

The British Museum

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

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Trustees' and Accounting Officer's Annual Report

Chairman's Foreword

Three guiding principles shape the work of the British Museum. This Annual Report spells out some of the ways in which they were followed in 2019/20.

The first is respectful collaboration – with individuals, communities and institutions around the country and the world. This means working with large numbers of partners in the regions and nations, sharing objects, knowledge and training.

It means the Portable Antiquities Scheme – a project that supports the reporting of archaeological finds by members of the public in England and Wales. Around 81,000 finds were recorded in 2019. It means engagement with students of all ages, programmes to support disadvantaged visitors, and a host of other initiatives.

Good progress is being made on the development of the British Museum Archaeological Research Collection (BM_ARC), which in partnership with the University of Reading will create a large new facility to store parts of the collection and host a variety of research programmes.

Outside the UK, the Annual Report highlights collaborative projects undertaken in sub-Saharan Africa, Egypt, Oceania, Latin America and beyond, along with the loan of nearly 1,900 objects last year to 107 venues outside the UK. The International Training Programme has welcomed colleagues from 48 different countries over the last 14 years.

The second guiding principle is openness and understanding. The collections and archives are freely accessible. The Museum recognises its obligations to communities that have close cultural connections with objects in the collection, and is open about provenance.

Scholarship and research are of prime importance. The Annual Report describes innovative work in the Museum's specialist laboratories, and the new knowledge that is being generated in a wide range of subjects. Some 96,000 objects were examined by scholars in the Museum study rooms last year. In the past decade 91 PhDs have been jointly undertaken at the BM and UK universities.

Finally comes the overriding importance of preserving and sharing the collection for present and future generations. One way of doing this is through the temporary exhibition programme which brought new stories and experiences to very large and diverse audiences over the year, ranging all the way from Manga to Troy.

The Museum closure has highlighted the importance of its digital offerings. A new website was launched last autumn and a much improved Collections Online service is now available. Some 5m people follow the Museum on various forms of social media. Expanding the reach and quality of this material is a high priority for the years ahead.

The Director and his colleagues have had a remarkable year, and have risen to the challenges brought about by COVID-19 with extraordinary commitment. The Trustees thank them, and all the Museum's large army of supporters, from the bottom of their hearts.

Sir Richard Lambert
Chairman of the Trustees

Structure, governance and management

Constitution and operating environment

The British Museum 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 exhibited¹.

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).

Conferences, education and other income generating activities were carried out during the year 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

“Towards 2020” (published on the BM’s website) set out the priorities for the BM in pursuit of its strategic objectives to 2020. During 2019/20 the BM continued to make significant progress in working towards these objectives.

Collections and research

Collection

The BM works closely with partners across the country so that important historical finds made in the UK are, where possible, preserved in public collections. A discovery in Shropshire in 2018 unearthed a rare gold pendant, one of the most significant pieces of Bronze Age metalwork ever found in Britain. The crescent-shaped

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

'sun pendant' made around 1000 BC was declared Treasure and in 2019, with support from Art Fund, British Museum Patrons and the American Friends of the British Museum, was acquired for the British public by the BM. Future plans include displaying the gold ornament at Shrewsbury Museum & Art Gallery and elsewhere in the UK. The find is of such interest that the BM has funded fieldwork on the discovery site, in collaboration with University College Cork in Ireland and Trent Peak Archaeology.

Among other new acquisitions in 2019/20 was *The Death of Breuse sans Pitié* (1857) by Dante Gabriel Rossetti, one of an outstanding group of 900 watercolours, drawings and prints collected by the late art historian John Christian and accepted by HM Government in lieu of inheritance tax. A tabla ensemble played by renowned Indian musician Ustad Alla Rakha and given by his family will be displayed in the Sir Joseph Hotung Gallery of China and South Asia. In *Lifu* (2019), Torres Strait Islander Jimmy Kenny Thaiday has crafted a shark out of discarded commercial fishing nets. The newly acquired work highlights marine pollution, a major environmental concern of our time.

Conservation and research

BM conservation and scientific research is shared around the world, from improved practices in conservation to new discoveries in how to identify organic materials or the tiniest traces of colour. Specialist labs in the BM's World Conservation and Exhibitions Centre undertake investigative research and care for the collection, and staff are at the cutting edge of new techniques. One BM team, working with precious terracotta figurines from ancient Cyprus, has been looking at the potential of lasers to remove biological growth without causing damage. Their innovative work won the 2019 Nigel Williams Prize for conservation.

At the Egyptian Museum in Cairo, BM conservators assisted colleagues in assessing the condition of objects before their redisplay in updated galleries. The teams also worked together to assess the conservation challenges of Egypt's oldest known wall painting from Hierakonpolis, an ancient capital of southern Egypt. With similar objects in both collections, staff were able to exchange valuable experiences concerning the successful care and display of paintings and other artefacts from ancient Egypt. The BM is one of several partners, funded by the European Union, working to renew Cairo's historic Egyptian Museum.

In the UK, major support from the Arts and Humanities Research Council (AHRC) enabled the BM to collaborate with the universities of Manchester and Reading to investigate the type of objects placed with the dead. Looking at burials 8,000 years ago up to the Roman Conquest, researchers are examining the frequency, diversity, pattern and possible purpose of pots, tools, weapons and jewellery found in graves.

More internationally, two research projects funded by the European Research Council span an ambitious geographical range of cultures and countries: *Beyond Boundaries* is a multidisciplinary examination of how religion and royal ideology operated across South and South East Asia during the Gupta Empire (3rd to 6th century AD), while a large-scale study of the ceramics used by the hunter-gatherers of north-eastern Europe is a collaboration with the University of York and Schleswig-Holstein State Museums.

In partnership with the University of Reading, the BM is creating the British Museum Archaeological Research Collection (BM_ARC) in Berkshire. Collaboration is at the heart of 'the ARC', which will create a large new facility to store artefacts from the BM collection and host a wide range of research programmes. Construction on the Shinfield site is now well underway.

Plans to make the most of the BM_ARC as a national resource are also taking shape. To promote innovative research, the University of Reading, working with the BM's Department of Scientific Research, has appointed a Research Fellow in Material Science. The fellowship will design UK scientific research projects that bring together the staff of both institutions.

Audiences and Engagement

Exhibitions

'The sophistication and range of the manga art form,' stated the *Financial Times* in May 2019, 'bursts into life in a British Museum exhibition.' The Citi exhibition *Manga*, supported by Citi with logistics partner IAG Cargo, drew 184,000 visitors to the largest display of manga ever seen outside of Japan. They were the BM's youngest audience ever for a major exhibition, with 69 percent of visitors under the age of 35. Manga are Japanese comic books or graphic novels, serialised in magazines and read by audiences around the world. Tracing their visual inspiration back to great Japanese masters such as Hokusai and Kyōsai, the BM show worked extensively with creators, publishers and lenders to introduce manga in all its forms: as art, film, game, story

and social commentary. A popular feature of the exhibition was the MangaMe kiosk. Visitors could pose, then be transformed into a manga image. Over 22,000 people participated, with many sharing their manga portraits online. Posted on Flickr, the snaps from the BM show have been seen more than 300,000 times. Also linked to the show was a diverse programme of activities that attracted over 16,000 people.

Edvard Munch: love and angst triumphed, according to the *Spectator*, as ‘a masterclass in print-making’. Created in collaboration with the Munch Museum in Oslo and supported by AKO Foundation, the exhibition was the largest display of Munch’s prints in the UK for half a century. The prints, which included a version of Munch’s most iconic work *The Scream*, showed the artist’s absorption of radical ideas and social change, and his gift for depicting intense psychological states. 118,000 people attended. Events included an evening talk with best-selling Norwegian author Karl Ove Knausgaard and workshops exploring mental health and creativity.

The year’s major exhibitions aimed to get beyond conventional attitudes towards graphic art or the ancient world and encouraged visitors to adopt a more complex view of cultures and their mutual influence. A collaboration with the Islamic Arts Museum Malaysia (IAMM) took just this approach to the long history of artistic interaction between western artists and the Islamic world. *Inspired by the east: how the Islamic world influenced western art*, supported by Jack Ryan and sponsored by Standard Chartered Bank, drew 67,000 visitors. Outstanding loans from IAMM in Kuala Lumpur, never before shown outside Malaysia, were combined with the BM collection to examine many types of influence – of subject matter, style, technique – in both directions. The result, said the *Times*, stressed ‘the depth and diversity of this two-way exchange . . . Even as European artists and craftsmen adopted eastern styles and techniques . . . the people of the Middle East were incorporating western traditions into their own.’ The exhibition travels to Malaysia in 2020.

The BP exhibition *Troy: myth and reality*, supported by BP, conjured the Trojan War into life in what the *Telegraph* called ‘a rip-roaring display of scholarship and storytelling’. Delving into the heart of the BM collection and featuring important loans from Berlin and elsewhere, the popular exhibition used objects from ancient Greece to tell celebrated tales from the Greeks’ ten-year siege of Troy. The show then explored the archaeological rediscovery of Troy by Heinrich Schliemann and others, using finds from the site in western Turkey, and the enduring influence of the tales of Troy. Contemporary retellings included transforming Odysseus’ travels into a Black African *Odyssey* through the Caribbean islands and African shores and a video of Syrian refugees performing Euripides’ play, *The Trojan Women*. The stories retain their fascination, and BM videos about Troy on Instagram received over 400,000 views. Over 190,000 people attended the exhibition.

Special displays throughout the BM included *Sir Stamford Raffles: collecting in Southeast Asia 1811–1824*, which used objects from Java and Sumatra to raise questions about what is collected and why, and how colonial histories are interconnected with what we know about the past. The show was supported by the Singapore High Commission. *Playing with money* used the collection to look at the fascinating connections between currency, toys and games, from Monopoly to Game of Thrones. *Currency in Crisis: German emergency money 1914–24* explored how a temporary currency could give particular insight into shifting German attitudes towards homeland and identity at a time of national crisis. *Edmund de Waal: library of exile*, supported by AKO Foundation, was a meditation on banished culture.

Portrait of an artist: Käthe Kollwitz, supported by Cockayne – Grants for the Arts and the London Community Foundation, displayed nearly 40 works by the celebrated German artist and examined the enduring impact of one of the 20th century’s most influential printmakers. *Pushing paper: contemporary drawing from 1970 to now*, supported by the Bridget Riley Art Foundation, celebrated drawing in a remarkable range of styles and media by artists such as Tacita Dean and Anish Kapoor. The exhibition was a collaboration with curators from across the UK, and after being shown at the BM, travelled to the Oriental Museum, Durham in February 2020, the first venue in a year-long UK tour. Other exhibitions of art included prints by French Impressionists, supported by Ronald E. Bornstein, and drawings by Giovanni Piranesi, supported by the Tavolozza Foundation, marking the 300th anniversary of the Italian artist’s birth in 1720.

A collaboration with Nara Prefecture enabled the BM to put on public display 15 outstanding treasures from Japanese shrines and temples. Supported by The Asahi Shimbun and sponsored by Mitsubishi Corporation, *Nara: sacred images from early Japan* was part of the year-long programme of The Asahi Shimbun Displays, which included an examination of collecting and colonial relationships in the Solomon Islands, and a look at the history of disposable objects before the invention of plastic, including a 3,500-year-old Minoan clay cup designed to be thrown away after a single use. The year’s final display was *Raphael in 2020: emerging artists respond*, a series of multimedia artworks created, with support from the Bridget Riley Art Foundation, to mark the 500th anniversary of the death of the celebrated Renaissance artist.

Events and education

The BM organises a wide range of inspiring activities to engage audiences. Young visitors in particular are at the heart of many of the BM's busiest programmes. In September 2019, the Samsung Digital Discovery Centre reopened, with new digital screens and improvements to its interior design, as well as the latest Samsung e-boards and tablets. The award-winning partnership between the BM and Samsung offers free digital activities at the BM for families and schools. Since it first opened in 2009, over 150,000 people have taken part in interactive workshops and used technology to explore the collection, discovering through a digital portal the world's history and cultures. The BM and Samsung have created 35,000 places for pupils from England, Scotland, Wales and Northern Ireland to take part over the next five years.

With support from the Greengross Family, the BM welcomed a new youth team to produce a programme for young people aged 16 to 21. In 2019, the Greengross Youth Collective designed a summer school where young people learned skills in fashion, curating and filmmaking. They met industry professionals and took inspiration from the BM collection. The programme culminated in a dramatic catwalk in the Great Court, film screenings, Q&A sessions and thought-provoking displays that brought a younger perspective to museum curation.

The ambition to widen access to the BM has generated a number of successful programmes in recent years. Renewed funding from JTI in October 2019 is enabling the JTI Cross Partner Project to run activities for disadvantaged adults. Over 150 people were able to engage with the BM through creative projects, outreach, bespoke workshops and facilitated visits with curators. To mark the International Day of Disabled People, Purple Light Up was a day of disability-led performances and workshops in six galleries, including a music project for adults with learning disabilities and a creative storytelling workshop to build a 'city of heroes'. For the BM's first out-of-hours event for children with autism, over 100 families attended arts and crafts activities and storytelling sessions from 8am to 10am. Early Morning Explorers is supported by the Lord Leonard and Lady Estelle Wolfson Foundation.

The BM's many tours and trails also promote inclusivity. Walk and Talk tours welcomed local participants from the mental-health charity Mind in Camden as part of an assisted visit to the BM. Supported by BM Volunteers, Walk and Talk tours won the 'Bringing Innovation' category at the 2019 London Heritage Volunteer Awards. Volunteers also support the BM in running monthly LGBTQ tours, as well as a new touch tour for blind and partially sighted visitors in the Parthenon galleries.

Among the latest pioneering paths through the BM is Collecting Histories, launched in June 2019. The trail takes visitors around the galleries to explore how museum collections are formed, from the founding collection of Hans Sloane in the 18th century to recent acquisitions. Collecting Histories picks up the many different ways in which objects can end up in a museum. A series of related talks was given by members of staff and community partners to foster better public understanding of museum collections and how they came about.

To encourage public interest in archaeology, the BM hosted the 2019 Festival of Archaeology in collaboration with the Council for British Archaeology. The hugely successful weekend attracted 24,000 children and adult participants, who were greeted in the bustling Forecourt by a half-size replica of the Sutton Hoo ship burial (marking 80 years since its discovery in Suffolk), alongside a Roman encampment, gladiators and a display of prehistoric crafts. Visitors could take part in hands-on archaeology and speakers included members of Channel 4's *Time Team*. The kick-off event at the BM launched a national programme of more than 1,000 events across the UK.

With the collection's global connections so essential to understanding its importance, many events explored the BM as a world stage. Music in 2019 included a concert by Zohra, Afghanistan's first all-female orchestra; Faiths in Tune, the largest interfaith music festival in the world; and a performance of traditional Chinese *xiao* flute music to mark the 10th anniversary of the installation at the BM of the Sir Percival David Collection of Chinese ceramics. Global politics also featured. In January 2020, playwright and former BM Trustee Bonnie Greer launched a series of events under the title 'The Era of Reclamation'. The talks were a forum for discussing a prominent issue in today's cultural debates: the ownership not just of ourselves, but of our identities and what we feel belongs to us. The series, the first of several debates, provoked a positive conversation about diversity, belonging and the risks of separating cultures and groups into discrete categories.

