 £'000	2020 £'000
Unrestricted		
Legacies	896	142
Donations	163	54
Total unrestricted	1,059	196
Restricted		
Legacies	-	22
Preserving the collection	1	135
Iraq scheme	-	4
Townley	3	2
Others	-	1
Total restricted	4	164
Total unrestricted and restricted	1,063	360

3. Charitable Activities

	2021 £'000	2020 £'000
Membership subscriptions	3,942	4,687
Paid events and catering	30	286
Publications	45	117
	4,017	5,090

4. Investments

	2021 £'000	2020 £'000
Interest income receivable	3	11

5. Cost of Raising Funds

	2021 £'000	2020 £'000
Fundraising costs	-	8

6. Members' Activities

	Directly attributable costs		Support Costs	Total	Total
	Staff £'000	Others £'000	Note 6 (a) £'000	2021 £'000	2020 £'000
Member promotion	164	20	67	251	290
Membership services	335	335	136	806	757
Paid events and catering	98	13	40	151	340
Publications	29	102	12	143	173
	626	470	255	1,351	1,560

6. (a) Support Costs

	2021 £'000	2020 £'000
External audit fee		
Current year	9	8
Underprovision in previous year	-	4
Council expenses	-	1
Directors', officers' and trustees' liability insurance	1	1
Total governance costs	10	14
Staff costs	61	63
Other non-staff costs	184	133
	255	210

Support costs have been allocated to charitable activities in the same proportion as directly attributable staff costs.

6. (b) Staff Costs

	2021 £'000	2020 £'000
Wages and salaries	447	423
Social security costs	46	43
Pension costs	112	101
Agency staff costs	82	179
	<u>687</u>	<u>746</u>

Permanent staff are employed by the British Museum, who recharge these costs to the BMF. Agency staff are contracted directly by the BMF.

6. (c) The average staff head count during 2020/21 was 14.76 (2019/20: 14.11). Including agency staff, 17.83 full time equivalent employees were employed in 2020/21 (2019/20: 21.32 FTE).

6. (d) No employees received employee benefits (excluding employer pension costs) of more than £60,000 (2019/20: 0).

6. (e) The British Museum employs senior management that oversees the BMF. Remuneration of the British Museum's key management personnel is disclosed in their financial statements, available to view at: http://www.britishmuseum.org/about_us/management/annual_reports_and_accounts.aspx

7. Trustees

The Trustees neither received nor waived any emoluments or other benefits from the BMF in the year (2019/20: £0).

All Trustees are entitled to reimbursement for reasonable travel and subsistence expenses incurred in the performance of their duties. In 2020/21, no travel and subsistence expenses were paid to Trustees or directly to third parties on their behalf (2019/20: £0).

During the year, the BMF purchased charity trustees' liability insurance at a premium of £661 (2019/20: £1,420).

8. Grant Making

	2021 £'000	2020 £'000
Unrestricted donation	-	4,100
Restricted donation	4	164
Total grants	<u>4</u>	<u>4,264</u>

All grants were made to the British Museum. Details of grants can be found on page 7.

9. Investments

	2021	2020
	£'000	£'000
Investments brought-forward	610	605
Interest in the year	2	5
Fixed asset investments	612	610

10. Debtors

	2021	2020
	£'000	£'000
Trade debtors	21	98
Less: Provision for bad debts	(9)	(23)
	12	75
Other debtors:		
The British Museum	6	104
The British Museum Company	-	4
HM Revenue & Customs	619	708
Prepayments and accrued income	41	12
	678	903

11. Investments

	2021	2020
	£'000	£'000
Current asset investments	1,600	-

12. Creditors: Amounts Falling Due Within One Year

	Note	2021 £'000	2020 £'000
Trade creditors		23	9
The British Museum		299	438
HM Revenue & Customs		90	132
Accruals, deferred income and others		48	103
		<u>460</u>	<u>682</u>

13. Creditors: Amounts Falling Due After More Than One Year

	2021 £'000	2020 £'000
Deferred income	<u>-</u>	<u>47</u>

The Lifetime Membership accrual was in respect of Members that purchased lifetime memberships. Since the amount held in the balance sheet as at 1 April 2020 had fallen to the equivalent of c. 1% of membership subscriptions, the full amount has been released in 2020/21

