

In the 1970s British coinage was redesigned, with new decimal denominations. This was among the most important changes ever made to British currency, ending more than 1,000 years of the pound made up of 240 pence. Christopher Ironside won two competitions – one secret and one public – to create the reverse designs for Britain's decimal coinage. He and his family kept his drawings, plaster models and other material, which includes the successful and unsuccessful designs, making this a uniquely important collection.

The Ironside Decimal Archive has been acquired with the support of BMF during this financial year.

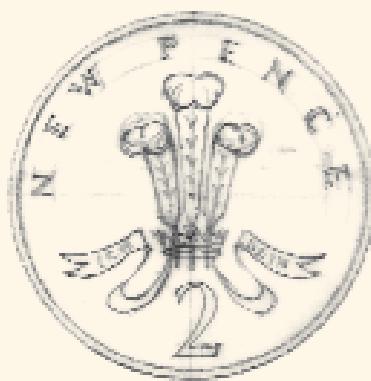
Design for decimal coinage,  
by Christopher Ironside, c.1967



## THE BRITISH MUSEUM FRIENDS

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# THE BRITISH MUSEUM FRIENDS



*Annual Report*

and summarised financial statements for the year ended 31 March 2006

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

THE OBJECTS OF THE BRITISH MUSEUM FRIENDS AS LAID DOWN IN THE 'MEMORANDUM OF ASSOCIATION'  
BMF is a registered charity, a company limited by guarantee and is governed by its Memorandum and Articles of Association

*This*

year we have successfully achieved our prime objective of fostering a closer working relationship with the British Museum wholly in line with our charitable objectives. Following the uncertainties of the last two or three years, we have been introducing changes that will ensure a stronger and more strategy-focused future for British Museum Friends. Working closely with the Museum's Head of Marketing, we recruited our new Head of Membership, Carolyn Young, in May 2005 and with Carolyn in post we have reviewed and restructured our staffing so as to run BMF more effectively.

We are all aware that the Museum is revitalising itself for the 21st century. This has introduced both new restrictions and new opportunities for BMF. As a first response, Council carried out a thorough review of the Member benefits package last October. A new price for Individual Membership was set at £45, with Double Membership at £60. For reasons of simplicity, it was decided to withdraw the Direct Debit discount as well as the concessionary rate for the foreseeable future.

Now, with this new cost structure in place, we believe that BMF membership is priced attractively and offers a sustainable benefits package which is deliverable within the Museum's new strategic structure.

Three new BMF Trustees were appointed to Council at our AGM in November. They were selected for their range of expertise and, as we move forward into the next phase, they will provide us with new strength. The Council's Articles of Association lay down maximum and minimum numbers of Trustees. Recently we have operated towards the maximum, but it has been decided that, as the Council begins to focus more on strategy and on improving its decision-making, we should reduce numbers slightly. Thus the Council member who retires this year will not be replaced.

The general induction process for incoming Council members has also been improved. As standard practice, new Trustees will now be given an informal introduction at a meeting with the Chairman, Deputy Chairman and

Head of Membership and this will be followed by a presentation by the Museum's Director, Neil MacGregor, outlining the anticipated developments in the Museum over the next five years. A special information pack containing key documents and guidance published by the Charity Commission completes their induction. Your Council takes its responsibilities very seriously and we are working hard to improve our overall decision-making framework and our effectiveness.

Finally, on behalf of Council and the Museum I would like to thank Kusuma Barnett who retires from Council in 2006 after many years of service. We also extend our gratitude to all Members for their generous support this year and for the invaluable contribution they make to the well-being of the Museum through their subscriptions and donations.