Formal learning programmes at the BM continued to invite children and adults to engage with the Museum and connect to it as a meaningful part of their lives. Adults could attend a study day on ancient Troy or register for language courses in Japanese, Latin or Sanskrit, run in conjunction with City Lit. In 2019/20, 301,000 primary and secondary pupils were booked for school visits to the BM. Many attend activities linked to BM exhibitions. For the exhibition on Edvard Munch, teachers were encouraged to attend an initial private view to see the show

prior to a school visit. The BM created a resource pack, with specific elements for pupils at different Key Stages, and designed a special printmaking project for secondary school students.

Media and publications

Beyond the building, the BM collection has a vital role to play digitally. In 2019, the BM and Google Arts and Culture launched the final stage of a project to digitise the collection of Alfred Maudslay. The photographs, documents and nearly 200 plaster casts made during Maudslay's travels in Mexico and central America in the 1880s and 90s document ancient Maya culture, including monuments now damaged or destroyed. Online visitors can now see re-creations of the ancient sites, with insights from Maya commentators and academics. The intensively detailed scans of Maudslay's casts also enabled a reproduction to be made for one site: Maya hieroglyphic stairs were 3D-printed and installed at Palenque, showing once more the details and protecting what exists of the original.

Interest in such innovative use of the collection is growing. With support from the Rijksmuseum Van Oudheden, and the Spanish and Iraqi governments, the BM and Factum Foundation presented plaster facsimiles (based on high-resolution scans) of two Assyrian *lamassu* from the BM collection to the University of Mosul. The imposing stone Mesopotamian figures, part human, part winged lion, were given as a gesture of solidarity and a sign of hope for the role that technology and cultural heritage will play in the reconstruction of Iraq.

The digital collection was at the heart of the relaunch of the BM website in November 2019. New photography, a new design and, to start with, more than 500 new pages showcase the collection, the building and all that goes on at the BM each day. Special features include pages on some of the collectors behind the collection and virtual galleries of objects not on permanent display. The relaunch of the online collection and database in 2020 will provide access to 4m objects. The BM's online presence grows annually. The BM's social media reaches over 5m people each year, with the BM leading the museum sector for reaching Chinese-language audiences on Weibo and WeChat.

While countries grappled with the global public health emergency of COVID-19 towards the end of the year, the importance of culture was evident. To protect staff and visitors from the spread of the Coronavirus, the BM temporarily closed its doors on 18 March 2020, but people flocked to visit the BM digitally through its website, social media, videos and podcasts. As the BBC and others reported, over 1.5m people accessed the BM online in March, more than double the usual number. The BM and its world-famous collection were for many a powerful symbol of what we value in humanity, and its enduring ability to survive precarious times.

BM research is published widely. In 2019, staff published 150 peer-reviewed books and articles, as well as giving talks around the globe. Many are the essential point of reference on particular collections or excavations. In 2019/20, these included a catalogue of southern Italian coins and a study of ceremonial living in the 3rd millennium BC based on fieldwork at Ringlemere in Kent, supported by the William and Edith Oldham Trust. A BM Research Publication on Viking winter camps looked at their role in the transition from rural societies in Viking-Age Scandinavia to the development of towns such as York, Lincoln and Dublin. Published in February 2020, the book was launched at the Jorvik Viking Festival. Popular publications included exhibition catalogues on Japanese manga and Troy, which together sold over 30,000 copies.

National

BM touring exhibitions – supported by the Dorset Foundation in memory of Harry M Weinrebe – attracted large audiences around the country. *Viking: rediscover the legend*, created in partnership with York Museums Trust, drew to a close having reached 225,000 people around the UK. *Desire, love, identity: exploring LGBTQ histories* continued its national tour, travelling to Bolton, Norwich and Dorchester. At Norwich and Norfolk Millennium Library, the display drew more than 200,000 visitors. After being shown in Salisbury and Belfast, *Hoards: a hidden history of ancient Britain* travelled to Buxton Museum, Brading Roman Villa on the Isle of Wight and Peterborough Museum. Drawing attention to some of the UK's outstanding archaeological finds, the show attracted 148,000 visitors during its five-venue tour.

Nordic by nature: modern design and prints was one of several new BM tours launched in 2019/20. Forty-four objects and works on paper showed how Scandinavian and Finnish artists and designers have created a distinctive style rooted in the traditions and industries of their nations. The show toured to Sheffield, Galashiels, Thurso and Redcar. *The golden age of satire? Late-Georgian satirical prints* appeared at Pontefract Museum, Newstead Abbey and the Beacon Museum, Whitehaven, drawing 47,000 visitors. *New discoveries in ancient Iraq* is a new tour of 80 remarkable objects exploring the cultural history of Iraq. Premiering at the Great North Museum: Hancock in Newcastle, the exhibition tours to Nottingham in September 2020.

Spotlight loans are objects loaned by the BM as unique displays to attract new visitors to museums around the UK. One of the largest porcelains in the Sir Percival David Collection, a Ming Dynasty stool never before loaned to an external venue in the UK, was shown in Manchester, before touring to Newcastle and Exeter. Other special loans included the popular Kiyoharu Dragon, which the BM showed at Treorchy Library in Wales as part of the 2019 Rhondda Arts Festival. Overall the BM loaned more than 2,000 objects to 103 venues in the UK in 2019/20. They included works by Rembrandt and George Stubbs (shown in Carlisle and Milton Keynes); botanical collages by 18th-century artist Mary Delany (Edinburgh); and an Etruscan cinerary urn of 150–100 BC displayed as part of an exhibition on Pompeii (Oxford). BM loans also featured in the new exhibition hall at Sutton Hoo.

For much of the BM's national engagement, the focus is on the future. In 2019/20 BM-led training programmes continued to invest in young people and museum staff across the country. Museum Futures, a Skills for the Future Programme supported by the National Lottery Heritage Fund, entered its second year, with a new cohort of trainees looking at the digital preservation and management of collections and museum data. In 2020, the UK partners included museums in Birmingham, Bristol, Carlisle, Derby, Hastings, Lisburn, London and Tyne & Wear.

Staff exchanges have proved an invaluable form of professional development across the UK, enhancing participants' knowledge by seeing how other museums operate. The BM continues to widen the circle of participating museums for its Knowledge Exchange programme – supported by the Vivmar Foundation – where staff spend time at another institution. In 2019/20, the placements included the American Museum & Gardens, Bath; National Museums Liverpool; Paisley Museum; Tees Valley Museums; University of Cambridge Museums; as well as the BM itself.

A development of the Knowledge Exchange programme (now in its 10th year) is the Visitor Services Knowledge Circle, with its particular focus on museum staff working in Visitor Services. The visitor experience varies widely among cultural organisations, and the 15 placements in 2019 to compare approaches ranged from Salford to Salisbury, Northern Ireland to the National Trust. Plans for future iterations of the programme are now underway.

The Money and Medals Network, supported by Arts Council England, promotes collections of coins and medals across the UK. It also provides training and resources for museum staff and volunteers. Current projects include work on the collections of the Royal Electrical and Mechanical Engineers (REME) Museum in Wiltshire and the Yorkshire Museum. A comprehensive report on the state of numismatic collections in England was completed in December 2019.

Investment in the nation's museums extends to creating major Partnership Galleries. The goal is to improve what individual institutions can offer by bringing together the strengths of more than one museum. BM expertise and the BM collection are a valuable resource for museums to draw on as they redevelop their own spaces. The BM continued to work with Norwich Castle Museum on its new medieval gallery and Manchester Museum on its South Asia Gallery. Director Hartwig Fischer visited a group of the BM's national partners in July 2019, including the Great North Museum: Hancock in Newcastle, the Bowes Museum at Barnard Castle, and Jarrow Hall Anglo-Saxon Farm, Village and Bede Museum.

The BM's annual conference for its national partners took place in November 2019. Over 300 people attended, to discuss equality and diversity in UK museum practice. The keynote address was by former BM Trustee Bonnie Greer; there were 80 speakers and contributors; and 40 breakout sessions enabled participants from across the country to share their thoughts on topics such as colonialism, race, gender and disability.

The BM, known for its international fieldwork, is also closely involved with archaeology in the UK. The Portable Antiquities Scheme (PAS) is jointly administered by the BM and Amgueddfa Cymru – National Museum Wales to record archaeological finds, large and small, made by the public in England and Wales. Working with around 100 partners and 40 locally based Finds Liaison Officers, the PAS recorded around 81,000 finds in 2019. Many are important finds of Treasure, and in 2019 over 1,300 cases in England, Wales and Northern Ireland were deemed Treasure – a record number for a single year. Many will be acquired by museums for the benefit of the public.

PAS Explorers, supported by the National Lottery Heritage Fund, drew to a close in 2019. The project recruited 610 volunteers to work on the PAS and offered training in recording finds, photography and how to deliver outreach work in archaeology. To date, volunteers have recorded 90,000 finds on the PAS database. PAS resources now available include specific County Pages on the PAS website (finds.org.uk), as well as 68 online recording guides, explaining how to describe and identify finds. In print, *Finds identified: an illustrated guide to metal-detecting and archaeological finds* was published. International outreach included advising Finnish colleagues on establishing FindSampo, a public finds recording scheme in Finland.

A number of BM research projects focused on the archaeology and history of Britain. These included excavations at Happisburgh in Norfolk and Barnham in Suffolk that form part of Pathways to Ancient Britain 3, a major research collaboration led by the Natural History Museum, which runs until 2022 and is funded by the Calleva Foundation.

International

The BM has a long history of staging popular exhibitions in the UK and internationally. The aim is to share the great variety of the world's cultural histories with audiences around the globe. In 2019/20 the BM displayed Egyptian mummies in Montreal; an exhibition on the Islamic pilgrimage to Mecca in Amsterdam; and Italian Renaissance drawings in Macao. A collaboration with the State Hermitage Museum in St Petersburg showed for the first time in Russia treasures of Assyrian art from the BM collection.

A history of the world in 100 objects reached its two millionth visitor in 2019. The remarkable attendance for this touring show – based on the BM's successful 100-part series narrated by Neil MacGregor on BBC Radio 4 – reflects its continuing relevance to audiences. Seen by 217,000 visitors at the Hong Kong Heritage Museum in 2019, the tour has travelled to Abu Dhabi, Australia, China, France, Japan and Taiwan.

New tours in 2019/20 included *Christ: Life, Death and Resurrection*, which explored the life of Christ through prints and drawings spanning the Renaissance to the 18th century and was seen in California and New Mexico. *Raffles in Southeast Asia: revisiting the scholar and statesman* was realised in partnership with the Asian Civilizations Museum in Singapore, where it attracted 142,000 visitors before travelling to London for display at the BM.

Since 2016, a BM partnership with La Caixa Banking Foundation has toured a number of important exhibitions around Spain. In 2019/20 *Pharaoh: king of Egypt* was seen in Girona, Seville and Tarragona. *An age of luxury: the Assyrians to Alexander* toured to Barcelona, Madrid and Zaragoza. The collaboration has so far attracted 1.3m visitors. Elsewhere a BM touring exhibition also helped the National Museum of Australia gain a Canberra Region Tourism Award in 2019. The display last year of *Rome: city and empire* drew more than 150,000 visitors to the much publicised touring exhibition of artefacts from ancient Rome.

Beyond touring exhibitions, the BM supports programming by our colleagues in many countries by lending individual objects to museums around the globe. In 2019/20 the BM loaned nearly 1,900 objects to 107 venues outside the UK.

The BM is supporting a number of important projects to help colleagues in Africa create new museums for their audiences. In Nigeria, the JK Randle Centre for Yoruba Culture and History is nearing completion; BM Director Hartwig Fischer met the Commissioner for Culture in Lagos State in September 2019, and further plans include the selection of 12 outstanding objects from Nigeria which the BM will lend to the new Centre. As part of the Benin Dialogue Group, the BM is working with other institutions across Europe and Africa to support the establishment of a new museum in Benin City, focusing on the historic arts and cultures of the Kingdom of Benin in southern Nigeria; discussions are underway for the BM to lend objects to the new museum and develop further collaborations. The Ghana Museums and Monuments Board (GMMB) and the BM are collaborating to draw up effective, sustainable strategies to regenerate Ghana's existing heritage infrastructure and develop new museums in the country.

The BM works with countries around the world to conserve knowledge. Through its Endangered Material Knowledge Programme, supported by Arcadia – a charitable fund of Lisbet Rausing and Peter Baldwin – the BM awarded grants to 15 international applicants in 2019, who will document global cultural practices at risk of being lost. The topics range from bee-keeping in Kenya, to making paper clothes in Japan and musical instruments in Cambodia. The BM plans to upload the results onto a digital database so that the knowledge is freely accessible to all.

Training is an essential component of much of the BM's international work. Each summer the BM runs a popular International Training Programme for museum professionals from around the world with lead support from the Marie-Louise von Motesiczky Charitable Trust. In 2019, the BM brought together nine UK museums to welcome 23 fellows from 16 countries. For the first time participating countries included Colombia, Georgia, Romania, Sri Lanka and Uzbekistan. The Iraq Emergency Heritage Management Training Scheme, funded by the Department for Digital, Culture, Media and Sport (DCMS), combines training at the BM for Iraqi heritage professionals with practical fieldwork at two sites in Iraq. In 2019, trainees and BM archaeologists were joined by members of Iraq's State Board of Antiquities and Heritage.

The BM works closely with local communities across the globe. In Sudan, a local carpenter helped archaeologists understand bed fragments they had excavated at Amara West. In and around the town of Abri in northern Sudan, the BM team consulted the local community to create a heritage centre: the Abri House of Heritage, an outcome of BM excavations in the region. Both the public and experts in Tahiti and Rapa Nui (Easter Island) contributed to research on the BM collection by sharing their insights. In Oregon, a year-long loan of 16 objects to the new Chachalu Museum and Cultural Centre became a focus of intense study and interpretation, with tribal educators unlocking community knowledge of artistic and cultural traditions prompted by the objects.

The BM invited two Murui-Muina Indigenous elders and leaders to work with collections from western Amazonia. The dialogue was one of many exciting projects supported by the BM's new Santo Domingo Centre of Excellence for Latin American Research (sdcelarbritishmuseum.org). The Centre is bringing together people across Central and South America to challenge how Latin America is commonly represented and studied in museums.

Discoveries take place in the field and back at the BM itself, as archaeologists, scientists and curators investigate recent finds and, increasingly, reassess former excavations in light of newer evaluative tools. In Sudan, a monumental brick building, 15m in diameter, was discovered during excavations for the Berber-Abidiya Archaeological Project, a collaboration with Sudan's National Corporation for Antiquities and Museums. On the Nile Delta, a seventh field season in Naukratis, supported by the Honor Frost Foundation, was completed in April 2019. Working with Egyptian colleagues, the BM team has now surveyed most of the 64-hectare site and excavated 38 trenches, revealing over 42,000 artefacts. The results will be published in 2020.

The collection itself is the focus of international study. Scholars draw on the collection as a global entity, studying not just single cultures but the endless interactions between them. The research is often collaborative. Programmes such as the Amorepacific Project for the Conservation of Korean Pictorial Art at the BM draw substantially on the generous transfer of knowledge between colleagues, in this instance from South Korea and the UK. In a co-operative global setting, museums are keen to learn from each other.

An important part of the BM's work is its partnership with law enforcement agencies to halt the illicit smuggling of objects into the UK. In recent years, the BM has repeatedly helped identify and return artefacts for sale or transported illegally from Iraq, Syria, Afghanistan, Sudan, Egypt and within the UK itself. In 2019, these included a Babylonian *kudurru* (boundary stone) of the 12th century BC, and 154 cuneiform tablets – the largest group ever to be seized in the UK.

