

# The British Museum

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

# The British Museum

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

Presented to Parliament pursuant to Section 9(8) of the Museums and Galleries Act 1992

*Ordered by The House of Commons to be printed on 19 July 2022*

© **The British Museum** copyright **2022**

The text of this document (this excludes, where present, the Royal Arms and all departmental or agency logos) may be reproduced free of charge in any format or medium provided that it is reproduced accurately and not in a misleading context.

The material must be acknowledged as **British Museum** copyright and the document title specified. Where third party material has been identified, permission from the respective copyright holder must be sought.

Any enquiries related to this publication should be sent to us at [information@britishmuseum.org](mailto:information@britishmuseum.org).

This publication is available at [www.gov.uk/official-documents](http://www.gov.uk/official-documents).

ISBN 978-1-5286-3518-9

E02763183 07/22

Printed on paper containing 40% recycled fibre content minimum.

Printed in the UK by HH Associates Ltd. on behalf of the Controller of Her Majesty's Stationery Office.

# Contents

<b>Trustees' and Accounting Officer's Annual Report</b>	<b>1</b>
Chair's Foreword	1
Structure, governance and management	2
Constitution and operating environment	2
Subsidiaries	2
Friends' organisations	2
Strategic direction and performance against objectives	2
Our work	3
Audiences and Engagement	6
Investing in our people	9
Plans for future periods	12
Fundraising and finance	12
Financial sustainability	12
Support for the BM	12
Grant-in-Aid	13
Capital expenditure	13
Grants	13
Reserves	13
Investments and financial risks	14
Public benefit, sustainability, social and community issues	17
Public benefit	17
Estates management	17
Sustainability report	17
Suppliers	20
Activity under immunity from seizure	21
Reference and administrative details	22
The Board of Trustees	22
Board committees and membership	23
Trustee membership of related Councils and Boards	24
Official addresses as at 31 March 2022	24
DCMS' performance indicators	25
Remuneration Report	26
<b>Statement of Trustees' and Accounting Officer's responsibilities</b>	<b>28</b>
<b>Governance statement</b>	<b>29</b>
<b>The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament</b>	<b>34</b>
<b>Consolidated Statement of Financial Activities</b>	<b>38</b>
<b>Consolidated Balance Sheet</b>	<b>40</b>

<b>Museum Balance Sheet</b>	<b>41</b>
<b>Consolidated Statement of Cash Flows</b>	<b>42</b>
<b>Notes to the Accounts</b>	<b>43</b>

# Trustees' and Accounting Officer's Annual Report

## Chair's Foreword

The British Museum is firing on all cylinders. That's the message from this year's annual report. We emerge from the COVID-19 pandemic with confidence, focus and with ambition for the future.

The confidence comes from knowing that, thanks to our incredible staff, we can cope with all the challenges that come from running one of the greatest and most visited cultural spaces in the world. Through the pandemic, except when mandated by lockdown, we kept the doors open. That's because we are an institution that belongs to the public and no one else.

More than that, through the pandemic the research continued, the exhibitions were assembled, the construction of the new BM\_ARC collection storage building in Reading kept going, international archaeological partnerships in places like Girsu in Iraq and Benin City in Nigeria carried on, and we kept open the Portable Antiquities Scheme we run for a nation of detectorists out scouring our fields for treasures – indeed the millionth record in that scheme was registered last year, a beautiful medieval pendant found in Lincolnshire.

I am hugely grateful to the Museum's management team for their leadership in the crisis. I praise above all the staff who proved so resilient and adaptable. It's been a joy for me these last few months getting behind the scenes to see for myself the professional and varied work they do. I also thank my estimable predecessor as Chair of Trustees, Richard Lambert, for his stewardship over the last eight years. In all the various jobs I've done in my life, no one I've taken over from has been more generous with their time or made more effort in getting me up to speed. The whole museum thanks you, Richard.

The British Museum also has focus. I regard keeping that focus as a key task of the Trustees and the Chair. So, what is a modern Museum for? It is simply to help people understand more about the world we live in today by exploring the links with those who lived before us. We do that in our magnificent building in Bloomsbury for the millions of visitors who come through our doors; we do it by lending thousands of objects to other museums, around the globe and here in Britain, such as our current Ancient Iraq show in Nottingham; and we do it online so the whole world can visit us virtually. It means the British Museum is a unique place where the cultures of the world through time can be found alongside each other, in all their dazzling complexity and connectivity.

The British Museum is about debate, conversation and understanding. That's where our focus should be. We must be both contemporary and innovative. Our exhibition last year on Peru shows our determination to tell a more global and less Mediterranean-centric story. Our magnificent show on Stonehenge enabled us to use our latest science to make a personal connection with actual individuals who lived in our deep history in a way never possible before. The human being in the world's story will guide us as we move forward.

We have ambition for the future. As Trustees, we're committed to translating a vision for the Museum into reality, which is why we're developing our masterplan. It will require considerable investment from both the taxpayer and our supporters. It's also an opportunity to engage communities across the country and truly embed their needs and expectations at the heart of the Museum's future development.

Later this year, we'll share more detail on the masterplan with a focus on the redevelopment of our western galleries – the home of some of the most important objects in the collection. This work will highlight the role of a modern Museum in telling the incredible story of people from across the globe through new galleries, new displays and new technology. We'll combine our ambition, our expertise and the needs of our communities to create a cutting-edge space that truly revolutionises our own understanding of what it means to be human.

We're excited to be getting on with it.

*George Osborne CH*  
Chair of the Trustees

## Structure, governance and management

### Constitution and operating environment

The British Museum (BM) was founded in 1753. Its aim is to hold for the benefit and education of humanity a collection representative of world cultures (“the collection”), and ensure that the collection is housed in safety, conserved, curated, researched and exhibited<sup>1</sup>.

The BM is now governed in accordance with the British Museum Act 1963 and Museums and Galleries Act 1992. The BM is an exempt charity under schedule 3 of the Charities Act 2011. The Secretary of State for Digital, Culture, Media and Sport is the principal regulator under the Charities Act 2011.

The BM is also an executive Non-Departmental Public Body funded by a combination of grant-in-aid allocated by the Department for Digital, Culture, Media and Sport (DCMS) and income secured through commercial, fundraising, sponsored and charging activities.

It has a wide range of stakeholders, including DCMS, HM Treasury, Camden Borough Council, Historic England, national and international visitors, other London museums, regional museums, international museums, universities, sponsors, donors and people and communities from current and future generations across the globe.

### Subsidiaries

The main retailing, off-site trading and publishing activities of the BM are carried out by the British Museum Company Limited (BMCo, company number 1079888), a company wholly owned by the Trustees, together with its subsidiary, British Museum Ventures Limited (BMV, company number 1442912).

Commercial hire, education and other income generating activities are carried out by the British Museum Great Court Limited (BMGC, company number 4098945), also a company wholly owned by the Trustees.

### Friends’ organisations

The work of the BM is supported by two ‘friends’ associations. The British Museum Friends (BMF) is a registered charity (charity number 1086080) and a company (company number 4133346) limited by guarantee that provides grants to the BM out of the surplus it generates from membership subscriptions, fundraising, and members’ activities. The Trustees of the BM are also the Trustees and the company law directors of the Friends. BMF’s results are consolidated within these accounts.

The American Friends of the British Museum (AFBM) supports the BM’s development by raising funds in the United States. It is separately administered and independent of the BM, and therefore not consolidated within these accounts.

## Strategic direction and performance against objectives

### *Strategic context*

The Annual Report and Accounts for 2021/22 reflects the substantive activity undertaken by the British Museum across the last financial year. Navigating the ongoing COVID-19 pandemic has been a key priority for the Museum alongside maintaining the best possible visitor experience and safeguarding the wellbeing of our colleagues. As we move into the new financial year, the Museum will remain responsive to the needs of our visitors and continue to chart a course which supports our long-term strategic vision. The 2022/23 financial year will present a new opportunity for strategic development and we look forward to taking the next steps in the Museum’s journey.

### *COVID-19 impact and recovery*

This financial year has presented different challenges to those experienced in the previous year. The Museum reopened to visitors on 17 May 2021 after the latest in a series of lockdowns. Our operations have been informed by Government guidance and we were gradually able to increase the Museum’s visitor capacity. Aside from a

---

<sup>1</sup> This statement represents a modern expression of the objectives of the BM set out in the British Museum Act 1753.

reduction following the introduction of the Government's Winter Plan in December 2021, visit numbers have continued to grow, reaching 2 million for the financial year as a whole. This represents around a third of our pre-pandemic visit numbers, with slow recovery of international tourism accounting for a significant part of the shortfall.

### *The Masterplan*

We are developing a strategic masterplan to transform the British Museum for the future. It will involve actively renovating our historic buildings and estate including our infrastructure and galleries.

Our work on the creation of the British Museum Archaeological Research Collection (BM\_ARC) is the first step in this important project – a project grounded in our partnership with the University of Reading. The development of the BM\_ARC will see a new state-of-the-art facility to house some of the most fascinating parts of our collection. It will enable greater access to these objects for academics, researchers and the public alike. Our decant from Blythe House has created an exciting period of rediscovery of the collection and we have been able to use advances in research techniques on key objects such as the horn antler and stone axes which recently featured in the *World of Stonehenge* exhibition.

## Our work

### *Exhibitions*

Our exhibitions are always popular with visitors – both in the UK and overseas – and this year has seen a wide range of free and paid exhibitions take place in our Bloomsbury home. They are supported by sponsors, donors and supporters whose commitment to the British Museum, and to culture, is greatly appreciated.

*Thomas Becket: murder and the making of a saint* opened to the public in the Hotung Great Court Gallery on 20 May 2021. It marked the 850<sup>th</sup> anniversary of Becket's brutal murder in 1170, and featured a 'Miracle Window' created soon after the murder and never previously removed from Canterbury Cathedral. The exhibition received positive reviews in the media and from our visitors and Members who shared feedback on their experiences. The exhibition opened on a limited run and with restricted capacity due to the COVID-19 pandemic, but it nevertheless attracted over 52,000 visitors and reached many thousands more globally, through online programming and events. This exhibition was generously supported by The Hintze Family Charitable Foundation, The Ruddock Foundation for the Arts, and Jack Ryan and Zemen Paulos.

The exhibition *Nero: the man behind the myth*, supported by BP, opened in the Sainsbury Exhibition Gallery on 27 May 2021 and closed on 24 October 2021. The exhibition featured important loans from lenders in Italy, France, Germany, and across the UK. We welcomed over 100,000 visitors to the exhibition. *Nero* proved popular with visitors, especially with young people over half-term week. It received considerable positive media attention and over 364,000 people engaged in online events including YouTube content featuring the curators and distinguished Museum Trustee, Professor Dame Mary Beard.

The Hotung Great Court Gallery exhibition *Peru: a journey in time* opened on 11 November 2021 and closed on 20 February 2022. Supported by PROMPERU, the exhibition featured objects from the ancient Andes from the Museum's own collection alongside key loans from the Museo de Arte de Lima, Peru. The exhibition received an excellent reception amongst the media and 77,000 people visited the show. Online public programming events and the YouTube Curator's Corner reached a global audience of over 150,000 people, including 2,000 participants in live events.

The Room 90 exhibition *Hokusai: the Great Picture Book of Everything* opened to the public on 30 September 2021, with a formal opening ceremony in the gallery, attended by the Japanese Ambassador, Hajime Hayashi. The exhibition was sponsored by Asahi Shimbun and with additional support from Carol Lyden, Claudio Chittaro and the American Friends of the British Museum. It featured a collection of 103 drawings acquired by the Museum in 2020 with Art Fund support, as well as two prints of The Great Wave from the Museum's collection. The show was awarded four and five star reviews from our visitors through Museum feedback surveys and on digital channels. It was exceptionally well-received by the public with over 79,000 visitors.

The *World of Stonehenge* opened on 17 February 2022 in the Sainsbury Exhibitions Gallery to widespread critical acclaim. Prior to the public opening, the exhibition was blessed by the Archdruid of Stonehenge and Britain. The exhibition has attracted exceptional media coverage and engaged thousands of people. It is supported by BP and undertaken in partnership with the Landesmuseum für Vorgeschichte in Halle, Germany, the



Wessex Museums Partnership (Dorset, Poole, Salisbury and Wiltshire Museums), Visit Wiltshire, Visit Orkney and English Heritage.

### *New acquisitions*

The British Museum has continued to invest in and diversify the permanent collection through the acquisition of important contemporary and historic objects. Many of these acquisitions have only been possible due to the generosity of their owners who gifted them to the British Museum or made significant contributions. We are grateful to each of them.

We received a generous donation from Jean-Luc Baroni of an intimate, coloured chalk portrait of a man aged 75. Created in 1634 by the French artist Simon Vouet after his appointment as Premier Peintre du Roi in the Court of King Louis XII, it is one of a series of portrait drawings from this period. This is a significant addition to the Museum's 17th century French drawings collection.

The Museum commissioned *Winaypaq Qaytu / Threads of time*, a textile produced by Nilda Callañaupa and the weavers of Asociación de Tejedores Munay Ticlla de Pitumarca (CTTC). This piece is inspired by the Andean textiles in the exhibition *Peru: A journey in time* and featured as the final object in the exhibition, threading together the theme of time by echoing archaeological, historical, and contemporary Andean peoples and practices.

A new artwork entitled *Persian carpet*, by Amira Alikhanzadeh, was gifted to the Museum by Maryam and Edward Eisler, founder members of CaMMEA. It features a Persian mid-20th century carpet, with a photograph of a seated young woman in the Tehran bazaar, printed onto plexiglass to the front. It will go on display in 2023 in the Albukhary Foundation Gallery of the Islamic world.

### *Conservation and Collection Management*

The impact of the pandemic continued to affect the conservation team's work programme. However, by the end of 2021, the team returned to near full operational capacity with a clear focus on collections care alongside the conservation treatment work to support the public programmes.

Work expanded further through finds from the Portable Antiquities Scheme (PAS). This unique partnership, funded by the British Museum and involving more than 100 organisations around the UK, aims to record and conserve archaeological finds discovered by the public.

The conservation team play a key role in examining finds and ensuring that objects receive appropriate care. This may also include providing advice to the finder if an object remains in their care or if a partner museum needs further expert input on a more unusual find that they acquire.

The British Museum's Conservators have also started a significant and important conservation project – to conserve a Māori *kākāpō* feather cloak, considered *taonga* (sacred). The cloak resides in the collection of Perth Museum and Art Gallery (PMAG) in Scotland, and it was treated at the British Museum as part of a UK Knowledge Share project, supported by the Vivmar Foundation.

We have also focused on projects of global importance including to support museums in Beirut following the 2020 port explosion. Conservators are now working on the reconstruction of eight Classical and Islamic-period glass vessels that were smashed when their display case was damaged in the Archaeological Museum at the American University of Beirut (AUB).

### *Research*

The British Museum remains a world-leader in the field of academic and scientific research. Here are some of the highlights of research projects currently being undertaken.

#### ■ *Policy and engagement bid*

A member of the Scientific Research team has been appointed as one of three Arts and Humanities Research Council (AHRC) Infrastructure Policy and Engagement Fellows. They will be seconded to AHRC part time for five months to help develop a bid to the UKRI National Heritage Science Infrastructure fund. The project aims to transform the capacity and impact of UK heritage science and conservation research to ensure that the UK remains world-leading in this field.

- *Hans Sloane Collection*  
The Museum is part of a £3 million project led by University College London, as part of a major AHRC programme called *Towards a National Collection*. This project will build the digital tools needed to bring together the surviving objects from Hans Sloane's collection in the British Library, Natural History Museum and the British Museum, with the surviving original catalogues of Sloane's collection.
- *Object history of 19th century China*  
New research led by the Museum on 19th century China is for the first time using objects to explore different aspects of the country's history. These provide Chinese perspectives on major changes the country went through at this time. Funded by the AHRC, the research will lead to an exhibition at the Museum and other publications.
- *West African Bronzes*  
Following on from a pilot study on our West Africa Bronzes, our Scientific Research department appointed a two-year research fellow to develop scientific research on the history of technology of these important and under-researched objects.
- *British Museum Archaeological Research Collection*  
The new British Museum Archaeological Research Collection (BM\_ARC), a collaboration with the University of Reading, will house significant Museum collections in a state-of-the-art facility.  
  
The collection will be more accessible for research and loans across the country and around the world. This partnership, which is the first of its kind between a national museum and UK university, will deliver considerable benefits to members of the public and to research efforts.  
  
As part of the project, the research collection at Blythe House is in the process of being decanted. During the year over 8,000 objects were safely rehoused at Bloomsbury. This included the Roman Vindolanda tablets, some of the oldest surviving British handwritten documents and among the most fragile objects being moved as part of the decant.  
  
The Museum remains grateful for the generosity of private donors supporting BM\_ARC, including the Headley Trust, the Band Trust, Fidelity UK Foundation and Graham and Joanna Barker, as well as for the public funding received from The Department for Digital, Culture, Media and Sport.

### *Special Projects*

The Museum leads on many different special projects, of significant importance either on a national or international scale. The excavation work at Girsu is one of our flagship projects.

During the year the Museum continued its successful collaboration with colleagues in Iraq to excavate the ancient Sumerian city of Girsu in Southern Iraq. This project has been set up to train and develop the skills of archaeologists, conservators and curators in Iraq, through practical experience on this archaeological excavation.

### *The Portable Antiquities Scheme*

The Portable Antiquities Scheme (PAS) is one of our flagship schemes designed with communities at the heart of it. Members of the public who unearth rare artefacts are able to record and be part of the UK's archaeological history. The scheme is supported by DCMS.

The last year saw an incredible milestone for the scheme in that its one millionth record was logged by a member of the public. This medieval pendant was unearthed in rural Lincolnshire and went on display in the Museum during December 2021. In total across 2021 and 2022, 45,800 archaeological finds were made by the public in England and Wales.

The Minister for Arts, Lord Parkinson launched the PAS and Treasure annual reports on 14 December 2021 and also attended a meeting of the Treasure Valuation Committee in February 2022. He has praised the role of volunteers in communities who have found these rare items and made them available for the wider public to learn from and enjoy.

PAS Explorers is supported by the National Lottery Heritage Fund and the Museum programme enhances the PAS volunteer base by providing training and opportunities in the field.

Over 600 volunteers were recruited over the duration of the scheme and they recorded over 104,000 new finds. These volunteers promote the work we do within their communities and are leaving a sustainable legacy for future engagement.

As part of the programme, PAsT is also offering four internships to people from socially or economically disadvantaged backgrounds over two years. The internships were supported by the Headley Trust and the first two were awarded in Wales and Worcestershire, with the aim to encourage interns into a career in archaeology or the museum sector.

### *Loans*

The Museum is seeking to honour many existing loan commitments to partners around the UK and the world, despite the complexities of changing schedules as a result of the COVID-19 pandemic.

Loans are key to the British Museum and its partners – both in terms of lending our own collection and borrowing objects to appear in our own special exhibitions. Throughout 2021 and 2022 we have been committed to promoting as much public access to collections as possible; as shown by the following examples of outward loans.

#### *The Nebra Sky Disc – New Horizons:*

*Landesmuseum für Vorgeschichte, Landesamt für Denkmalpflege und Archäologie Sachsen-Anhalt, Germany*  
4 June 2021 – 9 January 2022

The British Museum made a major loan of 46 objects including the Mold gold cape and the Ringlemere gold cup to our major partner in Germany. This partnership then facilitated the loan of the Nebra Sky Disc from Halle for *The World of Stonehenge*.

#### *West Encounters East: A Cultural Conversation between Chinese and European Ceramics (also known as The Firmament of Porcelain):*

*Shanghai Museum, China*  
17 September 2021 – 16 January 2022

These loans, comprising of 12 pieces of porcelain from our own collection and two from the Percival David collection, including the Lennard Cup, were made despite the challenges posed by rapidly changing international travel restrictions.

#### *The Pictorial Arts and the Salon Culture of Kyoto and Osaka*

*The National Museum of Modern Art, Kyoto*  
23 March 2021 – 8 May 2022

Meticulously curated, this exhibition examined the work of the highly individualistic painters of the Edo period such as Maruyama Okyo.

#### *Thomas Becket and Pilgrimage:*

*The Beaney, Canterbury, UK*  
29 May 2021 – 4 July 2021

This exhibition was originally planned for 2020 to coincide with the 850th anniversary of Beckett's brutal murder and was eventually rescheduled. Objects which were loaned included a reliquary pendant of St John the Baptist and St Catherine of Alexandria, prints (including a Japanese colour woodblock), a badge mold and ceramics.

## Audiences and Engagement

### *Communications*

Digital engagement has played a crucial role during the last financial year as the Museum managed its response to the COVID-19 pandemic.

Our digital presence continues to grow with over 34 million visits across all our sites and with a social media presence of nearly six million followers across all platforms.

Social media continues to enable us to reach audiences directly and we are seeing high levels of engagement driven by exciting content produced by our in-house team. Blogs remain popular with our audiences with *Becket*, *Peru*, *Nero* and *Stonehenge* content all delivering high levels of interest and engagement, and providing audiences more depth of knowledge on the subjects.

### *International Strategy*

Following a year of disruption, changing schedules and re-openings, the Museum's popular programme of international touring exhibitions continued in Australia, Belgium, China, Japan and Spain.

In Australia, an exhibition on competition in ancient Greece attracted over 164,000 visitors at the National Museum of Australia in Canberra and the Western Australian Museum in Perth.

An exhibition on ancient Rome drew over 41,000 visitors at the Gallo-Roman Museum in Tongeren, Belgium, despite considerable restrictions on visitor numbers throughout the run. It continues its tour at the Suzhou Museum in China and has already attracted over 450,000 visitors. In Beijing, a display of Italian Renaissance Drawings at MWOODS attracted nearly 60,000 visitors.

In Japan, *Egyptian Mummies: exploring ancient lives* at the Museum of Nature and Science in Tokyo attracted over 172,000 visitors. The exhibition also continued its tour at the Kobe City Museum.

Our longstanding collaboration with banking foundation, La Caixa enabled three exhibitions to tour in Spain. *American Dream* was displayed at CaixaForum in Barcelona and Zaragoza. *Pharaoh: King of Egypt* travelled to Museo Centro Gaiás in Santiago de Compostela and CaixaForum in Zaragoza and Palma. *Human Image* started its tour at CaixaForum in Madrid, followed by Sevilla. Overall, more than 390,000 people visited.

### *National Strategy*

The British Museum is committed to mobilising the collection and sharing objects as widely as possible – whether through national tours, long-term loans, Spotlight Loans, partnerships with other museums or through other aspects of our national programme, to greater improve access to the collections outside of London.

The British Museum is proud to contribute to the Coventry City of Culture programming. The programme demonstrates how investment in culture helps to stimulate economic growth, create jobs in the community and attract inward investment, leading to a lasting legacy of social, cultural and economic change.

The programming launched in May 2021 and the British Museum played a significant part in the opening weekend by contributing a special display of the Lampedusa Cross on the High Altar of Coventry Cathedral on 22 and 23 May 2021.

Made from the remnants of a refugee boat wrecked near the Italian island of Lampedusa, the cross carries messages about kindness, community and the indifference faced by many refugees. As Coventry is a sanctuary city, displaying the cross in the cathedral rebuilt after its destruction in the Second World War held particular poignance and power.

Continuing this relationship in Coventry, the British Museum collaborated with Historic England and a range of local partners, including Coventry Business Improvement District, to pilot a new way of bringing British Museum experiences to new audiences. The *Show Windows: Reflections* exhibition saw reproductions of artworks from famous artists with a connection to Coventry, including Geoffrey Clarke RA, Dame Elisabeth Frink RA, Käthe Kollwitz and Coventry-born George Shaw, on display in the City Arcade windows.

In 2021/22, 1,594 British Museum objects were on loan to 95 venues, reaching three million visitors outside London.

### *Learning programmes and events*

Our online events tailored for adults went from strength to strength, attracting visitors from right around the globe and enabling many more people to engage with the Museum.

The team organised a huge range of panel discussions and curators' introductions as well as study days, performances and courses across the exhibition programme and the permanent collection. The events also attracted viewers every month to our YouTube events channel.

Events related to the Thomas Becket show were a huge success, attracting a new, diverse and inclusive audience of over 33,000 attendees globally.

Highlights included a recording of Archbishop Rowan Williams in conversation with Bishop Rose Hudson-Wilkin on *Becket: Church & State*. In the film, music composed around the time Thomas Becket was alive was performed by *Ensemble Trouvere*, a musical group based at Kings College London. The performance attracted over 2,500 viewers.

Over the summer of 2021 we took part in 'Camden Together' a 4-month festival working with Cultural Camden which aimed to attract visitors and locals back to Camden. Inspired by our *Nero* exhibition we held a spectacular Romans Weekend which saw over 3,000 people join us for learning, fun and entertainment, attended largely by families. We also created '*Stand up for Nero*', a live comedy event on the front lawns of the Museum featuring acclaimed writer, classicist, broadcaster and comedian Natalie Haynes.

In October 2021 we collaborated with youth leadership organisation One Young World and our Youth Collective at COP26 in Glasgow. We also welcomed over 1,000 people to the Museum to celebrate Chuseok, the Korean Harvest Moon Festival, which was accompanied by a special display.