**Professor Sir Barry Cunliffe**  
Chairman of the British Museum Friends Council

**Year in focus**

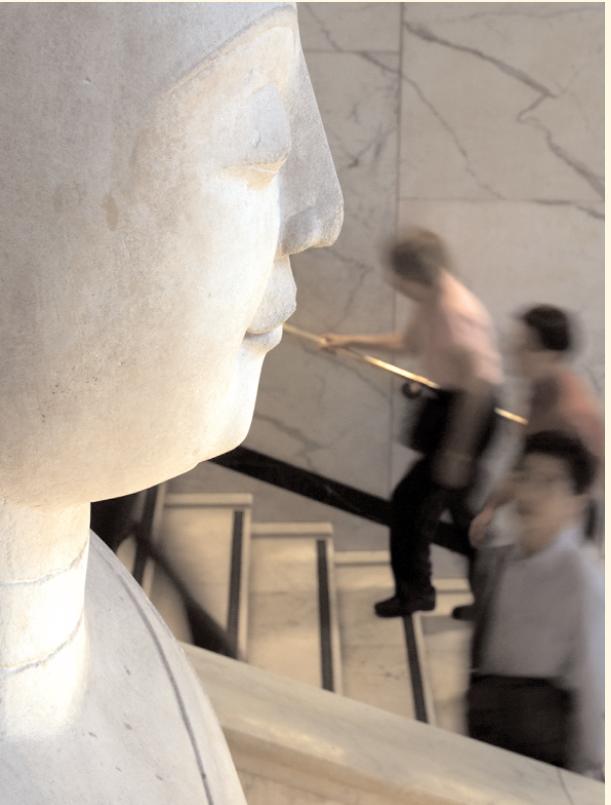


PHOTO: DUDLEY HUBBARD

### Reaching the individual

Top of our agenda in 2005/06 was to reconsider the benefits set for Members and the overall pricing structure of membership. Since the relaunch of our new Individual and Double Membership we have seen an immediate upturn in the recruitment of new Members. Over 1,475 new Members have joined since October last year, resulting in a change in fortunes – turning a 12% decline into a 3% growth. The number of Members now stands at just over 12,000 and, as a result, membership income remained reasonably constant at £529,000. The ambition and priority for 2006/07 is to continue to focus our resources and efforts on increasing membership levels still further and to deliver the promised Member benefits to a consistently high standard. This process has been greatly aided by the Museum, its staff and volunteers, working alongside us to promote membership in the galleries, online, at events and in publicity materials.

### Communicating in depth

The *British Museum Magazine* is the second most popular Member benefit after free entry to exhibitions. It continues to be a high-quality and informative publication, giving its readers insight into the British Museum's exhibitions, events and diverse collections. This year's contributions included, among many others, articles on Kabuki theatre, new archaeological finds at Baldock, the Romantic painter Samuel Palmer and the Museum's use of digital archiving. Articles by outside contributors, such as poet Yang Lian, BBC journalist John Wilson and scholar Edgar Peltenburg, added new perspectives. In 'Insight' artists Richard Wentworth, Bill Woodrow and Langlands & Bell gave an aesthetic commentary on aspects of the Museum's collection. Under Bmedia, the Magazine's new advertising agency, the quality of advertising and an overall increase in revenue will be the chief aims for the coming year.

### **Beyond the opening hours**

This year saw the relaunch of our Members' open evenings. These four evenings per year have proved extremely popular. More than 1,000 people attended the open evening organised around the Museum's blockbuster exhibition *Forgotten Empire: the world of Ancient Persia*. We have received valuable feedback from Members over the year and are committed to improving the content and organisation of these events.

### **Further still**

Nearly 300 Members have also signed up for our season of four exclusive Members' lectures sold as an 'add-on' benefit to the basic membership package and priced at £25 for the set. The opening lecture was by curator Nick Ashton on the radical discoveries made over the last five years in British archaeology, forcing a complete rethink in terms of the dating of the earliest human occupation in

northern Europe. The series has proved to be a wonderful success and Members who live in and around London have found it an exciting and valuable addition to their membership.

### **Young Friends**

The number of Young Friends now stands at 898, with both the ReMUS Magazine and sleepovers (which sell out immediately) continuing to be popular. In 2006/07 we intend to undertake a review of Young Friends' Membership and its associated activities in an effort to broaden its appeal and increase membership in the future.

### **Specialist interests**

The Townley Group reception was held in March 2006 with over 200 guests attending. Ten projects were presented by the Museum's curatorial staff, enabling grants up to the value of £73,000 to be made from donations. Projects included the Fourth Cataract Project

in Sudan, the Masson Project, the Happisburgh excavations and the final season of the Tell Es-Sa'idiyeh Project.

### **Looking Forward: 2006/07 and beyond**

Next year will see continued effort in increasing the overall revenue available for grants in line with our objectives. Now that we have stabilised staffing costs and the costs associated with servicing Members, our ambition is to grow revenue from membership subscriptions significantly over the next two to three years. We will also work with the Museum to ensure we co-ordinate our fundraising activities, as well as support it where we can in securing both donations and legacies to meet its objectives for the future. Council will be seeking to develop a three- to five-year plan that complements the Museum's own strategic direction and continues to provide value, involvement and excitement for Members.