Circulating Artefacts is a programme designed to support putting the trade in antiquities from Egypt and Sudan under greater scrutiny. Funded by the British Council's Cultural Protection Fund, in partnership with the Department for Digital, Culture, Media and Sport, the scheme is generating a closed, secure database of antiquities on the market and in private collections. By March 2020, 47,000 artefacts were documented. The resource will be used by select Museum staff for research and, where appropriate, to help authorities trace provenances in order to recover illicit goods.

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 the year.

As set out in note 6(e) to the accounts, the British Museum employs about a thousand people. The male:female ratio of staff is 42:58 (2018/19: 45:55). 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 well managed 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, coordinated through a Staff Engagement Plan which was developed and is maintained in collaboration with representative staff groups. The following initiatives help to keep staff informed, involved and enthused about Museum activity:

- Written communications are channelled via the intranet, enabling the BM to keep staff informed about key activities, updates from the Director, and a real-time news and information page. Regular features include a quarterly round-up of matters discussed at the BM's Directorate Group meetings.
- The British Museum Consultative Committee (BMCC) provides a formal opportunity for management and union representatives to discuss issues raised by staff. The Director and a trustee usually attend one meeting each year. Sub Committees of that group support major change projects.
- Information from Management Group meetings is disseminated through departmental meetings and weekly breakfast presentations on topical issues are open to all staff. Recordings of breakfast presentations by the Director or Trustees are made available.
- Behind the scenes events enable staff to visit other departments.
- Staff are encouraged to pass on feedback via a biennial Employee Opinion Survey. The survey produces a regular action plan for improvements which feed into the BM's Operating Plan.
- Feedback can also be provided at any time via an anonymous online submission tool.
- Workshops and focus groups are used within key projects to enable staff engagement.
- 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.
- 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 Engaging Managers training course aims to help managers understand the importance of engaging with their staff and provides an opportunity for some of the required skills to be developed.
- 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.

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 will 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.

In 2019/20, the average number of days lost for sickness and absenteeism was 4.6 days per person, compared with 4.2 in 2018/19.

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

The British Museum has diversity as a core value, and it is striving to improve in this area. Over the last twelve months the Museum's Equality and Diversity Steering group has continued to meet. This cross-departmental group is working towards the development of a more strategic approach to diversity across the organisation.

Last year 17 departmental workshops were conducted to raise awareness of Equality and Diversity initiatives across the Museum and gather staff insight and input for the Museum's Equality and Diversity Action Plan, which is currently in development. This will be an internal plan which contains an agreed set of actions to improve Equality and Diversity across all areas of the BM's work over the next five years. This will sit alongside the public commitment to upholding Equality and Diversity as set out in the Museum's Equality and Diversity Policy, which is published on the website.

The Museum has continued to support learning programmes that positively sustain and develop the organisation's relationship with its diverse audiences. Each year we regularly consult with the public, community members and community organisations to help shape the direction and content of permanent galleries, special exhibitions and event programming.

The Museum has a relationship with hundreds of community organisations across London. This year we welcomed over 3,500 people to our special community-only exhibition viewings.

Engagement programmes include increasing access to and understanding of the collection through our exhibitions, community projects and events, sheltered sessions for those new to the museum or in need of additional support and facilitated outreach sessions for groups less able to visit in person. This year the Museum has also increased opportunities for engaging with older people through our management of the Age Friendly Museum Network.

The family, schools, adult and volunteer programming strands continue to work collaboratively to diversify the audiences engaging with our core programme. This is reflected in accessible programming, supported visiting, reserved spaces at events for community members and relationship-building with local schools.

Over the past 12 months the Museum ran 37 accessible events attended by over 600 people. This programme includes our established Deaf-led British Sign Language tours and audio described and object handling sessions.

Volunteers

Last year over 500 people offered their time freely to support the British Museum in almost every area of activity. The Museum's large team of behind-the-scenes volunteers continued to provide support with administration and varied projects in almost every department. Front of house, the volunteers delivered up to 15 tours almost every day (including a new Islamic World tour which commenced early in 2020), ran the Hands On programme and supported various public events, helping visitors to make sense of the collection.

During the reporting period, around 207,000 visitors took part in a volunteer-led tour or handled an original artefact at one of our eight Hands On desks. The volunteers also played an important role in ensuring that public events and family activities ran smoothly. Visitor feedback about the excellence of volunteer-led tours remains consistently high. Diversifying the Volunteers team, and improving the public programme delivered by the Volunteers, is a current priority.

The Volunteers office has run a number of external recruitments during the reporting period, trialling new ways of involving people from groups and communities currently under-represented in the Museum's volunteers. In addition to striving to diversify the volunteer body as a whole, the team is also diversifying the public programme by developing new programming strands including LGBTQ tours, touch tours for blind and partially sighted visitors, volunteer-led tours in conjunction with Mind in Camden and offering supported volunteering placements for with adults with Autistic Spectrum Disorder.

Over the reporting period there were 13 volunteer-led Room 4: Egyptian sculpture touch tours for blind and visually impaired visitors. Work progressed throughout 2019 and early 2020 on developing a similar touch tour approach for the Parthenon displays, making use of the casts in Room 18b. During July 2019 the Museum launched its first volunteer-led LGBTQ of the Museum. These tours, still in a piloting phase, have proven to be very popular. 15 tours ran over the reporting period.

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 2019 – 31 March 2020)?

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
13	10.00

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
1-50%	12
51-99%	–
100%	–

Table 3, Percentage of pay bill spent on facility time

Total cost of facility time	£28k
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	0%
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Plans for future periods

The key priority for the BM in 2020/21 is to manage the impact of the COVID-19 crisis, and ensure that the BM's statutory responsibilities continue to be fulfilled effectively.

Fundraising and finance

Support for the BM

The Museum has benefited from the generous support of companies, individuals, trusts and foundations. The BM would like to thank the 570 supporters who contributed in 2019/20 and the 200 donors who gave in-kind. In addition, the Museum is grateful to the British Museum Friends for their generous grant of over £4m this year.

A number of benefactors continue to support the BM in caring for and enhancing its collection. Conservation of the Sherborne cartonnage, an ancient Egyptian mummy case, is being made possible by the generosity of the John S Cohen Foundation. Support from the Delves Foundation and the E. Rhodes and Leona B. Carpenter Foundation and an anonymous donor is enabling vital conservation of the BM's major collection of Chinese

scroll paintings. A group of Dutch and Flemish drawings from the 16th and 17th centuries are being conserved with support from the Leche Trust.

The BM is extremely grateful to David and Molly Lowell Borthwick for their visionary gift to establish the Borthwick Fund for the Ancient World. The Fund will support the research, display and care of the collections from ancient Egypt, Greece and Rome. The Borthwicks have also made it possible to begin the detailed documentation of the BM's Egyptian small stone sculpture collection.

Private support has enabled the BM to appoint expert curators to care for and provide public access to the collection. The Paul Mellon Centre for Studies in British Art is supporting a Project Curator to carry out research for the upcoming *Thomas Becket* exhibition. Support from Lynne and Marc Benioff is enabling the appointment of a Project Curator for the Oceania section. The Ministry of Culture, Sports and Tourism of the Republic of Korea has renewed its long-term support of the Curator of Korean Collections.

Valuable contributions from the American Friends of the British Museum and other funders have enabled the BM to continue to enhance the collection. The Dr Lee MacCormick Edwards Charitable Foundation has allowed the BM to purchase British 19th- and early 20th-century drawings and watercolours. Following an export stop, the acquisition of *The Trumpeters*, an exquisite 18th-century watercolour by Nainsukh of Guler, was made possible by the support of Art Fund, National Heritage Memorial Fund and Brooke Sewell Permanent Fund. A late Anglo-Saxon walrus ivory seal matrix was acquired with the support of John H. Rassweiler, the Ruddock Foundation for the Arts, Henry Moore Foundation and British Museum Patrons.

At the heart of the BM's work is its professional expertise. A number of gifts have made it possible to enhance this work in 2019/20: the Smirnov Family has newly pledged support for the Curator of Italian and French Prints and Drawings; the A.G. Leventis Foundation continue to fund the Curator of Ancient Cyprus; Sir Joseph Hotung supports the Project Curator: Chinese Collections, Jades. The Tabor Foundation Curator of South Asia has completed her second year in post. The Kingsley bequest funds two senior posts in the Middle East Department; the Rothschild Foundation's generosity allows for the continuing study of the Waddesdon bequest; and the support of Ed and Anne Teppo has allowed the BM to appoint its first Laser Science Researcher.

Graham & Joanna Barker and Richard Beleson have also kindly jointly funded the position of Assistant Finds Advisor and Treasure Curator of Iron Age and Roman Coins, to support the Portable Antiquities Scheme (PAS) run from the BM. The Headley Trust continues to support a series of internships in the PAS to provide people at the start of their careers with archaeological training focused on finds recording.

Through the support of the Band Trust, the BM has been able to create new interpretation for the Parthenon galleries, significantly improving the accessibility of the displays. Worn braille labels for casts that visitors can touch in Room 18b have been replaced with a braille book with tactile plans and drawings. A new free audio-descriptive tour has been developed, large print books have been introduced and the gallery lighting improved. The galleries are now significantly more accessible to visitors who are blind or who have limited sight.

With the support of the Helen Hamlyn Trust, the BM is designing new Helen Hamlyn Family Trails which guide family visitors on a fascinating journey of discovery around the BM; the Steel Charitable Trust is supporting new large-print and braille guides in the permanent galleries. Support from the Lord Leonard and Lady Estelle Wolfson Foundation's towards the Access and Education Programme enables the BM to support children and adults with learning difficulties or autism to engage with the collections.

Gifts from the Institute of Bioarchaeology and the Getty Foundation have allowed the BM to establish the Barbara Mertz Laboratory, a new hub to expand our bioarchaeology research programme.

Support for research publications continues to enable new scholarship at the BM to be shared more widely. The Julia and Hans Rausing Trust are supporting a publication focusing on the collection of Robert Henry Codrington and his donation of objects from Melanesia to the BM. A study of the Hay Cookbook, a Coptic ritual text dating from the 7th century AD, will be published with support from the Robert Kiln Charitable Trust. The second volume of the *English Medieval Coin Hoards* series will be published with support from the Marc Fitch Fund. BM research continues to be generously supported by the European Research Council, Wellcome Trust, Arts and Humanities Research Council and the Leverhulme Trust.

The BM provides training and development opportunities, both internationally and in the UK, thanks to private support. The International Training Programme benefits from the generosity of a wide range of trusts and individuals, with lead support from the Marie-Louise von Motesiczky Charitable Trust. Bequests to the BM, of all sizes, have also enhanced the BM's work over the last year, including funding for acquisitions, curatorial posts, exhibitions, conservation and priority projects.

The BM remains grateful for the continuing support from companies to both the Museum's exhibition programme and its wider scope of work. The Patrons of the British Museum likewise continue to provide significant collective support for projects where there is greatest need. Thanks to the generosity of the British Museum Friends, over £100,000 was raised through the 2019 Members' appeal to complete vital conservation projects.

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 £17.7 million were received during the year (£18.1 million in 2018/19), including donations and legacies received from individuals, trusts and foundations and gifts in kind. A further £14.8 million (£13.0 million in 2018/19) was received from other trading activities and £26.5 million (£21.3 million in 2018/19) from charitable activities.

The BM's total expenditure for the year was £109.7 million (£96.2 million in 2018/19). Expenditure on raising donations and legacies was £1.4 million (£1.3 million in 2018/19) and expenditure on other trading activities was £9.8 million (£9.2 million in 2018/19). Expenditure on charitable activities was £98.3 million (£85.5 million in 2018/19).

Grant-in-Aid

The British Museum received £43.2 million revenue and £32.5 million capital grant-in-aid from the DCMS in 2019/20 (£39.4 million and £13.1 million in 2018/19), including support for the Iraq Emergency Heritage Management Training Scheme and for the project to vacate the government-owned Blythe House building used by the BM, the Science Museum and the V&A for collection storage.

Capital expenditure

Capital expenditure, mainly on plant, building fabric, gallery refurbishments and software, amounted to £24.0 million, compared with £19.1 million in 2018/19. Significant capital additions during the year included work on technical security; life and fire safety; mechanical and electrical infrastructure; the perimeter properties; and the construction of the BM Archaeological Research Collection. A further £1.4 million was spent on acquiring heritage assets, with donated heritage assets during the year of £3.4 million.

Grants

The British Museum made grants totalling £22.6 million during the financial year (£9.2 million in 2018/19). This includes grants of £0.9 million (£1.0 million in 2018/19) 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. Also included are grants of £21.1 million (£7.9 million in 2018/19), restricted for furtherance of the BM's charitable objectives, to the British Museum Trust Limited, an independent registered charity (registration: 1140844).

Reserves

At 31 March 2020 the BM's reserves were as follows:

	£m
Collection items acquired since 31 March 2001	104
Museum land, buildings, plant and equipment	837
Permanent endowment	18
Expendable endowment	8
Restricted funds	45
Designated funds	–
Investment estate	30
Unrestricted funds	9
Unrestricted funds: subsidiaries	10
Total	<u>1,061</u>

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 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.

Reserves policy

During the year, and with reference to guidance from the Charity Commission, the Trustees re-confirmed their commitment to the reserves policy to hold unrestricted and undesignated reserves of between one and three months' expenditure in order to ensure financial stability and act as a safeguard against volatile and unpredictable income streams and unforeseen expenditure or liabilities. This would represent a sum of £9.1m – £27.4m (2019: £8.0m – £24.1m). The balance at March 2020 of £9.4m represents cover of approximately 1 month (2019: £9.0m, just over 1 month).

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 (£40.0 million), losses on investments (£5.4 million) and loss on the defined benefit pension scheme (£1.4 million).

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.

Designations

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

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) appointed Newton and BNY Mellon to manage its investments in accordance with the agreed investment policy. Apart from certain legacy holdings in unlisted equity and investment funds (£0.02m general portfolio and £1.9m endowment and restricted portfolios), all funds are invested in UK and Ireland investment funds.

After gains of +10.3% during the first three quarters of the financial year, the endowment and general investments held in Newton funds were affected by the global market turbulence in the final quarter. They delivered a return of -6.5% across the full financial year, outperforming the benchmark of -8.2%.

The Insight Liquidity fund in which the restricted and general portfolios are invested also outperformed its benchmark over the last year, with the share class returning +0.8% compared to its +0.5% benchmark. Overall, the Trustees remain satisfied with the performance of the fund managers in a difficult environment.

During the year interest, dividends and rent of £0.8m (2018/19: £0.7m) were received and net realised and unrealised losses were made on investments of £2.5m (2018/19: gain of £5.1m), together with a £2.8m loss (2018/19: £0.1m gain) 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 Limited, 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.

The BM is one of the marvels of the Enlightenment. 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.

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 saw 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 more than 4 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.

Current 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.

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.

Greenhouse gas emissions		2019/20	2018/19	2017/18	2016/17
Non-financial indicators (tonnes CO ₂ e)	Scope 1: Gas, gas oil and owned vehicles	2,723	2,353	2,278	2,428
	Scope 2 : Electricity	4,052	4,313	5,658	6,465
	Scope 3: Electricity transmission and distribution	344	368	529	585
	Scope 3: Official business travel	45	46	51	56
	Total emissions	7,164	7,080	8,516	9,534
	Emission per million visitors	1,214	1,180	1,468	1,538
Energy consumption (thousand kWh)	Scope 1: Gas	14,241	12,012	11,398	12,245
	Scope 2: Electricity	15,851	15,238	16,094	15,689
	Total gas & electricity consumption	30,092	27,250	27,492	27,934
	Consumption per million visitors	5,100	4,542	4,740	4,505
Financial indicators (£ million)	Total energy cost	2.0	2.2	2.0	1.9
	Energy cost per million visitors	0.3	0.4	0.3	0.3
	Cost of official business travel	0.2	0.2	0.2	0.2
	Cost of official business travel per million visitors	0.03	0.02	0.03	0.02

Total energy consumption in the current year has increased due to the rate of gas usage. Use of electricity has remained broadly consistent, as has the amount of official business travel. Total emissions remain consistent year on year. The increase in scope 1 emissions from gas has been offset by a continuing reduction in the carbon intensity of the UK electricity generation mix due to the shift from coal to gas and renewables leading to a drop in scope 2 and 3 emissions.