In February 2022, over the half-term period, over 2,000 people attended Celebrating Peru, a two-day festival of Peruvian culture, in partnership with Border Crossings. We hosted a wealth of activities for many different audiences, including performances by indigenous artists such as a ritual scissor dance entitled '*Atipanakuy*', traditional music film screenings and craft activities.

Our community work continues to develop. This year saw the successful continuation of the JTI Community Partnerships programme, which increases access to the collection for adults who face barriers to participating in Museum life.

During 2021, the Communities team continued to welcome groups and organisations from around London back to the Museum through in-person facilitated visits, engagement sessions and continued digital engagement. Partners on the programmes included Leonard Cheshire and Action Space, Single Homeless Project, Mind in Camden and Mind Islington, men's groups from local community centres including Castlehaven, St Luke's and We Are Ageing Better Camden.

### *Connecting with young people*

The Museum has continued to build engagement with children and young people throughout 2021 and into 2022. Now, more than ever, children and young people are a challenging group to reach. We know there are enormous barriers to accessing the cultural sector, but through various programmes the Museum is working to try to address this challenge.

Here at the Museum, we developed the Greengross Family Young Peoples' Programme, to engage young people from a range of diverse backgrounds through the *Youth Collective* and a programme of online events.

In Spring 2021, we hosted *Unlocking the Museum*, events looking at museum careers, how to break into the sector and what these institutions can do to better engage with young people. The series has received more than 7,800 views online, and included an interview with the British Museum Director, Hartwig Fischer.

'*Where we are...*', the British Museum's national young people's programme was introduced in 2021 and supported by the Paul Hamlyn Foundation. This programme runs to 2025 and aims to reduce some of the barriers to engagement, as well as creating a sense of agency in young people that can be reflected back into their communities.

In mid-2021 our online activities remained key to supporting children's educational outcomes. Our Samsung Virtual Visit Programme hosted over 300 Virtual Visit sessions and reached 10,000 students and 675 adults across the UK. We also launched our *Samsung Museum Missions*, enabling families to learn more about the Museum's collections through six galleries and five challenges to complete for each, using their own digital devices.

Throughout Autumn 2021 and in early 2022 children started to return to classrooms, resulting in increased visits to the Museum. The Museum's Samsung Digital Discovery Centre (SDDC) delivered on-site school workshops from mid-September 2021 to mid-December 2021, with every session fully booked.

The 2021 Autumn half-term saw a return to a full array of family activities attracting 1,100 children and 935 adults to the Museum. These activities ranged from African and Greek storytelling to Japanese print making.

Finally, we worked with the educationalist and creator of Black History timelines, Gaverne Bennett, to create a timeline of African Kingdoms. Covering thousands of years and many African nations, this incredible resource for teachers, parents and pupils everywhere is available on our website. We also developed a series of Continuing Professional Development sessions for teachers around teaching African, Caribbean and diaspora histories.

## Investing in our people

### *Employees*

The BM's success can only be achieved through the commitment of its employees, and the Trustees would like to record their gratitude for the hard work of staff throughout another extraordinary year.

The Museum's recovery from the COVID-19 health emergency has continued to present a range of challenges. Our staff have all played a vital part in supporting the Museum's recovery throughout the period, whether by continuing to work on site, adapting to the challenges and opportunities of remote working or (earlier in the period) accepting a period of time away from work on furlough leave.

As set out in note 6(e) to the accounts, the British Museum employs about a thousand people. 57% of staff were female (2020/21: 57%).

The BM endeavours to safeguard the quality of its work by ensuring staff of the highest calibre are recruited and retained, that they are appropriately trained, and that they are managed effectively and work in a supportive environment. The BM creates this environment by ensuring that employees are well informed about plans and activities; by providing opportunities for employee participation and feedback; by encouraging managers to provide goals and development opportunities for their staff; and by providing a fair and equitable employment framework supported by relevant policies and procedures.

The BM engages with its employees in a number of ways, usually coordinated through a Staff Engagement Plan which was developed and is maintained in collaboration with representative staff groups. The challenges of the pandemic continued to require the Museum to adapt creatively to support staff and to maintain their engagement while working in different ways. The following initiatives have been in place through the year to help keep staff informed, involved and enthused about Museum activity:

- Regular written updates from the Director have been provided, focusing on the Museum's recovery plan and wider activities.
- Out-of-hours views of exhibitions for Museum staff and their guests have been safely reintroduced.
- A real-time news and information page has been maintained with a round-up of news items emailed directly to all staff on a weekly basis.
- The British Museum Consultative Committee (BMCC) and relevant sub-groups have continued to meet to provide a formal opportunity for management and union representatives to discuss issues raised by staff and relating to the COVID-19 recovery programme. The Director and the Chair of Trustees attended a meeting in the year in line with the usual schedule for the Committee.
- Information from Management Group meetings has been shared with all staff.
- Staff are encouraged to pass on feedback via an anonymous online submission tool.
- The BM's performance management process helps employees plan their work, further their personal development and assess their achievements. It also ensures that the work and objectives of employees are aligned with departmental and BM plans.
- A programme of learning and development activities is designed in response to individual and organisational needs. Regular Training and Development newsletters are shared with all staff, focusing on a wide range of subjects.
- An Employee Assistance Programme is in place, complemented by regular Health and Wellbeing events for staff and training courses, for example Personal Resilience and Mental Health Awareness for Managers. An enhanced schedule of wellbeing support programmes has continued to be provided to support staff during the pandemic.
- An Employee Recognition Scheme enables senior managers to recognise outstanding contributions. The scheme also facilitates Museum-wide acknowledgement of successes.
- Staff social groups and events are encouraged, supported and well attended. These have continued to be supported online during the period of the pandemic.

The BM acknowledges its responsibility for, and commitment to, a management policy that ensures matters relating to health and safety for visitors, staff, and contractors receive due priority at all times. A Health and Safety and Fire Safety Consultative Committee usually meets twice a year to support improvements in Health

and Safety performance and the safety culture of the BM, through open communication with employee representatives. Completion of relevant Health and Safety and Fire Safety training is mandatory with progress against targets monitored through the Operating Plan. A sub-group of the British Museum Consultative Committee has continued to operate throughout the period of pandemic. The group has focused on all aspects of the Museum's recovery programme where those relate to staff and including health and safety matters.

The BM Group was grateful to Government for access to the Coronavirus Job Retention Scheme (CJRS) during the first part of the year. A large proportion of the Museum's activity could not happen while the Museum was closed and access to the site restricted, and posts could not be redeployed; staff are employees of the Trustees of the British Museum rather than civil servants, and many roles are specialist in nature. Self-generated income, which usually constitutes over half of the BM's operating income remained low on reopening due to social distancing requirements and limitations on international travel.

In 2021/22, the average number of days lost for sickness and absenteeism was 4.6 days per person, compared with 2.0 in 2020/21.

The pay and grading system is based on job families and market rates. Pension scheme membership is available to British Museum and British Museum Company staff, as described in note 20 to the financial statements.

### *Diversity*

Diversity and inclusion have remained central to much of the Museum's public programme as the Museum builds back from the pandemic. *The Era of Reclamation* series supported by Alejandro and Charlotte Santo Domingo continues, curated by Bonnie Greer and Dr Hartwig Fischer, enabling further conversations around rights, recognition, opportunity, equity, justice, history, and heritage. The Museum's Equality & Diversity Manager has continued to programme a series of online and onsite public events using British Sign Language or Audio Description.

A cross-departmental diversity and equality steering group, chaired by the Head of Learning and National Partnerships, has continued to meet regularly. A series of focus groups were held with staff and volunteers to explore how the Museum engages racial and ethnic minorities in public programming.

### *Volunteers*

Prior to March 2020 – and the onset of the pandemic – the Museum had over 500 volunteers who offered their time freely to support the British Museum in almost every area of activity. However, on-site volunteering was suspended at the Museum on 18 March 2020 as a result of the pandemic and only began gradually again during June 2021, initially with the resumption of out-of-hours tours. With each month subsequently more volunteer-led tours started again, although with reduced public capacity. Some limited departmental volunteering also began to resume. The Hands On programme remained suspended for the whole period covered in this report.

Diversifying the public programme offered by the volunteers remains a priority. Training has continued with volunteers who deliver LGBTQ tours. The LGBTQ tours were highly commended in the Untold Stories category at the Association of Heritage Interpretation Engaging People Awards 2021. A number of LGBTQ tour volunteers contributed new South Asia collection-based research to a British Museum blog post published during January 2022.

Eight volunteer-led Walk-and-talk tours have been run online and onsite in conjunction with Mind in Camden over the last twelve months. These tours were highly commended in the Indoors category at the Association of Heritage Interpretation Engaging People Awards 2021. The Museum has also offered four supported remote and onsite volunteering-placements for adults with Autistic Spectrum Disorder.

The accounts do not provide for any notional costs for the value of these volunteers' services.

### *The Trade Union (Facility Time Publication Requirements) Regulations 2017*

Table 1, Relevant union officials: what was the total number of your employees who were relevant union officials during the relevant period (1 April 2021 – 31 March 2022)?

<b>Number of employees who were relevant union officials during the relevant period</b>	<b>Full-time equivalent employee number</b>
11	11.00

Table 2, Percentage of time spent on facility time: How many of your employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time?

Percentage of time	Number of employees
0%	–
1-50%	10
51-99%	1
100%	–

Table 3, Percentage of pay bill spent on facility time

Total cost of facility time	£25k
Total pay bill	£38m
Percentage of the total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period	0.07%

Table 4, Paid trade union activities: as a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	N/A
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----



## Plans for future periods

The key priorities for the BM in 2022/23 include:

- managing recovery from the COVID-19 crisis, and ensuring that the BM's statutory responsibilities continue to be fulfilled effectively;
- agreeing new long-term plans for the Museum;
- continuing work on a major multi-year programme which will increase access to collections currently stored at Blythe House, through the opening of the new British Museum Archaeological Research Collection in partnership with the University of Reading; and
- delivering major exhibitions, for example *Feminine Power: the divine to the demonic*, which takes a cross-cultural look at the profound influence of female spiritual beings within global religion and faith.

## Fundraising and finance

### Financial sustainability

In the previous year the BM Group saw its income fall substantially due to a 97% fall in visitor numbers, with activity in the trading subsidiaries particularly badly affected. In 2021/22 visitor numbers have recovered gradually. Admissions income and trading income in 2021/22 remained below the pre-COVID-19 level respectively (see DCMS' performance indicators below).

Additional funding was received from DCMS within the year, and the Trustees are very grateful for the support. In addition, the BM Group was able to make savings in discretionary spend and reduce costs associated with commercial trading activity. However, the Museum continues to have unavoidably high fixed costs due to its obligation to care for and secure the Collection. While direct trading costs within the trading subsidiaries could be reduced, many of the obligations such as overheads, pension deficits and estate costs have remained or even increased.

The BM has substantial restricted reserves however these cannot be used for general spend or to mitigate the impacts of the pandemic. See the section below for further details about the reserves policy.

The accounts have been prepared on a going concern basis. Under Section 3 of the British Museum Act 1963, the BM has a statutory responsibility for keeping its collections and making them available for inspection by the public, and the Trustees and Accounting Officer have assumed in making the going concern assessment that sufficient Government funding support will continue to be made available to fulfil this responsibility. Together with Government support, the Museum has adequate remaining reserves, sufficient cash and readily realisable investments, and a history of success in generating income which is expected to continue and recover once visitor numbers return to previous levels. The Trustees are satisfied that the Museum will continue to operate for the foreseeable future, being a minimum of twelve months from when these accounts were approved, and accordingly have applied the going concern basis for preparing its accounts. The Trustees continue to monitor the situation closely.

### Support for the BM

The Museum is immensely grateful to the many donors, sponsors, patrons, and friends whose support underpins all aspects of its work. Philanthropy and sponsorship from individuals, companies, trusts and foundations broaden what the Museum is able to accomplish, and the ongoing commitment of private supporters continued to be a great source of encouragement in 2021/22 through the pandemic and the recovery period.

The British Museum Trustees have agreed a strategy which aims to increase the net contribution from fundraising sustainably over the long-term. No agents are used for fundraising. Museum staff involved in fundraising are subject to the BM Code of Conduct. The Trustees have agreed fundraising principles and receive progress reports quarterly in the BM's management accounts. The BM has a number of feedback channels and responds to questions from its supporters and visitors. The British Museum pays the annual levy to the fundraising regulator and works according to the fundraising promise.

Donations and legacies of £13.5 million were received during the year (£39.0 million in 2020/21), including donations and legacies received from individuals, trusts and foundations and gifts in kind. Two large individual gifts accounted for the higher level in the previous year. A further £8.2 million (£3.1 million in 2020/21) was received from other trading activities and £19.8 million (£15.8 million in 2020/21) from charitable activities.

The BM's total expenditure for the year was £79.8 million (£76.6 million in 2020/21). Expenditure on raising donations and legacies was £2.0 million (£1.6 million in 2020/21) and expenditure on other trading activities was £5.9 million (£3.7 million in 2020/21). Expenditure on charitable activities was £71.5 million (£71.0 million in 2020/21).

### Grant-in-Aid

The British Museum received £51.5 million revenue and £15.1 million capital grant-in-aid from DCMS in 2021/22 (£51.8 million and £13.6 million in 2020/21), including emergency support in response to the COVID-19 pandemic and funding for essential work on the Bloomsbury site and, in 2020/21, support for the Iraq Emergency Heritage Management Training Scheme.

### Capital expenditure

Capital expenditure, mainly on plant, building fabric, gallery refurbishments and software, amounted to £25.3 million, compared with £25.6 million in 2020/21. Significant capital additions during the year included work on technical security; life and fire safety; mechanical and electrical infrastructure; building fabric and structural works; and the construction of the BM Archaeological Research Collection. A further £0.8 million was spent on acquiring heritage assets (£0.5 million in 2020/21), with donated heritage assets during the year of £0.6 million (£3.6 million in 2020/21).

### Grants

The British Museum Group made grants totalling £1.9 million during the financial year (£1.3 million in 2020/21). This includes grants of £0.9 million (£0.9 million in 2020/21) to support the work of find liaison officers throughout the UK working on the Portable Antiquities Scheme, the only proactive mechanism in England and Wales for recording archaeological finds made by the public.

### Reserves

At 31 March 2022 the BM's reserves were as follows:

	£m
Collection items acquired since 31 March 2001	110
Museum land, buildings, plant and equipment	873
Permanent endowment	24
Expendable endowment	23
Restricted funds	74
Restricted investment estate	25
Designated funds	15
Unrestricted funds	9
Unrestricted funds: subsidiaries	19
	1,172

The collection items and the fixed assets are fully employed in the operation of the BM and are not available for any other purposes.

The permanent endowment funds are restricted funds where the Trustees do not have the power to convert the capital to income. Expendable endowment funds are donations that have been given to a charity to be held as capital, where the trustees do have a discretionary power to use the funds as income.

The investment properties reserve represents freehold properties owned with restrictions but not occupied by the BM.

The restricted funds represent disposal proceeds and donations over which there are specific conditions or legal restrictions relating to their application. Note 16 to the accounts summarises the value and purposes of the BM's principal restricted funds.

#### *Designations*

Note 16 to the accounts sets out the Trustees' designation of funds, including the quantity, and purpose of expenditure from the funds.

Issues arising from Brexit and the pandemic, including supply chain and labour market pressures, have led to delays across the BM's programmes, with many activities deferred or delayed. During the year, the Trustees agreed to designate unspent self-generated income to allow delivery of activities that have been postponed or delayed since the start of the pandemic, subject to retention of sufficient undesignated reserves to comply with the reserves policy below and to Departmental Expenditure Limit budgetary restrictions. The balance on the designated fund at 31 March 2022 was £15 million (nil in 2020/21). It is anticipated that these funds will be spent or released over the next five years, but this will be kept under review.

#### *Reserves policy*

In recent years the reserves policy for the Museum has been to hold unrestricted and undesignated reserves equivalent to between one and three months' group expenditure in order to ensure financial stability and act as a safeguard against volatile and unpredictable income streams and unforeseen expenditure or liabilities. During 2020/21 some use of this reserves balance was required as a result of the COVID-19 pandemic, and the Trustees therefore agreed a reduced minimum reserve of £8.5 million.

During 2021/22, the Trustees agreed to revert to the pre-pandemic reserves policy of holding unrestricted and undesignated reserves equivalent to between one and three months' pre-pandemic group expenditure. Based on 2019/20 group expenditure, this would be a range of £9 million – £27 million. The balance at 31 March 2022 was £9 million.

#### *Monitoring levels of reserves*

The Standing Committee monitors the levels of reserves at the BM on a quarterly basis as part of their review of the Management Accounts.

During the year, the total level of reserves was affected by the upward revaluation of the BM's tangible fixed assets of £27.7 million (downward revaluation of £9.7 million in 2020/21), gains on investments of £9.1 million (gain of £6.2 million in 2020/21) and gain on the defined benefit pension scheme of £2.3 million (loss of £1.0 million in 2020/21).

#### *Maintaining reserves*

The Operating Plan and Budget ensure adequate levels of reserves are maintained.

#### *Reviewing the reserves policy*

The Board of Trustees reviews the reserves policy when circumstances change and at least annually.

### Investments and financial risks

The Trustees manage the BM's endowment, restricted and general funds as three separate portfolios. The Investment Sub-committee (ISC) considers the level of risk appropriate for each portfolio, together with future cash flows, and sets objectives as part of the investment policy:

- General portfolio: the total return on the general minimum reserves required under the reserves policy should be maximised, within the constraints of a low risk investment portfolio and high liquidity requirement. The total return on funds in excess of these requirements should be maximised, within the constraints of a medium to low risk investment portfolio.
- Restricted portfolio: funds must be able to deliver specific purposes. Total return should therefore be maximised within the constraint that capital value should, as far as possible, be preserved.

- Endowment portfolio: the objective is to maximise the total return on the funds within the constraints of the requirement to maintain funds to meet the needs of future beneficiaries.

The financial risks relating to investments are managed by:

- setting a clear risk tolerance as part of the investment policy;
- reviewing liquidity levels; and
- monitoring investment performance of individual holdings against agreed and relevant benchmarks on a quarterly basis.

The Investment Sub-Committee (ISC) has appointed Newton Investment Management to manage funds within the endowment portfolio and the longer-term funds in the general portfolio in accordance with the agreed investment policy. Other funds in the general portfolio and the restricted portfolio were held in cash deposits in accordance with the agreed investment policy. £9.3m fixed asset investments within the subsidiaries was also held in cash deposits. Apart from certain legacy holdings in unlisted equity and investment funds (£10k general portfolio and £1.5 million endowment and restricted portfolios) and one directly held shareholding (£2.3 million endowment portfolio), all funds were invested during the year in UK investment funds.

The endowment and general investments held in Newton funds delivered a return of +12.6% across the full financial year, outperforming the benchmark of +9.0%. Overall, the Trustees remain satisfied with the performance of the fund managers in a difficult environment.

During the year interest, dividends and rent of £0.8 million (2020/21: £0.5 million) were received and net realised and unrealised gains were made on investments of £9.1 million (2020/21: gain of £11.1 million), together with a £3k gain (2020/21: £5.0 million loss) on the revaluation of the investment properties.

#### *Permanent endowments*

On 2 July 2015, the Trustees resolved to adopt a total return approach to the investment of the permanent endowments under powers included in section 104A-B Charities Act 2011. Under a total return approach to investment, an endowment has two distinct components:

- the value of the original and any subsequent gifts made to the capital of the endowment which is termed the 'trust for investment'; and
- the 'unapplied total return' which represents the accumulated investment returns from the investment of the endowment less any amounts which have been allocated to income for spending.

The initial values of the trust for investment and the unapplied total return were based on the value of the funds as at 31 March 2015. Historic paperwork was reviewed in order to determine the value of original and subsequent gifts; in some instances and in line with Charity Commission guidance, only a reasonable estimate was possible because of the limited information available for some of the older funds dating back to, for example, the eighteenth century.

On the recommendation of the ISC, the Trustees have approved an investment policy which aims to maximise the total return on the endowment funds within the constraints of the requirement to maintain funds to meet the needs of future beneficiaries.

The Trustees then determined how much of the 'unapplied total return' is released for spending and how much is retained for investment as a component of the endowment. This allocation must be made equitably to balance the need for income to meet current requirements and to hold funds as part of the endowment to produce investment returns for the future. The Trustees agreed a spending rate of 3.3% of a five-year moving average total fund value, designed in order to provide for as much spending as possible without depleting the fund's real value. This represents the BM's best estimate of the long-term real rate of return on endowment investments and is reviewed regularly.

In determining this spending rate, the Trustees were advised by the BM's investment manager, Newton Investment Management, and by the BM's Investment Sub-Committee.

#### *Expendable endowments*

Expendable endowment funds are donations that have been given to a charity to be held as capital, where the trustees do have a discretionary power to use the funds as income. The Trustees may, therefore, decide to spend the full value of the fund.

The expendable endowments are invested as part of the endowment portfolio with expenditure determined on a case by case basis in order to deliver the funds' charitable objects.

Further information on the BM's financial risk management, including quantitative disclosures, is included in note 23 to the accounts.

## Public benefit, sustainability, social and community issues

### Public benefit

The British Museum today continues its tradition of responsibility to the public. It first opened its doors to the public on 15 January 1759. The British Museum Act six years earlier had ensured that the founding collection of Sir Hans Sloane – over 71,000 objects, as well as his library and herbarium – would be ‘preserved and maintained, not only for the Inspection and Entertainment of the learned and the curious, but for the general Use and Benefit of the Public’. A building was found, Montagu House on Great Russell Street, and the Sloane collection gradually moved in under the supervision of the ‘Officers of the House’ and the Board of Trustees.

The stewardship of the Trustees has been an essential ingredient in making the BM the cosmopolitan institution it is. Supported by the government, but at one remove from it, the Board ensured that the BM was neither an arm of state nor a royal prerogative (as in other countries) but a genuinely public museum – the world’s first encyclopaedic museum on such a scale. The number and variety of Trustees from that earliest group in the 1750s have always ensured that the institution has been governed by a plurality of opinions and ideas.

Access to the greatest achievements of humanity was made free to all, and what was once the preserve of privilege became the right of everyone. Annual visitors grew; a few thousand in the 18th century; there were nearly 300,000 a year by the mid-1830s; 5.9 million visited in 2019/20, prior to the COVID-19 pandemic.

The BM is a world collection for the world – for experts and the general public, for anyone who chooses to enter its doors. And those doors are not merely a gateway in Bloomsbury. Beyond the BM’s popularity in London, many people across the UK see BM artefacts outside of London, and it is accessed online by millions of visitors annually. Their presence increasingly redefines the BM today as an international online space where records of four and a half million objects can be freely seen and downloaded by anyone at any time. The collection is also taken across the UK and the globe.

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 Charities Commission in defining the strategic direction of the BM.

### Estates management

All the BM’s departments are based on its main site at Bloomsbury. Two buildings in Hoxton, London provide additional workshops and storage. Textiles and archaeological and general materials are stored at Blythe House, a property in Hammersmith, London shared with the Science Museum and the Victoria and Albert Museum. Additional off-site storage is leased in Wiltshire to house unregistered material that requires relatively infrequent access. A new storage and research facility, the BM\_ARC, is under construction near Reading.

Pre-pandemic visitor numbers at Bloomsbury are a measure of the BM’s enormous success, but they create severe points of congestion and put a strain on the building. Over the coming years significant investment in the BM estate is required to maintain appropriate conditions for the collection, improve public access and accommodate the growing number of visitors, and ensure long-term sustainability.

2021/22 continued to see delays arising from the pandemic, as well as supply chain and labour market pressures. However, the BM was able to make progress in a number of these areas. Thanks to very welcome funding from Government, essential work on the Museum’s White Wing was undertaken, including an investment in fire detection, replacing life-expired critical electrical and mechanical infrastructure and urgent fabric repairs. Major improvements were also undertaken across the estate to essential plant, infrastructure, internal stores, departmental libraries and other spaces.

### Sustainability report

The BM recognises that its activities impact on society and the environment at local, regional and global levels through the resources it consumes, the waste it produces, the travel and work patterns it encourages amongst its staff and the products it buys.

The following figures reflect the BM’s best estimates of its impact. Despite being closed for portions of the year as a result of the pandemic, heating and key plant remained operational to maintain environmental conditions, and energy and finite resource consumption across the estate has therefore remained significant. The Museum

normally presents a normalised metric for each of the main data points below based on visitor numbers. As with the prior year and because of the abnormally low visitor numbers in the current year, we believe that such figures would not contribute to understanding of the data and so they have been omitted.

<b>Greenhouse gas emissions</b>		<b>2021/22</b>	<b>2020/21</b>	<b>2019/20</b>	<b>2018/19</b>
Non-financial indicators (tonnes CO <sub>2</sub> e)	Scope 1: Gas, gas oil and owned vehicles	2,660	2,647	2,723	2,353
	Scope 2: Electricity	3,074	2,956	4,052	4,313
	Scope 3: Electricity transmission and distribution	272	254	344	368
	Scope 3: Official business travel, domestic	21	4	45	46
	Scope 3: Official business travel, overseas flights	183	n/a	n/a	n/a
	Total emissions	6,210	5,861	7,164	7,080
	Emission per million visitors	n/a	n/a	1,214	1,180
Energy consumption (thousand kWh)	Scope 1: Gas	13,806	13,752	14,241	12,012
	Scope 2: Electricity	14,476	12,681	15,851	15,238
	Total gas & electricity consumption	28,282	26,433	30,092	27,250
	Consumption per million visitors	n/a	n/a	5,100	4,542
Financial indicators (£ million)	Total energy cost	2.1	1.8	2.0	2.2
	Energy cost per million visitors	n/a	n/a	0.3	0.4
	Cost of official business travel, domestic	0.06	0.02	0.2	0.2
	Cost of official business travel, overseas flights	0.10	n/a	n/a	n/a
	Cost of official business travel per million visitors	n/a	n/a	0.03	0.02

Gas consumption in the year remained relatively isolated from the impact of closures as the requirement for winter heating to maintain the temperature for collection storage did not change.

