

	Note	Unrestricted Funds	Designated Funds	Restricted Funds	2006	As restated 2005
		£	£	£	£	£
INCOMING RESOURCES						
Incoming resources from charitable activities:						
Members activities	2	591,928	-	-	591,928	643,059
Incoming resources from generated funds:						
Voluntary Income	3	12,433	-	76,352	88,785	321,137
Investment Income	4	70,376	-	-	70,376	26,991
Activities for generating funds	5	91,536	-	-	91,536	168,417
TOTAL INCOMING RESOURCES		766,273	-	76,352	842,625	1,159,604
RESOURCES EXPENDED						
Cost of generating funds:	6	73,135	-	12,597	85,732	167,294
Charitable activities:						
Grant-making	7	186,039	8,800	73,275	268,114	290,708
Members activities	8	597,154	1,950	-	599,104	669,133
		783,193	10,750	73,275	867,218	959,841
Governance costs:	10	31,593	-	-	31,593	33,788
TOTAL RESOURCES EXPENDED		887,921	10,750	85,872	984,543	1,160,923
NET OUTGOING RESOURCES BEFORE TRANSFERS AND OTHER RECOGNISED GAINS AND LOSSES		(121,648)	(10,750)	(9,520)	(141,918)	(1,319)
Gross transfers between funds	17	(9,520)	-	9,520	-	-
Other recognised gains and losses						
Unrealised gains on investments	12	122,337	-	-	122,337	559,806
Realised gains/(losses) on disposal of investments	12	13,846	6,897	-	20,743	(535)
NET MOVEMENTS IN FUNDS		5,015	(3,853)	-	1,162	557,952
Balances brought forward at 1 April 2005 as previously reported		132,741	1,620,164	-	1,752,905	1,227,170
Prior year adjustment	20	82,384	-	-	82,384	50,167
As restated		215,125	1,620,164	-	1,835,289	1,277,337
BALANCES CARRIED FORWARD AT 31 MARCH 2006		220,140	1,616,311	-	1,836,451	1,835,289

	Note	2006 £	As restated 2005 £
Fixed assets			
Tangible assets	11	6,914	17,664
Investments	12	1,696,040	1,760,681
		1,702,954	1,778,345
Current assets			
Debtors	13	120,578	154,007
Cash at bank and in hand		490,916	253,104
		611,494	407,111
Current Liabilities			
Creditors: amounts falling due within one year	14	(354,120)	(221,581)
		257,374	185,530
Net current assets			
		1,960,328	1,963,875
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	15	(123,877)	(128,586)
		1,836,451	1,835,289
General Funds			
Designated funds	17,18	1,616,311	1,620,164
Other unrestricted funds	17,18	220,140	215,125
		1,836,451	1,835,289

The financial statements were approved at a meeting of the Council
and signed on its behalf on:.....by:

Professor Sir Barry
Cunliffe

Richard
Dalzell

1 Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention modified by the revaluation of certain investment assets and in accordance with the Statement of Recommended Practice, Accounting & Reporting by Charities (SORP 2005) issued in February 2005, applicable accounting standards and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are as follows:

Subscriptions

Subscriptions are included on a receipts basis.

Life subscriptions are treated as representing fourteen years income and a proportion is treated as income each year, with the unexpired portion treated as a creditor.

Legacies

Legacies are recognised in the accounts when the amount receivable can be reliably measured.

Fixed Assets

Artefacts of an appreciating nature are included in the financial statements at open market valuation, as initially determined by a professional valuer. They are not depreciated as their residual values are not materially different from carrying values included in the accounts.

Depreciation on other tangible assets is provided at rates calculated to write off the cost of each asset over its expected useful life. The annual rates used are :

Members Room Furniture and Equipment	33 1/3 % straight line
Office Equipment	33 1/3 % straight line

Capital Expenditure

Expenditure on small equipment is charged wholly to the income and expenditure account in the year of purchase as other office costs.

Irrecoverable VAT

Irrecoverable VAT is allocated to the relevant expense headings.

All accounting policies are consistent with the prior year.