Waste minimisation and management		2019/20	2018/19	2017/18	2016/17
Non-financial indicators (tonnes)	Waste sent to landfill	Nil	Nil	Nil	Nil
	Waste recycled/reused	190	279	57	212
	Waste composted	13	Nil	Nil	Nil
	Waste incinerated	376	386	456	438
	Total waste arising	579	665	513	650
	Waste per million visitors	98	111	88	105
Financial indicators (£k)	Total disposal cost	130	125	137	131
	Cost per million visitors	22	21	24	21

Total waste arising has decreased by 86 tonnes (-13%) in 2019/20 compared to 2018/19, however the proportion of waste that is recycled, reused or composted has decreased to 35% in 2019/20 from 42% in 2018/19. We are continually working with our soft facilities management provider to improve handling of waste and despite the relative reduction in recycling rate this year have been achieving higher rates since their appointment in 2018/19. Processes for segregation of waste on site are being developed and a new separate stream taking food waste for composting by anaerobic digestion has been created. Under the current waste management processes, the BM continues to achieve zero waste to landfill.

Finite resource consumption		2019/20	2018/19	2017/18	2016/17
Non-financial indicators ('000 m ³)	Total water consumption	116	109	101	98
	Consumption per million visitors	20	18	17	16
Financial indicators (£k)	Total water cost	293	210	237	213
	Cost per million visitors	50	35	41	34

Prior year consumption and billing information were based on rates estimated by the supplier. Meter readings were taken during the current period leading to additional charges to correct for inaccuracies in those estimates.

Biodiversity action planning

Construction on the BM_ARC site has started in the year. The design intends to minimise the impact of the facility on its surroundings and where possible enhance local biodiversity.

Fencing around the site has been designed to both provide the necessary level of security while enabling the free movement of wildlife, such as a local population of badgers that was identified in initial site surveys. The visual impact will be managed by retaining existing hedgerows and by the planting of additional trees. Management of water runoff from roofing areas will be achieved through landscaping features including swales to reduce the volumes that could be directed into the local waste water network, which also have the potential to create new habitats.

The contractor has taken 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.
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 the invoices received from energy suppliers as set out in the Carbon Reduction Commitment Data Management Process. 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.
 - 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 using the Defra conversion factors, and do not include international travel by air or rail, in line with GGC.
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. 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 2019/20 it paid 91% of all invoices within the target (85% in 2018/19).

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 2019/20 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:

Troy: myth and reality

21 November 2019 – 8 March 2020

107 objects

A wide variety of objects have been protected, including a large archaeological assemblage including pottery, metal, and gold work, as well as sculpture and paintings, 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 2019 to 31 March 2020 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 Trustees²

Trustees	Attended / Meetings Held	Trustees	Attended / Meetings Held
Sir Richard Lambert (Chair) (C)	4/4	Sir Charlie Mayfield (A)	4/4
Professor Dame Mary Beard DBE, FSA, FBA (C) (Appointed 19 March 2020)	0/0	Mr John Micklethwait CBE (A) (Retired 31 July 2019)	1/1
The Hon Nigel Boardman (A) (Deputy Chair)	4/4	Sir Paul Nurse FRS (F)	4/4
Ms Cheryl Carolus (B)	2/4	Mr Gavin Patterson (A)	3/4
Dame Elizabeth Corley DBE (A)	2/4	Mr Mark Pears CBE (C)	3/4
Miss Patricia Cumper MBE (A)	0/4	Mr Grayson Perry CBE RA (G)	4/4
Ms Clarissa Farr (A)	4/4	Sir Paul Ruddock FSA (A)	4/4
Professor Chris Gosden FBA (E)	3/4	Lord Sassoon (A)	4/4
Ms Muriel Gray (A)	3/4	Dame Nemat (Minouche) Shafik DBE (A) (Deputy Chair)	4/4
Mr Philipp Hildebrand (A) (Appointed 1 August 2019)	3/3	Ms Ahdaf Soueif (A) (Resigned 4 July 2019)	1/1
Dame Vivian Hunt DBE (A)	4/4	Lord Turner of Ecchinswell FRS (C)	3/4
Professor Nicola Lacey CBE FBA (D) (Retired 31 August 2019)	1/1	Mr George Weston (A)	3/4
Sir Deryck Maughan (A)	3/4	Professor Sarah Worthington QC (Hon), FBA (D) (Appointed 3 February 2020)	1/1

(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 and Planning Manager and is available on application to him. Details of related party transactions are disclosed in note 18 to the accounts.

² 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)	6/6
The Hon Nigel Boardman	6/6
Dame Elizabeth Corley	2/6
Mr Gavin Patterson	4/6
Sir Paul Ruddock	3/6
Lord Sassoon (From 1 July 2019)	4/4
Dame Nemat (Minouche) Shafik	4/6
Lord Turner of Ecchinswell	4/6

Audit Committee

Lord Turner of Ecchinswell (Chair)	4/4
Mr Hywel Ball (co-opted)	1/4
The Hon Nigel Boardman	4/4
Mr Philipp Hildebrand (From 23 October 2019)	3/3
Dame Vivian Hunt (From 29 October 2019)	2/2
Sir Ian Johnston (co-opted)	3/4
Mr Gavin Patterson	3/4
Lord Sassoon (To 31 October 2019)	2/2
Mr George Weston (From 2 September 2019)	3/3
Mr Keith Williams (co-opted)	0/4

Investment Sub-committee

Dame Elizabeth Corley (Chair)	2/2
The Hon Nigel Boardman	1/2
Mr Stephen Fitzgerald (co-opted)	2/2
Sir Paul Ruddock	2/2
Lord Sassoon	2/2

Nominations and Remuneration Committee

Dame Nemat (Minouche) Shafik (Chair)	3/3
The Hon Nigel Boardman	3/3
Miss Patricia Cumper	1/3
Ms Clarissa Farr (From 1 July 2019)	2/2
Professor Nicola Lacey (Retired 31 August 2019)	1/1
Sir Richard Lambert	3/3

Research Committee

Sir Paul Nurse (Chair)	3/3
Sir Richard Brook (co-opted) (To 8 October 2019)	2/2
Professor Linda Colley (co-opted) (To 25 February 2020)	1/3
Professor Chris Gosden	3/3
Doctor Valerie Johnson (co-opted) (From 1 January 2020)	1/1
Professor Nicola Lacey (To 31 August 2019)	1/1
Professor Andrew Prescott (co-opted) (To 8 October 2019)	1/2
Professor Andrew Thompson (co-opted) (From 1 January 2020)	0/1
Professor Greg Woolf (co-opted) (To 25 February 2020)	3/3

Rosetta Project Committee

Lord Sassoon (Chair)	1/1
Sir George Iacobescu (co-opted)	1/1
Sir Charlie Mayfield	1/1
Mr Steve McGuckin (co-opted) (From 20 February 2020)	0/0
Mr Mark Pears	0/1
Mr David Whittleton (co-opted)	1/1

Trustee membership of related Councils and Boards

British Museum Friends Advisory Council

Ms Clarissa Farr (Chair)

The American Friends of the British Museum

Mr John Micklethwait (Chair)

(Retired as a BM Trustee on 31 July 2019, but remains Chair of the AFBM)

Sir Deryck Maughan

Sir Richard Lambert (ex officio Director)

Official addresses as at 31 March 2020

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, The 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

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.

	2019/20	2018/19	2017/18	2016/17	2015/16
Number of visits to the Museum (excluding virtual visits)	5.9m ³	6.0m	5.8m	6.2m	6.9m
Number of unique website visits ⁴	33.9m	33.6m	37.5m	34.7m ⁵	32.5m
Number of visits by children under 16	862k	988k	888k	800k	1.0m
Number of overseas visitors	3.8m	3.8m	3.7m	4.0m	4.4m
Number of facilitated and self-directed visits to the Museum by children under 18 in formal education	301k	301k	323k	271k	259k
Number of instances of children under 18 participating in on-site organised activities	118k	118k	127k	126k	146k
% of visitors who would recommend a visit	92%	96%	96%	96%	97%
Admissions income	£4.3m	£2.0m	£2.2m	£3.0m	£2.5m
Trading income ⁶	£8.7m	£7.6m	£7.8m	£14.8m	£16.4m
Fundraising ⁷	£23.7m	£22.8m	£23.3m	£27.1m	£30.8m
Number of UK loan venues ⁸	195	147	165	156	166

³ The Museum was temporarily closed to the public from 18 March 2020 because of the COVID-19 crisis.

⁴ This includes visits to all BM websites.

⁵ The figure for 2016/17 has been amended from 30.9m previously reported following discovery of a data analysis error.

⁶ 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.

⁷ 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.

⁸ The figure quoted above in the *Audiences and Engagement* section reflects the number of unique loan venues. 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.

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 (2018/19: £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 2019/20 relates to performance in 2018/19, as approved by the Board in October 2019. In view of the current difficult situation resulting from COVID-19, Hartwig Fischer asked not to be considered for a bonus with respect to the year 2019/20.

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) ⁹		Bonus payments (£'000) ¹⁰		Benefits in kind (to nearest £100) ¹¹		Pension benefits (to nearest £1000) ¹²		Total (£'000)	
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
Hartwig Fischer Director	190-195	185-190	28	28	1,200	1,200	73,000	72,000	290-295	285-290
Christopher Yates Deputy Director	145-150	140-145	-	-	-	-	62,000	53,000	205-210	195-200

Pay multiples

The banded remuneration of the highest-paid employee at the reporting period end date was £220-225k (2018/19: £215-220k). This was 7.9 times the median remuneration of the workforce (2018/19: 8.0 times) at the reporting period end date, which was £27.7k (2018/19: £27.0k).

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 £16k to £145k (2018/19: £16k – £142k). 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.

⁹ Salary comprises gross salary payable during the year.

¹⁰ 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 2019/20 relates to performance in 2018/19.

¹¹ 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.

¹² 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.

Pension Benefits

	Accrued pension at pension age ¹³ as at 31/3/20 and related lump sum	Real increase in pension and related lump sum at pension age	CETV ¹⁴ at 31/3/20	CETV at 31/3/19	Real increase in CETV ¹⁵
	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Hartwig Fischer Director	15 – 20	2.5 – 5	247	176	47
Christopher Yates Deputy Director	45 – 50 plus a lump sum of 90 – 95	2.5 – 5 plus a lump sum of 0 – 2.5	807	731	34

The figures in the remuneration report have been audited.

Hartwig Fischer
Accounting Officer
9 November 2020

Sir Richard Lambert
Chair

¹³ 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.)

¹⁴ 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.

¹⁵ 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;
- 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.

Hartwig Fischer
Accounting Officer
9 November 2020

Sir Richard Lambert
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, and 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, one co-opted member declared a potential conflict of interest at a Rosetta Project Committee meeting.

Board/Committee	Hierarchy	Remit
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.
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.

Board/ Committee	Hierarchy	Remit
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 (Established January 2020)	Sub-committee of the Standing Committee	To monitor projects over £25m 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.
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"> ■ <i>Collections & Public Engagement:</i> Africa, Oceania & the Americas; Asia; Britain, Europe & Prehistory; Coins & Medals; Collection Care; Collection Projects & Resources; Exhibitions; Learning & National Partnerships; Middle East; Nile Valley & Mediterranean Collections; Press & Marketing; Prints & Drawings; Scientific Research. ■ <i>Operations:</i> Capital Planning & Programme Management; Commercial; Development; Finance; Human Resources; Information Services; International Engagement; Membership & Customer Relationship Management; Property & Facilities Management; Security and Visitor Services.

Board effectiveness

The Board reviews its effectiveness annually through a questionnaire completed by each Trustee, which assesses performance in five areas:

- Vision, mission and strategic direction
- Performance and corporate behaviour
- Legal and regulatory compliance
- Guardianship of the BM's assets
- Capacity to govern

A report of findings is considered by the Nominations and Remuneration Committee and action points agreed by the Board. At least every three years, the review includes an element of independent assessment: an independent review was conducted in early 2020 and is due to be considered by the Board in July 2020.

The British Museum's 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 2019/20 independent 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*: in addition to its on-going review of the risk register, during 2019/20 the Committee considered in detail the management of risks relating to the fire, security and exhibitions. It received regular updates on security, operations and collections management, as well as reports on external and internal audits.
- *Nominations & Remuneration Committee*: during 2019/20, the committee reviewed the Board's skills needs and submitted a role specification to ministers for three Trustee posts; it supported a recommendation to the Secretary of State to appoint the British Academy's nominee; it made recommendations on the reappointment of two Trustees to the Secretary of State; it made a recommendation to the Board to make one appointment; and it made a recommendation to the Board on the Director's remuneration for 2018/19.
- *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 Chairman 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 the HM Treasury guidance on management of risk, with reference as appropriate to 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 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 Chairman 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 reviews risks, and receives and considers 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 co-ordinate 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 changes were made. Security of the site remains a high priority for the Trustees. The most significant residual risks currently facing the BM arise from the impact of COVID-19, the condition of the estate; reductions in government funding and increasing costs associated with regulatory requirements; ambitious strategies for increasing income generation; and the movement of the collection between storage sites. 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 strengthening controls operating around the documentation of acquisitions and implementing agreed changes to the visitor services and security functions.

During 2019/20 the BM reported a personal data breach to the Information Commissioner's Office (ICO). The incident was investigated and actions taken to reduce the risk of recurrence, and the ICO 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
9 November 2020

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 for the year ended 31 March 2020 under the Museums and Galleries Act 1992. The financial statements comprise: the Consolidated Statement of Financial Activities, the Consolidated and Museum Balance Sheets, the Consolidated Statement of Cash Flows and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as adopted by the European Union. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the group's and of the British Museum's affairs as at 31 March 2020 and of its net income for the year then ended; and
- the financial statements have been properly prepared in accordance with the Museums and Galleries Act 1992 and Secretary of State directions issued thereunder.

Emphasis of Matter

I draw attention to Notes 1e and 1g to the financial statements, which describe the basis for valuing the Museum's land and buildings, and investment properties. Management consider that, due to the impact of COVID-19, there is a 'material valuation uncertainty' associated with these balances. Consequently, less certainty and a higher degree of caution should be attached to management's valuation than would normally be the case. My opinion is not modified in respect of this matter.

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 of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) 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 2016. I am independent of the British Museum in accordance with the ethical requirements that are relevant to my audit and 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

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the British Museum's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the British Museum have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Museum's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Trustees and 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 and for being satisfied that they give a true and fair view.

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.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the British Museum's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.
- Conclude on the appropriateness of the British Museum's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the British Museum (or where relevant, the group's) ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause British Museum (or where relevant, the group) to cease to continue as a going concern.

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.

In addition, 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.