Electricity consumption has increased by 14% compared to the prior year, reflecting increases in activities after the period of lockdowns. The resulting movement in carbon emissions has been partially offset by a 9% decrease in the carbon intensity of the national grid.

Business travel restarted during the year but remains at a low level compared to pre-pandemic periods. Disclosure of scope 3 emissions, and related costs, arising from overseas flights taken on official business is a new requirement for the year to 2021/22 and comparative information is not available.

<b>Waste minimisation and management</b>		<b>2021/22</b>	<b>2020/21</b>	<b>2019/20</b>	<b>2018/19</b>
Non-financial indicators (tonnes)	Waste sent to landfill	Nil	Nil	Nil	Nil
	Waste recycled/reused	91	7	190	279
	ICT waste recycled, reused and recovered (externally)	1	n/a	n/a	n/a
	Waste composted	1	Nil	13	Nil
	Waste incinerated with energy recovery	192	70	376	386
	Total waste arising	285	77	579	665
	Waste per million visitors	n/a	n/a	98	111
Financial indicators (£k)	Waste sent to landfill	Nil	Nil	Nil	Nil
	Waste recycled/reused	11	-	35	57
	ICT waste recycled, reused and recovered (externally)	-2	n/a	n/a	n/a
	Waste composted	1	Nil	5	n/a
	Waste incinerated with energy recovery	59	19	90	68
	Total disposal cost	69	19	130	125
	Cost per million visitors	n/a	n/a	22	21

Waste production on site has increased throughout the year with increasing levels of activity, the rate of rebound varies across streams. Composting in particular remains low as restaurants reopened later in the year. The overall recycling rate is returning to pre-pandemic levels.

ICT waste is a new required reporting stream in the current year, prior year comparatives are not available. An income was realised from this waste stream as surplus ICT assets were sold for reuse or recycling.

<b>Finite resource consumption</b>		<b>2021/22</b>	<b>2020/21</b>	<b>2019/20</b>	<b>2018/19</b>
Non-financial indicators ('000 m <sup>3</sup> )	Total water consumption	95	93	116	109
	Consumption per million visitors	n/a	n/a	20	18
Financial indicators (£k)	Total water cost	231	217	293	210
	Cost per million visitors	n/a	n/a	50	35

Water consumption has risen slightly in the year as footfall has increased. The regular flushing regime for the cold and hot water systems that was maintained during 20/21 to prevent the build-up of contaminants was continued as necessary during periods of closure.

### **Biodiversity action planning**

Construction on the BM\_ARC site has made good progress during the year. Features to promote biodiversity such as swales for the management of roof water run-off and security fencing designed to reduce the disruption to movements of local badger populations have been successfully created. The contractor continues to take all necessary steps to protect St John's Copse, an area of protected ancient woodland adjacent to the site, from disturbance during the construction.

### **Sustainable procurement**

The BM policy on Sustainable Development states that the procurement of goods and services which have the least environmental impact in terms of their production, delivery, installation, use and disposal will be considered wherever practical and appropriate. Contractors and suppliers are encouraged to develop environmentally preferable goods and services and to be aware of sustainability issues and comply with statutory legislation.



Notes:

1. This report has been prepared in accordance with guidelines laid down by HM Treasury published at <https://www.gov.uk/government/collections/public-sector-annual-reports-sustainability-reporting-guidance>.
2. The data relate to consumption on the main Museum site in Bloomsbury, its perimeter properties, and at off-site workshops and storage in Hoxton, Hammersmith and Wiltshire. Data relating to the BM\_ARC will be included from the point at which it is handed over by the contractor.
3. Emissions accounting include the following emission streams:
  - a. Scope 1 reflects direct emissions, and only includes fuels combustion, for which Defra conversion factors have been used. The data are based on consumption figures provided by energy suppliers through online portals or invoice information. Emissions from physical or chemical processing and fugitive emissions have not been included; robust estimates are not possible at this point, but the BM does not consider the values to be material.
  - b. Scope 2 reflects indirect emissions and includes purchased electricity. The British Museum does not have any purchased heat, steam and cooling. The data are based on the invoices received from energy suppliers and their online portals.
  - c. Scope 3 electricity transmission and distribution emissions are calculated based on the energy consumption data provided by electricity suppliers using Defra conversion factors.
  - d. Scope 3 emissions relate to official business travel directly paid for by the BM. They are estimated on the basis of information from the BM's major suppliers and analysis of spend data using the Defra conversion factors for the relevant modes of travel. International travel by air is included for the first time in the current year in response to revised reporting guidance.
4. Waste data are based on information from the facility services provider, who is responsible within the contract for disposal of all site waste, with the exceptions listed below. ICT waste data is based on analysis of asset lists auctioned for re-use or collected for recycling. The figure provided does not include construction waste, refurbishment programmes or hazardous waste i.e. chemical or laboratory wastes. Reporting of operational construction waste is not a minimum requirement as laid out in the Public Sector Sustainability guidelines.

## Suppliers

The BM aims to settle bills within 30 days or by the due date. In 2021/22 it paid 85% of all invoices within the target (86% in 2020/21).

## Activity under immunity from seizure

On 12 June 2008 the Secretary of State granted the British Museum “approved status” under Part 6 Tribunals, Courts and Enforcement Act 2007 entitling it to confer protection from judicial seizure on objects loaned from abroad for temporary public exhibitions, provided the conditions set out in section 134 of the Act are met when the objects are brought into the UK.

During the 2021/22 financial year, the British Museum has granted protection under Part 6 Tribunals, Courts and Enforcement Act 2007 to objects brought into the UK for the following exhibitions:

<i>Becket: murder and the making of a saint</i> 20 May – 22 August 2021	2 objects
<i>Nero: man behind the myth</i> 27 May – 24 October 2021	82 objects
<i>Peru: a journey in time</i> 11 November 2021 – 20 February 2022	48 objects
<i>The world of Stonehenge</i> 17 February – 17 July 2022	138 objects

A wide variety of objects have been protected, including archaeological material comprising stone, glass, and metals such as iron, bronze and gold; ethnographic material comprising of pottery, textiles, as well as sculpture and paintings. These have been drawn from public institutions and private collections.

The due diligence process has been conducted by exhibition curators. In most cases, the objects borrowed were previously published, and establishing provenance presented few difficulties.

In the case of unpublished objects, lending institutions and individuals were asked to provide information about the circumstances in which objects were acquired or excavated, and where appropriate, copies of export licences were requested. Searches were made on the Art Loss Register where provenance history appeared incomplete (including during the period 1933-45 or where objects were excavated after 1970).

During the period from 1 April 2021 to 31 March 2022 the British Museum received no requests for information from potential claimants pursuant to article 7 of the Protection of Cultural Objects on Loan (Publication and Provision of Information) Regulations 2008.

## Reference and administrative details

### The Board of Trustees<sup>2</sup>

<b>Trustees</b>	<b>Attended / Meetings Held</b>	<b>Trustees</b>	<b>Attended / Meetings Held</b>
Sir Richard Lambert (Chair) (C) (Retired 3 October 2021)	2/2	Dame Vivian Hunt DBE (A)	5/5
George Osborne CH (Chair) (C) (Appointed 1 September 2021, Chair from 4 October 2021)	3/3	Lord Marland of Odstock (A) (Appointed 1 December 2021)	2/2
Ms Muriel Gray FRSE (Deputy Chair) (A)	5/5	Sir Deryck Maughan (A) (Retired 26 September 2021)	1/2
Lord Sassoon (Deputy Chair) (A) (Retired 26 September 2021)	2/2	Sir Charlie Mayfield (A)	5/5
Baroness Shafik DBE (Deputy Chair) (A)	5/5	Mr Mark Pears CBE (C)	5/5
Professor Abhijit Banerjee (B) (Appointed 23 September 2021)	2/3	Mr Grayson Perry CBE, RA (G)	3/5
Professor Dame Mary Beard DBE, FSA, FBA (C)	5/5	Sir Paul Ruddock FSA (A)	5/5
Ms Cheryl Carolus (B) (Retired 19 June 2021)	0/0	Ms Priyanka Wadhawan (A) (Appointed 1 December 2021)	2/2
Dame Elizabeth Corley DBE (A)	3/5	Professor Sir Mark Walport FRCP, FRS, FMedSci, HonFRSE (F)	5/5
Miss Patricia Cumper MBE (A) (Retired 26 September 2021)	0/2	Mr George Weston (A)	5/5
Ms Clarissa Farr (A)	5/5	Professor Dame Sarah Worthington DBE, QC (Hon), FBA (D)	4/5
Professor Chris Gosden FBA (E)	5/5		
Mr Philipp Hildebrand (A)	5/5		

(A) 15 Trustees are appointed by the Prime Minister.

The remaining Trustees are appointed by:

- (B) the Sovereign;
- (C) the Board of Trustees; or
  - the Secretary of State on the nomination of:
    - (D) the British Academy
    - (E) the Society of Antiquaries of London
    - (F) the Royal Society
    - (G) the Royal Academy

A register of interests is maintained by the Governance Manager and is available on application to the Governance Manager. Details of related party transactions are disclosed in note 18 to the accounts.

<sup>2</sup> The fractions reflect attendance at meetings each Trustee was eligible to attend during the year.

## Board committees and membership

**Standing Committee**

Sir Richard Lambert (Chair) (To 3 October 2021)	3/3
George Osborne CH (Chair) (From 1 September 2021, Chair from 4 October 2021)	4/4
Dame Elizabeth Corley DBE	3/6
Professor Chris Gosden FBA	6/6
Ms Muriel Gray FRSE	6/6
Sir Charlie Mayfield	3/3
Sir Paul Ruddock FSA	5/6
Lord Sassoon (To 26 September 2021)	3/3
Baroness Shafik DBE	4/6
Professor Sir Mark Walport FRCP, FRS, FMedSci, HonFRSE	5/6

**Audit Committee**

Dame Vivian Hunt DBE (Chair)	3/4
Professor Chris Gosden FBA (From 12 October 2021)	2/3
Mr Philipp Hildebrand	4/4
Mr George Weston	4/4
Mr Hywel Ball (Co-opted)	2/4
The Hon Sir Nigel Boardman (Co-opted)	4/4
Sir Ian Johnston (Co-opted)	4/4

**Investment Sub-committee**

Dame Elizabeth Corley DBE (Chair)	2/2
Mr Philipp Hildebrand (From 18 June 2021)	1/1
Sir Paul Ruddock FSA	0/2
Lord Sassoon (To 26 September 2021)	1/1
Mr Stephen Fitzgerald (Co-opted)	2/2

**Nominations and Remuneration Committee**

Baroness Shafik DBE(Chair)	4/4
Ms Clarissa Farr	4/4
Ms Muriel Gray FRSE	2/4
Sir Richard Lambert (To 3 October 2021)	2/2
George Osborne CH (From 1 September 2021)	3/3
Lord Sassoon (To 26 September 2021)	2/2
Professor Dame Sarah Worthington DBE, QC (Hon), FBA	4/4

**Research Committee**

Professor Chris Gosden FBA (Chair)	3/3
Professor Dame Mary Beard DBE, FSA, FBA	3/3
Professor Sir Mark Walport FRCP, FRS, FMedSci, HonFRSE	2/3
Professor Dame Sarah Worthington DBE, QC (Hon), FBA	3/3
Doctor Valerie Johnson (Co-opted)	2/3
Professor Rana Mitter (Co-opted)	3/3
Professor Olivette Otele (Co-opted)	2/3
Professor Andrew Thompson (Co-opted)	3/3

**Rosetta Project Committee**

Sir Charlie Mayfield (Chair) (Chair from 27 September 2021)	5/5
Lord Sassoon (Chair) (To 26 September 2021)	2/2
Sir Deryck Maughan (To 26 September 2021)	1/2
Mr Mark Pears	5/5
Professor Sir Mark Walport FRCP, FRS, FMedSci, HonFRSE (Appointed 26 November 2021)	2/2
Sir George Iacobescu (Co-opted)	3/5
Mr Steve McGuckin (Co-opted)	2/5
Mr David Whittleton (Co-opted)	5/5

## Trustee membership of related Councils and Boards

### **British Museum Friends Advisory Council**

Ms Clarissa Farr (Chair)

### **The American Friends of the British Museum**

Sir Deryck Maughan  
(To 26 September 2021)

George Osborne CH (ex officio director)  
(From 4 October 2021)

Sir Richard Lambert (ex officio director)  
(To 3 October 2021)

The Director is also a director of The American Friends of the British Museum (ex officio director).

## Official addresses as at 31 March 2022

Principal address:	The British Museum, Great Russell Street, London WC1B 3DG
The British Museum Great Court Limited:	The British Museum, Great Russell Street, London WC1B 3DG
The British Museum Company Limited:	The British Museum, Great Russell Street, London WC1B 3DG
Auditors:	
The Museum and the group	The Comptroller and Auditor General, National Audit Office, 157-197 Buckingham Palace Road, Victoria, London SW1W 9SP
The British Museum Company Limited, The British Museum Great Court Limited	Grant Thornton UK LLP, 30 Finsbury Square, London EC2A 1AG
The British Museum Friends Limited	Moore Kingston Smith LLP, Devonshire House, 60 Goswell Road, London EC1M 7AD
Bankers:	National Westminster Bank Plc, 214 High Holborn, London WC1V 7BX
Solicitor:	In-house legal services, The British Museum
Investment advisers:	Newton Investment Management Limited, 160 Queen Victoria Street, London EC4V 4LA

## DCMS' performance indicators

The BM's Management Agreement with DCMS includes a requirement to report on a number of performance indicators in place since 2008/09 to facilitate consistent reporting across national museums and galleries.

	2021/22	2020/21	2019/20	2018/19	2017/18
Number of visits to the Museum (excluding virtual visits)	2.0m <sup>3</sup>	160k <sup>4</sup>	5.9m <sup>5</sup>	6.0m	5.8m
Number of unique website visits <sup>6</sup>	34.2m	33.5m <sup>7</sup>	33.9m	33.6m	37.5m
Number of visits by children under 16	390k	45k	862k	988k	888k
Number of overseas visitors	0.3m	3k	3.8m	3.4m <sup>8</sup>	3.7m
Number of facilitated and self-directed visits to the Museum by children under 18 in formal education	9k	Nil <sup>9</sup>	301k	301k	323k
Number of instances of children under 18 participating in on-site organised activities	48k	10k	118k	118k	127k
% of visitors who would recommend a visit	97%	90% <sup>10</sup>	99% <sup>11</sup>	96%	96%
Admissions income	£2.8m	£0.3m	£4.3m	£2.0m	£2.2m
Trading income <sup>12</sup>	£6.2m	-£0.3m	£8.7m	£7.6m	£7.8m
Fundraising <sup>13</sup>	£17.2m	£40.4m	£23.7m	£22.8m	£23.3m
Number of UK loan venues <sup>14</sup>	132	112 <sup>15</sup>	195	147	165

<sup>3</sup> Due to the COVID-19 pandemic, the BM was open for 316 days out of its normal 362 opening days in 2021/22, with some limited capacity.

<sup>4</sup> The reduction in visits was due to the COVID-19 pandemic. The Museum was open for 78 days in 2020/21, with limited capacity.

<sup>5</sup> The Museum closed to the public from 18 March 2020 due to the COVID-19 pandemic.

<sup>6</sup> This includes visits (sessions) to all BM websites.

<sup>7</sup> The decrease in number of unique website visits is accounted for by a change in methodology. Under the previous methodology the number of unique website visits in 2020/21 would have been 36.8 million.

<sup>8</sup> The figure for 2018/19 has been amended from 3.8 million previously reported following discovery of a data analysis error.

<sup>9</sup> The figure for 2020/21 has been amended from 18k previously reported owing to discovery of an error in the reporting methodology.

<sup>10</sup> The figure for 2020/21 has been affected by a very small data set due to the impact of COVID-19.

<sup>11</sup> The figure for 2019/20 has been amended from 92% previously reported to ensure consistency of approach with the wider sector.

<sup>12</sup> Defined by DCMS as net profit from activities which involve selling a product or service to a customer, and including international touring exhibitions, consultancy and retail. The decrease in 2020/21 was due to the impact of COVID-19.

<sup>13</sup> Defined by DCMS as activities which involve seeking financial support, e.g. from sponsors, private benefactors, charitable trusts. The figure here excludes donations in kind.

<sup>14</sup> In line with DCMS guidance, the figures here include venues to which the BM has loaned more than once in the year as multiple instances. The figure quoted above in the *Audiences and Engagement* section reflects the number of unique loan venues.

<sup>15</sup> The reduction in loan venues was due to the COVID-19 pandemic. Loans to 176 venues were scheduled originally for 2020/21. The figure for 2020/21 has been amended from 117 previously reported owing to discovery of an error in the reporting methodology.

## Remuneration Report

The BM has prepared this Remuneration Report in accordance with the *Government Financial Reporting Manual*, which requires disclosure of information about directors' remuneration, where 'directors' is interpreted to mean those who influence the decisions of the BM as a whole. In the BM's opinion this means the Trustees and the Director, Hartwig Fischer. As an additional disclosure, the remuneration of the Deputy Director with oversight responsibility for Finance and HR is also presented below (Christopher Yates).

The Chair and Board of Trustees neither received nor waived any remuneration for their services during the year (2020/21: £nil). Further details about the Trustees are included within the Governance Statement.

### *Remuneration policy*

The Chair assesses the performance of the Director each year. The Nominations and Remuneration Committee makes recommendations to the Board on the Director's remuneration, including the value of any bonus. Under his contract, Hartwig Fischer is entitled to receive an annual bonus of up to 15% of annual gross salary, entirely at the discretion of the Trustees. The timing of the appraisal process is such that the bonus reported in these accounts for 2021/22 relates to performance in 2020/21. In view of the difficult situation resulting from COVID-19, Hartwig Fischer asked not to be considered for a bonus with respect to the years 2019/20 and 2020/21, and took a pay cut in 2020/21.

### *Service contracts*

The officials covered by this report all have open-ended appointments. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. Hartwig Fischer and Christopher Yates are members of the Civil Service pension scheme. Further details about the Civil Service pension arrangements can be found at note 20 and on the website <http://www.civilservice.gov.uk/pensions>

### *Remuneration (salary, benefits in kind and pensions)*

Single total figure of remuneration										
	Salary (£'000) <sup>16</sup>		Bonus payments (£'000) <sup>17</sup>		Benefits in kind (to nearest £100) <sup>18</sup>		Pension benefits (to nearest £1000) <sup>19</sup>		Total (£'000)	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Hartwig Fischer Director	195-200	190-195	–	–	1,200	1,200	77,000	73,000	275-280	260-265
Christopher Yates Deputy Director	145-150	145-150	–	–	–	–	35,000	69,000	180-185	215-220

<sup>16</sup> Salary comprises gross salary payable during the year.

<sup>17</sup> Under his contract, Hartwig Fischer is entitled to receive an annual bonus of up to 15% of annual gross salary, entirely at the discretion of the Trustees.

<sup>18</sup> The monetary value of benefits in kind covers any benefits provided by the BM and treated by HM Revenue and Customs as a taxable emolument. From 7 November 2016, Hartwig Fischer received living accommodation provided at public expense and chargeable to tax under s163 of the Income and Corporation Taxes Act 1988.

<sup>19</sup> The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

## Pay multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid employee in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce. The banded remuneration of the highest-paid employee at the reporting period end date was £195-200k (2020/21: £190-195k). This was 7.1 times the median remuneration of the workforce (2020/21: 6.4 times) at the reporting period end date, which was £28.1k (2020/21: £30.0k). It was 5.5 times the upper quartile remuneration and 8.6 times the lower quartile remuneration.

The BM complies as appropriate with the Civil Service pay guidance, as modified by the Museum Freedoms. Remuneration for the workforce at the reporting end date, including fees paid, agency staff, apprentices and excluding the highest-paid employee, ranged from £17k to £148k (2020/21: £17k – £148k). Total remuneration includes salary, performance related pay, and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The percentage change in the remuneration of the highest paid employee was +4.84% however this reflects payment during the year of a back-dated salary award for the previous year. The percentage change in the remuneration of the mean average employee was -2.35%. This does not reflect cuts in salary but rather changes in the staff mix.

## Pension Benefits

	Accrued pension at pension age <sup>20</sup> as at 31/3/22 and related lump sum	Real increase in pension and related lump sum at pension age	CETV <sup>21</sup> at 31/3/22	CETV at 31/3/21	Real increase in CETV <sup>22</sup>
	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Hartwig Fischer Director	25-30	2.5 – 5	396	321	51
Christopher Yates Deputy Director	55 – 60 plus a lump sum of 95 – 100	0 – 2.5 plus a lump sum of 0	948	883	12

The figures in the remuneration report have been audited.

Hartwig Fischer  
Accounting Officer  
12 July 2022

George Osborne CH  
Chair

<sup>20</sup> The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

<sup>21</sup> A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

<sup>22</sup> This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



## Statement of Trustees' and Accounting Officer's responsibilities

Under Section 9 (4) and (5) of the Museum and Galleries Act 1992, the Secretary of State for Digital, Culture, Media and Sport with the consent of the Treasury has directed the Trustees of the British Museum to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the British Museum and of its net resource outturn, application of resources, changes in funds and cash flows for the financial year.

In preparing the BM's accounts, the Trustees and Accounting Officer are required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards and statements of recommended practice have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the BM will continue in operation.

Hartwig Fischer is the Accounting Officer designated by the Accounting Officer of the Department for Digital, Culture, Media and Sport.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the British Museum's assets, are set out in *Managing Public Money* issued by the HM Treasury.

The Accounting Officer confirms that he has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the British Museum's auditors are aware of that information. He confirms that as far as he is aware there is no relevant audit information of which the British Museum's auditors are unaware.

The Accounting Officer confirms that the Annual Report and Accounts as a whole is fair, balanced and understandable, and that he takes personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

*Hartwig Fischer*  
Accounting Officer  
12 July 2022

*George Osborne CH*  
Chair

## Governance statement

The governing body of the BM is the Board of Trustees whose members are appointed for fixed terms of service. They are non-executive and unpaid. Under the terms of the British Museum Act 1963, the Board may consist of up to 25 members, of whom 15 are appointed by the Prime Minister; one by the Sovereign; four by the Secretary of State on the nomination of the Royal Academy, the British Academy, the Society of Antiquaries of London and the Royal Society respectively; and five by the Board of the British Museum. The Chair is appointed by the Board from its members. The names of Trustees serving during the year are listed in the 'Reference and administrative details' section.

The British Museum's governance framework is set out in its *Governance Principles and Procedures* which is published on the website. The BM follows governance best practice for public service and charitable bodies, such as the Charity Governance Code. Insofar as it applies, the BM complies with the principles of the *Corporate Governance in Central Government Departments: Code of Good Practice 2017*.

The induction of new Trustees is primarily through a programme of department visits and meetings with the Director, Deputy Directors, and members of the senior management team. An introductory pack of key documents and publications including the Governance Principles and Procedures, the BM Strategy and Operating Plan, the Annual Report and Accounts, and the organisation chart is provided. Induction programmes and training are further tailored to the individual needs, interests and responsibilities of the Trustee. A programme of training and briefing sessions is available to all Trustees throughout their term of appointment. Induction is also provided for co-opted members of Trustee committees.

A register of interests is maintained for Trustees, co-opted committee members and senior staff and is available for public inspection on request; this is formally reviewed once a year. Trustees and co-opted members are required to declare any conflicts or potential conflicts of interest at Board and committee meetings, and these are recorded in the minutes. Depending on the nature of the conflict or potential conflict, the Chair may require a Trustee or co-opted member to either leave the meeting, or not take part in a discussion or decision on a particular issue. During the year, a Trustee and two co-opted members declared potential conflicts of interest at Rosetta Project Committee meetings.

No Trustees, or the Director, held any significant interests during the year which would conflict with their management responsibilities for the Museum.

<b>Board/ Committee</b>	<b>Hierarchy</b>	<b>Remit</b>
Board of Trustees	Board	To discharge statutory duties under the British Museum Act 1963 and Museums and Galleries Act 1992 for the general management and control of the BM. The Board appoints the Director with the approval of the Prime Minister, defines the strategic direction of the BM, and approves its execution in an operating plan drawn up in consultation with the Director.
Standing Committee	Board Committee	To discharge the functions of the Board between quarterly Board meetings, including monitoring achievement of the operating plan.
Director	Accounting Officer	All Board authority granted to the management and staff of the BM is delegated through the Director, so that all authority and accountability is considered to be the authority and accountability of the Director so far as the Board is concerned. The Director attends Board meetings. The Director as the Accounting Officer is accountable to Parliament for the stewardship of the resources within the BM's control.
Audit Committee	Board Committee	To support the Board and the Accounting Officer in their responsibilities for issues of risk, control and governance by reviewing the comprehensiveness, reliability and integrity of assurances provided to them.