# Achievement and expectation

In line with our objectives, we were able to make £268,000 available this year to support the Museum and this has facilitated the purchase of a number of unique objects to enhance the Museum's collection.



#### Sedgeford Torc Terminal

*Donation of £17,000 to the Department of Prehistory and Europe*

The decorated terminal ring, made of gold alloy, is the missing piece from the Sedgeford Torc which was originally acquired in 1968. The terminal consists of a doughnut-shaped hollow casting with raised La Tène decoration of trumpet voids and circles, highlighted with pellets. Torcs of this type are well known in the British Iron Age and probably date to between 200 and 50 bc. It is a particularly exciting find and acquisition, since it completes an object already in the Museum's collection.



## **Coenwulf Mancus**

*Donation of £10,000 to the  
Department of Coins and Medals*

This gold coin of Coenwulf, King of Mercia (796–821), is unique, and one of only eight gold British coins known from the period AD 700–1250. This is the earliest of the gold coins which we can be certain was intended for use as regular currency at home and abroad. Coenwulf was King of Mercia, East Anglia and Kent, making him ruler of most of England.

We know from letters that his predecessor

Offa wanted to be seen as the equal of the Frankish ruler Charlemagne (769–814) and it is likely that Coenwulf felt the same. The coin refers to London as a *vicus*, or trading centre, and a gold coin of Charlemagne uses the same term to describe the major port of Dorestadt. Both Coenwulf and Charlemagne's coins give the ruler's name and title, and both rulers are shown as Roman emperors. The similarities suggest that Coenwulf wanted a gold coinage to rival Charlemagne's.

## **Other donations made by BMF towards the purchase of objects include:**

### **Hunt Archive**

*Donation of £30,000 to the  
Department of Greek and Roman Antiquities*

**Drawing of Mary Hamilton by Sir Thomas Lawrence (1789)**

*Donation of £20,000 to the  
Department of Prints and Drawings*

### **Ironside Decimal Archive (1970s)**

*Donation of £16,000 to the  
Department of Coins and Medals*

### **Achaemenid silver bowl (6th–4th century BC)**

*Donation of £10,000 to the  
Department of Ancient Near East*

### **Isle of Wight Coin Hoard (AD 1st century)**

*Donation of £9,500 to the  
Department of Coins and Medals*

### **Anglo-Saxon Gold Ring (late 9th century)**

*Donation of £7,000 to the  
Department of Prehistory and Europe*

### **Cast bronze plaquette by Leone Leoni (1541)**

*Donation of £5,000 to the  
Department of Prehistory and Europe*

## **Rowington Brooch (15th century)**

*Donation of £2,800 to the  
Department of Prehistory and Europe*

### **Nevers Dish (1641)**

*Donation of £20,000 to the  
Department of Prehistory and Europe*

### **Micromosaic Pendant (c.1865–70)**

*Donation of £8,500 to the  
Department of Prehistory and Europe*

## **Other donations made this year to the Museum through BMF:**

### **A commemorative UNESCO medal**

*Department of Coins and Medals*

### **Five Aboriginal weapons**

*Department of Africa, Oceania and Americas*

### **Portrait of Lady Layard by Charles Vigor**

*Department of Prehistory and Europe*

### **Ivory table screen**

*Department of Asia*

### **Facsimile of the Lindisfarne Gospel**

*Department of Prehistory and Europe  
(presented through the Townley Group)*

In support of the Museum

# Summarised Financial Statements for the year ended 31 March 2006

As restated

## Income

There was a considerable drop in overall income due to a decline in legacies (£211,000), fundraising (£63,000), paid events (£35,000) and donations (£22,000). Investment income, however, was £43,000 up, following the disposal of the Ladbroke Grove property. Income from Membership subscriptions was £16,000 lower, but this decline has been arrested with recent growth in new Members.

## Expenditure (excluding grants)

There has been a focus on controlling the cost of Members activities, without diminishing the quality of services delivered to Members. This, together with a reduction in the cost of generating funds, has resulted in an overall reduction in core expenditure of £154,000.

## Grants

Grants to the British Museum in 2005/06 totalled £268,000 which is some 8% lower than the previous year. This level of grant-making reflects the reduced operating surplus, but has benefited from gains on investments and the prior year VAT recovery.