Other Information

The Trustees and Accounting Officer are responsible for the other information. The other information comprises information included in the Trustees' and Accounting Officer's Annual Report, but does not include the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and 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, 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 parts of the Remuneration Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Museums and Galleries Act 1992;
- in the light of the knowledge and understanding of the group and the parent and its environment obtained in the course of the audit, I have not identified any material misstatements in the Trustees' and Accounting Officer's Annual Report; and
- the information given in the Trustees' and Accounting Officer's Annual Report which I provide a positive consistency opinion on for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

13 November 2020

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

Consolidated Statement of Financial Activities for the year ended 31 March 2020

	Note	Revenue Funds		Capital Funds				Total Funds			Total 2020 £000s	Total 2019 £000s	
		Unrestricted £000s	Restricted £000s	Total £000s	Unrestricted £000s	Restricted £000s	Collection Acquisitions £000s	Unrestricted £000s	Restricted £000s	Permanent Endowments £000s			Expendable Endowments £000s
Income and endowments from													
Grant-in-aid	2	40,283	2,923	43,206	–	32,503	–	32,503	40,283	35,426	–	75,709	52,543
Donations and legacies		2,765	4,428	7,193	–	4,848	3,356	8,204	2,765	12,632	–	17,720	18,052
Charitable activities	3	23,542	2,123	25,665	–	854	–	854	23,542	2,977	–	26,519	21,348
Other trading activities	11(b)	14,782	–	14,782	–	–	–	–	14,782	–	–	14,782	13,033
Investments	4	637	117	754	–	77	–	77	637	194	–	836	692
Total income and endowments		82,009	9,591	91,600	–	38,282	3,356	41,638	82,009	51,229	–	135,566	105,668
Expenditure on Raising funds													
Expenditure on raising donations and legacies	6	(1,337)	–	(1,337)	–	(28)	–	(28)	(1,337)	(28)	–	(1,365)	(1,291)
Expenditure on other trading activities	6, 11(b)	(9,811)	–	(9,811)	(25)	–	–	(25)	(9,836)	–	–	(9,836)	(9,204)
Investment management costs	6	(10)	(5)	(15)	–	(28)	–	(28)	(10)	(33)	(103)	(177)	(272)
Charitable activities	6	(67,962)	(9,961)	(77,923)	(163)	(19,905)	(4)	(20,072)	(68,125)	(29,870)	–	(98,303)	(85,477)
Total expenditure	6	(79,120)	(9,966)	(89,086)	(188)	(19,961)	(4)	(20,153)	(79,308)	(29,931)	(103)	(109,681)	(96,244)
Net gains/(losses) on investments	10	(706)	8	(698)	(2,807)	(236)	–	(3,043)	(3,513)	(228)	(1,276)	(5,353)	5,254
Net income/(expenditure)	5	2,183	(367)	1,816	(2,995)	18,085	3,352	18,442	(812)	21,070	(1,379)	20,532	14,678
Transfers between funds	16	(561)	(957)	(1,518)	11,116	(10,401)	1,449	2,164	10,555	(9,909)	(595)	(51)	–
Other recognised gains/(losses)													
Gain on revaluation of fixed assets	7	–	–	–	–	40,043	–	40,043	–	40,043	–	40,043	81,128
Actuarial losses on defined benefit pension scheme	20	(1,371)	–	(1,371)	–	–	–	–	(1,371)	–	–	(1,371)	(559)
Other gains/(losses)		110	9	119	–	11	–	11	110	20	–	130	81
Net movement in funds		361	(1,315)	(954)	8,121	47,738	4,801	60,660	8,482	51,224	(1,974)	59,334	95,328
Reconciliation of funds:													
Total funds brought forward as at 1 April	16(a)	18,217	21,224	39,441	22,745	813,275	99,426	935,446	40,962	933,925	20,056	1,001,693	906,365
Total funds carried forward as at 31 March	16(a)	18,578	19,909	38,487	30,866	861,013	104,227	996,106	49,444	985,149	18,082	1,061,027	1,001,693

All operations of the British Museum continued throughout 2019/20 and 2018/19 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 2019

	Note	Revenue Funds			Capital Funds			Total Funds			Total 2018 £000s	
		Unrestricted £000s	Restricted £000s	Total £000s	Unrestricted £000s	Restricted £000s	Collection Acquisitions £000s	Unrestricted £000s	Restricted £000s	Permanent Endowments £000s		Expendable Endowments £000s
Income and endowments from												
Grant-in-aid	2	38,690	750	39,440	13,103	-	-	13,103	38,690	13,853	-	52,543
Donations and legacies		2,741	2,296	5,037	5,650	7,328	-	12,978	2,741	15,274	37	18,052
Charitable activities	3	20,350	998	21,348	-	-	-	20,350	998	-	-	21,348
Other trading activities	11(b)	13,033	-	13,033	-	-	-	13,033	-	-	-	13,033
Investments	4	308	333	641	48	-	-	48	308	381	3	692
Total income and endowments		75,122	4,377	79,499	18,801	7,328	-	26,129	75,122	30,506	37	105,668
Expenditure on Raising funds												
Expenditure on raising donations and legacies	6	(1,264)	-	(1,264)	(27)	-	-	(27)	(1,264)	(27)	-	(1,291)
Expenditure on other trading activities	6, 11(b)	(9,185)	-	(9,185)	-	(19)	-	(9,204)	(9,204)	-	-	(9,204)
Investment management costs	6	(120)	(3)	(123)	(25)	-	-	(120)	(120)	(28)	(30)	(162)
Charitable activities	6	(62,335)	(6,875)	(69,210)	(15,542)	(444)	-	(15,986)	(62,779)	(22,417)	-	(85,477)
Loss on disposal of Blythe House	7	-	-	-	-	-	-	-	-	-	-	(6,173)
Total expenditure	6	(72,904)	(6,878)	(79,782)	(15,594)	(463)	-	(16,057)	(73,367)	(22,472)	(94)	(96,244)
Net gains/(losses) on investments	10	1,170	279	1,449	770	115	-	885	1,285	1,049	2,216	5,254
Net income/(expenditure)	5	3,388	(2,222)	1,166	3,977	(348)	7,328	10,957	3,040	9,083	2,159	14,678
Transfers between funds	16	(1,428)	533	(895)	383	355	812	1,550	(1,073)	1,728	(562)	93
Other recognised (losses)/gains												
Gain/(loss) on revaluation of fixed assets	7	-	-	-	81,128	-	-	81,128	-	81,128	-	81,128
Actuarial gains/(losses) on defined benefit pension scheme	20	(559)	-	(559)	-	-	-	(559)	(559)	-	-	(559)
Other gains/(losses)		89	(5)	84	(3)	-	-	(3)	89	(8)	-	81
Net movement in funds		1,490	(1,694)	(204)	7	85,485	8,140	93,632	1,497	91,931	1,597	95,328
Reconciliation of funds:												
Total funds brought forward as at 1 April	16(a)	16,727	22,918	39,645	727,790	22,738	91,286	841,814	39,465	841,994	18,459	906,365
Total funds carried forward as at 31 March	16(a)	18,217	21,224	39,441	813,275	22,745	99,426	933,925	40,962	933,925	20,056	1,001,693

All operations of the British Museum continued throughout 2018/19 and 2017/18 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 2020

	Note	2020 £000s	2019 £000s
Fixed assets			
Tangible assets	7(a)	833,104	796,789
Intangible assets	8(a)	4,850	2,969
Heritage assets	9(c)	104,227	99,426
Investments	10(a)	106,747	87,875
Investment properties	10(b)	29,900	22,306
Total fixed assets		1,078,828	1,009,365
Debtors due in more than one year	12	4,152	3,452
Current assets			
Stock-goods for resale	11(c)	1,999	2,003
Debtors due within one year	12	13,056	18,570
Investments	10(c)	3,514	9,796
Cash at bank and in hand	10(d)	27,050	16,636
Total current assets		45,619	47,005
Creditors due within one year	13	(35,296)	(25,098)
Provisions due within one year	14	(622)	(522)
Net current assets		9,701	21,385
Total assets less current liabilities		1,092,681	1,034,202
Creditors due after more than one year	13	(17,656)	(19,523)
Net assets excluding pension liability		1,075,025	1,014,679
Defined benefit pension scheme liability	20	(13,998)	(12,986)
Total net assets		1,061,027	1,001,693
The funds of the group:			
Permanent endowments		18,082	20,056
Expendable endowments		8,352	6,750
Restricted funds		985,149	933,925
Unrestricted funds			
Designated funds		365	400
General funds		39,333	31,368
General funds held in subsidiaries		9,746	9,194
		49,444	40,962
Total group funds	16(a)	1,061,027	1,001,693

The accompanying notes form part of these accounts.

Hartwig Fischer
Accounting Officer

9 November 2020

Sir Richard Lambert
Chair

Museum Balance Sheet as at 31 March 2020

	Note	2020 £000s	2019 £000s
Fixed assets			
Tangible assets	7(b)	832,641	796,416
Intangible assets	8(b)	4,347	2,905
Heritage assets	9(c)	104,227	99,426
Investments	10(a)	96,899	87,875
Investment properties	10(b)	29,900	22,306
Investment in subsidiaries	11(a)	1,250	1,250
Total fixed assets		1,069,264	1,010,178
Debtors due in more than one year	12	4,152	3,452
Current assets			
Debtors due within one year	12	15,747	18,829
Investments	10(c)	3,514	–
Cash at bank and in hand	10(d)	12,887	4,141
Total current assets		32,148	22,970
Creditors: amounts falling due within one year	13	(36,289)	(24,179)
Provisions: amounts falling due within one year	14	(615)	(522)
Net current assets / (liabilities)		(4,756)	(1,731)
Total assets less current liabilities		1,068,660	1,011,899
Creditors: amounts falling due after more than one year	13	(17,379)	(19,400)
Total net assets		1,051,281	992,499
The funds of the charity:			
Permanent endowments		18,082	20,056
Expendable endowments		8,352	6,750
Restricted funds		985,149	933,925
Unrestricted funds			
Designated funds		365	400
General funds		39,333	31,368
		39,698	31,768
Total charity funds	16(a)	1,051,281	992,499

The accompanying notes form part of these accounts.

Hartwig Fischer
Accounting Officer

9 November 2020

Sir Richard Lambert
Chair

Consolidated Statement of Cash Flows For the year ended 31 March 2020

	Note	2020 £000s	2019 £000s
Cash flows from operating activities			
Net cash provided by operating activities	17	47,756	14,464
Cash flows from investing activities			
Dividends, interest and rents from investments	4	797	454
Purchase of fixed asset investments	10(a)	(36,278)	(15,656)
Proceeds from the sale of fixed asset investments	10(a)	14,861	12,509
Purchase of tangible fixed assets	7(a)	(19,415)	(14,333)
Purchase of intangible fixed assets	8	(2,270)	(680)
Purchase of heritage assets	9	(1,449)	(812)
Net cash used in investing activities		(43,754)	(18,518)
Change in cash and cash equivalents in the year		4,002	(4,054)
Cash and cash equivalents at the beginning of the year		26,432	30,405
Change in cash and cash equivalents due to exchange movements		130	81
Cash and cash equivalents at the end of the year		30,564	26,432
Analysis of cash and cash equivalents			
Current asset investments	10(c)	3,514	9,796
Cash at bank and in hand	10(d)	27,050	16,636
Total cash and cash equivalents		30,564	26,432

Analysis of changes in net debt For the year ended 31 March 2020

	2020 £000s	2019 £000s
Opening Net Debt	26,432	30,405
Cash Flows	4,002	(4,054)
Foreign Exchange Movements	130	81
Closing Net Debt	30,564	26,432

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 (effective 1 January 2015), FRS 102, the Government Financial Reporting Manual (FRm), 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 FRm, the SORP has been followed with additional disclosure provided to comply with the FRm.
- (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.

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 recoverable. 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.

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.

The desktop valuation for the year included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global, noting that less certainty – and a higher degree of caution – should be attached to the valuation than would normally be the case. However, the material uncertainty clause is to serve as a precaution and does not invalidate the valuation.

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

(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. In the year, the policy changed from charging a full year of amortisation in the year the asset became ready for use and no amortisation in the year of disposal.

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.

In accordance with VPGA10 of the Red Book, in their valuation as at March 2020 Montagu Evans highlighted matters that may give rise to material valuation uncertainty, namely that there is as yet little or no empirical evidence currently available on the impact of Covid-19 on property market activity or values, resulting in a reduced level of certainty that can be attached to the valuation.

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 maturity of less than one year held for investment purposes rather than to meet short-term cash commitments as they fall due.

(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)

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 donate their profits 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

	2020	2019
	£000s	£000s
Unrestricted revenue	40,283	38,690
Restricted revenue	2,923	750
Restricted capital	32,503	13,103
	<u>75,709</u>	<u>52,543</u>

3. ANALYSIS OF INCOME AND ENDOWMENTS FROM CHARITABLE ACTIVITIES

	2020	2019
	£000s	£000s
Care, research and conservation	2,334	743
Public access and events	1,737	2,617
Charitable trading	22,448	17,988
	<u>26,519</u>	<u>21,348</u>

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.

EU funding of £318k is included in income in the current year (2018/19: £497k).

4. INCOME FROM INVESTMENTS

	2020	2019
	£000s	£000s
Income from UK bank deposits	165	107
Income from UK fixed interest investments	37	4
Income from overseas investment funds	335	288
Other interest	-	-
	<u>537</u>	<u>399</u>
Interest receivable from discount unwinding	39	238
Rents receivable	260	55
	<u>836</u>	<u>692</u>

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

5. NET INCOME

is stated after charging:	2020	2019
	£000s	£000s
Auditors' remuneration: Comptroller and Auditor General audit fee	70	56
Auditors' remuneration: Subsidiary companies audit fee (current year)	52	51
Auditors' remuneration: Subsidiary companies audit fee (prior year under provision)	4	–
Operating lease rentals: Hire of plant and machinery	93	93
Operating lease rentals: Land and buildings	105	105
Loss on disposal of fixed assets	29	489
Movement on bad debt provision	93	(31)
Stock recognised as an expense	5,381	5,114

There were no non-audit services provided by the Comptroller and Auditor General during 2019/20 (2018/19: nil). The auditors of BMF provided iXBRL accounts tagging services of £260 (2018/19: £250). They also provided additional corporation tax return support to the Museum of £5.5k (2018/19: £3k).

6. ANALYSIS OF EXPENDITURE

6(a)	Direct Costs £000s	Grants £000s	Depreciation & Amortisation £000s	Support Costs £000s	Total 2020 £000s
Raising donations and legacies	1,161	–	28	176	1,365
Other trading activities	9,795	–	25	16	9,836
Investment management costs	173	–	–	4	177
Care, research and conservation	29,183	22,486	8,520	4,168	64,357
Public access and events	14,513	135	6,436	2,220	23,304
Charitable trading	9,326	–	449	867	10,642
Charitable activities	53,022	22,621	15,405	7,255	98,303
Total expenditure	64,151	22,621	15,458	7,451	109,681
	Direct Costs £000s	Grants £000s	Depreciation & Amortisation £000s	Support Costs £000s	Total 2019 £000s
Raising donations and legacies	1,108	–	27	156	1,291
Other trading activities	8,417	–	19	768	9,204
Investment management costs	266	–	–	6	272
Care, research and conservation	30,214	9,155	8,187	3,583	51,139
Public access and events	14,277	51	6,068	2,029	22,425
Charitable trading	10,599	–	475	839	11,913
Charitable activities	55,090	9,206	14,730	6,451	85,477
Total expenditure	64,881	9,206	14,776	7,381	96,244

Grants are made for the furtherance of the BM's charitable objectives. Of the total grants of £22.6m (2018/19: £9.2m), £22.0m (2018/19: £9.0m) were made to institutions and £0.5m were made to individuals (2018/19: £0.2m).