Board/ Committee	Hierarchy	Remit
Nominations and Remuneration Committee	Board Committee	To advise on succession planning for Trustees, recommend candidates as Trustees for appointment, carry out an evaluation of the Board's and Chair's performance, and make recommendations to the Board on the Director's remuneration.
Investment Sub-Committee	Sub-committee of the Standing Committee	To advise the Standing Committee on the investment of the BM's funds and the performance of investment managers, and recommend an investment policy to the Board of Trustees.
Research Committee	Sub-committee of the Standing Committee	To provide expert advice and oversight of the BM's research programme, to monitor the implementation of the research strategy and provide quality assurance.
Rosetta Project Committee	Sub-committee of the Standing Committee	To monitor projects over £25 million on behalf of the Board and ensure that management implements projects in accordance with the scope, design and budget of the project as approved by the Board.
Chair Search Committee (Closed June 2021)	Sub-committee of the Nominations and Remuneration Committee	To recommend to the Board of Trustees one candidate for appointment as Chair of the Board to succeed Sir Richard Lambert.
Directorate Group	Executive Committee	To lead the BM's planning process, manage risk and oversee operational activity. Its membership during the year comprised the Director and the Deputy Directors.
BM Management Group	Executive Committee	To raise and discuss current and emerging issues relating to BM activity and external developments; and act as an information sharing group for heads of department. Its membership is drawn from the Directorate Group and the heads of BM departments. During the year this comprised of the following: <ul style="list-style-type: none"> <li>■ <i>Collections &amp; Public Engagement:</i> Africa, Oceania &amp; the Americas; Asia; Britain, Europe &amp; Prehistory; Coins &amp; Medals; Collection Care; Collection Projects &amp; Resources; Communications; Egypt &amp; Sudan; Exhibitions; Greece &amp; Rome; Learning &amp; National Partnerships; Middle East; Prints &amp; Drawings; Scientific Research.</li> <li>■ <i>Operations:</i> Advancement; Commercial; Estates &amp; Capital Projects; Finance; Human Resources; Information Services; International Engagement; Membership &amp; Customer Relationship Management; Resources; Security and Visitor Services.</li> </ul>

### Board effectiveness

The Board reviews its effectiveness annually by self-assessment, with an independent review conducted every three years, the last of which was completed in 2020. The annual review conducted in early 2022 asked the Trustees to review performance against the principles of the *Charity Governance Code*. The review concluded that the Board's performance was strong overall, with no significant weaknesses.

The British Museum's strategy was due to be reviewed in 2020, but this work was postponed because of the pandemic and it will be concluded during 2022. The strategy is supported by an Operating Plan and Budget. The Trustees receive quarterly reports on the BM's performance against its key objectives. A summary of performance is included above in the section 'Strategic direction and performance against objectives'.

The Board has high standards in terms of the data it expects to receive to support it in discharging its duties. Data relating to the delivery of the BM's objectives, including financial control and the management of risk, are regularly reviewed by the Board and its committees. The 2022 review of Board performance showed

that the Trustees agreed that they received an appropriate level of information and that there were effective mechanisms in place to measure performance.

#### *Reports from Board committees*

- *Audit Committee:* during the year, the Committee continued to review the management of risks relating to the pandemic. In addition to its on-going review of the risk register, the Committee also received briefings on the management of risks relating to the collection, information, and financial sustainability. It received regular updates on security, operations and collections management, as well as reports on external and internal audits.
- *Nominations & Remuneration Committee:* during 2021/22, the Chair Search Committee, a sub-committee of the Nominations and Remuneration Committee, concluded its business by recommending a candidate for appointment as Chair to the Board of Trustees in June; this was approved by the Board and the appointment was announced in June 2021. The committee made recommendations to ministers to reappoint two Trustees, one of which was confirmed in 2021/22 and the other was confirmed on 27 April 2022. The committee also made a recommendation to the Board on the Director's remuneration for 2020/21. It reviewed Board performance, and the skills and diversity requirements of the Board and its committees.
- *Standing Committee:* the committee continued to discharge the functions of the Board between quarterly Board meetings.

Reports from the Chairs of the Audit Committee and Nominations and Remuneration Committee are recorded in the minutes of Board meetings which are published on the BM's website. Standing Committee business is reported to the Board by the Chair after each meeting. Sub-committee business is reported to the Standing Committee.

Attendance at meetings of the Board and its committees is noted in the section 'Reference and administrative details' above.

#### *Risk management framework and risk assessment*

Risk is unavoidable and the resources available for managing risk are finite. The aim of risk management within the BM is therefore to achieve an optimum response to risk, prioritised in accordance with an evaluation of the risks. The approach adopted takes into account best practice guidance from the National Audit Office and risk management standards.

The BM assesses risk through consideration of the likelihood of something happening, and its potential impact. Risk management within the BM includes:

- identifying and assessing risks (the "inherent risks");
- assigning each of those risks to an individual risk owner;
- setting an agreed risk appetite (the "risk targets");
- evaluating the effectiveness of relevant mitigating controls;
- assessing the risks remaining given the controls in place (the "residual risks"); and
- agreeing, implementing and monitoring controls to reduce the variance between residual and target risks.

Risk management is everybody's responsibility, and is embedded within the BM through established business planning processes which ensure that risks to achieving plan initiatives are identified as those initiatives are developed and project risks are considered at project gateways.

*The Board of Trustees* has statutory duties under the British Museum Act 1963 and Museums and Galleries Act 1992 for the general management and control of the BM. The Board appoints the Director with the approval of the Prime Minister, defines the strategic direction of the Museum, and approves its execution in an operating plan drawn up in consultation with the Director.

*The Director* is the Accounting Officer for the purposes of reporting to the Department for Digital, Culture, Media and Sport, and has overall responsibility for the BM's risk management framework.

*The Audit Committee* supports the Board and the Accounting Officer in their responsibilities for issues of risk, control and governance by reviewing the comprehensiveness, reliability and integrity of assurances provided to them. The Audit Committee reviews the risk register and actions taken at each of its meetings. In addition

to a rolling programme of review, the committee focuses on the highest rated residual risks in terms of their likelihood and impact taken together, and topical risks. The Museum applies a “three lines of defence” model for the effective management of risks throughout the organisation, identifying and coordinating the main sources of assurance which are provided to the Audit Committee. The Audit Committee challenges the BM’s officers for evidence of good management and routinely requires managers to provide assurance that risk management and internal controls are thoroughly understood and effectively implemented at operating level. The Chair of the Audit Committee reports to the Board of Trustees annually with regard to the effectiveness of risk management and the system of internal control and as required for emerging issues related to risk management.

*The Directorate Group* considers risk as part of its ongoing business in reviewing reports or recommendations for action or decision.

*The Internal Controls Committee* oversees the implementation of risk management principles and practice throughout the BM with the objective of eliminating, transferring, mitigating or accepting risks. It seeks to coordinate activities to obtain a more effective risk management process from existing resources and ensure the dissemination of good practice throughout the BM. It aims to provide the Directorate Group and so the Accounting Officer and the Audit Committee with assurance that an effective system of internal control has been maintained and is operated within the BM.

*Internal Audit* acts as an independent review of the internal control framework, including risk management. In addition to reports on individual reviews, Internal Audit produces an annual report that contains the Head of Internal Audit’s opinion of the overall adequacy and effectiveness of the risk management, control and governance processes.

During the year the BM’s risk management policy was reviewed and no significant changes were made.

The most significant inherent risks that the Trustees manage relate to the safety and security of people working for, volunteering with and visiting the Museum; the stewardship of a collection of unparalleled global importance; the maintenance of an iconic heritage building; the preservation of relationships with local, national and international partners and stakeholders; and the long-term sustainability of the organisation.

The COVID-19 crisis affected every aspect of the Museum. Managing risks relating to the health, safety and wellbeing of our visitors, staff, contractors and volunteers remains of paramount importance, while the pandemic also continues to heighten risks to the Museum’s collection, programming, infrastructure, and trading income.

The major residual risks – many of which relate to residual impact of the COVID-19 crisis – and the key mitigations in place are noted in the following table:

<b>Risks</b>	<b>Mitigation</b>
There are a number of risks associated with the poor condition of the estate, for example increased maintenance costs and the closure of spaces	<ul style="list-style-type: none"> <li>■ Application for additional capital grant in aid and private financial support. During the year the Government made a provisional announcement of a very welcome additional investment in the Museum’s estate over the next three-year Spending Review period.</li> <li>■ Prioritisation, planning and budgeting process to ensure that investment is appropriately targeted</li> </ul>
There is a risk that government funding is insufficient to support required capital investment and operating costs, especially with rising inflation	<ul style="list-style-type: none"> <li>■ Liaison with DCMS. During the year the Government confirmed increased funding over the next three-year Spending Review period.</li> <li>■ Income generation</li> </ul>

Risks	Mitigation
There is a risk of delays, additional cost and funding risks associated with building projects as a result of COVID-19, Brexit and the impact of geopolitical factors on the supply chain and labour markets	<ul style="list-style-type: none"> <li>■ Close liaison with contractors to minimise delay and additional cost</li> <li>■ COVID security measures put in place where appropriate to allow work to continue as far as possible</li> <li>■ Advice from in-house procurement and legal team, supplemented by specialist external advice where appropriate</li> <li>■ Advice from experts on the Rosetta Project Committee</li> <li>■ Liaison with DCMS about the impact on the programme to vacate Blythe House</li> <li>■ During the year the Trustees designated funds to allow delivery of activities that have been postponed or delayed since the start of the pandemic</li> </ul>
There is a risk that visitor numbers, particularly from overseas, are slow to recover from COVID-19	<ul style="list-style-type: none"> <li>■ Museum re-opened as early as possible</li> <li>■ Strong public programme</li> <li>■ Participation in sector-wide recovery initiatives</li> </ul>
There is a risk of reduced self-generated income as a result of COVID-19 and geopolitical factors	<ul style="list-style-type: none"> <li>■ Regular financial forecasting</li> <li>■ Detailed plans to deliver cost savings and minimise income losses where possible, for example through re-opening shops and hospitality outlets where commercially viable and maintaining positive relationships with supporters</li> <li>■ Government financial support</li> </ul>

The actions required in each case to achieve target risk levels are recorded in the risk register and their delivery is monitored by the Audit Committee.

The BM has an adequate and effective framework for risk management, governance and internal control, and appropriate plans, informed by internal audit reviews, to ensure continuous improvement. The BM continues to focus its efforts on scrutinising areas of perceived higher risk and, in particular, is focussing on implementing agreed changes to the visitor services and security functions, record reconciliations, and resolving the impact of the pandemic on routine housekeeping processes.

During 2021/22, the BM reported one personal data breach to the Information Commissioner's Office (ICO). The incident was fully investigated by the BM and actions were taken to reduce the risk of recurrence. The ICO was satisfied with the steps taken by the BM and determined that no regulatory action was required.

The BM has a whistleblowing policy which is approved by the Board of Trustees and published on the website. The policy is formally reviewed every four years, or as circumstances require. The policy is supported by a whistleblowing procedure made available to all staff and published on the Museum's intranet.

*Hartwig Fischer*  
Accounting Officer  
12 July 2022

# The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

## Opinion on financial statements

I certify that I have audited the financial statements of the British Museum and its Group for the year ended 31 March 2022 under the Museums and Galleries Act 1992.

The financial statements comprise: the British Museum and its Group's:

- Consolidated Balance sheet as at 31 March 2022;
- Consolidated Statement of Financial Activities and Consolidated Statement of Cash Flows for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the British Museum and its Group's affairs as at 31 March 2022 and its net income for the year then ended;
- have been properly prepared in accordance with the Museums and Galleries Act 1992 and Secretary of State directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements of Public Sector Entities in the United Kingdom*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the British Museum and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the British Museum and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the British Museum and its Group'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.

My responsibilities and the responsibilities of the Trustees and Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

## Other Information

The other information comprises information included in the Trustees' and Accounting Officer's Annual Report, but does not include the financial statements nor my auditor's certificate and report. The Trustees and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

In my opinion the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Museums and Galleries Act 1992.

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

- those parts of the Trustees' Report subject to audit have been properly prepared in accordance with Secretary of State directions issued under the Museums and Galleries Act 1992; and
- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## Matters on which I report by exception

In the light of the knowledge and understanding of the British Museum and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Trustees' and Accounting Officer's Annual Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the British Museum or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Trustees' and Accounting Officer's Annual Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by the Charities Act 2011 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Responsibilities of the Board of Trustees and Director as Accounting Officer

As explained more fully in the Statement of Trustees' and Accounting Officer's Responsibilities, the Trustees and the Accounting Officer are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Trustees and the Accounting Officer determine is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and



- assessing the British Museum and its Group'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 and the Accounting Officer either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Museums and Galleries Act 1992.

My 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 a certificate that includes my 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

*Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud*

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

*Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud*

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the British Museum and its Group's accounting policies, key performance indicators and performance incentives.
- Inquiring of management, Internal Audit, and those charged with governance, including obtaining and reviewing supporting documentation relating to the British Museum and its Group's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the British Museum and its Group's controls relating to the British Museum's compliance with the Museums and Galleries Act 1992, British Museum Act 1963, Charities Act 2011 and Managing Public Money;
- discussing among the engagement team, including significant component audit teams, and involving relevant internal and external specialists, including properties experts, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the British Museum and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates and timings of income recognition. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the British Museum and its Group's framework of authority as well as other legal and regulatory frameworks in which the British Museum and its Group operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the British Museum and its Group. The key laws and regulations I considered in this context included, the Museums and Galleries Act 1992, the British Museum Act 1963, the Charities Act 2011, Managing Public Money, Employment Law, Pensions Legislation and Tax Legislation.

*Audit response to identified risk*

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Trustees and internal audit reports;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- in addressing the risk of fraud in revenue recognition, assessing the recognition of grants, legacies and donations in line with the accounting framework, assessing completeness of grants, legacies and donations and cut-off of income around the year-end.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal and external specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

*Other auditor's responsibilities*

I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I 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 I identify during my audit.

**Report**

I have no observations to make on these financial statements.

Gareth Davies  
Comptroller and Auditor General

14 July 2022

National Audit Office  
157-197 Buckingham Palace Road,  
Victoria,  
London SW1W 9SP

## Consolidated Statement of Financial Activities for the year ended 31 March 2022

	Note	Revenue Funds			Capital Funds			Total Funds					Total 2021 £000s	
		Unrestricted £000s	Restricted £000s	Total £000s	Unrestricted £000s	Restricted £000s	Collection Acquisitions £000s	Total £000s	Unrestricted £000s	Restricted £000s	Permanent Endowments £000s	Expendable Endowments £000s		Total 2022 £000s
<b>Income and endowments from</b>														
Grant-in-aid	2	51,474	–	<b>51,474</b>	–	15,147	–	<b>15,147</b>	<b>51,474</b>	<b>15,147</b>	–	–	<b>66,621</b>	65,420
Donations and legacies		2,631	5,844	<b>8,475</b>	–	4,310	556	<b>4,866</b>	<b>2,631</b>	<b>10,710</b>	–	<b>198</b>	<b>13,539</b>	38,956
Charitable activities	3	18,396	905	<b>19,301</b>	–	479	–	<b>479</b>	<b>18,396</b>	<b>1,384</b>	–	–	<b>19,780</b>	15,773
Other trading activities	11(b)	8,223	–	<b>8,223</b>	–	–	–	–	<b>8,223</b>	–	–	–	<b>8,223</b>	3,079
Investments	4	326	481	<b>807</b>	–	3	–	<b>3</b>	<b>326</b>	<b>484</b>	–	–	<b>810</b>	472
<b>Total income and endowments</b>		<b>81,050</b>	<b>7,230</b>	<b>88,280</b>	–	<b>19,939</b>	<b>556</b>	<b>20,495</b>	<b>81,050</b>	<b>27,725</b>	–	<b>198</b>	<b>108,973</b>	123,700
<b>Expenditure on Raising funds</b>														
Expenditure on raising donations and legacies	6	(2,000)	(2)	<b>(2,002)</b>	–	(41)	–	<b>(41)</b>	<b>(2,000)</b>	<b>(43)</b>	–	–	<b>(2,043)</b>	(1,621)
Expenditure on other trading activities	6, 11(b)	(5,916)	–	<b>(5,916)</b>	(10)	–	–	<b>(10)</b>	<b>(5,926)</b>	–	–	–	<b>(5,926)</b>	(3,664)
Investment management costs	6	(82)	–	<b>(82)</b>	–	(38)	–	<b>(38)</b>	<b>(82)</b>	<b>(38)</b>	<b>(101)</b>	<b>(89)</b>	<b>(310)</b>	(258)
<b>Charitable activities</b>	6	<b>(49,468)</b>	<b>(6,077)</b>	<b>(55,545)</b>	(211)	(15,188)	–	<b>(15,399)</b>	<b>(49,679)</b>	<b>(21,265)</b>	–	<b>(540)</b>	<b>(71,484)</b>	(71,030)
<b>Total expenditure</b>	6	<b>(57,466)</b>	<b>(6,079)</b>	<b>(63,545)</b>	(221)	(15,267)	–	<b>(15,488)</b>	<b>(57,687)</b>	<b>(21,346)</b>	<b>(101)</b>	<b>(629)</b>	<b>(79,763)</b>	(76,573)
Net gains/(losses) on investments	10	1,769	257	<b>2,026</b>	–	1,200	–	<b>1,200</b>	<b>1,769</b>	<b>1,457</b>	<b>2,917</b>	<b>2,940</b>	<b>9,083</b>	6,165
<b>Net income/(expenditure)</b>	5	<b>25,353</b>	<b>1,408</b>	<b>26,761</b>	(221)	<b>5,872</b>	<b>556</b>	<b>6,207</b>	<b>25,132</b>	<b>7,836</b>	<b>2,816</b>	<b>2,509</b>	<b>38,293</b>	53,292
Transfers between funds	16	(4,549)	(7,040)	<b>(11,589)</b>	60	11,620	782	<b>12,462</b>	<b>(4,489)</b>	<b>5,362</b>	<b>(638)</b>	<b>(235)</b>	–	–
<b>Other recognised gains/(losses)</b>														
Gain on revaluation of fixed assets	7	–	–	–	–	27,651	–	<b>27,651</b>	–	<b>27,651</b>	–	–	<b>27,651</b>	(9,743)
Actuarial (losses) /gains on defined benefit pension scheme	20	2,316	–	<b>2,316</b>	–	–	–	–	<b>2,316</b>	–	–	–	<b>2,316</b>	(976)
Other gains/(losses)	8	8	21	<b>29</b>	–	8	–	<b>8</b>	<b>8</b>	<b>29</b>	–	<b>2</b>	<b>39</b>	(240)
<b>Net movement in funds</b>		<b>23,128</b>	<b>(5,611)</b>	<b>17,517</b>	(161)	<b>45,151</b>	<b>1,338</b>	<b>46,328</b>	<b>22,967</b>	<b>40,878</b>	<b>2,178</b>	<b>2,276</b>	<b>68,299</b>	42,333
<b>Reconciliation of funds:</b>														
Total funds brought forward as at 1 April	16(a)	19,712	48,948	<b>68,660</b>	710	882,805	108,419	<b>991,934</b>	<b>20,422</b>	<b>1,040,172</b>	<b>21,633</b>	<b>21,133</b>	<b>1,103,360</b>	1,061,027
<b>Total funds carried forward as at 31 March</b>	16(a)	<b>42,840</b>	<b>43,337</b>	<b>86,177</b>	549	<b>927,956</b>	<b>109,757</b>	<b>1,038,262</b>	<b>43,389</b>	<b>1,081,050</b>	<b>23,811</b>	<b>23,409</b>	<b>1,171,659</b>	1,103,360

All operations of the British Museum continued throughout 2021/22 and 2020/21 and none were discontinued in either period. The British Museum has no recognised gains and losses other than those above. The accompanying notes form part of these accounts.

## Consolidated Statement of Financial Activities for the year ended 31 March 2021

	Note	Revenue Funds			Capital Funds			Total Funds					Total 2020 £000s	
		Unrestricted £000s	Restricted £000s	Total £000s	Unrestricted £000s	Restricted £000s	Collection Acquisitions £000s	Total £000s	Unrestricted £000s	Restricted £000s	Permanent Endowments £000s	Expendable Endowments £000s		Total 2021 £000s
<b>Income and endowments from</b>														
Grant-in-aid	2	50,920	897	<b>51,817</b>	–	13,603	–	<b>13,603</b>	<b>50,920</b>	<b>14,500</b>	–	–	<b>65,420</b>	75,709
Donations and legacies		2,275	12,869	<b>15,144</b>	–	9,810	3,648	<b>13,458</b>	<b>2,275</b>	<b>26,327</b>	–	<b>10,354</b>	<b>38,956</b>	17,720
Charitable activities	3	10,332	4,808	<b>15,140</b>	–	620	–	<b>620</b>	<b>10,332</b>	<b>5,428</b>	–	<b>13</b>	<b>15,773</b>	26,519
Other trading activities	11(b)	3,079	–	<b>3,079</b>	–	–	–	–	<b>3,079</b>	–	–	–	<b>3,079</b>	14,782
Investments	4	377	53	<b>430</b>	–	39	–	<b>39</b>	<b>377</b>	<b>92</b>	<b>1</b>	<b>2</b>	<b>472</b>	836
<b>Total income and endowments</b>		<b>66,983</b>	<b>18,627</b>	<b>85,610</b>	<b>–</b>	<b>24,072</b>	<b>3,648</b>	<b>27,720</b>	<b>66,983</b>	<b>46,347</b>	<b>1</b>	<b>10,369</b>	<b>123,700</b>	135,566
<b>Expenditure on Raising funds</b>														
Expenditure on raising donations and legacies	6	(1,490)	(100)	<b>(1,590)</b>	–	(31)	–	<b>(31)</b>	<b>(1,490)</b>	<b>(131)</b>	–	–	<b>(1,621)</b>	(1,365)
Expenditure on other trading activities	6, 11(b)	(3,647)	–	<b>(3,647)</b>	(17)	–	–	<b>(17)</b>	<b>(3,664)</b>	–	–	–	<b>(3,664)</b>	(9,836)
Investment management costs	6	(79)	–	<b>(79)</b>	–	(29)	–	<b>(29)</b>	<b>(79)</b>	<b>(29)</b>	<b>(86)</b>	<b>(64)</b>	<b>(258)</b>	(177)
<b>Charitable activities</b>	6	<b>(42,008)</b>	<b>(11,339)</b>	<b>(53,347)</b>	<b>(266)</b>	<b>(17,260)</b>	<b>4</b>	<b>(17,522)</b>	<b>(42,274)</b>	<b>(28,595)</b>	–	<b>(161)</b>	<b>(71,030)</b>	(98,303)
<b>Total expenditure</b>	6	<b>(47,224)</b>	<b>(11,439)</b>	<b>(58,663)</b>	<b>(283)</b>	<b>(17,320)</b>	<b>4</b>	<b>(17,599)</b>	<b>(47,507)</b>	<b>(28,755)</b>	<b>(86)</b>	<b>(225)</b>	<b>(76,573)</b>	(109,681)
Net gains/(losses) on investments	10	2,621	18	<b>2,639</b>	–	(3,503)	–	<b>(3,503)</b>	<b>2,621</b>	<b>(3,485)</b>	<b>4,253</b>	<b>2,776</b>	<b>6,165</b>	(5,353)
<b>Net income/(expenditure)</b>	5	<b>22,380</b>	<b>7,206</b>	<b>29,586</b>	<b>(283)</b>	<b>3,249</b>	<b>3,652</b>	<b>6,618</b>	<b>22,097</b>	<b>14,107</b>	<b>4,168</b>	<b>12,920</b>	<b>53,292</b>	20,532
Transfers between funds	16	(19,858)	21,566	<b>1,708</b>	27	(1,548)	540	<b>(981)</b>	<b>(19,831)</b>	<b>20,558</b>	<b>(603)</b>	<b>(124)</b>	–	–
<b>Other recognised (losses)/gains</b>														
Gain/(loss) on revaluation of fixed assets	7	–	–	–	–	(9,743)	–	<b>(9,743)</b>	–	<b>(9,743)</b>	–	–	<b>(9,743)</b>	40,043
Actuarial gains/(losses) on defined benefit pension scheme	20	(976)	–	<b>(976)</b>	–	–	–	–	<b>(976)</b>	–	–	–	<b>(976)</b>	(1,371)
Other gains/(losses)		(412)	267	<b>(145)</b>	–	(66)	–	<b>(66)</b>	<b>(412)</b>	<b>201</b>	<b>(14)</b>	<b>(15)</b>	<b>(240)</b>	130
<b>Net movement in funds</b>		<b>1,134</b>	<b>29,039</b>	<b>30,173</b>	<b>(256)</b>	<b>(8,108)</b>	<b>4,192</b>	<b>(4,172)</b>	<b>878</b>	<b>25,123</b>	<b>3,551</b>	<b>12,781</b>	<b>42,333</b>	59,334
<b>Reconciliation of funds:</b>														
Total funds brought forward as at 1 April	16(a)	18,578	19,909	<b>38,487</b>	966	890,913	104,227	<b>996,106</b>	<b>19,544</b>	<b>1,015,049</b>	<b>18,082</b>	<b>8,352</b>	<b>1,061,027</b>	1,001,693
<b>Total funds carried forward as at 31 March</b>	16(a)	<b>19,712</b>	<b>48,948</b>	<b>68,660</b>	<b>710</b>	<b>882,805</b>	<b>108,419</b>	<b>991,934</b>	<b>20,422</b>	<b>1,040,172</b>	<b>21,633</b>	<b>21,133</b>	<b>1,103,360</b>	1,061,027

All operations of the British Museum continued throughout 2020/21 and 2019/20 and none were discontinued in either period. The British Museum has no recognised gains and losses other than those above. The accompanying notes form part of these accounts.