14. Deferred Income

	Total 2021 £'000	Total 2020 £'000
Falling due within one year	-	30
Falling due after more than one year	<u>-</u>	<u>47</u>
	<u>-</u>	<u>77</u>

The movement on the deferred income account for deferred income falling due within one year and after more than one year is as follows:

	Total 2021 £'000	Total 2020 £'000
Deferred income brought forward	77	82
Released in year	(77)	22
Deferred in year	<u>-</u>	<u>(27)</u>
Deferred income carried forward	<u>-</u>	<u>77</u>

15. Funds

		At 1 April 2019 £'000	Incoming resources 2019/20 £'000	Resources expended 2019/20 £'000	At 1 April 2020 £'000	Incoming resources 2020/21 £'000	Resources expended 2020/21 £'000	Transfer between funds £'000	At 31 March 2021 £'000
Unrestricted Funds									
Designated funds		-	-	-	-	-	-	3,000	3,000
General funds	1	2,180	5,297	(5,668)	1,809	5,079	(1,351)	(3,000)	2,537
Restricted Funds:									
Legacies	2	-	22	(22)	-	-	-	-	-
Preserving the collection	3	-	135	(135)	-	1	(1)	-	-
Iraq scheme	4	-	4	(4)	-	-	-	-	-
Townley	5	-	2	(2)	-	3	(3)	-	-
Others		-	1	(1)	-	-	-	-	-
		-	164	(164)	-	4	(4)	-	-
		2,180	5,461	(5,832)	1,809	5,083	(1,355)	-	5,537

- 1 In order to safeguard BMF's financial position and mitigate against unlikely, but possible, future fluctuations in number of Members, the Trustees have not recommended an unrestricted grant to the British Museum in 2020/21. Instead, to give BMF financial sustainability in the face of the current uncertainties, the Trustees have designated a resilience fund of £3m. The Trustees currently expect to make use of the designated fund over the next couple of years, but this will be kept under review.
- 2 The restricted legacy was accrued for the further excavation and development of the history of human civilisation in the middle east or central Asia.
- 3 The 2019/20 Preserving the collection appeal was set up to fund vital conservation projects at the Museum
- 4 The 2017/18 Iraq appeal was set up to advance the study of ancient civilisations in Iraq.
- 5 The Townley Research Fund was set up to support research in the Museum.

16. Analysis of Net Assets Between Funds

	Unrestricted funds 2021	Restricted funds 2021	Total 2021	Unrestricted funds 2020	Restricted funds 2020	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Current and fixed assets	5,993	4	5,997	2,374	164	2,538
Creditors	(456)	(4)	(460)	(565)	(164)	(729)
	5,537	-	5,537	1,809	-	1,809

17. Member's Liability

The charity is a company limited by guarantee and has no share capital. The liability of the Member in the event of winding-up is limited to £1.

18. Contingent asset

Three unrestricted legacies were bequeathed to BMF in 2020/21. The amount and timing of these payments are uncertain as the BM's interest is in the residuary estate but is estimated at c. £0.2m in total for all three legacies. Therefore these amounts have not been recognised in the financial statements.

19. Events occurring after the end of the reporting period

In 2018/19 we incurred exceptional expenditure of £1.9m in relation to tax changes resulting from a HM Revenue & Customs ruling, which challenged the BMF treatment of VAT on membership subscription income. The BMF appealed the ruling in 2019. In May 2021 HMRC agreed to refund £1.6m relating to the period to the end of September 2018, and a further sum of c. £1.2m relating to subsequent periods. We have not adjusted for this event as HMRC's decision occurred after the year end.

20. Related Party Transactions

The financial statements of the BMF are consolidated into the British Museum's group financial statements (available to view at: <https://www.britishmuseum.org/about-us/governance>).

In line with paragraph 33.1A of FRS 102, the BMF, as a wholly owned subsidiary of the British Museum, is not required to disclose transactions with other wholly owned members of the group headed by the Trustees of the British Museum. However, details of material transactions and balances with the British Museum and other subsidiary entities are shown in the relevant notes to the financial statements.

There were no other transactions with related parties during the year requiring disclosure.

A number of employees of the British Museum, Trustees and co-opted members of Board Committees and their family members, and members of the BMF Advisory Council, are members of the BMF.

Trustees and employees of the BMF and the British Museum are entitled to discounts on purchases from the Museum's shops and cafes.