The main elements of the grant figure are as follows:

- Grants of £21.1m (2018/19: £7.9m) to the British Museum Trust Limited (BMT), restricted for furtherance of the British Museum's charitable objectives. BMT is a separate, independent registered charity (registration number: 1140844). It has no Trustees in common with the BM. Its objectives are to advance, in a manner in which the trustees of BMT see fit, the charitable objects of the Trustees of the British Museum; and to advance culture, heritage, science, education and the arts for public benefit throughout the world in any manner incidental, conducive to or compatible with the charitable objects of the Trustees of the British Museum. The Museum provides administrative support for BMT under terms governed by a commercial service level agreement;

– Grants of £0.9m (2018/19: £1m) 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 and the BMGC 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 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	Information	Human	Legal	Governance	2020
	Services	Resources	Services	Costs		Total
	£000s	£000s	£000s	£000s	£000s	£000s
Care, research and conservation	1,163	1,815	793	187	210	4,168
Public access and events	572	756	638	150	104	2,220
Charitable trading	163	410	179	42	73	867
Charitable activities	1,898	2,981	1,610	379	387	7,255
Raising donations and legacies	33	89	39	9	6	176
Other trading activities	–	–	–	–	16	16
Investment management costs	4	–	–	–	–	4
	<u>1,935</u>	<u>3,070</u>	<u>1,649</u>	<u>388</u>	<u>409</u>	<u>7,451</u>

	Finance	Information	Human	Legal	Governance	2019
	Services	Resources	Services	Costs		Total
	£000s	£000s	£000s	£000s	£000s	£000s
Care, research and conservation	895	1,482	759	258	189	3,583
Public access and events	446	659	616	210	98	2,029
Charitable trading	234	322	173	59	51	839
Charitable activities	1,575	2,463	1,548	527	338	6,451
Raising donations and legacies	25	73	39	13	6	156
Other trading activities	180	319	171	58	40	768
Investment management costs	5	–	–	–	1	6
	<u>1,785</u>	<u>2,855</u>	<u>1,758</u>	<u>598</u>	<u>385</u>	<u>7,381</u>

6(c) Governance costs

	2020	2019
	£000s	£000s
Staff costs	196	202
British Museum auditors' remuneration	70	56
Subsidiary charities auditors' remuneration (current year)	52	51
Subsidiary charities auditors' remuneration (prior year under provision)	4	–
Professional services	7	4
Internal audit costs	35	33
Cost of meetings	41	35
Reimbursement of trustee expenses	4	4
	<u>409</u>	<u>385</u>

6(d) Staff costs	2020	2019
	£000s	£000s
Wages and salaries	27,189	27,413
Social security costs	2,794	2,815
Pension costs	6,575	5,197
Agency staff costs	3,792	3,576
Early retirement and redundancy costs	359	426
	40,709	39,427

In addition to the total above, £1,003k (2018/19: £440k) of staff costs has been capitalised.

There was no expenditure on consultancy during 2019/20 (2018/19: nil).

The number of employees whose full time equivalent emoluments as defined for taxation purposes amounted to over £60,000 (2018: over £60,000) in the year was as follows:

	2020	2019
£60,001 – £70,000	21	22
£70,001 – £80,000	7	9
£80,001 – £90,000	–	1
£90,001 – £100,000	2	2
£100,001 – £110,000	–	–
£110,001 – £120,000	1	1
£120,001 – £130,000	1	1
£130,001 – £140,000	–	–
£140,001 – £150,000	1	1
£170,001 – £180,000	1	–
£200,001 – £210,000	–	–
£210,001 – £220,000	–	1
£220,001 – £230,000	1	–

31 staff (2018/19: 34) whose emoluments amounted to more than £60,000 in the year are members of a defined benefit scheme and 4 staff (2018/19: 3) are members of a defined contributions scheme. Contributions of £618k (2018/19: £541k) were paid on behalf of the members of the defined benefit scheme and £28k (2018/19: £20k) on behalf of the members of the defined contributions scheme.

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

2020		Agency and contract staff	Total
Care, research and conservation	410	4	414
Public access and events	248	108	356
Charitable trading	76	15	91
Raising donations and legacies	21	3	24
Other trading activities	78	13	91
	833	143	976
2019		Agency and contract staff	Total
Care, research and conservation	424	5	429
Public access and events	241	104	345
Charitable trading	81	16	97
Raising donations and legacies	19	2	21
Other trading activities	85	10	95
	850	137	987

The average head count during the year excluding agency and contract staff was 955 (2018/19: 972).

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 2019/20	Total number of exit packages for 2018/19
0 – 24,999	20	1	21	14
25,000 – 49,999	–	–	–	5
50,000 – 74,999	1	–	1	2
75,000 – 99,999	–	–	–	–
>£100,000	–	1	1	–
Total	21	2	23	21
Total cost (£000)	232	127	359	447

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 2019/20 (2018/19: £nil). All Trustees are entitled to be reimbursed for reasonable travel and subsistence expenses incurred in the performance of their duties. In 2019/20, travel and subsistence expenses of £46k (2018/19: £36k) were paid for meetings, including £4k (2018/19: £3k) reimbursed to two Trustees (2018/19: two) and £42k (2018/19: £33k) paid directly to third parties. Trustees contributed £42k towards the cost of Trustee meetings.

6(h) Off-payroll engagements

a For all off-payroll engagements as of 31 March 2020, for more than £245 per day and that last for longer than six months:

No. that have existed for less than one year at time of reporting	–
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	–
	–

b For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020, for more than £245 per day and that last for longer than six months:

No. of new engagements, or those reaching 6 months in duration, during the period	–
Of which:	
No. assessed as caught by IR35	–
No. assessed as not caught by IR35	–
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 2019 and 31 March 2020:

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.	28

6(i) Losses

In 2019/20 there were no losses above the reporting threshold (2018/19: £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
Cost							
At 31 March 2019	201,609	424,275	9,411	52,440	130,430	11,302	829,467
Additions during the year	–	196	20,609	–	18	955	21,778
Disposals during the year	–	–	–	–	–	(1,099)	(1,099)
Transfer from assets under construction	–	–	(722)	–	701	21	–
Transfer out to Investment Properties	(3,184)	(3,431)	(3,786)	–	–	–	(10,401)
Impairment	–	(7)	–	–	–	–	(7)
Revaluation adjustment	(10,271)	33,875	–	995	3,345	–	27,944
At 31 March 2020	188,154	454,908	25,512	53,435	134,494	11,179	867,682
Accumulated depreciation							
At 31 March 2019	–	–	–	(23,053)	–	(9,625)	(32,678)
Disposals during the year	–	–	–	–	–	1,070	1,070
Provided during the year	–	(5,023)	–	(1,936)	(7,514)	(596)	(15,069)
Revaluation adjustment	–	5,023	–	(438)	7,514	–	12,099
At 31 March 2020	–	–	–	(25,427)	–	(9,151)	(34,578)
Net Book Value							
At 31 March 2020	188,154	454,908	25,512	28,008	134,494	2,028	833,104
At 31 March 2019	201,609	424,275	9,411	29,387	130,430	1,677	796,789

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
Cost							
At 31 March 2019	201,609	424,275	9,411	52,440	130,430	7,550	825,715
Additions during the year	–	196	20,609	–	18	722	21,545
Disposals during the year	–	–	–	–	–	(511)	(511)
Transfer from assets under construction	–	–	(722)	–	701	21	–
Transfer out to Investment Properties	(3,184)	(3,431)	(3,786)	–	–	–	(10,401)
Impairment	–	(7)	–	–	–	–	(7)
Revaluation adjustment	(10,271)	33,875	–	995	3,345	–	27,944
At 31 March 2020	188,154	454,908	25,512	53,435	134,494	7,782	864,285
Accumulated depreciation							
At 31 March 2019	–	–	–	(23,053)	–	(6,246)	(29,299)
Disposals during the year	–	–	–	–	–	478	478
Provided during the year	–	(5,023)	–	(1,936)	(7,514)	(449)	(14,922)
Revaluation adjustment	–	5,023	–	(438)	7,514	–	12,099
At 31 March 2020	–	–	–	(25,427)	–	(6,217)	(31,644)
Net Book Value							
At 31 March 2020	188,154	454,908	25,512	28,008	134,494	1,565	832,641
At 31 March 2019	201,609	424,275	9,411	29,387	130,430	1,304	796,416

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 by 31st March 2023 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.

Group fixed asset additions include £2.4m unpaid capital additions.

8. INTANGIBLE ASSETS

8(a) Group intangible assets

	Software Licences £000s	Websites £000s	Developed Software £000s	Assets in the Course of Construction £000s	Total £000s
Cost					
At 1 April 2019	181	123	872	2,684	3,860
Additions during the year	–	–	544	1,726	2,270
Disposals during the year	–	–	–	–	–
Transfer from assets under construction	–	1,535	–	(1,535)	–
Revaluation adjustment	–	–	–	–	–
At 31 March 2020	181	1,658	1,416	2,875	6,130
Accumulated amortisation					
At 1 April 2019	(165)	(53)	(673)	–	(891)
Disposals during year	–	–	–	–	–
Provided during the year	(16)	(168)	(205)	–	(389)
Revaluation adjustment	–	–	–	–	–
At 31 March 2020	(181)	(221)	(878)	–	(1,280)
Net Book Value					
At 31 March 2020	–	1,437	538	2,875	4,850
At 31 March 2019	16	70	199	2,684	2,969

8(b) Museum intangible assets	Software Licences £000s	Websites £000s	Developed Software £000s	Assets in the Course of Construction £000s	Total £000s
Cost					
At 1 April 2019	181	30	872	2,684	3,767
Additions during the year	–	–	63	1,726	1,789
Disposals during the year	–	–	–	–	–
Transfer from assets under construction	–	1,535	–	(1,535)	–
Revaluation adjustment	–	–	–	–	–
At 31 March 2020	181	1,565	935	2,875	5,556
Accumulated amortisation					
At 1 April 2019	(165)	(24)	(673)	–	(862)
Disposals during year	–	–	–	–	–
Provided during the year	(16)	(134)	(197)	–	(347)
Revaluation adjustment	–	–	–	–	–
At 31 March 2020	(181)	(158)	(870)	–	(1,209)
Net Book Value					
At 31 March 2020	–	1,407	65	2,875	4,347
At 31 March 2019	16	6	199	2,684	2,905

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, archaeological, ethnographic and contemporary collections from the peoples of Africa, Australia and the Pacific, and the whole of the Americas. It also has 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 Neolithic period (about 10,000 BC) until the modern day. Highlights include the important collection 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 Classical world which range 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 as well as elements of 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.
Middle East	The collection includes a wide range of archaeological material, ancient 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 a vast expanse of time from human tools in Africa and Asia two million years ago to the art and archaeology of Europe from the earliest times to the present day including the history of Britain under the Roman occupation.
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, Goya 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

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 or halting deterioration and damage rather than through treatment and repair. That is preventative conservation methods are applied in preference to interventive conservation treatments.

Preventative 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 World Conservation and Exhibitions Centre provides additional state of the art conservation and storage facilities.

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 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

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.

	2019/20 – £000s		
	Donated	Purchased	Total
Opening balance	65,544	33,882	99,426
Additions	3,356	1,449	4,805
Write-off*	(4)	–	(4)
Closing balance	<u>68,896</u>	<u>35,331</u>	<u>104,227</u>
	2018/19 – £000s		
	Donated	Purchased	Total
Opening balance	58,216	33,070	91,286
Additions	7,328	812	8,140
Closing balance	<u>65,544</u>	<u>33,882</u>	<u>99,426</u>
	2017/18 – £000s		
	Donated	Purchased	Total
Opening balance	57,091	31,958	89,049
Additions	1,125	1,112	2,237
Closing balance	<u>58,216</u>	<u>33,070</u>	<u>91,286</u>
	2016/17 – £000s		
	Donated	Purchased	Total
Opening balance	50,349	30,224	80,573
Additions	7,492	1,734	9,226
Write-off**	(750)	–	(750)
Closing balance	<u>57,091</u>	<u>31,958</u>	<u>89,049</u>
	2015/16 – £000s		
	Donated	Purchased	Total
Opening balance	48,472	29,141	77,613
Additions	1,877	1,083	2,960
Closing balance	<u>50,349</u>	<u>30,224</u>	<u>80,573</u>

* 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 was written-off in the accounts.

** In 2016/17, one item from the collection valued at £750k was declared lost under the Procedure for the Reporting of Unlocated and Lost Objects. It was written-off in the accounts.

10. INVESTMENTS

10(a) Fixed asset investments – Group and Museum

Investments comprised the following:	Group 2020 £000s	Group 2019 £000s	Museum 2020 £000s	Museum 2019 £000s
Investment assets in the UK:				
Investment funds	41,686	43,135	41,686	43,135
Fixed income	9,848	–	–	–
Investment assets outside the UK:				
Investment funds	53,310	42,483	53,310	42,483
Unlisted equities	1,903	2,257	1,903	2,257
	106,747	87,875	96,899	87,875
Investments at 1 April	87,875	79,589	87,875	79,589
Additions	36,278	15,656	26,430	15,656
Disposals	(14,861)	(12,509)	(14,861)	(12,509)
(Loss) / gain in value	(2,545)	5,139	(2,545)	5,139
Investments at 31 March	106,747	87,875	96,899	87,875

All investments are stated at fair value at 31 March 2020. 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 (2019: \$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	Group 2020 £000s	Group 2019 £000s	Museum 2020 £000s	Museum 2019 £000s
Investments at 1 April	22,306	22,191	22,306	22,191
Additions	–	–	–	–
Transfer in from tangible fixed assets	10,401	–	10,401	–
Gain/(loss) in value	(2,807)	115	(2,807)	115
Investments at 31 March	29,900	22,306	29,900	22,306

The investment properties comprise buildings on the perimeter of the Bloomsbury site. During 2019/20 and 2018/19 the majority were subject to long leases on low or peppercorn rents. During the year two new leases for these properties were signed.

The valuation of the investment properties at open market value as at 31 March 2020 was carried out by chartered surveyors Montagu Evans. The valuation is in accordance with the RICS Appraisal and Valuation Manual.