## Consolidated Balance Sheet as at 31 March 2022

	Note	2022 £000s	2021 £000s Restated
<b>Fixed assets</b>			
Tangible assets	7(a)	<b>869,429</b>	832,132
Intangible assets	8(a)	<b>4,230</b>	4,007
Heritage assets	9(c)	<b>109,757</b>	108,419
Investments	10(a)	<b>80,535</b>	79,247
Investment properties	10(b)	<b>25,400</b>	25,000
<b>Total fixed assets</b>		<b>1,089,351</b>	1,048,805
Debtors due in more than one year	12	<b>9,911</b>	10,406
<b>Current assets</b>			
Stock-goods for resale	11(c)	<b>1,363</b>	1,843
Debtors due within one year	12	<b>17,297</b>	19,737
Investments	10(c)	<b>45,263</b>	39,631
Cash at bank and in hand	10(d)	<b>46,071</b>	25,767
<b>Total current assets</b>		<b>109,994</b>	86,978
Creditors due within one year	13	<b>(17,775)</b>	(12,637)
Provisions due within one year	14	<b>(1,067)</b>	(397)
<b>Net current assets</b>		<b>91,152</b>	73,944
Total assets less current liabilities		<b>1,190,414</b>	1,133,155
Creditors due after more than one year	13	<b>(13,247)</b>	(15,196)
Net assets excluding pension liability		<b>1,177,167</b>	1,117,959
Defined benefit pension scheme liability	20	<b>(5,508)</b>	(14,599)
<b>Total net assets</b>		<b>1,171,659</b>	1,103,360
<b>The funds of the group:</b>			
Permanent endowments		<b>23,811</b>	21,633
Expendable endowments		<b>23,409</b>	21,133
Restricted funds		<b>1,081,050</b>	1,040,172
Unrestricted funds			
Designated funds		<b>15,205</b>	364
General funds		<b>9,006</b>	8,501
General funds held in subsidiaries		<b>19,178</b>	11,557
		<b>43,389</b>	20,422
<b>Total group funds</b>	16(a)	<b>1,171,659</b>	1,103,360

The accompanying notes form part of these accounts.

The 2020/21 restatement represents the grossing up of debtors/creditors in BMGC which had previously been offset.

Hartwig Fischer  
Accounting Officer

12 July 2022

George Osborne CH  
Chair

## Museum Balance Sheet as at 31 March 2022

	Note	2022 £000s	2021 £000s
<b>Fixed assets</b>			
Tangible assets	7(b)	<b>869,182</b>	831,820
Intangible assets	8(b)	<b>3,928</b>	3,609
Heritage assets	9(c)	<b>109,757</b>	108,419
Investments	10(a)	<b>71,192</b>	69,305
Investment properties	10(b)	<b>25,400</b>	25,000
Investment in subsidiaries	11(a)	<b>1,250</b>	1,250
<b>Total fixed assets</b>		<b>1,080,709</b>	1,039,403
Debtors due in more than one year	12	<b>9,802</b>	10,297
<b>Current assets</b>			
Debtors due within one year	12	<b>27,651</b>	19,398
Investments	10(c)	<b>32,049</b>	38,031
Cash at bank and in hand	10(d)	<b>23,668</b>	12,716
<b>Total current assets</b>		<b>83,368</b>	70,145
Creditors: amounts falling due within one year	13	<b>(17,084)</b>	(29,558)
Provisions: amounts falling due within one year	14	<b>(1,067)</b>	(393)
<b>Net current assets / (liabilities)</b>		<b>65,217</b>	40,194
Total assets less current liabilities		<b>1,155,728</b>	1,089,894
Creditors: amounts falling due after more than one year	13	<b>(13,247)</b>	(15,091)
<b>Total net assets</b>		<b>1,142,481</b>	1,074,803
<b>The funds of the charity:</b>			
Permanent endowments		<b>23,811</b>	21,633
Expendable endowments		<b>23,409</b>	21,133
Restricted funds		<b>1,071,050</b>	1,023,172
Unrestricted funds			
Designated funds		<b>15,205</b>	364
General funds		<b>9,006</b>	8,501
		<b>24,211</b>	8,865
<b>Total charity funds</b>	16(a)	<b>1,142,481</b>	1,074,803

*The accompanying notes form part of these accounts.*

Hartwig Fischer  
Accounting Officer

12 July 2022

George Osborne CH  
Chair

## Consolidated Statement of Cash Flows For the year ended 31 March 2022

	Note	2022 £000s	2021 £000s
<b>Cash flows from operating activities</b>			
<b>Net cash provided by operating activities</b>	17	<b>46,320</b>	23,367
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments	4	<b>335</b>	426
Purchase of fixed asset investments	10(a)	<b>(1,825)</b>	(15,102)
Proceeds from the sale of fixed asset investments	10(a)	<b>9,617</b>	53,734
Purchase of investment properties	10(b)	–	(67)
Purchase of tangible fixed assets	7(a)	<b>(26,961)</b>	(26,348)
Purchase of intangible fixed assets	8	<b>(807)</b>	(396)
Purchase of heritage assets	9	<b>(782)</b>	(540)
<b>Net cash used in investing activities</b>		<b>(20,423)</b>	11,707
<b>Change in cash and cash equivalents in the year</b>		<b>25,897</b>	35,074
<b>Cash and cash equivalents at the beginning of the year</b>		<b>65,398</b>	30,564
<b>Change in cash and cash equivalents due to exchange movements</b>		<b>39</b>	(240)
<b>Cash and cash equivalents at the end of the year</b>		<b>91,334</b>	65,398
<b>Analysis of cash and cash equivalents</b>			
Current asset investments	10(c)	<b>45,263</b>	39,631
Cash at bank and in hand	10(d)	<b>46,071</b>	25,767
<b>Total cash and cash equivalents</b>		<b>91,334</b>	65,398

## Analysis of changes in net debt For the year ended 31 March 2022

	2022 £000s	2021 £000s
<b>Opening Net Debt</b>	<b>65,398</b>	30,564
Cash Flows	<b>25,897</b>	35,074
Foreign Exchange Movements	<b>39</b>	(240)
<b>Closing Net Debt</b>	<b>91,334</b>	65,398

*The accompanying notes form part of these accounts.*

# Notes to the Accounts

## 1. ACCOUNTING POLICIES

### *Accounting Conventions*

- (a) The accounts comply with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (second edition effective 1 January 2019), FRS 102, the Government Financial Reporting Manual (FRoM), Museum and Galleries Act 1992, the Accounts Direction issued by the Secretary of State for Digital, Culture, Media and Sport, and, in the case of the subsidiaries, the Companies Act 2006. A copy of the Direction is available from the Department for Digital, Culture, Media and Sport. Where there is a conflict between the requirements of the SORP and the FRoM, the SORP has been followed with additional disclosure provided to comply with the FRoM.
- (b) The financial statements are prepared under the historical cost convention as modified by the revaluation of tangible fixed assets and the treatment of investments, which have been included at fair value.

The British Museum (BM) is a public benefit entity. The reporting currency is GBP.

Consolidated accounts include the British Museum's operating statement, trust funds owned and administered by the BM, and the British Museum Development Trust, a dormant charity, which together make up the Museum. Also consolidated are the British Museum Company Limited (BMCo) and its subsidiary British Museum Ventures Limited, the British Museum Great Court Limited (BMGC) and the British Museum Friends Limited (BMF), which together make up the Group.

### *Going Concern*

The accounts have been prepared on the going concern basis. Under Section 3 of the British Museum Act 1963, the BM has a statutory responsibility for keeping its collections and making them available for inspection by the public, and the Trustees and Accounting Officer have assumed in making the going concern assessment that sufficient Government funding support will continue to be made available to fulfil this responsibility.

### (c) *Statement of Financial Activities (SOFA)*

- (i) This statement discloses the totality of the resources receivable by the BM during the year and their disposition. The BM provides enhanced disclosure in the Statement of Financial Activities beyond the requirements of the SORP in order to allow readers of the accounts to distinguish between the ongoing revenue income and costs of operating the BM, and the impact of donations in support of capital expenditure and collection acquisitions. The value of such donations is often material, and can vary significantly from year to year. Donations and grants in support of capital expenditure and collections acquisitions are recognised in the SOFA when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably. But the associated capital expenditure is depreciated over the expected useful life of the asset, and heritage assets are not depreciated at all. The mismatch between the treatment of funding and expenditure gives the misleading appearance of an increase in funds during the year, and of a consequent reserve carried forward to the future, when in reality the funding has already been used, often to acquire an inalienable asset. Aggregation of capital and revenue funding therefore disguises the funding of running costs, limiting any assessment of future financial performance.
- (ii) In general, income is accounted for when a transaction or other event results in an increase in the BM's assets or a reduction in its liabilities. Grant-in-aid is taken to the SOFA in the year in which it is receivable. Income from grants and 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. 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. Coronavirus Job Retention Scheme (CJRS) income is recognised in the SOFA when there is evidence of entitlement (for example, when the conditions for its receipt have been met), receipt is probable and its amount can be reliably measured.



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

The income and profit on long term contracts are accounted for in accordance with FRS 102. Attributable profit is calculated on a prudent basis, and the amount recognised in the accounts reflects the proportion of work carried out at the accounting date. Income included in the SOFA is calculated on the basis of time spent as a proportion of total time expected to be spent in fulfilling the contract. The costs incurred in reaching this stage of completion are matched with the income. The difference between the amount recognised in the SOFA and the cash received is disclosed in either debtors or creditors as prepayments and accrued income or accruals and deferred income.

- (iii) 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.

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 attaching to its payment that limit its recognition.

Expenditure is classified in the SOFA under the principal categories of expenditure on raising funds and expenditure on charitable activities.

Where costs cannot be directly attributed, they are allocated to activities according to the method described in note 6. Expenditure on raising funds comprises costs incurred in raising donations and legacies and other trading activities and investment management costs. Expenditure on charitable activities comprises resources applied to meet the charitable objectives of the BM, namely care, research and conservation, public access and events and charitable trading activities. Governance costs are those costs incurred in connection with the general governance of the British Museum including compliance with constitutional and statutory requirements.

The BM is covered by the provisions of the VAT Act 1994 s 33a, which allows it to recover the majority of its VAT. Irrecoverable VAT is treated as a support cost and apportioned over the activities of the BM as described in note 6.

(d) *Gifts in Kind*

*Heritage Assets*

The BM accounts for the objects in its collection as non-operational heritage assets. A heritage asset is defined as "a tangible or intangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture."

*Heritage assets acquired since 1 April 2001*

The BM includes donated or purchased heritage assets acquired since 1 April 2001 on the balance sheet at cost or valuation at the time of acquisition. Valuations are performed during the year of acquisition by internal curatorial experts based on their expert knowledge and, where appropriate, with reference to recent sales of similar objects. The cost or valuation is not subject to revaluation because such information can not be obtained at a cost commensurate with the benefit to users of the financial statements.

Capitalised heritage assets are not depreciated because they are deemed to have indefinite lives, but are subject to impairment reviews where damage or deterioration is reported.

*Heritage assets acquired before 1 April 2001*

The BM has not capitalised heritage assets acquired prior to 1 April 2001. This is because comprehensive valuation, as illustrated below, would not provide a meaningful figure for users of the financial statements and the cost of doing so is not commensurate with the benefits to users of the financial statements.

Historic cost – while it may be possible to assign a cost to items purchased within a financial year, historic cost quickly becomes obsolete and meaningless, not only because of general price movements where markets for similar items do exist, but also because of changing opinions about attribution and authenticity, subsequent research into objects that reveals new value, the emergence of new information about the provenance of an item or changes in taste.

Valuation – attempting to value heritage assets acquired historically raises a number of further conceptual concerns. Valuation of heritage assets is complicated by the nature of many such assets. They are rarely sold and often have a value enhanced above the intrinsic through their association with a person, event or collection, there are a very limited number of buyers, no homogeneous population of assets on the market, and imperfect information about the items for sale. In contrast with many commercial assets, therefore, there is seldom an active market to provide indicative values of similar objects. This makes materially accurate valuations impossible to achieve for many heritage assets.

#### *Donated Services*

Donated services are included as income and expenditure in the year in which the service is used by the BM. The service is valued at the price the BM would have paid in the open market for a service of equivalent utility.

The BM also engages with unpaid volunteers to support the BM's activities over the course of the year. Due to the absence of a reliable measurement basis, the contributions of volunteers are not included as income in the accounts. The details of the roles played by these volunteers and the nature of their contributions can be found in the section 'Investing in our people'.

#### (e) *Tangible Fixed Assets*

Assets with an economic life of more than one year and value greater than £5,000 are capitalised. All the BM's land, properties and plant and machinery are revalued for accounting purposes by external chartered surveyors in accordance with the Appraisal and Valuation Standards as published by the Royal Institute of Chartered Surveyors and with FRS 102. A full valuation of the BM's land, buildings and plant and machinery was carried out by Gerald Eve on 31 March 2019. The valuation included the main BM site at Great Russell Street, its perimeter buildings, two properties used for storage at Orsman Road and land at Cutbush Lane. The main BM site is valued on a depreciated replacement cost basis and the Orsman Road properties and the perimeter buildings are valued on an existing use basis. Between the quinquennial valuations, Gerald Eve undertakes a desktop valuation to update the values of land, buildings and plant and machinery.

Galleries are revalued annually using relevant indices provided by the Office for National Statistics.

Furniture, fit out and equipment are carried at depreciated historic cost because the Trustees consider that this is not materially different from current cost valuation.

Depreciation is provided on all tangible assets, other than freehold land, at rates calculated to write off the value of each asset evenly over its expected useful life with no residual value assumed:

Freehold buildings	15 to 100 years
Galleries	10 to 25 years
Plant and machinery	10 to 35 years
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.

#### (f) *Intangible Fixed Assets*

Intangible assets with an economic life of more than one year and value greater than £5,000 are capitalised. All intangible assets are measured at cost.

Costs relating to assets developed internally are capitalised in accordance with the requirements of FRS102.

Amortisation is provided on all intangible assets, at rates calculated to write off the value of each asset evenly over its expected useful life with no residual value assumed.

Purchased software licences	the contractual period
Websites	2 to 5 years
Developed software	2 to 5 years

Amortisation 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 in accordance with FRS102 to ensure that the carrying values of the assets do not exceed their recoverable amounts.

(g) *Financial instruments*

*Recognition, measurement and impairment*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognised on the BM's balance sheet when the BM becomes a party to the contractual provisions of the instrument. Assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the BM has transferred substantially all risks and rewards of ownership. Liabilities are derecognised when all obligations in respect of them have been discharged. Where material, assets and liabilities falling due after more than one year are discounted to their present value.

The BM's investments are measured at fair value, with any gains or losses reflected in the SOFA in the period in which they arise. Other financial instruments (notably trade debtors, current asset investments, cash at bank and in hand, and trade creditors) are initially recognised at fair value (i.e. cost) plus or minus material transaction costs directly attributable to their acquisition or issue; and subsequently measured at cost, less impairment where material.

An assessment of whether there is objective evidence of impairment is carried out for material financial assets at the balance sheet date. Objective evidence includes, for example, significant financial difficulty of the issuer or debtor, disappearance of an active market for the financial asset, or data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition. Where there is objective evidence that a financial instrument is impaired, its loss is reflected in the SOFA.

*Investment properties*

Freehold investment properties are carried at open market value and are not depreciated. A formal valuation of the investment properties is carried out annually by independent valuers in accordance with the RICS Appraisal and Valuation manual. A full quinquennial valuation was carried out as at 31 March 2021.

Investment properties are subject to a number of restrictions.

*Investments in subsidiaries*

The investments in subsidiaries are carried at cost less any provision for impairment. The BM carries out an annual impairment review of the investment in each subsidiary.

(h) *Stocks and work in progress*

Stock is stated at the lower of cost and estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate. All stocks relate to BMCo's retail activities.

(i) *Liabilities*

Liabilities are recognised 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.

(j) *Provisions*

The BM provides for legal or constructive obligations which are of uncertain timing or amount on the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Provisions are recognised where there is a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

(k) *Cash and cash equivalents*

Cash and cash equivalents, as referred to in the statement of cash flows, include cash at bank and in hand and current asset investments. Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes. Current asset investments comprise cash on deposit and cash equivalents with a total maturity of less than 6 months held for investment purposes rather than to meet short-term cash commitments as they fall due. A change in accounting policy has been applied in the year; previously cash on deposit and cash equivalents with a total maturity of 3 months or less was treated as current asset investments. This has had no impact on the values reported in this year or the prior year.

*(l) Leases*

The BM has no finance leases. Costs relating to operating leases are charged on a straight line basis over the life of the lease.

*(m) Foreign Currencies*

Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate at that date. Foreign exchange differences arising on translation are reflected in the SOFA.

*(n) Pensions*

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as "alpha" are unfunded multi-employer defined benefit schemes but the BM is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2016. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk))

BMCo operates both defined benefit and defined contribution pension schemes. For the defined contribution scheme the amount charged to the SOFA reflects the contributions payable to the scheme in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments on the balance sheet. The defined benefit scheme requires contributions to be made to a separately administered fund. The amounts charged to operating profit are the current service costs (included within staff costs) and the net interest on the net defined benefit liability. Actuarial gains and losses are recognised immediately on the face of the SOFA. The defined benefit scheme is subject to a full actuarial valuation every three years by an independent qualified actuary. Pension scheme assets are measured at fair value. Scheme liabilities are measured using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities.

Further details can be found in note 20 to the accounts.

*(o) Taxation*

The BM, BMCo and BMF are eligible under Part 11 Corporation Tax Act 2010, section 25 Inheritance Tax Act 1984, and section 271 Taxation of Chargeable Gains Act 1992 to exemption from taxes on income, donations and capital gains arising from the pursuit of their charitable objectives. BMV and BMGC make donations to their respective charitable parents.

*(p) Funds Structure*

The BM has the following categories of funds:

- restricted permanent endowment funds which the donors have stated are to be held as capital.
- restricted expendable endowment funds, which trustees have the power to convert into income.
- restricted funds whose investment or usage is subject to specific restriction.
- designated funds which have been set aside at the discretion of the Trustees for specific purposes.
- general funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the BM.

The major funds comprising each category, the summary results for the year and a description of the movements between the funds are described in note 16.

*(q) Significant judgements and estimates*

The significant judgements and estimates made in preparing these accounts are disclosed throughout the document, and include those with respect to depreciation (note 1e), the valuation of fixed assets (note 7), investment property (note 10) and heritage assets (note 9), and the actuarial valuation of the defined benefit pension liability (note 20).

**2. GRANT-IN-AID**

	<b>2022</b>	2021
	<b>£000s</b>	£000s
Unrestricted revenue	<b>51,474</b>	50,920
Restricted revenue	–	897
Restricted capital	<b>15,147</b>	13,603
	<b>66,621</b>	65,420

**3. ANALYSIS OF INCOME AND ENDOWMENTS FROM CHARITABLE ACTIVITIES**

	<b>2022</b>	2021
	<b>£000s</b>	£000s
Care, research and conservation	<b>836</b>	3,681
Public access and events	<b>431</b>	1,526
Charitable trading	<b>18,513</b>	10,566
	<b>19,780</b>	15,773

Care, research and conservation includes research grants and grants for acquisitions. Public access and events income arises from sales of guides, lectures and recovery of costs relating to loans of the collection and includes grants for programmes to promote and assist access. Charitable trading includes admission fees, sponsorship of the exhibition programme and membership fees. Also included in the year is £157k Coronavirus Job Retention Scheme income (2020/21: £4.6m), allocated across categories corresponding to the posts supported.

EU funding of -£10k is included in income in the current year (2020/21: -£349k); the value is negative due to an over-accrual in the prior year.

**4. INCOME FROM INVESTMENTS**

	<b>2022</b>	2021
	<b>£000s</b>	£000s
Income from UK bank deposits	<b>9</b>	12
Income from UK fixed interest investments	<b>34</b>	105
Income from overseas investment funds	–	41
	<b>43</b>	158
Interest receivable from discount unwinding	<b>475</b>	46
Rents receivable	<b>292</b>	268
	<b>810</b>	472

Interest receivable from discount unwinding represents net present value adjustments on the discounting of long-term accrued income.

## 5. NET INCOME

is stated after charging:	<b>2022</b>	2021
	<b>£000s</b>	£000s
Auditors' remuneration: Comptroller and Auditor General audit fee	<b>67</b>	63
Auditors' remuneration: Subsidiary companies audit fee (current year)	<b>63</b>	59
Auditors' remuneration: Subsidiary companies audit fee (prior year under provision)	<b>1</b>	–
Operating lease rentals: Hire of plant and machinery	<b>42</b>	98
Operating lease rentals: Land and buildings	<b>105</b>	107
Loss on disposal of fixed assets	–	648
Movement on bad debt provision	<b>(24)</b>	(29)
Stock recognised as an expense	<b>2,645</b>	626

There were no non-audit services provided by the Comptroller and Auditor General during 2021/22 (2020/21: nil). The auditors of BMF provided iXBRL accounts tagging services of £350 (2020/21: £400). They also provided additional corporation tax return support to the Museum of £5.5k (2020/21: £8.2k).

## 6. ANALYSIS OF EXPENDITURE

6(a)	Direct Costs £000s	Grants £000s	Depreciation & Amortisation £000s	Support Costs £000s	<b>Total 2022 £000s</b>
Raising donations and legacies	1,745	–	41	257	<b>2,043</b>
Other trading activities	5,897	–	10	19	<b>5,926</b>
Investment management costs	300	–	–	10	<b>310</b>
Care, research and conservation	28,658	1,815	8,400	4,340	<b>43,213</b>
Public access and events	12,786	108	6,071	2,216	<b>21,181</b>
Charitable trading	5,691	–	528	871	<b>7,090</b>
<b>Charitable activities</b>	<b>47,135</b>	<b>1,923</b>	<b>14,999</b>	<b>7,427</b>	<b>71,484</b>
<b>Total expenditure</b>	<b>55,077</b>	<b>1,923</b>	<b>15,050</b>	<b>7,713</b>	<b>79,763</b>
	Direct Costs £000s	Grants £000s	Depreciation & Amortisation £000s	Support Costs £000s	<b>Total 2021 £000s</b>
Raising donations and legacies	1,398	–	31	192	<b>1,621</b>
Other trading activities	3,628	–	17	19	<b>3,664</b>
Investment management costs	253	–	–	5	<b>258</b>
Care, research and conservation	26,702	1,199	9,281	3,815	<b>40,997</b>
Public access and events	14,089	119	7,084	1,765	<b>23,057</b>
Charitable trading	5,697	–	576	703	<b>6,976</b>
<b>Charitable activities</b>	<b>46,488</b>	<b>1,318</b>	<b>16,941</b>	<b>6,283</b>	<b>71,030</b>
<b>Total expenditure</b>	<b>51,767</b>	<b>1,318</b>	<b>16,989</b>	<b>6,499</b>	<b>76,573</b>

Grants are made for the furtherance of the BM's charitable objectives. Of the total grants of £1.9m (2020/21: £1.3m), £1.7m (2020/21: £1.1m) were made to institutions and £0.1m were made to individuals (2020/21: £0.2m).

The main elements of the grant figure are as follows:

- Grants of £0.9m (2020/21: £0.9m) under the Portable Antiquities Scheme. The scheme is the only proactive mechanism in England and Wales for recording archaeological finds made by the public. The grants are made to local authorities to support the work of Find Liaison Officers. Details of these grants are obtainable from the Portable Antiquities Scheme administrator at the British Museum.

6(b) Costs of the BM that cannot be directly attributed to one of the BM's objectives are allocated to activities on a basis consistent with the use of resources. Finance costs, including irrecoverable VAT, and governance costs are allocated using the proportion of certain relevant types of direct expenditure spent on each of the objectives. Human resources and legal services costs are allocated based on staff numbers. Information Systems costs are allocated using staff numbers adjusted for non-computer based roles. Support costs related to grant-making activities are considered minimal and hence no support costs have been included in the grant figure. Depreciation and amortisation have been allocated according to the proportion of space occupied by each activity.