2 Members activities

	2006 £	2005 £
Subscriptions	529,128	545,607
Paid events	62,800	97,452
	<hr/> 591,928	<hr/> 643,059

3 Voluntary income

	2006 £	2005 £
Legacies	59	210,698
Donations	12,374	29,683
	<hr/> 12,433	<hr/> 240,381
Townley Group donations (restricted)	76,352	80,756
	<hr/> 88,785	<hr/> 321,137

4 Investment income	2006	2005
	£	£
Income from quoted investments	38,104	18,553
Interest receivable	32,272	8,438
	<hr/>	<hr/>
	70,376	26,991

5 Activities for generating funds	2006	2005
	£	£
Magazine income	91,536	103,920
Fundraising	-	63,293
Investment property rental income	-	1,204
	<hr/>	<hr/>
	91,536	168,417

6 Cost of generating funds	2006	2005
	£	£
Magazine advertising commission	27,812	30,453
Publication costs relating to advertising	31,004	37,320
Legacy campaign	4,356	13,770
Property costs	9,963	19,485
Fundraising costs	-	35,960
	<hr/>	<hr/>
	73,135	136,988
Townley Group fundraising costs (restricted)	12,597	30,306
	<hr/>	<hr/>
	85,732	167,294

7	Grant-making:		2006	2005
	Grants to the British Museum			
		£	£	£
	Unrestricted:			
	Pre-History and Early Europe			
	Anglo Saxon Gold Ring	7,000		
	Sedgeford Torc Terminal	17,000		
	Cast Bronze Plaquette	5,000		
	Tin-glazed Earthenware (Nevers Dish)	20,000		
	Gold and Enamel Trefoil (Rowington Brooch)	2,800		
	Circular Gold Pendant (Micromosaic Pendant)	8,500		
	Lady Layard by Charles Vigor (Painting)	8,500	68,800	39,023
	Coins and Medals			
	Coenwulf Gold Coin	10,000		
	Hampshire Thin Silver Hoard (Isle of Wight)	9,500		
	Christopher Ironside Archive of Drawings	16,000	35,500	11,500
	Ancient Near East			
	Achaemenid Decorated Silver Display Bowl		10,000	2,500
	Asia		-	1,121
	Oriental Antiquities			
	Ivory Table Screen		300	-
	Ethnography		-	53,500
	Greek and Roman			
	Hunt Archive	30,000		
	Roman Big Bash (net income)	28,000	58,000	84,789
	Prints & Drawings			
	Drawing of Mary Hamilton		20,000	15,000
	Grants by BMF awarded in the year		192,600	207,433
	Other unrestricted grants			
	Eva Lorant Lectures	1,739		
	Small Office Grants	500	2,239	2,864
			194,839	210,297
	Restricted:			
	Grants by Townley Group awarded in the year		73,275	80,411
	Total Grants		268,114	290,708

8	Members activities	Directly attributable costs		Support Costs (Note 9)	2006	2005
		Staff	Other			
		£	£		£	£
	Member promotion	24,507	49,623	24,237	98,367	52,037
	Membership services	91,013	20,166	90,010	201,189	268,609
	Publications	29,899	74,163	29,569	133,631	154,147
	Paid events	56,961	52,622	56,334	165,917	194,340
		202,380	196,574	200,150	599,104	669,133

9	Support costs	As restated	
		2006	2005
		£	£
	Staff costs	160,598	138,075
	Recruitment, training and other costs	7,369	7,679
	Postage, telephone, printing and stationery	19,970	34,771
	Depreciation	1,950	1,951
	Loss on write-off of fixed assets	-	48,990
	Volunteers' expenses	-	819
	Other office costs	10,263	22,817
	Input VAT previously unclaimed (Note 20)	-	(32,217)
		200,150	222,885

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

10	Governance costs	2006	2005
		£	£
	Legal and professional fees	819	300
	Accountancy and consultancy	7,785	2,000
	Audit fee	6,500	5,650
	AGM and Council expenses	15,176	24,525
	Directors', Officers' & Trustees' liability insurance	1,313	1,313
		31,593	33,788

11 Tangible assets

	Furniture and Effects of an Appreciating Nature	Members' Room Furniture and Equipment	Office Equipment	Total
	£	£	£	£
Cost				
Balance brought forward at 1 April 2005	13,880	2,888	2,963	19,731
Disposals	(8,800)	-	-	(8,800)
At 31 March 2006	5,080	2,888	2,963	10,931
Depreciation				
Balance brought forward at 1 April 2005	-	962	1,105	2,068
Charge for the year	-	963	987	1,950
At 31 March 2006	-	1,925	2,092	4,018
Net book value				
At 31 March 2006	5,080	963	871	6,914
At 31 March 2005	13,880	1,926	1,858	17,664

All assets are employed in direct charitable activities.