10(c) Current asset investments

	Group 2020 £000s	Group 2019 £000s	Museum 2020 £000s	Museum 2019 £000s
Short-term cash deposits	3,514	9,796	3,514	–

10(d) Cash at bank and in hand

	Group 2020 £000s	Group 2019 £000s	Museum 2020 £000s	Museum 2019 £000s
Balance with commercial banks and in hand	27,050	16,636	12,887	4,141

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

	BMF	BMCo	BMGC	BM	Intercompany Transactions	Total
	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20
	£000s	£000s	£000s	£000s	£000s	£000s
Income and endowments from						
Grant-in-aid	–	–	–	75,709	–	75,709
Donations and legacies	361	–	–	28,006	(10,647)	17,720
Charitable activities	5,090	6,849	–	16,731	(2,151)	26,519
Other trading activities	–	11,000	4,836	–	(1,054)	14,782
Investments	11	107	23	717	(22)	836
	<u>5,462</u>	<u>17,956</u>	<u>4,859</u>	<u>121,163</u>	<u>(13,874)</u>	<u>135,566</u>
Expenditure on						
Raising donations and legacies	(8)	–	–	(1,357)	–	(1,365)
Other trading activities	–	(7,062)	(2,778)	–	4	(9,836)
Investment management costs	–	–	–	(177)	–	(177)
Charitable activities	(1,560)	(4,301)	–	(95,667)	3,225	(98,303)
Contribution/grants to the BM	(4,264)	(4,300)	(2,081)	–	10,645	–
	<u>(5,832)</u>	<u>(15,663)</u>	<u>(4,859)</u>	<u>(97,201)</u>	<u>13,874</u>	<u>(109,681)</u>
Net gains on investments	–	–	–	(5,353)	–	(5,353)
Net income/(expenditure)	<u>(370)</u>	<u>2,293</u>	<u>–</u>	<u>18,609</u>	<u>–</u>	<u>20,532</u>
Gain on revaluation of fixed assets	–	–	–	40,043	–	40,043
Actuarial loss on defined benefit scheme	–	(1,371)	–	–	–	(1,371)
Other gains	–	–	–	130	–	130
Net movement in funds	<u>(370)</u>	<u>922</u>	<u>–</u>	<u>58,782</u>	<u>–</u>	<u>59,334</u>

In the Consolidated Statement of Financial Activities, expenditure on other trading activities includes a corporation tax charge of £7k (2018/19: £6k) for BMGC, and a corporation tax charge of £291k (2018/19: £nil) for BMV. Retained earnings carried forward for BMGC is £nil (2018/19: £nil) and retained earnings carried forward for BMV is £1,242k (2018/19: £nil).

	BMF	BMCo	BMGC	BM	Intercompany Transactions	Total
	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19
	£000s	£000s	£000s	£000s	£000s	£000s
Income and endowments from						
Grant-in-aid	–	–	–	52,543	–	52,543
Donations and legacies	959	–	–	20,967	(3,874)	18,052
Charitable activities	4,746	6,294	–	16,263	(5,955)	21,348
Other trading activities	–	9,980	4,203	–	(1,150)	13,033
Investments	8	83	24	594	(17)	692
	5,713	16,357	4,227	90,367	(10,996)	105,668
Expenditure on						
Raising donations and legacies	(2)	–	–	(1,289)	–	(1,291)
Other trading activities	–	(6,621)	(2,649)	–	66	(9,204)
Investment management costs	–	–	–	(272)	–	(272)
Charitable activities	(3,364)	(4,206)	–	(80,964)	3,057	(85,477)
Contribution/grants to the BM	(2,294)	(4,000)	(1,579)	–	7,873	–
	(5,660)	(14,827)	(4,228)	(82,525)	10,996	(96,244)
Net gains on investments	–	–	–	5,254	–	5,254
Net income/(expenditure)	53	1,530	(1)	13,096	–	14,678
Gain on revaluation of fixed assets	–	–	–	81,128	–	81,128
Actuarial loss on defined benefit scheme	–	(559)	–	–	–	(559)
Other gains	–	–	–	81	–	81
Net movement in funds	53	971	(1)	94,305	–	95,328

In the Consolidated Statement of Financial Activities, expenditure on other trading activities includes a corporation tax charge of £6k (2017/18: £nil) for BMGC. Retained earnings carried forward for BMGC is £nil (2017/18: £1k).

11(c) Balance sheet of consolidated entities

Net assets at 31 March 2020 comprise:	BMF	BMCo	BMGC	BM	Intercompany Transactions	Total
	2020	2020	2020	2020	2020	2020
	£000s	£000s	£000s	£000s	£000s	£000s
Fixed assets	610	10,116	88	1,069,264	(1,250)	1,078,828
Current assets	1,928	15,906	3,874	32,148	(8,237)	45,619
Debtors due after one year	–	–	–	4,152	–	4,152
Creditors due within one year	(682)	(3,337)	(3,232)	(36,904)	8,237	(35,918)
Creditors due after one year	(47)	(13,998)	(230)	(17,379)	–	(31,654)
Net assets	1,809	8,687	500	1,051,281	(1,250)	1,061,027
Net assets at 31 March 2019 comprise:	BMF	BMCo	BMGC	BM	Intercompany Transactions	Total
	2019	2019	2019	2019	2019	2019
	£000s	£000s	£000s	£000s	£000s	£000s
Fixed assets	–	413	26	1,010,178	(1,252)	1,009,365
Current assets	4,742	22,820	3,604	22,970	(7,131)	47,005
Debtors due after one year	–	–	–	3,452	–	3,452
Creditors due within one year	(2,513)	(2,482)	(3,057)	(24,701)	7,133	(25,620)
Creditors due after one year	(50)	(12,986)	(73)	(19,400)	–	(32,509)
Net assets	2,179	7,765	500	992,499	(1,250)	1,001,693

The current assets of BMCo include £1,999k (2018/19: £2,003k) of stock which comprises £43k (2018/19: £29k) of work in progress and £1,956k (2018/19: £1,974k) of finished goods and goods for resale.

12. DEBTORS

	Group 2020 £000s	Group 2019 £000s	Museum 2020 £000s	Museum 2019 £000s
Amounts falling due within one year:				
Trade debtors	1,835	2,110	832	1,010
Other debtors	952	1,616	199	206
Prepayments and accrued income	9,375	14,844	9,027	13,539
Taxation and social security	894	–	1,398	1,172
Amount due from subsidiaries	–	–	4,291	2,902
	13,056	18,570	15,747	18,829
	Group 2020 £000s	Group 2019 £000s	Museum 2020 £000s	Museum 2019 £000s
Amounts falling due after more than one year:				
Accrued income	4,152	3,452	4,152	3,452
Total debtors	17,208	22,022	19,899	22,281

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.

13. CREDITORS

	Group 2020 £000s	Group 2019 £000s	Museum 2020 £000s	Museum 2019 £000s
Amounts falling due within one year:				
Trade creditors	2,591	1,928	2,068	1,305
Other creditors	1,877	1,378	1,578	1,114
Taxation and social security	430	1,416	–	–
Accruals	25,883	15,500	25,480	15,136
Deferred income	4,515	4,876	3,726	3,580
Amount due to subsidiaries	–	–	3,437	3,044
	35,296	25,098	36,289	24,179
	Group 2020 £000s	Group 2019 £000s	Museum 2020 £000s	Museum 2019 £000s
Amounts falling due after more than one year:				
Deferred income	17,656	19,523	17,379	19,400

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, and life membership fees which are recognised over the expected length of the lifetime memberships. 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 movement on the deferred income account is as follows:

	Group	Group	Museum	Museum
	2020	2019	2020	2019
	£000s	£000s	£000s	£000s
Deferred income brought forward	24,399	25,813	22,980	24,325
Released in year	(4,148)	(4,627)	(3,043)	(3,398)
Deferred in year	1,920	3,213	1,168	2,053
Deferred income carried forward	22,171	24,399	21,105	22,980

14. PROVISION FOR LIABILITIES AND CHARGES – GROUP AND MUSEUM

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

	Group	Group	Museum	Museum
	2020	2019	2020	2019
	£000s	£000s	£000s	£000s
Other provisions brought forward	522	1,054	522	1,054
Arising during the year	184	528	177	528
Utilised during the year	(29)	(83)	(29)	(83)
Reversed unused	(55)	(977)	(55)	(977)
Other provisions carried forward	622	522	615	522
Less current portion	(622)	(522)	(615)	(522)
	-	-	-	-
Total provision for liabilities and charges falling due after more than one year:	-	-	-	-

Of the provisions included here, eleven relate to legal claims and one relates to the potential return of funds to a donor and one relates to the potential refund of box office income following COVID-19-related cancellation of events.

15. FINANCIAL COMMITMENTS

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

	Land and Buildings		Plant and Machinery	
	2020	2019	2020	2019
	£000s	£000s	£000s	£000s
Leases which expire: within one year	105	105	78	93
in the second to fifth year	419	419	18	69
over five years	226	331	-	-
	750	855	96	162

16(a) STATEMENT OF FUNDS

	SOFA Classification	At 1 April 2019 £000s	Income £000s	Expenditure £000s	Net movement on investments and revaluation £000s	Movement during year £000s	Transfers between funds £000s	At 31 March 2020 £000s
<i>Permanent endowment funds</i>	PE	20,056	–	(103)	(1,276)	(1,379)	(595)	18,082
<i>Expendable endowment funds</i>	EE	6,750	2,328	(339)	(336)	1,653	(51)	8,352
<i>Restricted funds</i>								
Collection acquisitions	CA	99,426	3,356	(4)	–	3,352	1,449	104,227
Collection purchase fund	RC	2,500	3,857	(214)	26	3,669	1,449	7,618
Fixed asset revaluation	RC	585,999	–	–	40,043	40,043	(10,401)	615,641
Fixed assets	RC	213,322	–	(15,312)	–	(15,312)	23,337	221,347
Estates proceeds	RC	5,283	–	(26)	(359)	(385)	–	4,898
Construction projects fund	RC	6,171	34,425	(4,409)	108	30,124	(24,786)	11,509
Restricted income trust funds	RR	3,091	10	(125)	(94)	(209)	(1,768)	1,114
Restricted income funds	RR	18,133	9,417	(9,841)	111	(313)	975	18,795
British Museum Friends	RR	–	164	–	–	164	(164)	–
		933,925	51,229	(29,931)	39,835	61,133	(9,909)	985,149
<i>Unrestricted funds: BM</i>								
<i>Designated:</i>								
Designated trust funds	UR	400	2	(37)	–	(35)	–	365
		400	2	(37)	–	(35)	–	365
<i>General:</i>								
Investment properties	UC	22,306	–	–	(2,807)	(2,807)	10,401	29,900
Unrestricted trust funds	UR	9,012	82	(12)	(13)	57	–	9,069
General funds	UR	50	55,195	(65,403)	(583)	(10,791)	11,105	364
		31,368	55,277	(65,415)	(3,403)	(13,541)	21,506	39,333
<i>Unrestricted funds: subsidiaries</i>								
BMCo	UR	6,602	17,652	(10,063)	(1,371)	6,218	(5,761)	7,059
BMCo fixed assets	UC	413	–	(163)	–	(163)	628	878
BMF	UR	2,179	5,296	(856)	–	4,440	(4,810)	1,809
BMF fixed assets	UC	–	–	–	–	–	–	–
BMGC	UR	(26)	3,782	(2,749)	–	1,033	(1,095)	(88)
BMGC fixed assets	UC	26	–	(25)	–	(25)	87	88
		9,194	26,730	(13,856)	(1,371)	11,503	(10,951)	9,746
<i>Unrestricted funds: group</i>								
		40,962	82,009	(79,308)	(4,774)	(2,073)	10,555	49,444
Total funds		1,001,693	135,566	(109,681)	33,449	59,334	–	1,061,027

	SOFA Classification	At 1 April 2018	Income	Expenditure	Net movement on investments and revaluation	Movement during year	Transfers between funds	At 31 March 2019
		£000s	£000s	£000s	£000s	£000s	£000s	£000s
<i>Permanent endowment funds</i>	PE	18,459	37	(94)	2,216	2,159	(562)	20,056
<i>Expendable endowment funds</i>	EE	6,447	3	(311)	704	396	(93)	6,750
<i>Restricted funds</i>								
Collection acquisitions	CA	91,286	7,328	–	–	7,328	812	99,426
Collection purchase fund	RC	2,454	589	(91)	37	535	(489)	2,500
Fixed asset revaluation	RC	504,871	–	–	81,128	81,128	–	585,999
Fixed assets	RC	209,486	–	(15,149)	–	(15,149)	18,985	213,322
Estates proceeds	RC	4,729	–	(24)	578	554	–	5,283
Construction projects fund	RC	6,250	18,212	(330)	152	18,034	(18,113)	6,171
Restricted income trust funds	RR	1,875	13	723	129	865	351	3,091
Restricted income funds	RR	21,043	4,170	(7,601)	145	(3,286)	376	18,133
British Museum Friends	RR	–	194	–	–	194	(194)	–
		841,994	30,506	(22,472)	82,169	90,203	1,728	933,925
<i>Unrestricted funds: BM</i>								
<i>Designated:</i>								
WCEC	UC	–	–	(444)	–	(444)	444	–
Designated trust funds	UR	402	2	(17)	13	(2)	–	400
		402	2	(461)	13	(446)	444	400
<i>General:</i>								
Investment properties	UC	22,191	–	–	115	115	–	22,306
Unrestricted trust funds	UR	8,627	121	(12)	276	385	–	9,012
General funds	UR	74	50,400	(57,724)	970	(6,354)	6,330	50
		30,892	50,521	(57,736)	1,361	(5,854)	6,330	31,368
<i>Unrestricted funds: subsidiaries</i>								
BMCo	UR	5,542	16,011	(9,890)	(559)	5,562	(4,502)	6,602
BMCo fixed assets	UC	502	–	–	–	–	(89)	413
BMF	UR	2,126	5,517	(2,697)	–	2,820	(2,767)	2,179
BMGC	UC	(44)	3,071	(2,564)	–	507	(489)	(26)
BMGC fixed assets	UR	45	–	(19)	–	(19)	–	26
		8,171	24,599	(15,170)	(559)	8,870	(7,847)	9,194
<i>Unrestricted funds: group</i>		39,465	75,122	(73,367)	815	2,570	(1,073)	40,962
Total funds		906,365	105,668	(96,244)	85,904	95,328	–	1,001,693

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).

The BMCo reserve includes a liability on a defined benefit pension scheme of £14.0m (2018/19 £13.0m), see note 20 for further details.

	2020 £000s	2019 £000s
Investments (including investment properties) at fair value	136,647	110,181
Investments (including investment properties) at historic cost	120,282	87,838
Fair value reserve	16,365	22,343

Analysis of group net assets between funds

	Permanent Endowments £000s	Expendable Endowments £000s	Restricted Funds £000s	Unrestricted Funds £000s	Total 2020 £000s	Total 2019 £000s
Fund balances at 31 March 2020 are represented by:						
Tangible fixed assets	–	–	832,641	463	833,104	796,789
Intangible fixed assets	–	–	4,347	503	4,850	2,969
Heritage assets	–	–	104,227	–	104,227	99,426
Fixed asset investments	18,082	8,359	31,192	49,114	106,747	87,875
Investment properties	–	–	–	29,900	29,900	22,306
Debtors due in more than 1 year	–	–	4,152	–	4,152	3,452
Net current assets	–	(7)	8,590	1,118	9,701	21,385
Creditors: amounts falling due after more than one year	–	–	–	(17,656)	(17,656)	(19,523)
Liability on defined benefit pension scheme	–	–	–	(13,998)	(13,998)	(12,986)
Total net assets	18,082	8,352	985,149	49,444	1,061,027	1,001,693

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>Sackler Scholar Prog. for Egypto-Nubian Studies</i>	for post graduate research in the Department of Egypt & Sudan
<i>Sackler 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>Sackler 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

Borthwick Fund for the Ancient World

support the research, care and display of the collections from ancient Egyptian, Greek and Roman cultures

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.

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:

<i>Hamlyn Gift</i>	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.
<i>Sharp</i>	for the purchase of books concerned with ancient Greece or Rome
<i>Sir Joseph Hotung Charitable Settlement – Asia</i>	to support research by the Department of Asia
<i>Hamlyn Bequest</i>	in furtherance of the study of the natural sciences
<i>Oppenheimer</i>	for the Department of Prints & Drawings
<i>Lloyd Bequest</i>	to acquire cabinets or other suitable accommodation for prints and drawings
<i>Romenuk Bequest</i>	for the purchase of 14/15th century Hebrew manuscripts or Flemish Art
<i>Dennis</i>	for the general purposes of the Department of Africa, Oceania & the Americas
<i>Duthrie Bequest</i>	to be used for acquisitions and/or maintenance
<i>Christy</i>	for purchases for Departments of Prehistory & Europe and Africa, Oceania & the Americas
<i>Woodward</i>	for the purchase of further English pottery and porcelain
<i>Ready Bequest</i>	for the purchase of Greek and Roman antiquities

Unrestricted designated funds

These are unrestricted funds which the Trustees have set aside for a specific purpose.

