

THE BRITISH SCHOOL AT ROME

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MARCH 2013**

Registered Charity Number: 314176

THE BRITISH SCHOOL AT ROME

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2013

The Council of the British School at Rome is pleased to present its report and financial statements for the year ended 31 March 2013.

Structure, Governance and Management

The British School at Rome was founded in 1901, incorporated by Royal Charter in 1912 (Supplemental Charter, 1995, amended 2012). It is a registered charity, no. 314176. The governing body of the BSR comprises the President, HRH Princess Alexandra, the Hon. Lady Ogilvy, KG, GCVO, and the Council. The Director acts as the BSR's Chief Executive, has the right of attendance at all meetings of Council and its subcommittees, and provides the secretariat from among the BSR staff.

A list of all members of Council (Trustees) who have acted during the 2012–13 financial year appears below, together with details of the BSR's financial advisers, and members of all subcommittees; a full list of members of staff is given in the BSR's Annual Review which can also be found on its website (www.bsr.ac.uk).

Under the terms of the Royal Charter, Council members are to be appointed by the Council. No fewer than seven members must be selected from the fields of specialisation and work enshrined in the BSR's objectives. Care is taken to secure a balance between specialists in the Fine Arts and the Humanities and generalists with legal, financial and fundraising skills. Members of Council serve for a term of five years, renewable for a maximum of a further five years. They are normally expected to be familiar with the BSR and its work on appointment, and are invited to visit the BSR in Rome and to meet staff both there and in London as part of an induction process. On appointment new trustees sign a declaration of eligibility and fill out a declaration of interests (for the purpose of maintaining a Register of Interests for trustees) and will meet with the Chairman and Director. The welcome pack includes Charity Commission guidance, BSR policies, strategies, bye-laws and management plan and a copy of the BSR's Charter. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses are disclosed in note 11 to the financial statements. Council meets three times a year.

Council is advised on all matters of finance and personnel by the Finance and Personnel Subcommittee, which consists of the Chair of Council, the Deputy Chair, the Treasurer, and the Chairs of all Subcommittees, and meets normally three times a year.

Grants are awarded by Council on the recommendation of two specialist advisory committees, the Faculty of Archaeology, History and Letters and the Faculty of the Fine Arts. Chairs of Faculties are appointed by Council, and must be members of Council. Members of Faculties are appointed for a five year term by Council on the recommendation of the Faculties; they are chosen to represent the full range of specialist interests that fall within the chartered objectives of the BSR. Fellowships, scholarships and awards are advertised once a year and the faculties meet twice annually to consider applications and to monitor reports by recipients of awards. The awards process is administered from the London office by the Registrar. Details of how to apply for awards together with relevant forms are available on the BSR's website.

Council is advised on all academic publications of the BSR by the Faculty of Archaeology, History and Letters, under the chairmanship of the Chair of Publications. The Chair is appointed by Council, and must be a member of Council.

Risk management

Council has identified and reviewed the major risks to which the BSR is exposed and considers that, to the extent that it is able, it has systems in place to mitigate those risks. It reviews its risk assessment on an annual basis.

THE BRITISH SCHOOL AT ROME

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FOR THE YEAR ENDED 31 MARCH 2013

Objectives, activities and plans for the future

The objects of the BSR are set out in the Supplemental Royal Charter (1995) as follows:

- (a) To promote the study in Italy of archaeology, history and letters, architecture, painting, sculpture, printmaking and other arts.
- (b) To establish and maintain in Rome a hostel for students attending the BSR who are studying arts, archaeology, history and letters and who are of British and Commonwealth birth, education or residence.
- (c) To establish and maintain studios and other buildings for the purposes of the BSR and their use by the students and other persons attending the BSR.
- (d) To pursue archaeological and other researches and publications in the subject areas specified in (a) above.
- (e) To maintain in Rome a general library of the arts, archaeology, history and letters.
- (f) To award scholarships, Exhibitions, Bursaries, Research Grants and other forms of assistance to those of British or Commonwealth birth, education or residence, engaged in the study of the arts, archaeology, history or letters.

The BSR's mission statement and summary statement of activities in pursuit of its objects is given on the opening page of the Annual Review. The objectives for the year, achievements, and plans for the future are set out in detail in the BSR's Corporate Plan, Research Strategy and Annual Review; these constitute an integral part of the formal Trustees' Report (and can be found at www.bsr.ac.uk). The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the BSR's aims and objectives and in planning future activities.