	Unrestricted Funds	Designated Funds	Restricted Funds	2006 £	2005 £
<b>Incoming resources</b>					
<b>Incoming resources from charitable activities:</b>					
Members activities	591,928	–	–	<b>591,928</b>	643,059
<b>Incoming resources from generated funds:</b>					
Voluntary income	12,433	–	76,352	<b>88,785</b>	321,137
Investment income	70,376	–	–	<b>70,376</b>	26,991
Activities for generating funds	91,536	–	–	<b>91,536</b>	168,417
<b>Total incoming resources</b>	<b>766,273</b>	<b>–</b>	<b>76,352</b>	<b>842,625</b>	<b>1,159,604</b>
<b>Resources expended</b>					
<b>Cost of generating funds:</b>					
	73,135	–	12,597	<b>85,732</b>	167,294
<b>Charitable activities:</b>					
Grant-making	186,039	8,800	73,275	<b>268,114</b>	290,708
Members activities	597,154	1,950	–	<b>599,104</b>	669,133
	<b>783,193</b>	<b>10,750</b>	<b>73,275</b>	<b>867,218</b>	<b>959,841</b>
<b>Governance costs:</b>	<b>31,593</b>	<b>–</b>	<b>–</b>	<b>31,593</b>	33,788
<b>Total resources expended</b>	<b>887,921</b>	<b>10,750</b>	<b>85,872</b>	<b>984,543</b>	<b>1,160,923</b>
<b>Net outgoing resources before transfers and other recognised gains and losses</b>	(121,648)	(10,750)	(9,520)	(141,918)	(1,319)
<b>Gross transfers between funds</b>	(9,520)	–	9,520	–	–
<b>Other recognised gains and losses</b>					
Unrealised gains on investments	122,337	–	–	<b>122,337</b>	559,806
Realised gains/(losses) on disposal of investments	13,846	6,897	–	<b>20,743</b>	(535)
<b>Net movement in funds</b>	<b>5,015</b>	<b>(3,853)</b>	<b>–</b>	<b>1,162</b>	<b>557,952</b>
Balances brought forward at 1 April 2005	132,741	1,620,164	–	<b>1,752,905</b>	1,227,170
Prior year adjustment	82,384	–	–	<b>82,384</b>	50,167
As restated	215,125	1,620,164	–	<b>1,835,289</b>	1,277,337
<b>Balances carried forward at 31 March 2006</b>	<b>220,141</b>	<b>1,616,311</b>	<b>–</b>	<b>1,836,451</b>	<b>1,835,289</b>

# Balance Sheet at 31 March 2006

## Balance Sheet

Total general funds at 31 March 2006 were £1,836,000, represented primarily by investments in common investment funds (£1,696,000). The cash position remains satisfactory.

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

## Trustees' Statement

These summarised accounts are not the statutory accounts but are a summary of information relating to the Statement of Financial Activities and the Balance Sheet and as such may not contain sufficient information to allow for a full understanding of the affairs of the Charity. The full accounts have been audited and given an unqualified report. Copies of the full accounts have been sent to Companies House and the Charity Commission. They are available to all Members from BMF's registered office and from the 'Join' section of the British Museum's website.

Professor Sir Barry Cunliffe – Chairman

Richard Dalzell – Hon. Treasurer

## Independent Auditors' statement to the Trustees of the British Museum

**Friends** – We have examined the summarised financial statements of the British Museum Friends.

**Respective responsibilities of trustees and auditors** – The trustees are responsible for preparing the summarised financial statements in accordance with the recommendations of the charities SORP. Our responsibility is to report to you our opinion on the consistency of the summarised financial statements and Trustees' Annual Report. We also read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summarised financial statements.

**Basis of opinion** – We conducted our work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statements' issued by the Auditing Practices Board for use in the United Kingdom

**Opinion** – In our opinion the summarised financial statements are consistent with the full financial statements and the Trustees Annual Report of the British Museum Friends for the period ended 31 March 2006.

Kingston Smith Chartered Accountants and Registered Auditors  
Devonshire House  
60 Goswell Road  
London EC1M 7AD