Designated Trust Funds: these are funds from which income or capital may be spent and the Trustees designated how they wished them to be used:

<i>B.M. Publications Donations</i>	for BM publications. Based on historic spending patterns, the donations will be spent in the next ten to fifteen years.
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Unrestricted general funds

Investment properties: this represents the value of investment properties.

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* £000s	Unrestricted Capital Funds £000s	Restricted Revenue Funds £000s	Unrestricted Revenue Funds £000s	Expendable Endowment Funds £000s	Permanent Endowment Funds £000s
Collection purchases from revenue funds	-	-	-	-	-	-
Capital asset purchases	-	-	-	-	-	-
Fixed asset transfers	(10,401)	10,401	-	-	-	-
Endowment transfers	63	-	532	-	-	(595)
Subsidiary transfers	-	715	(135)	(580)	-	-
Reclassification of funds	1,386	-	(1,354)	19	(51)	-
Transfers as shown on the statement of funds note (16a)	(8,952)	11,116	(957)	(561)	(51)	(595)

* Restricted capital funds include collection acquisition funds.

16(c) Total return approach to investments

	Trust for Investment £000s	Unapplied Total Return £000s	Total Permanent Endowments (Total Return) £000s	Other Permanent Endowments £000s	Total Permanent Endowments £000s
Closing balance at 31 March 2019					
Gift component of the permanent endowment	3,917	-	3,917	-	3,917
Unapplied total return	-	16,130	16,130	9	16,139
Total	3,917	16,130	20,047	9	20,056
Movements in the year					
Gift of endowment funds	-	-	-	-	-
Investment income	-	-	-	-	-
Expenditure on raising donations and legacies	-	-	-	-	-
Investment management costs	-	(103)	(103)	-	(103)
Net gains on investments	-	(1,275)	(1,275)	(1)	(1,276)
Other losses	-	-	-	-	-
Total	-	(1,378)	(1,378)	(1)	(1,379)
Unapplied total return allocated to income in the reporting period (transfers to restricted income)	-	(595)	(595)	-	(595)
Net movements in the year	-	(1,973)	(1,973)	(1)	(1,974)
Gift component of the permanent endowment	3,917	-	3,917	-	3,917
Unapplied total return	-	14,157	14,157	8	14,165
Closing balance at 31 March 2020	3,917	14,157	18,074	8	18,082

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.

	2020	2019
	£000s	£000s
Net income for the year	20,532	14,678
Loss / (gain) on investments	5,353	(5,254)
Actuarial loss on defined benefit scheme	(1,371)	(559)
Donated assets – collection items	(3,356)	(7,328)
Investment income	(797)	(454)
Depreciation	15,069	14,528
Amortisation	389	248
Impairment of fixed assets	11	102
Loss on disposal of fixed assets	29	489
Decrease/(increase) in stocks	4	(85)
Decrease in debtors	4,814	3,435
Increase/(decrease) in creditors	5,967	(5,049)
Increase/(decrease) in provisions	100	(532)
Increase in pension fund liability	1,012	245
Net cash provided by operating activities	47,756	14,464

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 Heritage Lottery Fund, the British Library, the National Gallery, the Natural History Museum, the National Portrait Gallery, 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 2020	Expenditure for the year ended 31 March 2020	Debtor balance as at 31 March 2020	Creditor balance as at 31 March 2020
			£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	1,998	(88)	318	(155)
Art Fund	Chris Gosden is a Trustee of the Art Fund	Grants awarded for acquisitions	329	–	(29)	–
British Airways	Gavin Patterson is a Non-Executive Director of British Airways	Flight costs	–	(8)	1	–
Bloomberg LP	John Micklethwait (resigned 31 July 2019) is Editor-in-Chief of Bloomberg News	Corporate partnership	24	–	–	–
De Beers	Cheryl Carolus is a Board member of De Beers Consolidated Mines	Corporate partnership	3	–	–	–
McKinsey & Company	Dame Vivian Hunt is the Managing Partner for McKinsey & Company's United Kingdom and Ireland offices.	Corporate partnership & trade income	33	–	–	(12)
Morgan Stanley	Dame Elizabeth Corley is a Non-Executive Director of Morgan Stanley	Corporate partnership	32	–	–	(66)
QA	Sir Charlie Mayfield is the non-Executive Chair of QA	Training costs	–	(7)	–	(1)

Party	Nature of Relationship	Transaction	Income for the year ended 31 March 2020	Expenditure for the year ended 31 March 2020	Debtor balance as at 31 March 2020	Creditor balance as at 31 March 2020
			£000s	£000s	£000s	£000s
The Metropolitan Museum of Art	Sir Paul Ruddock is a Trustee of the Metropolitan Museum of Art	Loan fees, grant expenses, trade sales and purchases	12	(37)	2	-
Shakespeare's Globe	Joanna Mackle (Deputy Director to July 2019) is a Trustee of Shakespeare's Globe	Advertising income	1	-	-	-
Knowledge Quarter	Joanna Mackle (Deputy Director to July 2019) is a Director of Knowledge Quarter	Subscription fee	-	(4)	-	-
Sir Richard Lambert	Chairman of the Trustees of the British Museum	Diary Management	1	-	1	-
Ashmolean Museum	Sir Paul Nurse is on the Board of Visitors for the Ashmolean Museum	Grant and trade expenditure	-	(24)	-	-

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 £20k (2018/19: £48k) in donations was received from 7 Trustees (2018/19: 9) in addition to £42k contributed by Trustees towards the cost of Trustee meetings.

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 2018/19 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 2019	Expenditure for the year ended 31 March 2019	Debtor balance as at 31 March 2019	Creditor balance as at 31 March 2019
			£000s	£000s	£000s	£000s
Leverhulme Trust	Gregory Woolf is a member of the Leverhulme Trust Research Awards Advisory Committee	Research grants	-	-	-	-
Arts and Humanities Research Council	Andrew Prescott is a fellow and Gregory Woolf was a member of the Advisory Board of the Arts and Humanities Research Council	Research grants	-	-	-	-
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	1,504	(77)	1,006	(40)
Art Fund	Chris Gosden is a Trustee of the Art Fund	Events income and advertising costs	2	(4)	-	-
British Airways	Gavin Patterson is a Non-Executive Director of British Airways	Flight costs	-	(21)	-	-
Bloomberg LP	John Micklethwait is Editor-in-Chief of Bloomberg News	Corporate partnership	32	-	-	-
BT Group	Gavin Patterson was the Chief Executive of BT Group until January 2019	Corporate partnership and telephone costs	32	(77)	-	(30)
De Beers	Cheryl Carolus is a Board member of De Beers Consolidated Mines	Corporate partnership	32	-	-	(3)

Party	Nature of Relationship	Transaction	Income for the year ended 31 March 2019	Expenditure for the year ended 31 March 2019	Debtor balance as at 31 March 2019	Creditor balance as at 31 March 2019
			£000s	£000s	£000s	£000s
John Lewis	Sir Charlie Mayfield is the Chair of John Lewis	Departmental expenses	–	(1)	–	–
London School of Economics	Dame Nemat (Minouche) Shafik is the Director of London School of Economics	Conferencing income	10	–	–	–
McKinsey & Company	Dame Vivian Hunt is the Managing Partner for McKinsey & Company's United Kingdom and Ireland offices.	Corporate partnership	31	–	–	–
Morgan Stanley	Dame Elizabeth Corley is a Non-Executive Director of Morgan Stanley	Corporate partnership and conferencing income	33	–	–	(3)
QA	Sir Charlie Mayfield is the non-Executive Chair of QA	Training costs	–	(16)	–	–
Royal Anthropological Institute	Professor Clive Gamble is a Trustee of the Royal Anthropological Institute	Research grants	5	–	–	–
The Ruddock Foundation for the Arts	Sir Paul Ruddock, his wife and two daughters are Trustees of the Ruddock Foundation for the Arts	Donation	40	–	–	–
The Metropolitan Museum of Art	Sir Paul Ruddock is a Trustee of the Metropolitan Museum of Art	Loan fees, grant expenses and trade sales	11	(46)	(7)	(1)
Sir Richard Lambert	Chairman of the Trustees of the British Museum	Diary Management	1	–	1	–
Shakespeare's Globe	Joanna Mackle (Deputy Director) is a Trustee of Shakespeare's Globe	Advertising income	2	–	–	–
Knowledge Quarter	Joanna Mackle (Deputy Director) is a Director of Knowledge Quarter	Subscription fee	–	(4)	–	–

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

During 2018/19, a total of £48k (2017/18: £117k) in donations was received from 9 Trustees (2017/18: 13).

19. CAPITAL COMMITMENTS

At the balance sheet date the value of capital commitments was £30.9m (2018/19: £0.5m).

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 will switch into alpha sometime between 1 June 2015 and 1 February 2022. 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 'money purchase' stakeholder 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.

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

For 2019/20, employers' contributions of £6.53m were payable to the PCSPS (2018/19 £5.015m) 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 2019/20 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 £67.9k 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 £3k, 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the centrally provided risk benefit cover (death in service and ill health retirement).

One individual retired early on ill-health grounds; the total additional accrued pension liability in the year amounted to £2k.

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 £105k (2018/19: £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 2017, the date of the last completed full actuarial valuation, the scheme had 102 members, and the market value of the scheme was £12,091,000. The actuarial value of those assets was sufficient to cover 53% of the benefits that had accrued to members, after allowing for expected future increases in earnings on a statutory funding objective basis. Current and future contributions reflect the deficiency.

With effect from 1 April 2015, a schedule of contributions was put in place to fund the scheme's defined benefits at the rate of 28.7% per annum of pensionable salary for scheme members together with a deficit reduction payment of £356k per annum from 1 April 2015 to 31 March 2021. With effect from 1 April 2018, these contributions have been increased to 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.

Employer's pension contributions to the scheme during the year totalled £713k (2018/19: £721k). The company expects to contribute approximately £714k to its defined benefit pension scheme in the year ending 31 March 2021.

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 2017, updated to 31 March 2019 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:

	2020	2019
	£000s	£000s
Fair value of scheme assets	13,651	13,003
Present value of scheme obligations	(27,649)	(25,989)
Defined benefit pension scheme liability	(13,998)	(12,986)

The amounts recognised in the SOFA are as follows:

	2020	2019
	£000s	£000s
Current service costs	38	46
Past service cost	–	26
Net interest costs	316	335
Total	354	407

Changes in the present value of the defined benefit obligation:

	2020	2019
	£000s	£000s
Opening value of defined benefit obligation	25,989	25,230
Current service cost	38	46
Interest cost	647	677
Actuarial loss – effect of experience adjustment	68	101
Actuarial loss – effect of changes in assumptions	1,170	281
Benefits paid	(263)	(296)
Past service cost	–	26
Liabilities extinguished on settlements	–	(76)
Closing value of defined benefit obligation	27,649	25,989

Changes in the fair value of the scheme assets:

	2020	2019
	£000s	£000s
Opening value of scheme assets	13,003	12,489
Interest income	331	342
Actuarial loss – return on scheme assets excluding interest	(133)	(177)
Contributions by employer	713	721
Benefits paid	(263)	(296)
Assets distributed on settlements	–	(76)
Closing value of scheme assets	13,651	13,003
Actual return on scheme assets	198	165

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

	2020	2019
Target Return Funds	80%	81%
Property	20%	19%

The valuation report underpinning the fund manager valuation for the property assets held by the scheme at 31 March 2020 notes a material uncertainty due to the circumstances arising from COVID-19. This means that less certainty – and a higher degree of caution – should be attached to the valuation than would normally be the case. However, the material uncertainty clause is to serve as a precaution and does not invalidate the valuation.

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, BMCo.

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

	2020	2019
Discount rate at 31 March	2.2%	2.5%
Future salary increases	3.0%	3.6%
Future pension increases		
Pre 1 May 1991	3.0%	3.0%
1 May 1991 to 31 December 2001	5.0%	5.0%
1 January 2002 to 31 December 2007	3.0%	3.6%
Post 31 December 2007	2.3%	2.4%
Commutation allowance	25.0%	25.0%
RPI inflation	3.0%	3.6%
CPI inflation	2.0%	2.6%
Mortality – base table	S2PA	S2PA
Mortality – future improvements	CMI 2019	CMI 2018
	1.0%	1.0%
Life expectancy of male aged 60 now	86.0	85.8
Life expectancy of male aged 60 in 20 years	87.2	87.0
Life expectancy of female aged 60 now	88.1	87.9
Life expectancy of female aged 60 in 20 years	89.4	89.2

21. CONTINGENT ASSETS

A significant legacy was bequeathed to the British Museum for advancing the post-1800 collection of decorative arts and design in Britain, Europe and Prehistory. The amount and timing of this payment are uncertain as the BM's interest is in the residuary estate but is estimated at c. £2.0m. Two other residuary legacies estimated at c. £0.2m and £0.1m have also been bequeathed to the BM.

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. £1.4m. The hearing of the contested issues is expected within the 2020/21 financial year. The same liability was reported as at 31 March 2019 with an estimated obligation of c. £1.3m.

23. FINANCIAL INSTRUMENTS

Set out below are the accounting classifications of each class of financial assets and liabilities as at 31 March 2020, together with net gains and losses for each classification.

Group	Measured at cost £000s	Measured at fair value £000s	Total £000s
Investments	–	106,747	106,747
Investment properties	–	29,900	29,900
Trade debtors	1,835	–	1,835
Current asset investments	3,514	–	3,514
Cash at bank and in hand	27,050	–	27,050
Trade creditors	2,591	–	2,591
	<u>34,990</u>	<u>136,647</u>	<u>171,637</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 56% (2018/19: 50%) 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 £27 million as at 31 March 2020 (2019: £16 million), which are comprised of cash at bank and in hand and current asset investments. 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 £95 million (2018/19: £86 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	2020 Total £000s	2019 Total £000s
Sterling	23,084	3,514	337	26,935	25,394
US \$	–	–	2,086	2,086	513
Euro and other	–	–	1,543	1,543	525
	<u>23,084</u>	<u>3,514</u>	<u>3,966</u>	<u>30,564</u>	<u>26,432</u>

The weighted average interest rate on fixed rate financial assets is 0.9% (2018/19: 0.7%) and the weighted average period of deposit is 89 days (2018/19: 121 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 0.1% (2018/19: 0.1%) 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 4% (2018/19: 3%) 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	Value 2020 £000s	Value 2019 £000s
US\$	4,013	2,804
Euro	1,517	506
Other	26	19
	5,556	3,329

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). Approximately half is held within the UK, with the majority of the overseas funds held in sterling.

24. POST BALANCE SHEET EVENTS

As a result of the COVID-19 pandemic and the ongoing and evolving measures taken in response by governments both in the UK and overseas, some of the Group's activities have had to cease temporarily for certain periods subsequent to the year end. This has included closure of the Museum to the public from mid-March to late August, and again from early November. To mitigate the financial impact, the Group has utilised the government's Job Retention Scheme alongside the Group's own reserves, while, on demonstration of need, the Museum is also eligible to receive further funding from the government in addition to the previously-agreed grant-in-aid for 2020-21. The post-year end impact of COVID-19 is not considered to be an adjusting event.

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.