	Finance £000s	Information Services £000s	Human Resources £000s	Legal Services £000s	Governance Costs £000s	<b>2022 Total £000s</b>
Care, research and conservation	1,051	2,001	774	280	234	<b>4,340</b>
Public access and events	515	765	603	218	115	<b>2,216</b>
Charitable trading	157	414	160	58	82	<b>871</b>
Charitable activities	1,723	3,180	1,537	556	431	<b>7,427</b>
Raising donations and legacies	49	129	50	18	11	<b>257</b>
Other trading activities	-	-	-	-	19	<b>19</b>
Investment management costs	8	-	-	-	2	<b>10</b>
	<b>1,780</b>	<b>3,309</b>	<b>1,587</b>	<b>574</b>	<b>463</b>	<b>7,713</b>

  

	Finance £000s	Information Services £000s	Human Resources £000s	Legal Services £000s	Governance Costs £000s	<b>2021 Total £000s</b>
Care, research and conservation	749	2,014	573	295	184	<b>3,815</b>
Public access and events	422	619	409	211	104	<b>1,765</b>
Charitable trading	83	389	111	57	63	<b>703</b>
Charitable activities	1,254	3,022	1,093	563	351	<b>6,283</b>
Raising donations and legacies	30	108	31	16	7	<b>192</b>
Other trading activities	-	-	-	-	19	<b>19</b>
Investment management costs	5	-	-	-	-	<b>5</b>
	<b>1,289</b>	<b>3,130</b>	<b>1,124</b>	<b>579</b>	<b>377</b>	<b>6,499</b>

	<b>2022 £000s</b>	2021 £000s
6(c) Governance costs		
Staff costs	<b>249</b>	205
British Museum auditors' remuneration	<b>67</b>	63
Subsidiary charities auditors' remuneration (current year)	<b>63</b>	59
Subsidiary charities auditors' remuneration (prior year under provision)	<b>1</b>	-
Professional services	<b>5</b>	2
Internal audit costs	<b>49</b>	31
Cost of meetings	<b>22</b>	-
Other trustee costs (independent review, recruitment)	<b>6</b>	17
Reimbursement of trustee expenses	-	-
	<b>462</b>	377
6(d) Staff costs		
Wages and salaries	<b>27,608</b>	27,419
Social security costs	<b>2,840</b>	2,852
Pension costs	<b>6,748</b>	6,597
Agency staff costs	<b>1,744</b>	2,114
Early retirement and redundancy costs	<b>315</b>	946
	<b>39,255</b>	39,928

In addition to the total above, £1,035k (2020/21: £1,086k) of staff costs has been capitalised.

There was no expenditure on consultancy during 2021/22 (2020/21: nil).

The number of employees whose full time equivalent emoluments as defined for taxation purposes amounted to over £60,000 (2021: over £60,000) in the year was as follows:

	<b>2022</b>	2021
£60,001 – £70,000	<b>11</b>	17
£70,001 – £80,000	<b>9</b>	8
£80,001 – £90,000	<b>2</b>	1
£90,001 – £100,000	<b>2</b>	2
£100,001 – £110,000	<b>1</b>	1
£110,001 – £120,000	<b>1</b>	–
£120,001 – £130,000	–	–
£130,001 – £140,000	<b>1</b>	1
£140,001 – £150,000	<b>1</b>	1
£150,001 – £160,000	–	–
£160,001 – £170,000	–	–
£170,001 – £180,000	–	–
£180,001 – £190,000	–	–
£190,001 – £200,000	–	1
£200,001 – £210,000	<b>1</b>	–

25 staff (2020/21: 28) whose emoluments amounted to more than £60,000 in the year are members of a defined benefit scheme and 3 staff (2020/21: 3) are members of a defined contributions scheme. Contributions of £577k (2020/21: £618k) were paid on behalf of the members of the defined benefit scheme and £22k (2020/21: £23k) on behalf of the members of the defined contributions scheme.

The Remuneration Report discloses information about directors' remuneration, where 'directors' is interpreted to mean those who influence the decisions of the BM as a whole.

6(e) The average number of full time equivalent employees, analysed by function was:

2022	Agency and contract		
	Staff	staff	Total
Care, research and conservation	415	5	420
Public access and events	282	45	327
Charitable trading	83	4	87
Raising donations and legacies	26	1	27
Other trading activities	76	2	78
	<u>882</u>	<u>57</u>	<u>939</u>
2021	Agency and contract		
	Staff	staff	Total
Care, research and conservation	405	4	409
Public access and events	244	48	292
Charitable trading	76	3	79
Raising donations and legacies	21	1	22
Other trading activities	64	1	65
	<u>810</u>	<u>57</u>	<u>867</u>

The average head count during the year excluding agency and contract staff was 971 (2020/21: 953).



## 6(f) Reporting of Civil Service and other compensation schemes – exit packages

The number of exit packages agreed during the year are shown by cost band in the table below:

Exit package cost band (£)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages for 2021/22	Total number of exit packages for 2020/21
0 – 24,999	15	1	16	23
25,000 – 49,999	–	1	1	15
50,000 – 74,999	–	–	–	2
75,000 – 99,999	–	–	–	1
>£100,000	–	1	1	–
<b>Total</b>	<b>15</b>	<b>3</b>	<b>18</b>	<b>41</b>
<b>Total cost (£000)</b>	<b>177</b>	<b>152</b>	<b>329</b>	<b>946</b>

Where applicable, redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Where the BM has agreed early retirements under the Civil Service Compensation Scheme, the additional costs are met by the BM and not by the Civil Service Pension Scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

## 6(g) Trustees:

None of the trustees have been paid any remuneration or received any other benefits during 2021/22 (2020/21: £nil). All Trustees are entitled to be reimbursed for reasonable travel and subsistence expenses incurred in the performance of their duties. In 2021/22, travel and subsistence expenses of £22k (2020/21: £nil) were paid for meetings, none of which was reimbursements to Trustees (2020/21: £nil) and all of which was (2020/21: £nil) paid directly to third parties.

During the year donations of £32k were made by Trustees towards the cost of Trustee meetings (2020/21: £nil).

## 6(h) Off-payroll engagements

**a** Off-payroll worker engagements as at 31 March 2022, earning £245 per day or greater:

No. that have existed for less than one year at time of reporting	3
No. that have existed for between one and two years at time of reporting	–
No. that have existed for between two and three years at time of reporting	–
No. that have existed for between three and four years at time of reporting	–
No. that have existed for four or more years at the time of reporting	–
	<u>3</u>

**b** Off-payroll workers engaged at any point during the year ended 31 March 2022, earning £245 per day or greater:

No. of new engagements, or those reaching 6 months in duration, during the period	7
Of which:	
No. assessed as caught by IR35	–
No. assessed as not caught by IR35	7
No. engaged directly (via PSC contracted to department) and are on the departmental payroll	–
No. of engagements reassessed for consistency / assurance purposes during the year.	–
No. of engagements that saw a change to IR35 status following the consistency review	–

**c** For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2021 and 31 March 2022:

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	–
Total no. of individuals on payroll and off-payroll that have been deemed “board members, and/or, senior officials with significant financial responsibility”, during the financial year. This figure should include both on payroll and off-payroll engagements.	26

## 6(i) Losses

In 2021/22 there were no losses or special payments above the reporting threshold (2020/21: £nil).

**7. TANGIBLE ASSETS**

## 7(a) Group tangible assets

	Land £000s	Buildings £000s	Assets in the Course of Construction £000s	Galleries £000s	Plant and Machinery £000s	Equipment £000s	Total £000s
<b>Cost</b>							
At 31 March 2021	198,940	434,608	46,420	53,435	125,153	10,915	<b>869,471</b>
Additions during the year	–	–	23,802	–	48	659	<b>24,509</b>
Disposals during the year	–	–	–	–	(76)	(369)	<b>(445)</b>
Transfer from assets under construction	–	4,096	(8,365)	–	3,797	472	–
Transfer out to Investment Properties	–	–	(397)	–	–	–	<b>(397)</b>
Impairment	–	–	–	–	–	–	–
Revaluation adjustment	5,580	9,554	–	3,259	(1,573)	–	<b>16,820</b>
At 31 March 2022	204,520	448,258	61,460	56,694	127,349	11,677	<b>909,958</b>
<b>Accumulated depreciation</b>							
At 31 March 2021	–	–	–	(27,294)	–	(10,045)	<b>(37,339)</b>
Disposals during the year	–	–	–	–	76	369	<b>445</b>
Provided during the year	–	(5,174)	–	(1,850)	(7,410)	(32)	<b>(14,466)</b>
Revaluation adjustment	–	5,174	–	(1,665)	7,322	–	<b>10,831</b>
At 31 March 2022	–	–	–	(30,809)	(12)	(9,708)	<b>(40,529)</b>
<b>Net Book Value</b>							
At 31 March 2022	<b>204,520</b>	<b>448,258</b>	<b>61,460</b>	<b>25,885</b>	<b>127,337</b>	<b>1,969</b>	<b>869,429</b>
At 31 March 2021	198,940	434,608	46,420	26,141	125,153	870	<b>832,132</b>

## 7(b) Museum tangible assets

	Land £000s	Buildings £000s	Assets in the Course of Construction £000s	Galleries £000s	Plant and Machinery £000s	Equipment £000s	Total £000s
<b>Cost</b>							
At 31 March 2021	198,940	434,608	46,420	53,435	125,153	7,657	<b>866,213</b>
Additions during the year	–	–	23,802	–	–	659	<b>24,461</b>
Disposals during the year	–	–	–	–	–	(369)	<b>(369)</b>
Transfer from assets under construction	–	4,096	(8,365)	–	3,797	472	–
Transfer out to Investment Properties	–	–	(397)	–	–	–	<b>(397)</b>
Impairment	–	–	–	–	–	–	–
Revaluation adjustment	5,580	9,554	–	3,259	(1,573)	–	<b>16,820</b>
At 31 March 2022	204,520	448,258	61,460	56,694	127,377	8,419	<b>906,728</b>
<b>Accumulated depreciation</b>							
At 31 March 2021	–	–	–	(27,294)	–	(7,099)	<b>(34,393)</b>
Disposals during the year	–	–	–	–	–	369	<b>369</b>
Provided during the year	–	(5,174)	–	(1,850)	(7,323)	(6)	<b>(14,353)</b>
Revaluation adjustment	–	5,174	–	(1,665)	7,322	–	<b>10,831</b>
At 31 March 2022	–	–	–	(30,809)	(1)	(6,736)	<b>(37,546)</b>
<b>Net Book Value</b>							
At 31 March 2022	<b>204,520</b>	<b>448,258</b>	<b>61,460</b>	<b>25,885</b>	<b>127,376</b>	<b>1,683</b>	<b>869,182</b>
At 31 March 2021	198,940	434,608	46,420	26,141	125,153	558	<b>831,820</b>

7(c) For asset valuation purposes, buildings and their fit-out are treated as one category.

A full valuation of the BM's land, buildings and plant and machinery was carried out by Gerald Eve on 31 March 2019. An interim desktop valuation has been obtained to update the values of land, buildings and plant and machinery. The valuations included the main BM site at Great Russell Street (using the depreciated replacement cost method) as well as its perimeter buildings which are not investment properties, the WCEC building, two properties used for storage at Orsman Road and land at Shinfield (using fair value). The British Museum owns the freehold on all land and buildings apart from Shinfield which is on a 999 year lease.

Blythe House is currently occupied by the British Museum, the Science Museum and the Victoria and Albert Museum on a shared basis with the rights and obligations of ownership accruing to the occupants. In 2017/18 a lease agreement was signed formally confirming that the occupying Museums would be required to vacate Blythe House as it will be sold. The lease is an operating lease with a peppercorn rent. The Museums derecognised the value of Blythe House land and buildings in 2017/18. For the BM, land previously valued at £2.2m, buildings previously valued at £3.7m and plant previously valued at £0.3m was derecognised.

The historic cost of the land and buildings and certain plant and machinery is not known.

## 8. INTANGIBLE ASSETS

### 8(a) Group intangible assets

	Software Licences £000s	Websites £000s	Developed Software £000s	Assets in the Course of Construction £000s	<b>Total £000s</b>
<b>Cost</b>					
At 31 March 2021	181	1,667	1,808	2,222	<b>5,878</b>
Additions during the year	–	12	260	535	<b>807</b>
Disposals during the year	(181)	–	(306)	–	<b>(487)</b>
Transfer from assets under construction	–	–	49	(49)	–
Revaluation adjustment	–	–	–	–	–
At 31 March 2022	–	1,679	1,811	2,708	<b>6,198</b>
<b>Accumulated amortisation</b>					
At 31 March 2021	(181)	(560)	(1,130)	–	<b>(1,871)</b>
Disposals during year	181	–	306	–	<b>487</b>
Provided during the year	–	(315)	(269)	–	<b>(584)</b>
Revaluation adjustment	–	–	–	–	–
At 31 March 2022	–	(875)	(1,093)	–	<b>(1,968)</b>
<b>Net Book Value</b>					
<b>At 31 March 2022</b>	–	<b>804</b>	<b>718</b>	<b>2,708</b>	<b>4,230</b>
At 31 March 2021	–	1,107	678	2,222	<b>4,007</b>

8(b) Museum intangible assets	Software Licences £000s	Websites £000s	Developed Software £000s	Assets in the Course of Construction £000s	Total £000s
<b>Cost</b>					
At 31 March 2021	181	1,565	1,309	2,222	<b>5,277</b>
Additions during the year	–	–	260	535	<b>795</b>
Disposals during the year	(181)	–	(306)	–	<b>(487)</b>
Transfer from assets under construction	–	–	49	(49)	–
Revaluation adjustment	–	–	–	–	–
At 31 March 2022	–	1,565	1,312	2,708	<b>5,585</b>
<b>Accumulated amortisation</b>					
At 31 March 2021	(181)	(465)	(1,022)	–	<b>(1,668)</b>
Disposals during year	181	–	306	–	<b>487</b>
Provided during the year	–	(307)	(169)	–	<b>(476)</b>
Revaluation adjustment	–	–	–	–	–
At 31 March 2022	–	(772)	(885)	–	<b>(1,657)</b>
<b>Net Book Value</b>					
<b>At 31 March 2022</b>	–	<b>793</b>	<b>427</b>	<b>2,708</b>	<b>3,928</b>
At 31 March 2021	–	1,100	287	2,222	<b>3,609</b>

## 9. HERITAGE ASSETS – GROUP AND MUSEUM

### 9(a) Nature and scale of the collection

The British Museum is a universal museum holding an encyclopaedic collection of material from across the world and all periods of human culture and history. Although the collection is sometimes estimated to contain about eight million objects, the question of what constitutes a single object often does not have a definitive answer: for example, a pack of playing cards could be considered to be a single object or a collection of individual objects.

The BM records its collection on a database that includes a description of the objects and often image, age, location and other information. Currently, almost 4.5 million objects are available to review online at: <https://www.britishmuseum.org/collection>. The BM continues to enhance the database to expand the information recorded on each asset, add objects not yet included and improve the functionality of the database.

The collection is a truly global one, and its great strength is the way it records the interrelated histories of humanity as a whole. To that extent, any attempt to break the collection into categories is necessarily reductive. However, for illustrative purposes, the following table gives information about the collection by BM department:

Africa, Oceania & the Americas	This department holds a wide range of historical and contemporary, ethnographic and archaeological collections from the peoples of Africa, Australia and the Pacific, and the whole of the Americas. It also holds important pictorial collections, including photographs, drawings and prints, relating to these regions.
Egypt & Sudan	The collection illustrates every aspect of the cultures of the Nile Valley, from the site of Jebel Sahaba in the Paleolithic period (at least 13,400 years ago) until the modern day. Highlights include important collections of the Book of the Dead, papyri, coffins, mummies and monumental sculptures such as the colossus of Rameses II. The Rosetta Stone, inscribed with hieroglyphics, demotic and Greek, provided the key to decipher hieroglyphs.
Asia	The collection includes material from a vast geographical area embracing all of East Asia, South Asia, Southeast Asia, and parts of Central Asia and covers a broad chronological range from humanity's earliest artefacts to contemporary times. The collections encompass archaeological materials, artworks, and objects that reflect daily life and social structure and issues. Among the many special highlights of the collection are Chinese antiquities, ceramics, and graphic arts; Japanese antiquities, graphic arts, and modern crafts; Korean ceramics and lacquer; Indian paintings and sculpture; and Indonesian shadow puppets.

Coins & Medals	The collection includes coinage from its origins in the seventh century BC to the present day and related material such as coin weights, tokens and money boxes, the national collection of paper money ranging from one of the first Chinese banknotes to the euro, and a world-class collection of commemorative art medals from the Italian Renaissance to the present.
Greece & Rome	This is one of the most comprehensive collections of antiquities from the Mediterranean region which ranges in date from the beginning of the Greek Bronze Age (about 3200 BC) to the reign of the Roman emperor Constantine in the fourth century AD. The Cycladic, Minoan and Mycenaean cultures are represented and the Greek collection includes important sculpture from the Parthenon in Athens and from the Temple of Apollo at Bassai, as well as sculpture and architecture from two of the Seven Wonders of the Ancient World: the Mausoleum at Halikarnassos and the Temple of Artemis at Ephesos. The collection also includes ancient jewellery and bronzes, Greek vases and Roman glass and silver. There is an important collection of material from pre Roman Italy and ancient Cyprus. Highlights from the Roman period include the famous Portland Vase and a magnificent bronze portrait of the emperor Augustus.
Middle East	The collection includes a wide range of archaeological material, ancient and modern artefacts and contemporary art from Mesopotamia (Iraq), Iran, the Levant (Syria, Jordan, Lebanon, Palestine and Israel), Anatolia (Turkey), Arabia and the Gulf, Central Asia and the Caucasus. Highlights of the collection include the Assyrian reliefs, treasures from the cemetery of Ur, the Oxus Treasure, Phoenician ivories from Nimrud, the Cyrus Cylinder and the library of cuneiform tablets from Nineveh.
Britain, Europe & Prehistory	This department is responsible for collections that cover the material culture of human origins around the world from 2 million to 10,000 years ago, the deep history of pre-Roman Britain and Europe, Roman Britain and the archaeology, history, and traditional cultures of Europe to the present day, as well as clocks and watches.
Prints & Drawings	This is the national collection of Western prints and drawings dating from the beginning of the fifteenth century to the present day. The collection covers the history of drawing and print making as fine arts with large holdings of the works of important artists such as Durer, Michelangelo, Rembrandt, Hogarth, Goya, Kollwitz and Picasso, large documentary collections of historical, satirical and topographical prints and important collections of printed ephemera such as trade and visiting cards, fans and playing cards.

## 9(b) BM policies on acquisitions, preservation, management and disposal

*Acquisition*

The BM is committed to sustaining and improving its collection for the benefit of its audience now and in the future. Acquisitions are made in accordance with the policy which can be found on the BM's website at: [http://www.britishmuseum.org/about\\_us/management/museum\\_governance.aspx](http://www.britishmuseum.org/about_us/management/museum_governance.aspx)

*Preservation and Management*

The BM has a Collection Care Department, a Collection Projects and Resources Department and a Scientific Research department.

The Collection Projects and Resources department is responsible for departmental administration across the Museum's collections departments, and administration of the Museum's research programme and resources, including the library and archive. The department is responsible for development of the long-term plan for storage of the collection, library and archive, and the delivery of major cross-museum projects in support of the Museum masterplan.

The Collection Care department is responsible for collection management, conservation, collection documentation (including Photography and Imaging) and loans administration.

The Collection Care and Scientific Research departments work alongside other departments in the BM to care for and preserve the collection. As stated in the BM Conservation Policy, where possible the collections are preserved by reducing the potential for deterioration and damage rather than through treatment and repair. That is preventive conservation methods are applied in preference to interventive conservation treatments.

Preventive conservation methods used by the BM include providing guidelines for the appropriate environmental conditions in which to store, handle, display, study and transport the collection, reducing the risk of damage to the collection by implementing a comprehensive integrated pest management programme operating across the entire BM estate, and having systems in place to monitor and measure the state of the collections and the environments and spaces in which they are stored or displayed.

When interventive conservation treatment is required the BM ensures that these are conducted by qualified conservators (or trainees under supervision) in accordance with international best practice and ethical guidelines. All treatments carried out on the collections are documented fully and the resultant records are available for study, treatment methods are safe, stable and use tested materials that, where possible, do not compromise future conservation treatment or scientific examination.

The BM has a statutory obligation to make the collection available to members of the public. Members of the public can view objects online using the BM database or request to inspect objects in person. Paper and/or digital records ensure that BM objects can be located.

When complete, the database will contain a record of every object in the BM collection with associated conservation and scientific reports. The current database is the result of more than 30 years' work but it is still in its early stages. Currently, almost 4.5 million objects are available to review online at: <https://www.britishmuseum.org/collection>

*Disposal*

Objects vested in the Trustees as part of the collection of the BM cannot be disposed of by them except in circumstances allowed by the British Museum Act 1963. Therefore the Trustees' power to de-accession from the collection whether by sale, exchange, or gift (including response to any third party claim for restitution or repatriation) is limited and there is a strong legal presumption against this. The detail of the BM's policy on de-accession can be found on the BM's website at: [http://www.britishmuseum.org/about\\_us/management/museum\\_governance.aspx](http://www.britishmuseum.org/about_us/management/museum_governance.aspx)

## 9(c) Heritage assets capitalised

As detailed in the accounting policy, heritage assets acquired before 1 April 2001 are not included on the balance sheet because information on value is not readily available and cannot be obtained at a cost commensurate with the benefits to users of the financial statements. Acquisitions since 1 April 2001 have been capitalised and are held at historic cost for purchased assets and valuation at the time of acquisition for donated assets. The table shows the details of additions for the current and previous four years.

	<b>2021/22 – £000s</b>		
	Donated	Purchased	<b>Total</b>
Opening balance	72,548	35,871	<b>108,419</b>
Additions	556	782	<b>1,338</b>
Closing balance	<u>73,104</u>	<u>36,653</u>	<b><u>109,757</u></b>
	<b>2020/21 – £000s</b>		
	Donated	Purchased	<b>Total</b>
Opening balance	68,896	35,331	<b>104,227</b>
Additions	3,648	540	<b>4,188</b>
Write-back*	4	–	<b>4</b>
Closing balance	<u>72,548</u>	<u>35,871</u>	<b><u>108,419</u></b>
	<b>2019/20 – £000s</b>		
	Donated	Purchased	<b>Total</b>
Opening balance	65,544	33,882	<b>99,426</b>
Additions	3,356	1,449	<b>4,805</b>
Write-off**	(4)	–	<b>(4)</b>
Closing balance	<u>68,896</u>	<u>35,331</u>	<b><u>104,227</u></b>
	<b>2018/19 – £000s</b>		
	Donated	Purchased	<b>Total</b>
Opening balance	58,216	33,070	<b>91,286</b>
Additions	7,328	812	<b>8,140</b>
Closing balance	<u>65,544</u>	<u>33,882</u>	<b><u>99,426</u></b>
	<b>2017/18 – £000s</b>		
	Donated	Purchased	<b>Total</b>
Opening balance	57,091	31,958	<b>89,049</b>
Additions	1,125	1,112	<b>2,237</b>
Closing balance	<u>58,216</u>	<u>33,070</u>	<b><u>91,286</u></b>

\* In 2020/21, the six bags of prehistoric ceramic material from the collection declared lost and written-off in the accounts in 2019/20 were subsequently found. Four opium scrapers valued at £60 were declared lost under the Procedure for the Reporting of Unlocated and Lost Objects and were written-off in the accounts.

\*\* In 2019/20, six bags of prehistoric ceramic material from the collection valued at £4k were declared lost under the Procedure for the Reporting of Unlocated and Lost Objects and were written-off in the accounts.

**10. INVESTMENTS**

## 10(a) Fixed asset investments – Group and Museum

Investments comprised the following:	<b>Group 2022 £000s</b>	Group 2021 £000s	<b>Museum 2022 £000s</b>	Museum 2021 £000s
Investment assets in the UK:				
Investment funds	<b>67,417</b>	60,727	<b>67,417</b>	60,728
Fixed income	<b>9,342</b>	16,943	–	7,000
Investment assets outside the UK:				
Investment funds	<b>10</b>	27	<b>10</b>	27
Listed equities	<b>2,308</b>	–	<b>2,307</b>	–
Unlisted equities	<b>1,458</b>	1,550	<b>1,458</b>	1,550
	<b>80,535</b>	79,247	<b>71,192</b>	69,305
Investments at 1 April	<b>79,247</b>	106,747	<b>69,305</b>	96,899
Additions	<b>1,825</b>	15,102	<b>1,825</b>	15,008
Disposals	<b>(9,617)</b>	(53,734)	<b>(9,018)</b>	(53,734)
(Loss)/gain in value	<b>9,080</b>	11,132	<b>9,080</b>	11,132
Investments at 31 March	<b>80,535</b>	79,247	<b>71,192</b>	69,305

All investments are stated at fair value at 31 March 2022. 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 BM has entered into a long term commitment to invest a further \$0.5m (2021: \$0.5m) in unlisted equities outside the UK under subscription agreements with one investment manager.

Details of the BM's investment policy can be found in the investments and financial risks section in the Annual Report.

10(b) Investment properties – Group and Museum	<b>Group 2022 £000s</b>	Group 2021 £000s	<b>Museum 2022 £000s</b>	Museum 2021 £000s
Investments at 1 April	<b>25,000</b>	29,900	<b>25,000</b>	29,900
Additions	–	67	–	67
Transfer in from tangible fixed assets	<b>397</b>	–	<b>397</b>	–
Gain/(loss) in value	<b>3</b>	(4,967)	<b>3</b>	(4,967)
Investments at 31 March	<b>25,400</b>	25,000	<b>25,400</b>	25,000

The investment properties comprise buildings on the perimeter of the Bloomsbury site. During 2021/22 and 2020/21 the majority were subject to long leases on low or peppercorn rents.