28 July 2006

# Financial review

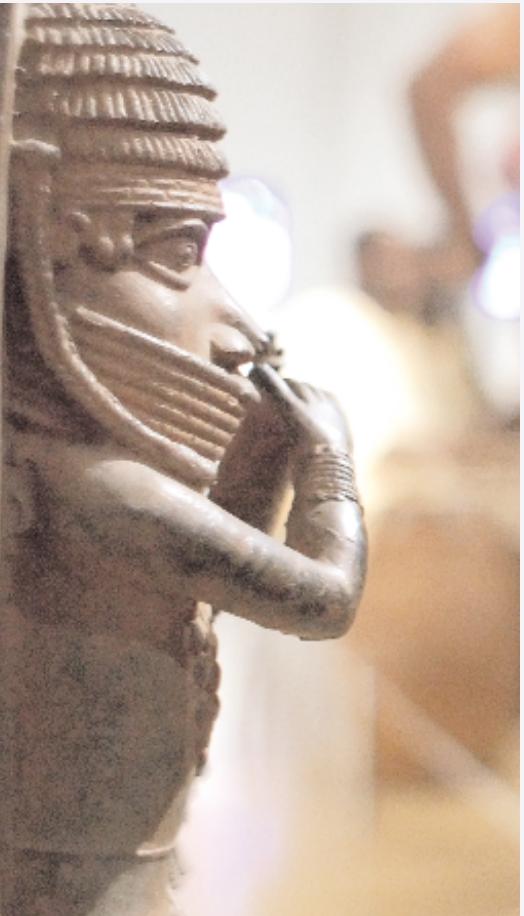


PHOTO: BENEDICT JOHNSON

### **Grant-making**

In accordance with its objectives, BMF makes grants to the British Museum from its operating surplus. On special occasions BMF also arranges additional grants from reserves and engages in one-off fundraising campaigns to support a particular objective of the Museum.

### **Risk**

The major risks to business, finance and reputation have been identified by Council. They are reviewed annually and systems have been established to minimise them.

### **Reserves**

The general reserves are comprised of the following elements: tangible fixed assets (£7,000); expendable endowment arising from the bequest of Miss Eva Lorant (£1,609,000); and £50,000 held towards any major request for grants from the Museum. Unrealised gains on investments of up to £150,000 are retained within reserves and 50% of any gains in excess of this sum is made available for grants.

The Trustees consider these reserves to be adequate for any contingency.

### **Investment**

With invested funds, the objective is to achieve an above-average return from dividends, interest and capital growth through a balanced exposure to equities, gilts and property. The funds are invested in common investment funds and provide an asset allocation of approximately 50% in equities, 25% in gilts and 25% in property. Their performance against appropriate benchmarks is monitored on a quarterly basis by the Finance Committee.

### **Council members: Recruitment and Election**

Council members (Trustees) are elected by Members at the AGM, following a selection and interview process led by the Chairman and nominated Council members. Council holds an up-to-date skills register to record the levels of expertise held in specific areas and uses this as a basis for recruitment. Vacancies are advised to Members through the regular membership mailings.

### **Current BMF Council**

**Kusuma Barnett**  
**Griselda Bear**  
**Barry Cunliffe (Chairman)**  
**Richard Dalzell (Treasurer)**  
**Brendan Finucane**  
**David Lindsell**  
**Judith Nugée**  
**Anna de Pass**  
**Ian Plendleith**  
**Hugh Purcell**  
**William Rathbone (Deputy Chairman)**  
**Eva Ratz**  
**Christopher Steele**  
**Sarah Stowell**  
**Kate Trevelyan**  
**Patsy Vanags**  
**Patricia White**

### **BMF Staff**

Victoria Diaz-Vilas  
Mira Hudson  
Raj Phillips  
Cristina Lai  
Juliet McCreathe  
Alice Sedgwick  
Jonathan Smart  
Yiannis Xenarios  
Carolyn Young

### **Membership of Committees at 31 March 2006**

**Events**  
Hugh Purcell, Eva Ratz,  
Patsy Vanags (Chairman)  
**Finance**  
Barry Cunliffe, Richard Dalzell, David Lindsell,  
William Rathbone (Chairman), Sarah Stowell  
**Fundraising**  
Griselda Bear (Chairman), Eva Ratz  
**Magazine**  
Brendan Finucane (Chairman), Hugh Purcell,  
Kate Trevelyan  
**Townley Group**  
Griselda Bear, Lady Heap, Rodney Little,  
Geoff Low, Judith Nugée, Michael Rogers,  
Jeremy Taylor, Lady Trend,  
Christopher Steele (Chairman)  
**Young Friends**  
Kate Ashton Young, Irving Finkel,  
Eileen Glynn, Nicky Milstead, Grace Onions,  
Patsy Vanags, Patricia White (Chairman)

### **Company Secretary**

Broadway Services  
50 Broadway  
London SW1H 0BL

### **Bankers**

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

### **Auditors**

Kingston Smith  
Devonshire House  
60 Goswell Road  
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CAF Bank  
25 Kings Hill Avenue  
West Malling  
Kent ME19 4JQ