12	Investments	2006	2005
		£	£
	Investment property	-	1,327,500
	Quoted investments	1,696,040	433,181
		<u>1,696,040</u>	<u>1,760,681</u>
	(a) Investment property:		
	Market value at 1 April 2005	1,327,500	800,000
	Net proceeds	(1,334,397)	-
	Unrealised gains	-	527,500
	Realised gain on disposal	6,897	-
		<u>-</u>	<u>1,327,500</u>
	Market Value at 31 March 2006		
	(b) Quoted investments (UK):		
	Market value at 1 April 2005	433,181	501,410
	Acquisitions during year at cost	1,403,656	-
	Disposals at market value	(263,134)	(100,535)
	Unrealised gains at 31 March 2006	122,337	32,306
		<u>1,696,040</u>	<u>433,181</u>
	Market value at 31 March 2006		
	Historical cost at 31 March 2006	<u>1,501,656</u>	<u>399,955</u>
	The quoted investments portfolio consists of the following investments that constitute greater than 5% of total market value:		
		2006	2005
		£	£
	CAF Balanced Growth UK Equity Fund	-	122,634
	Merrill Lynch Charinco Common Investment Fund	-	140,500
	Merrill Lynch Charishare UK Equity Fund	430,872	170,047
	COIF Charity Fixed Interest Fund	397,792	-
	M&G UK Equity Charifund	461,434	-
	Rensburgh Sheppards Charities Property Fund	405,942	-
		<u>1,696,040</u>	<u>433,181</u>
13	Debtors	2006	Restated 2005
		£	£
	Trade debtors	24,307	39,417
	Other debtors:		
	HM Revenue & Customs - Gift Aid receivable	50,738	29,178
	- VAT (Note 20)	-	82,384
	Prepayments and accrued income	45,533	3,028

		120,578	154,007
14	Creditors: amounts falling due within one year	2006	2005
		£	£
	Trade creditors	103,916	64,772
	The British Museum	188,575	87,789
	British Museum Development Trust	-	4,000
	Taxation and social security	13,690	13,514
	Accruals and deferred income	47,939	51,506
		354,120	221,581
15	Creditors: amounts falling due after more than one year	2006	2005
		£	£
	Deferred income	123,877	128,586

16 Council Members

No council member received any remuneration for services in either year. Two council members received £456 in total as re-imbursement of expenses (2005: one £686).

During the year a Charities Professional Liability insurance package was purchased including Directors, Officers & Trustees Executive Liability; Professional Liability and Fidelity Guarantee at a premium of £1,313 (2005: £1,313)

17 Funds

		Balances brought forward	Incoming resources	Resources expended	Transfers	Investment gains	Balances carried forward
		£	£	£			£
Unrestricted Funds		215,125	766,273	(887,921)	(9,520)	136,183	220,140
Restricted Funds		-	76,352	(85,872)	9,520	-	-
Designated Funds:							
Legacy	(1)	1,602,500	-	-	-	6,897	1,609,397
Tangible assets	(2)	17,664	-	(10,750)	-	-	6,914
		1,620,164	-	(10,750)	-	6,897	1,616,311
		1,835,289	842,625	(984,543)	-	143,080	1,836,451

(1) The Legacy fund was set up to hold funds received under a major legacy. It is the intention of the trustees

that, although the legacy was not subject to restrictions by the donor, it should be treated as an expendable endowment.

- (2) The tangible fixed assets fund has been created in line with the current recommendation of the Charity Commission that reserves represented by fixed assets should be separately identified.

18 Analysis of net assets between funds

	Designated funds	Other unrestricted funds	Total
	£	£	£
Tangible assets	6,914	-	6,914
Investments	1,609,397	86,643	1,696,040
Current assets	-	611,494	611,494
Creditors	-	(477,997)	(477,997)
	<u>1,616,311</u>	<u>220,140</u>	<u>1,836,451</u>

19 Members liability

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

20 Prior year adjustment

A prior year adjustment has been necessary in the year to 31st March 2006 due to recovery of VAT previously unclaimed. As the amount of £82,384 relates to previous periods, the comparative figures for 2005 have been restated accordingly.