The valuation of the investment properties at open market value as at 31 March 2022 was carried out by chartered surveyors Montagu Evans. The valuation is prepared having regard to, and in compliance with, the following Standards:

- International Financial Reporting Standards published by the International Accounting Standards Board
- RICS Valuation – Global Standards 2021, effective from 31st January 2022
- RICS Valuation – Global Standards 2017 – UK National Supplement January 2019
- International Valuation Standards published by the International Valuation Standards Committee, effective from 31st January 2022

## 10(c) Current asset investments

	<b>Group 2022 £000s</b>	Group 2021 £000s	<b>Museum 2022 £000s</b>	Museum 2021 £000s
Short-term cash deposits	<b>45,263</b>	39,631	<b>32,049</b>	38,031



## 10(d) Cash at bank and in hand

	<b>Group 2022 £000s</b>	Group 2021 £000s	<b>Museum 2022 £000s</b>	Museum 2021 £000s
Balance with commercial banks and in hand	<b>46,071</b>	25,767	<b>23,668</b>	12,716

**11. TRADING SUBSIDIARIES**

11(a) The BM owns 100% of the issued share capital of BMCo. BMCo has capital consisting of 750,000 £1 shares all of which have been issued at par. BMCo owns the whole of the issued share capital of the British Museum Ventures Limited which consists of 1 million ordinary shares at £1 each.

The BM owns 100% of the issued share capital of the BMGC. The BMGC has an authorised share capital of 10 million ordinary shares at £1 each, 500,001 of which have been issued at par.

The British Museum Friends (BMF) is a registered charity and a company limited by guarantee. The Board of Trustees of the British Museum, as a body corporate, is the sole company law member of the BMF.

## 11(b) Summary of results of consolidated entities

	<b>BMF</b>	<b>BMCo</b>	<b>BMGC</b>	<b>BM</b>	<b>Intercompany Transactions</b>	<b>Total</b>
	<b>2021/22 £000s</b>	<b>2021/22 £000s</b>	<b>2021/22 £000s</b>	<b>2021/22 £000s</b>	<b>2021/22 £000s</b>	<b>2021/22 £000s</b>
<b>Income and endowments from</b>						
Grant-in-aid	–	–	–	66,621	–	<b>66,621</b>
Donations and legacies	293	–	–	25,375	(12,129)	<b>13,539</b>
Charitable activities	4,870	4,331	–	12,452	(1,873)	<b>19,780</b>
Other trading activities	–	5,976	3,261	–	(1,014)	<b>8,223</b>
Investments	1	17	5	793	(6)	<b>810</b>
	<b>5,164</b>	<b>10,324</b>	<b>3,266</b>	<b>105,241</b>	<b>(15,022)</b>	<b>108,973</b>
<b>Expenditure on</b>						
Raising donations and legacies	(19)	–	–	(2,016)	(8)	<b>(2,043)</b>
Other trading activities	–	(3,571)	(2,366)	–	11	<b>(5,926)</b>
Investment management costs	–	–	–	(309)	(1)	<b>(310)</b>
Charitable activities	1,326	(3,691)	–	(72,011)	2,892	<b>(71,484)</b>
Contribution/grants to the BM	(7,027)	(4,500)	(601)	–	12,128	–
	<b>(5,720)</b>	<b>(11,762)</b>	<b>(2,967)</b>	<b>(74,336)</b>	<b>15,022</b>	<b>(79,763)</b>
Net gains on investments	–	–	–	9,083	–	<b>9,083</b>
<b>Net income/(expenditure)</b>	<b>(556)</b>	<b>(1,438)</b>	<b>299</b>	<b>39,988</b>	<b>–</b>	<b>38,293</b>
Gain on revaluation of fixed assets	–	–	–	27,651	–	<b>27,651</b>
Actuarial gain on defined benefit scheme	–	2,316	–	–	–	<b>2,316</b>
Other gains	–	–	–	39	–	<b>39</b>
<b>Net movement in funds</b>	<b>(556)</b>	<b>878</b>	<b>299</b>	<b>67,678</b>	<b>–</b>	<b>68,299</b>

In the Consolidated Statement of Financial Activities, expenditure on other trading activities includes a corporation tax credit of £9k (2020/21: credit of £4k) for BMGC, and no corporation tax credit or charge (2020/21: credit of £400k) for BMV. Retained earnings carried forward for BMGC is £299k (2020/21: £nil) and retained earnings carried forward for BMV is £1,067k (2020/21: £1,067k).

During the year the Museum did not need to make funds available to support BMCo during the pandemic and ensure the ongoing viability of the subsidiary (2020/21: £17m).

	<b>BMF</b>	<b>BMCo</b>	<b>BMGC</b>	<b>BM</b>	<b>Intercompany Transactions</b>	<b>Total</b>
	<b>2020/21</b>	<b>2020/21</b>	<b>2020/21</b>	<b>2020/21</b>	<b>2020/21</b>	<b>2020/21</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Income and endowments from</b>						
Grant-in-aid	–	–	–	65,420	–	<b>65,420</b>
Donations and legacies	1,063	17,000	–	38,203	(17,310)	<b>38,956</b>
Charitable activities	4,017	1,974	–	11,608	(1,826)	<b>15,773</b>
Other trading activities	–	1,871	1,903	–	(695)	<b>3,079</b>
Investments	3	86	3	384	(4)	<b>472</b>
	<b>5,083</b>	<b>20,931</b>	<b>1,906</b>	<b>115,615</b>	<b>(19,835)</b>	<b>123,700</b>
<b>Expenditure on</b>						
Raising donations and legacies	–	–	–	(1,621)	–	<b>(1,621)</b>
Other trading activities	–	(2,064)	(1,600)	–	–	<b>(3,664)</b>
Investment management costs	–	–	–	(258)	–	<b>(258)</b>
Charitable activities	(1,351)	(2,808)	–	(86,397)	19,526	<b>(71,030)</b>
Contribution/grants to the BM	(4)	–	(306)	–	310	–
	<b>(1,355)</b>	<b>(4,872)</b>	<b>(1,906)</b>	<b>(88,276)</b>	<b>19,836</b>	<b>(76,573)</b>
Net gains on investments	–	–	–	6,166	(1)	<b>6,165</b>
<b>Net (expenditure)/income</b>	<b>3,728</b>	<b>16,059</b>	<b>–</b>	<b>33,505</b>	<b>–</b>	<b>53,292</b>
Gain on revaluation of fixed assets	–	–	–	(9,743)	–	<b>(9,743)</b>
Actuarial loss on defined benefit scheme	–	(976)	–	–	–	<b>(976)</b>
Other gains	–	–	–	(240)	–	<b>(240)</b>
<b>Net movement in funds</b>	<b>3,728</b>	<b>15,083</b>	<b>–</b>	<b>23,522</b>	<b>–</b>	<b>42,333</b>

In the 2020/21 Consolidated Statement of Financial Activities, expenditure on other trading activities includes a corporation tax credit of £4k (2019/20: charge of -£7k) for BMGC, and a corporation tax credit of £400k (2019/20: charge of -£291k) for BMV. Retained earnings carried forward for BMGC is £nil (2019/20: £nil) and retained earnings carried forward for BMV is £1,067k (2019/20: £1,242k).

During 2020/21 the Museum made £17m available to support BMCo during the pandemic and ensure the ongoing viability of the subsidiary.

#### 11(c) Balance sheet of consolidated entities

Net assets at 31 March 2022 comprise:	<b>BMF</b>	<b>BMCo</b>	<b>BMGC</b>	<b>BM</b>	<b>Intercompany Transactions</b>	<b>Total</b>
	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Fixed assets	–	9,831	61	1,080,709	(1,250)	<b>1,089,351</b>
Current assets	12,227	26,726	3,645	83,368	(15,972)	<b>109,994</b>
Debtors due after one year	–	109	–	9,802	–	<b>9,911</b>
Creditors due within one year	(7,246)	(6,510)	(2,868)	(18,151)	15,933	<b>(18,842)</b>
Creditors due after one year	–	(5,508)	(39)	(13,247)	39	<b>(18,755)</b>
Net assets	<b>4,981</b>	<b>24,648</b>	<b>799</b>	<b>1,142,481</b>	<b>(1,250)</b>	<b>1,171,659</b>
Net assets at 31 March 2021 comprise:	<b>BMF</b>	<b>BMCo</b>	<b>BMGC</b>	<b>BM</b>	<b>Intercompany Transactions</b>	<b>Total</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Fixed assets	612	9,969	71	1,039,403	(1,250)	<b>1,048,805</b>
Current assets	5,385	29,054	1,941	70,145	(19,547)	<b>86,978</b>
Debtors due after one year	–	109	–	10,297	–	<b>10,406</b>
Creditors due within one year	(460)	(763)	(1,402)	(29,951)	19,542	<b>(13,034)</b>
Creditors due after one year	–	(14,599)	(110)	(15,091)	5	<b>(29,795)</b>
Net assets	<b>5,537</b>	<b>23,770</b>	<b>500</b>	<b>1,074,803</b>	<b>(1,250)</b>	<b>1,103,360</b>

The current assets of BMCo include £1,363k (2020/21: £1,843k) of stock which comprises £250k (2020/21: £103k) of work in progress and £1,113k (2020/21: £1,740k) of finished goods and goods for resale.

The restatement represents the grossing up of debtors/creditors in BMGC which had previously been offset.

## 12. DEBTORS

	<b>Group 2022 £000s</b>	Group 2021 £000s Restated	<b>Museum 2022 £000s</b>	Museum 2021 £000s
Amounts falling due within one year:				
Trade debtors	<b>3,515</b>	776	<b>1,507</b>	600
Other debtors	<b>680</b>	1,066	<b>169</b>	213
Prepayments and accrued income	<b>12,767</b>	17,278	<b>11,804</b>	16,987
Taxation and social security	<b>335</b>	617	<b>678</b>	775
Amount due from subsidiaries	-	-	<b>13,493</b>	823
	<b>17,297</b>	19,737	<b>27,651</b>	19,398
	<b>Group 2022 £000s</b>	Group 2021 £000s	<b>Museum 2022 £000s</b>	Museum 2021 £000s
Amounts falling due after more than one year:				
Accrued income	<b>9,802</b>	10,297	<b>9,802</b>	10,297
Other debtors	<b>109</b>	109	-	-
	<b>9,911</b>	10,406	<b>9,802</b>	10,297
<b>Total debtors</b>	<b>27,208</b>	30,143	<b>37,453</b>	29,695

Accrued income falling due to the Group and the Museum after more than one year relates to income from grants and donations. This is recognised where a formal offer of funding has been communicated to the Museum and terms and conditions have been met.

The restatement represents the grossing up of debtors/creditors in BMGC which had previously been offset.

## 13. CREDITORS

	<b>Group 2022 £000s</b>	Group 2021 £000s Restated	<b>Museum 2022 £000s</b>	Museum 2021 £000s
Amounts falling due within one year:				
Trade creditors	<b>3,345</b>	947	<b>2,813</b>	732
Other creditors	<b>1,860</b>	1,812	<b>1,738</b>	1,581
Taxation and social security	-	-	-	-
Accruals	<b>6,685</b>	3,972	<b>6,232</b>	3,775
Deferred income	<b>5,885</b>	5,906	<b>4,178</b>	4,927
Amount due to subsidiaries	-	-	<b>2,123</b>	18,543
	<b>17,775</b>	12,637	<b>17,084</b>	29,558
	<b>Group 2022 £000s</b>	Group 2021 £000s	<b>Museum 2022 £000s</b>	Museum 2021 £000s
Amounts falling due after more than one year:				
Deferred income	<b>13,247</b>	15,196	<b>13,247</b>	15,091

The Group deferred income falling due after more than one year relates to sponsorship, loan fees and corporate partners, recognised over the term of the contracts. The Museum deferred income falling due after more than one year relates to sponsorship and loan fees, recognised over the term of the contract.

The restatement represents the grossing up of debtors/creditors in BMGC which had previously been offset.

The movement on the deferred income account is as follows:

	<b>Group 2022 £000s</b>	Group 2021 £000s Restated	<b>Museum 2022 £000s</b>	Museum 2021 £000s
Deferred income brought forward	<b>21,102</b>	22,171	<b>20,018</b>	21,105
Released in year	<b>(5,441)</b>	(3,594)	<b>(5,441)</b>	(3,502)
Deferred in year	<b>3,471</b>	2,525	<b>2,848</b>	2,415
Deferred income carried forward	<b>19,132</b>	21,102	<b>17,425</b>	20,018

#### 14. PROVISION FOR LIABILITIES AND CHARGES – GROUP AND MUSEUM

Provisions for liabilities and charges at 31 March are as follows:

	<b>Group 2022 £000s</b>	Group 2021 £000s	<b>Museum 2022 £000s</b>	Museum 2021 £000s
Provisions brought forward	<b>397</b>	622	<b>393</b>	615
Arising during the year	<b>1,063</b>	60	<b>1,063</b>	56
Utilised during the year	<b>(231)</b>	(93)	<b>(229)</b>	(93)
Reversed unused	<b>(162)</b>	(192)	<b>(160)</b>	(185)
Provisions carried forward	<b>1,067</b>	397	<b>1,067</b>	393
Less current portion	<b>(1,067)</b>	(397)	<b>(1,067)</b>	(393)
	-	-	-	-
Total provision for liabilities and charges falling due after more than one year:	-	-	-	-

The provisions carried forward relate to legal claims and backdated rent.

#### 15. FINANCIAL COMMITMENTS

At 31 March the British Museum had commitments under operating leases as follows:

	Land and Buildings		Plant and Machinery		Van	
	<b>2022 £000s</b>	2021 £000s	<b>2022 £000s</b>	2021 £000s	<b>2022 £000s</b>	2021 £000s
Leases which expire:						
within one year	<b>105</b>	105	<b>42</b>	40	<b>3</b>	8
in the second to fifth year	<b>419</b>	419	<b>9</b>	33	-	3
over five years	<b>17</b>	122	-	-	-	-
	<b>541</b>	646	<b>51</b>	73	<b>3</b>	11

**16(a) STATEMENT OF FUNDS**

	SOFA Classification	At 1 April 2021 £000s	Income £000s	Expenditure £000s	Net movement on investments and revaluation £000s	Movement during year £000s	Transfers between funds £000s	At 31 March 2022 £000s
<i>Permanent endowment funds</i>	PE	<b>21,633</b>	–	(101)	2,917	<b>2,816</b>	(638)	<b>23,811</b>
<i>Expendable endowment funds</i>	EE	<b>21,133</b>	198	(629)	2,942	<b>2,511</b>	(235)	<b>23,409</b>
<i>Restricted funds</i>								
Collection acquisitions	CA	<b>108,419</b>	556	–	–	<b>556</b>	782	<b>109,757</b>
Collection purchase fund	RC	<b>5,107</b>	311	(211)	294	<b>394</b>	(53)	<b>5,448</b>
Fixed asset revaluation	RC	<b>605,898</b>	–	–	27,651	<b>27,651</b>	–	<b>633,549</b>
Fixed assets	RC	<b>229,532</b>	–	(14,829)	–	<b>(14,829)</b>	24,858	<b>239,561</b>
Investment Properties	RC	<b>25,000</b>	–	–	3	<b>3</b>	397	<b>25,400</b>
Estates proceeds	RC	<b>6,041</b>	–	(29)	823	<b>794</b>	–	<b>6,835</b>
Construction projects fund	RC	<b>11,227</b>	19,628	(198)	88	<b>19,518</b>	(13,582)	<b>17,163</b>
Restricted income trust funds	RR	<b>1,160</b>	–	(89)	17	<b>(72)</b>	78	<b>1,166</b>
Restricted income funds	RR	<b>30,788</b>	7,130	(5,917)	261	<b>1,474</b>	(91)	<b>32,171</b>
BMCo	RR	<b>17,000</b>	73	(73)	–	<b>–</b>	(7,000)	<b>10,000</b>
British Museum Friends	RR	<b>–</b>	27	–	–	<b>27</b>	(27)	<b>–</b>
		<b>1,040,172</b>	<b>27,725</b>	<b>(21,346)</b>	<b>29,137</b>	<b>35,516</b>	<b>5,362</b>	<b>1,081,050</b>
<i>Unrestricted funds: BM</i>								
<i>Designated:</i>								
Designated funds	UR	<b>–</b>	–	–	–	<b>–</b>	14,850	<b>14,850</b>
Designated trust funds	UR	<b>364</b>	–	(22)	13	<b>(9)</b>	–	<b>355</b>
		<b>364</b>	<b>–</b>	<b>(22)</b>	<b>13</b>	<b>(9)</b>	<b>14,850</b>	<b>15,205</b>
<i>General:</i>								
Unrestricted trust funds	UR	<b>7,085</b>	15	(15)	346	<b>346</b>	–	<b>7,431</b>
General funds	UR	<b>1,416</b>	63,528	(51,153)	1,418	<b>13,793</b>	(13,634)	<b>1,575</b>
		<b>8,501</b>	<b>63,543</b>	<b>(51,168)</b>	<b>1,764</b>	<b>14,139</b>	<b>(13,634)</b>	<b>9,006</b>
<i>Unrestricted funds: subsidiaries</i>								
BMCo	UR	<b>5,381</b>	10,156	(5,999)	2,316	<b>6,473</b>	1,556	<b>13,410</b>
BMCo fixed assets	UC	<b>639</b>	–	(211)	–	<b>(211)</b>	60	<b>488</b>
BMF	UR	<b>5,537</b>	5,104	2,076	–	<b>7,180</b>	(7,736)	<b>4,981</b>
BMF fixed assets	UC	<b>–</b>	–	–	–	<b>–</b>	–	<b>–</b>
BMGC	UR	<b>(71)</b>	2,247	(2,353)	–	<b>(106)</b>	415	<b>238</b>
BMGC fixed assets	UC	<b>71</b>	–	(10)	–	<b>(10)</b>	–	<b>61</b>
		<b>11,557</b>	<b>17,507</b>	<b>(6,497)</b>	<b>2,316</b>	<b>13,326</b>	<b>(5,705)</b>	<b>19,178</b>
<i>Unrestricted funds: group</i>								
		<b>20,422</b>	<b>81,050</b>	<b>(57,687)</b>	<b>4,093</b>	<b>27,456</b>	<b>(4,489)</b>	<b>43,389</b>
<b>Total funds</b>		<b>1,103,360</b>	<b>108,973</b>	<b>(79,763)</b>	<b>39,089</b>	<b>68,299</b>	<b>–</b>	<b>1,171,659</b>

	SOFA Classification	At 1 April 2020 Restated £000s	Income £000s	Expenditure £000s	Net movement on investments and revaluation £000s	Movement during year £000s	Transfers between funds £000s	At 31 March 2021 £000s
<i>Permanent endowment funds</i>	PE	<b>18,082</b>	1	(86)	4,239	<b>4,154</b>	(603)	<b>21,633</b>
<i>Expendable endowment funds</i>	EE	<b>8,352</b>	10,369	(225)	2,761	<b>12,905</b>	(124)	<b>21,133</b>
<i>Restricted funds</i>								
Collection acquisitions fund	CA	<b>104,227</b>	3,648	4	–	<b>3,652</b>	540	<b>108,419</b>
Collection purchase fund	RC	<b>7,618</b>	2,710	(221)	282	<b>2,771</b>	(5,282)	<b>5,107</b>
Fixed asset revaluation fund	RC	<b>615,641</b>	–	–	(9,743)	<b>(9,743)</b>	–	<b>605,898</b>
Fixed asset fund	RC	<b>221,347</b>	–	(16,705)	–	<b>(16,705)</b>	24,890	<b>229,532</b>
Investment properties	RC	<b>29,900</b>	–	–	(4,967)	<b>(4,967)</b>	67	<b>25,000</b>
Estates proceeds	RC	<b>4,898</b>	–	(24)	1,167	<b>1,143</b>	–	<b>6,041</b>
Construction projects fund	RC	<b>11,509</b>	21,362	(370)	(51)	<b>20,941</b>	(21,223)	<b>11,227</b>
Restricted income trust funds	RR	<b>1,114</b>	5	(61)	(3)	<b>(59)</b>	105	<b>1,160</b>
Restricted income funds	RR	<b>18,795</b>	18,069	(10,829)	288	<b>7,528</b>	4,465	<b>30,788</b>
BMCo	RR	–	549	(549)	–	–	17,000	<b>17,000</b>
British Museum Friends	RR	–	4	–	–	<b>4</b>	(4)	–
		<b>1,015,049</b>	<b>46,347</b>	<b>(28,755)</b>	<b>(13,027)</b>	<b>4,565</b>	<b>20,558</b>	<b>1,040,172</b>
<i>Unrestricted funds: BM</i>								
<i>Designated:</i>								
Designated trust funds	UR	<b>365</b>	–	(21)	20	<b>(1)</b>	–	<b>364</b>
		<b>365</b>	–	<b>(21)</b>	<b>20</b>	<b>(1)</b>	–	<b>364</b>
<i>General:</i>								
Unrestricted trust funds	UR	<b>9,069</b>	51	(11)	512	<b>552</b>	(2,536)	<b>7,085</b>
General funds	UR	<b>364</b>	57,372	(41,918)	1,677	<b>17,131</b>	(16,079)	<b>1,416</b>
		<b>9,433</b>	<b>57,423</b>	<b>(41,929)</b>	<b>2,189</b>	<b>17,683</b>	<b>(18,615)</b>	<b>8,501</b>
<i>Unrestricted funds: subsidiaries</i>								
BMCo	UR	<b>7,059</b>	3,271	(3,015)	(976)	<b>(720)</b>	(958)	<b>5,381</b>
BMCo fixed assets	UC	<b>878</b>	–	(266)	–	<b>(266)</b>	27	<b>639</b>
BMF	UR	<b>1,809</b>	5,077	(675)	–	<b>4,402</b>	(674)	<b>5,537</b>
BMGC	UR	<b>(88)</b>	1,212	(1,584)	–	<b>(372)</b>	389	<b>(71)</b>
BMGC fixed assets	UC	<b>88</b>	–	(17)	–	<b>(17)</b>	–	<b>71</b>
		<b>9,746</b>	<b>9,560</b>	<b>(5,557)</b>	<b>(976)</b>	<b>3,027</b>	<b>(1,216)</b>	<b>11,557</b>
<i>Unrestricted funds: group</i>								
		<b>19,544</b>	<b>66,983</b>	<b>(47,507)</b>	<b>1,233</b>	<b>20,709</b>	<b>(19,831)</b>	<b>20,422</b>
<b>Total funds</b>		<b>1,061,027</b>	<b>123,700</b>	<b>(76,573)</b>	<b>(4,794)</b>	<b>42,333</b>	–	<b>1,103,360</b>

Each fund is categorised in the SOFA as a permanent endowment (PE), expendable endowment (EE), collection acquisition (CA), restricted revenue (RR), restricted capital (RC), unrestricted capital (UC) or unrestricted revenue fund (UR).

In 2020/21 the Statement of Funds note was restated from the prior year to show investment properties as restricted funds in order to provide greater transparency and better reflect the nature of the assets. These investment properties are subject to a number of restrictions.

The BMCo reserve includes a liability on a defined benefit pension scheme of £5.5m (2020/21: £14.6m), see note 20 for further details.

	2022 £000s	2021 £000s
Investments (including investment properties) at fair value	<b>105,935</b>	104,247
Investments (including investment properties) at historic cost	<b>75,299</b>	81,891
Fair value reserve	<b>30,636</b>	22,356

**Analysis of group net assets between funds**

	Permanent Endowments £000s	Expendable Endowments £000s	Restricted Funds £000s	Unrestricted Funds £000s	<b>Total 2022 £000s</b>	Total 2021 £000s
Fund balances at 31 March 2021 are represented by:						
Tangible fixed assets	–	–	869,182	247	<b>869,429</b>	832,132
Intangible fixed assets	–	–	3,928	302	<b>4,230</b>	4,007
Heritage assets	–	–	109,757	–	<b>109,757</b>	108,419
Fixed asset investments	23,811	23,571	9,723	23,430	<b>80,535</b>	79,247
Investment properties	–	–	25,400	–	<b>25,400</b>	25,000
Debtors due in more than 1 year	–	–	9,911	–	<b>9,911</b>	10,406
Net current assets	–	(162)	53,149	38,165	<b>91,152</b>	73,944
Creditors: amounts falling due after more than one year	–	–	–	(13,247)	<b>(13,247)</b>	(15,196)
Liability on defined benefit pension scheme	–	–	–	(5,508)	<b>(5,508)</b>	(14,599)
<b>Total net assets</b>	<b>23,811</b>	<b>23,409</b>	<b>1,081,050</b>	<b>43,389</b>	<b>1,171,659</b>	<b>1,103,360</b>

The Trustees consider that sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restriction imposed.

**Permanent endowment funds**

These consist of funds for which the income alone can be used for the following purposes:

<i>Brooke-Sewell Permanent</i>	for the purchase of oriental antiquities and works of art
<i>King's Library Endowment</i>	sponsoring the post of curator of the King's Library
<i>Japanese Cultural Exchange</i>	for travel by scholars and conservators from the BM and Japan
<i>Scholar Prog. for Egypto-Nubian Studies</i>	for post graduate research in the Department of Egypt & Sudan
<i>Scholar Prog. for Ancient Iranian Studies</i>	for post graduate research in the Department of the Middle East
<i>Hill</i>	for the purchase of coins and medals
<i>Lukonin Memorial Lecture</i>	for a series of lectures or seminars on ancient Iranian and Near Eastern studies
<i>Dingwall-Beloe Lecture</i>	to sponsor an annual lecture in horology
<i>Florence</i>	for general purposes
<i>Lecture in Egyptology</i>	for an annual lecture in Egyptology and associated costs
<i>Fuller</i>	for field work by the Department of Africa, Oceania & the Americas
<i>Birch</i>	for the salaries of three under-librarians
<i>The Archibald Bequest</i>	for the purchase of coins, medals, tokens or bank notes

**Expendable endowment funds**

Expendable endowment funds are donations that have been given to the BM to be held as capital, where the trustees have a discretionary power to use the funds as income for these purposes:

<i>Michael Bromberg Fellowship</i>	for the promotion of education by the study of prints and their history
<i>Monument Trust</i>	to support the Department of Prints and Drawings by endowing the Keeper's role and funding a series of curators and fellows
<i>Rootstein-Hopkins</i>	for the acquisition of the works of qualifying artists in the fields of drawing and printmaking
<i>Robert Hatfield Ellsworth legacy for Asia Dept.</i>	for maintaining staff in the China division of the Department of Asia
<i>Borthwick Fund for the Ancient World</i>	support the research, care and display of the collections from ancient Egyptian, Greek and Roman cultures

*African Heritage Programme*

to support research into the history and cultural heritage of Africa with a focus on archaeological investigations, and to further research partnerships with academics and communities in Africa.

**Restricted funds**

A significant proportion of these funds represents the capitalised value of fixed assets (both tangible and intangible), including collection items which have been acquired since 1 April 2001, and also Investment Properties.

*Restricted income trust funds:* these consist of a number of funds where the donors have specified the uses to which they may be put or have placed certain restrictions on the use of capital:

*Hamlyn Gift*

The Paul Hamlyn Foundation agreed to allocate its ongoing support for the British Museum (the Fund) to a six-year grant to develop and grow its national and community partnerships. Following a Deed of Variation signed in August 2019, the new "Where We Are..." programme will aim to work with young people and museum partners across the UK to communicate stories about communities where they live.

*Sharp*

for the purchase of books concerned with ancient Greece or Rome

*Sir Joseph Hotung Charitable Settlement – Asia*

to support research by the Department of Asia

*Hamlyn Bequest*

in furtherance of the study of the natural sciences

*Oppenheimer*

for the Department of Prints & Drawings

*Lloyd Bequest*

to acquire cabinets or other suitable accommodation for prints and drawings

*Romenuk Bequest*

for the purchase of 14/15th century Hebrew manuscripts or Flemish Art

*Dennis*

for the general purposes of the Department of Africa, Oceania & the Americas

*Duthrie Bequest*

to be used for acquisitions and/or maintenance

*Christy*

for purchases for Departments of Prehistory & Europe and Africa, Oceania & the Americas

*Woodward*

for the purchase of further English pottery and porcelain

*Ready Bequest*

for the purchase of Greek and Roman antiquities

**Unrestricted designated funds**

These are unrestricted funds from which income or capital may be spent, and which the Trustees have set aside for a specific purpose.

*Designated trust funds*

for BM publications. Based on historic spending patterns, the donations will be spent in the next ten to fifteen years.

*Designated funds*

to allow delivery of activities that have been postponed or delayed since the start of the pandemic. It is anticipated that these funds will be spent or released over the next five years, but this will be kept under review.



## Unrestricted general funds

*Unrestricted Trust Funds:* these are funds which were donated simply for the general purposes of the BM: *Smith, Reddan, Shaw, Vallentin, Lawrence, and Planelles-Granell.*

*General funds:* these are funds that are expendable at the discretion of the Trustees.

### 16(b) Analysis of transfers between funds

	Restricted Capital Funds*	Unrestricted Capital Funds	Restricted Revenue Funds	Unrestricted Revenue Funds	Expendable Endowment Funds	Permanent Endowment Funds
	£000s	£000s	£000s	£000s	£000s	£000s
Collection purchases from revenue funds	155	-	(97)	(11)	(47)	-
Capital asset purchases	-	-	-	-	-	-
Fixed asset transfers	173	-	(117)	1	(57)	-
Endowment transfers	574	-	195	-	(131)	(638)
Subsidiary transfers	11,500	60	(7,000)	(4,560)	-	-
Reclassification of funds	-	-	(21)	21	-	-
	<b>12,402</b>	<b>60</b>	<b>(7,040)</b>	<b>(4,549)</b>	<b>(235)</b>	<b>(638)</b>

\* Restricted capital funds include collection acquisition funds.

### 16(c) Total return approach to investments

	Trust for Investment	Unapplied Total Return	Total Permanent Endowments (Total Return)	Other Permanent Endowments	Total Permanent Endowments
	£000s	£000s	£000s	£000s	£000s
<b>Closing balance at 31 March 2021</b>					
Gift component of the permanent endowment	3,917	-	<b>3,917</b>	-	<b>3,917</b>
Unapplied total return	-	17,706	<b>17,706</b>	10	<b>17,716</b>
<b>Total</b>	<b>3,917</b>	<b>17,706</b>	<b>21,623</b>	<b>10</b>	<b>21,633</b>
<b>Movements in the year</b>					
Gift of endowment funds	-	-	-	-	-
Investment income	-	-	-	-	-
Expenditure on raising donations and legacies	-	-	-	-	-
Investment management costs	-	(101)	<b>(101)</b>	-	<b>(101)</b>
Net gains on investments	-	2,916	<b>2,916</b>	1	<b>2,917</b>
Other losses	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2,815</b>	<b>2,815</b>	<b>1</b>	<b>2,816</b>
Unapplied total return allocated to income in the reporting period (transfers to restricted income)	-	(638)	<b>(638)</b>	-	<b>(638)</b>
<b>Net movements in the year</b>	<b>-</b>	<b>2,177</b>	<b>2,177</b>	<b>1</b>	<b>2,178</b>
Gift component of the permanent endowment	3,917	-	<b>3,917</b>	-	<b>3,917</b>
Unapplied total return	-	19,883	<b>19,883</b>	11	<b>19,894</b>
<b>Closing balance at 31 March 2022</b>	<b>3,917</b>	<b>19,883</b>	<b>23,800</b>	<b>11</b>	<b>23,811</b>

Details of the power to adopt a total return approach to investment can be found in the Investments and Financial Risks section of the Annual Report.

## 17. CASH FLOW INFORMATION

Reconciliation of net income/(expenditure) to net cash flow from operating activities.

	<b>2022</b>	2021
	<b>£000s</b>	£000s
Net income for the year	<b>38,293</b>	53,292
(Gain) / loss on investments	<b>(9,083)</b>	(6,165)
Actuarial loss on defined benefit scheme	<b>2,316</b>	(976)
Donated assets - collection items	<b>(556)</b>	(3,648)
Investment income	<b>(335)</b>	(426)
Depreciation	<b>14,466</b>	16,398
Amortisation	<b>584</b>	591
Write back of heritage asset	–	(4)
Loss on disposal of fixed assets	–	648
Increase/(decrease) in creditors	<b>5,641</b>	(24,153)
Decrease/(increase) in debtors	<b>2,935</b>	(12,722)
Decrease in stocks	<b>480</b>	156
(Decrease)/Increase in provisions	<b>670</b>	(225)
(Decrease)/Increase in pension fund liability	<b>(9,091)</b>	601
Net cash provided by operating activities	<b>46,320</b>	23,367

## 18. RELATED PARTY TRANSACTIONS

The British Museum is a Non-Departmental Public Body whose sponsoring body is the Department for Digital, Culture, Media and Sport. The Department for Digital, Culture, Media and Sport is regarded as a related party. During the year the British Museum had a number of transactions with the Department and with other entities for which the Department is the sponsor, for example the Victoria and Albert Museum and the Science Museum Group.

The British Museum also entered into transactions with other related parties during the year as set out below:

Party	Nature of Relationship	Transaction	Income for the year ended 31 March 2022	Expenditure for the year ended 31 March 2022	Debtor balance as at 31 March 2022	Creditor balance as at 31 March 2022
			£000s	£000s	£000s	£000s
American Friends of the British Museum	A number of Trustees had roles with the AFBM	Grants awarded during the year and administration costs associated with grant making.	385	(47)	–	(291)
The Royal Academy of Arts	Grayson Perry CBE RA is a Trustee of the Royal Academy of Arts	Loan fees	3	–	–	–
Cambridge University Press and Assessment Syndic	Professor Dame Sarah Worthington DBE, QC (Hon), FBA is a Member of the Cambridge University Press and Assessment Syndic	Trading expenditure	–	(2)	–	–
Vodafone Group plc	Lord Jonathan Marland holds a registerable shareholding in Vodafone Group plc	Telephone and IT expenditure	–	(7)	–	(1)
Morgan Stanley	Dame Elizabeth Corley DBE is a Non Executive Director at Morgan Stanley	Corporate Partnership	32	–	1	(3)
QA	Sir Charlie Mayfield is the Non Executive Chairman at QA	Training costs	–	(10)	–	–
The Metropolitan Museum of Art	Sir Paul Ruddock FSA is a Trustee of the Metropolitan Museum of Art	Loan fee	–	(5)	–	–
The Metropolitan Museum of Art	Sir Paul Ruddock FSA is a Trustee of the Metropolitan Museum of Art	Trading income and expenditure	7	(7)	–	(2)
Sir Richard Lambert	Chairman of the Trustees of the British Museum for part of the year	Diary management	1	–	–	–

Party	Nature of Relationship	Transaction	Income for the year ended 31 March 2022	Expenditure for the year ended 31 March 2022	Debtor balance as at 31 March 2022	Creditor balance as at 31 March 2022
			£000s	£000s	£000s	£000s
McKinsey & Company	Dame Vivian Hunt DBE is a Senior Partner for McKinsey & Company's United Kingdom and Ireland offices.	Corporate partnership income	32	-	-	14

A number of employees, trustees and their family members are members of the British Museum Friends and patrons of the Museum.

During the year, a total of £213k (2020/21: £44k) in donations was recognised from 17 Trustees (2020/21: 7). Donations of £32k were made by Trustees towards the cost of Trustee meetings (2020/21: £nil).

Trustees, Directors and employees of the British Museum, the British Museum Company and British Museum Ventures Limited are entitled to discounts on purchases from the Museum's shops and cafés.

Members of the Art Fund are given discounted entry to the special exhibitions of the British Museum.

During 2020/21 the BM entered into transactions with other related parties as set out below:

Party	Nature of Relationship	Transaction	Income for the year ended 31 March 2021	Expenditure for the year ended 31 March 2021	Debtor balance as at 31 March 2021	Creditor balance as at 31 March 2021
			£000s	£000s	£000s	£000s
The American Friends of the British Museum	A number of Trustees had roles with the AFBM	Grants awarded during the year and administration costs associated with grant making.	2,172	(89)	1,455	(410)
Art Fund	Professor Chris Gosden FBA was a Trustee of the Art Fund to 5 October 2020	Grants awarded for acquisitions	87	-	-	-
Ashmolean Museum	Sir Paul Nurse is on the Board of Visitors	Grant expenditure	-	(26)	-	-
British Airways	Mr Gavin Patterson was a Non-Executive Director of British Airways to 11 June 2020	Flight costs	-	(2)	-	-
Cambridge University Press	Professor Dame Sarah Worthington DBE, QC (Hon), FBA is a Syndic for the Cambridge University Press	Trade Expenditure	-	(1)	1	
McKinsey & Company	Dame Vivian Hunt DBE was the Managing Partner for McKinsey & Company's United Kingdom and Ireland offices.	Corporate partnership income	31	-	-	(24)
Morgan Stanley	Dame Elizabeth Corley DBE is a Non-Executive Director of Morgan Stanley	Corporate partnership	32	-	-	(34)
QA	Sir Charlie Mayfield is the non-Executive Chair of QA	Training costs	-	(9)	2	-
Sir Richard Lambert	Chairman of the Trustees of the British Museum	Diary Management	1	-	1	-
St Mungo's Homeless Charity	Mr Mark Pears CBE is a Trustee of St Mungo's Homeless Charity	Advertising income	3	-	-	-
University of the Arts London	Mr Grayson Perry CBE, RA is the Chancellor of the University of the Arts London	Trading income	7	-	-	-
Zoe Cormack	Zoe Cormack is the daughter of Dame Mary Beard	Grant payment	-	(10)	-	-

A number of employees, trustees and their family members are members of the British Museum Friends and patrons of the Museum.

During the year, a total of £44k (2019/20: £20k) in donations was recognised from 7 Trustees (2019/20: 7). No further donations were made by Trustees towards the cost of Trustee meetings (2019/20: £42k).

During 2020/21 the Trustee Grayson Perry's 'Tomb of the Unknown Craftsman' was exhibited at the British Museum from September to November 2020. There was no remuneration paid for the exhibition.

Trustees, Directors and employees of the British Museum, the British Museum Company and British Museum Ventures Limited are entitled to discounts on purchases from the Museum's shops and cafés.

Members of the Art Fund are given discounted entry to the special exhibitions of the British Museum.

## 19. CAPITAL COMMITMENTS

At the balance sheet date the value of tangible capital commitments was £5.2m (2020/21: £15.7m) and the value of intangible capital commitments was £26k (2020/21: £25k).

## 20. PENSIONS

### *British Museum*

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switch into alpha sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make

contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

For 2021/22, employers' contributions of £6.7m were payable to the PCSPS (2020-21 £6.58m) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2021-22 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £97.9k were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.75%.

Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £3.8k, 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

No individuals retired early on ill-health grounds; the total additional accrued pension liability in the year amounted to 0.

Contributions due to the partnership pension providers at the balance sheet date were £0. Contributions prepaid at that date were £0.

#### *British Museum Company Limited*

##### Defined Contribution Scheme

The Company operates a defined contribution pension scheme for the benefit of the employees who commenced their employment after 1 January 2000. The assets of the scheme are self-administered in funds independent from those of the Company. The total employer's contributions to this scheme during the year were £106k (2020/21: £104k).

##### Defined Benefit Scheme

The Company operates a defined benefit pension scheme for its employees who commenced their employment prior to 1 January 2000, the British Museum Company Limited Retirement Benefits Plan. The assets of the scheme are held separately from those of the Company and are managed by the BM Co Pension Trustee Company Limited.

For employees joining the scheme before 1 November 1993, the scheme is non-contributory. Employees joining the scheme with effect from 1 November 1993 pay 5% of pensionable salary towards the total. The cost of insuring the death in service benefits is payable in addition to these amounts.

##### Actuarial valuation

The pension scheme undertakes a full triennial actuarial valuation. This valuation establishes how much the scheme's assets are worth and how much the scheme needs in order to pay pensions as they fall due (the 'technical provisions'). Legislation states that pension trustees must be prudent when choosing the assumptions on which to base the valuation and sets a statutory funding objective that assets should be sufficient to cover a scheme's technical provisions, with a recovery plan drawn up to address any funding gap.

As at 31 March 2020, the date of the last completed full actuarial valuation, the scheme had 101 members, and the market value of the scheme was £13,711,000. The actuarial value of those assets was sufficient to cover 50% of the benefits that had accrued to members, after allowing for expected future increases in accrued benefits

and earnings on the 31 March 2020 Statutory Funding Basis. Current and future deficit contributions are reflected in the Recovery Plan agreed to remove the deficit over the period set out in the Recovery Plan agreed in June 2021.

With effect from 1 April 2018, a schedule of contributions had been in place to fund the scheme's defined benefits at the rate of 44.0% per annum of pensionable salary for scheme members together with a deficit reduction payment of £677k per annum from 1 April 2018 to 31 March 2034. This schedule of contributions was revised in June 2021 such that these contributions have been increased to 46.5% per annum of pensionable salary for scheme members together with a deficit reduction payment of £677k per annum from 1 April 2020 to 31 August 2021; a lump sum of £6,718k payable by 30 September 2021; and £505k per annum from 1 April 2022 to 31 March 2029.

Employer's pension contributions to the scheme during the year totalled £7,032k (2020/21: £710k). The company expects to contribute approximately £539k to its defined benefit pension scheme in the year ending 31 March 2023.

#### FRS 102 valuation

There are different ways of valuing a pension scheme. The valuation included in these accounts is based on the results of the last completed triennial actuarial valuation of the scheme as at 31 March 2020, updated to 31 March 2022 by an independent qualified actuary (Broadstone Corporate Benefits Limited) and adjusted to take account of the requirements of FRS 102. In contrast with the requirement under the statutory funding objective basis that assumptions must be prudent, FRS 102 stipulates that the assumptions should lead to the best estimate of the future cash flows that will arise under the scheme liabilities. It also specifies that the discount rate should be based on the current rate of return on high quality corporate bonds of equivalent currency and term to the scheme liabilities.

The amounts recognised in the balance sheet are as follows:

	<b>2022</b>	2021
	<b>£000s</b>	£000s
Fair value of scheme assets	<b>21,421</b>	15,036
Present value of scheme obligations	<b>(26,929)</b>	(29,635)
Defined benefit pension scheme liability	<b>(5,508)</b>	(14,599)

The amounts recognised in the SOFA are as follows:

	<b>2021/22</b>	2020/21
	<b>£000s</b>	£000s
Current service cost	<b>35</b>	35
Net interest cost	<b>222</b>	300
Total	<b>257</b>	335

	<b>2022</b>	2021
	<b>£000s</b>	£000s
Opening value of defined benefit obligation	<b>29,635</b>	27,649
Current service cost	<b>35</b>	35
Interest cost	<b>588</b>	605
Actuarial loss (gain) – effect of experience adjustments	<b>122</b>	(77)
Actuarial (gain) loss – effect of changes in assumptions	<b>(2,935)</b>	1,727
Benefits paid	<b>(516)</b>	(304)
Closing value of defined benefit obligation	<b>26,929</b>	29,635

## Changes in the fair value of the scheme assets:

	<b>2022</b>	2021
	<b>£000s</b>	£000s
Opening value of scheme assets	<b>15,036</b>	13,651
Interest income	<b>366</b>	305
Actuarial loss – return on scheme assets excluding interest	<b>(497)</b>	674
Contributions by employer	<b>7,032</b>	710
Benefits paid	<b>(516)</b>	(304)
Closing value of scheme assets	<b>21,421</b>	15,036
Actual return on scheme assets	<b>(131)</b>	979

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	<b>2022</b>	2021
Target Return Funds	<b>71%</b>	81%
Property	<b>18%</b>	18%
Cash	<b>11%</b>	1%

*Employer-related assets*

The value of the scheme's assets does not include any financial instruments issued by, or any property occupied by, or any other asset used by, the Company.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	<b>2022</b>	2021
Discount rate at 31 March	<b>2.60%</b>	2.00%
Future salary increases	<b>3.60%</b>	3.50%
Future pension increases		
Pre 1 May 1991	<b>3.0%</b>	3.00%
1 May 1991 to 31 December 2001	<b>5.0%</b>	5.00%
1 January 2002 to 31 December 2007	<b>3.6%</b>	3.50%
Post 31 December 2007	<b>2.4%</b>	2.40%
Commutation allowance	<b>25.00%</b>	25.00%
RPI inflation	<b>3.60%</b>	3.50%
CPI inflation	<b>2.80%</b>	2.70%
Mortality – base table	<b>S3PA</b>	S3PA
Mortality – future improvements	<b>CMI 2021</b>	CMI 2019
	<b>1.0%</b>	1.0%
Life expectancy of male aged 60 now	<b>86.4</b>	86.5
Life expectancy of male aged 60 in 20 years	<b>87.5</b>	87.6
Life expectancy of female aged 60 now	<b>89</b>	89
Life expectancy of female aged 60 in 20 years	<b>90.2</b>	90.2

## 21. CONTINGENT ASSETS

Six legacies were bequeathed to the British Museum group. The amount and timing of these payments are uncertain as the BM's interest is in the residuary estates but is estimated at c. £1.5m (2020/21: £0.1m). We were notified of a potential bequest of prints and drawings, valued at £0.5m. The gift has not yet been formally accepted and has therefore not been recognised in the financial statements (and there was no equivalent contingent asset in 2020/21).

## 22. CONTINGENT LIABILITIES

The British Museum is currently contesting a case relating to the withdrawal of charitable relief against business rates on elements of the Bloomsbury site. The possible obligation is estimated at c. £1.5m. The hearing of the contested issues is expected within the 2022/23 financial year. The same liability was reported as at 31 March 2021 with an estimated obligation of c. £1.4m.

## 23. FINANCIAL INSTRUMENTS

Set out below are the accounting classifications of each class of financial assets and liabilities as at 31 March 2022, together with net gains and losses for each classification.

Group	Measured	Measured	Total
	at cost	at fair value	
	£000s	£000s	£000s
Investments	–	80,535	80,535
Investment properties	–	25,400	25,400
Trade debtors	3,515	–	3,515
Current asset investments	45,263	–	45,263
Cash at bank and in hand	46,071	–	46,071
Trade creditors	(3,345)	–	(3,345)
	<u>91,504</u>	<u>105,935</u>	<u>197,439</u>

### Financial risk management

Qualitative information on the BM's approach to financial risk management is disclosed in the "Reserves" and "Investments and financial risks" sections of the Annual Report, and in the Governance Statement. Quantitative disclosures are included here.

#### *Credit risk*

The BM is not exposed to significant trading credit risks. Most major customers are familiar. Term deposits and cash holdings, other than cash held as part of the investment portfolio, are placed only with approved UK banks and are spread across several institutions where appropriate. The BM has not suffered any loss in relation to cash held by bankers.

#### *Liquidity risk*

Approximately 61% (2020/21: 53%) of the BM's income before transfers and revaluations is provided by grant-in-aid from the Department for Digital, Culture, Media and Sport. The BM's reserves policy is set out in the Annual Report. The Trustees believe that the level of liquid unrestricted reserves at year-end and careful planning based on expected funding levels allows the BM to be free from unacceptably high liquidity risks.

The BM monitors its exposure to liquidity risk by regularly monitoring the liquidity of its investment portfolio and holding appropriate levels of liquid assets. The BM holds highly liquid assets amounting to £46 million as at 31 March 2022 (2021: £26 million), which are comprised of cash at bank and in hand. The level of highly liquid assets held is regularly reviewed by senior management. The BM also mitigates its exposure to liquidity risk through the investment of £67 million (2020/21: £61 million) in funds that are readily realisable.

#### *Market risk: interest rate risk*

The BM's financial assets, excluding short term debtors and creditors, are made up of investments and cash. Information about the BM's investments is disclosed in the "Investments and financial risks" section of the Annual Report and at note 10.



Cash at bank and in hand and current asset investments are held in a variety of bank accounts, split between non-interest bearing, fixed rate and floating rate accounts as follows:

Currency	Floating rate £000s	Fixed rate £000s	Non-interest bearing £000s	<b>2022 Total £000s</b>	2021 Total £000s
Sterling	41,196	45,263	446	<b>86,905</b>	61,890
US \$	–	–	2,495	<b>2,495</b>	1,983
Euro and other	–	–	1,934	<b>1,934</b>	1,525
	<u>41,196</u>	<u>45,263</u>	<u>4,875</u>	<b><u>91,334</u></b>	<u>65,398</u>

The weighted average interest rate on fixed rate financial assets is 0.1% (2020/21: 0.2%) and the weighted average period of deposit is 66 days (2020/21: 85 days). The interest receivable on the floating rate deposits is at a variable rate determined by the BM's bankers.

Interest income for the year was 0.04% (2020/21: 0.10%) of the BM's income before transfers and revaluations and the BM does not hold any loans, so exposure to interest rate risk is minimal.

*Market risk: foreign currency risk*

The BM has very limited foreign currency risk, with only approximately 5% (2020/21: 4%) of the BM's financial assets denominated in currencies other than pounds sterling, the base currency for the BM's operations.

The total value considered to be exposed to currency risk at 31 March was:

Currency	<b>Value 2022 £000s</b>	Value 2021 £000s
US\$	<b>6,271</b>	3,560
Euro	<b>1,913</b>	1,498
Other	<b>21</b>	27
	<b><u>8,205</u></b>	<u>5,085</u>

*Market risk: other price risk*

The BM is exposed to risks associated with market fluctuations on its investments - details of the investment policy and risk management are disclosed in the "investment and financial risks" section of the Annual Report above. For non-investment transactions, exposure to wider market price risks is reduced by competitive tendering and securing two or three year fixed price contracts, where appropriate.

*Concentration of exposure to other price risk*

An analysis of the BM's investment portfolio is shown in note 10(a), the majority of which is held in sterling within the UK.

## 24. POST BALANCE SHEET EVENTS

The COVID-19 pandemic and the ongoing and evolving measures taken in response by governments both in the UK and overseas continue. To mitigate the financial impact, the Museum, on demonstration of need, is eligible to receive further funding from the government in addition to the previously-agreed grant-in-aid for 2022-23. The post-year end impact of COVID-19 is not considered to be an adjusting event.

There were no other reportable events between 31 March 2022 and the date the accounts were authorised for issue.

The financial statements were authorised for issue by the Trustees and Accounting Officer on the date they were certified by the Comptroller and Auditor General.