Public Benefit

The BSR's charitable purposes, for the public benefit, concentrate on the advancement of education and the advancement of the arts, culture, heritage or science. These charitable purposes are linked to the objectives and activities described above and to the mission statement and summary statement which can be found on page 1 of the Annual Review. Beneficiaries include, but are not limited to, students, scholars and visual artists and architects from Britain and the Commonwealth.

Council

Professor G. Barker
Sir David Bell*
Ms E. Bonham Carter
Mr R. Cooper (Vice Chair from 1 January 2013)
Mr J. Gill
Mr L. Grossman^o
Mr M. Higgin (Hon. Treasurer)
Mr T. Llewellyn (reappointed as trustee, and appointed as Chair, from 1 January 2013)
Professor R. McKitterick
Mr E. Parry
Dr N. Penny
Sir Ivor Roberts (Chair to 31 December 2012)*
Dr S. Walker
Mr B. Ward-Perkins*
Professor M. Warner
Ms J. Wentworth
The Chief Executive of the British Academy is invited to observe Council meetings.

Director

Professor C. J. Smith

Finance & Personnel Subcommittee

Mr R. Cooper
Mr J. Gill
Mr M. Higgin
Mr T. Llewellyn (reappointed as trustee, and appointed as Chair, from 1 January 2013)
Professor R. McKitterick
Sir Ivor Roberts (Chair to 31 December 2012)*
Mr B. Ward-Perkins*

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FOR THE YEAR ENDED 31 MARCH 2013

Faculty of the Fine Arts

Ms S. Boyce *
Mr S. Chambers
Professor M. Chevská °
Ms P. Chiles °
Dr W. Cobbing
Dr P. Curtis
Ms C. Douglas
Mr J. Fobert *
Mr J. Gill (*Chair*)
Professor D. Hepher *
Professor C. Hopkins *
Ms V. Jackson °
Ms P. Johnson
Ms I. Johnstone °
Ms T. Kovats *
Ms V. Lovell *
Mr H. Petter °
Mr K. Schubert
Dr H. Sear °
Professor R. Tavernor *
Mr S. Witherford °

Faculty of Archaeology, History & Letters

Dr M. Ajmar °
Professor G. Barker (*Chair of Archaeology*)
Dr M. Bradley
Professor C. Caruso
Mr H. Chapman °
Dr N. Christie
Professor J. Foot
Professor R. Gordon
Dr E. Isayev *
Professor R. McKitterick (*Chair*)
Professor S. Milner
Professor B. Richardson °
Professor C. Robertson *
Dr M. Stevens
Professor R. Sweet
Mr B. Ward-Perkins * (*Chair of Publications*)
Dr J. Williams *
Dr S. Walker °

° joined during 2012–13

* left during 2012–13

Charity Number: 314176

Auditors

WMT - Chartered Accountants
45 Grosvenor Road
St Albans, Herts
AL1 3AW

Accountants

WMT - Chartered Accountants
45 Grosvenor Road
St Albans, Herts
AL1 3AW

THE BRITISH SCHOOL AT ROME

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2013

UK Payroll

(from 1 December 2012)

ADP

3 Highbank Side

St Peter's Square

Stockport

SK1 1HG

Italian Financial Adviser

Fragano & Partners

Via A Gallonio 8

00161 Rome

Investment Managers and Advisers

Cazenove Capital Management Limited

12 Moorgate

London EC2R 6DA

Bankers

Lloyds TSB Bank Plc

7 Pall Mall

London SW1Y 5HU

National Westminster Bank Plc

186 Brompton Road

London SW3 1XJ

Credito Emiliano

Via del Tritone 97-8

00187 Rome

Banca Intesa-San Paolo

Agenzia 36, Via Civinini 50

00144 Rome

Financial review

The financial statements should be read in conjunction with the detailed reports contained in the Annual Review.

The BSR's normal activity, disclosed under 'unrestricted funds' in the statement of financial activities, ended the year with a surplus of £205,000 before transfers and gains and losses arising on the investment portfolio (2012 – surplus of £120,000).

The BSR continues to operate within a constrained budget because of currency uncertainties and static core funding. The significant progress made in previous years in cutting costs, in particular support costs, was maintained in the year under review. The focus has now moved to income generation and to key research programmes and projects.

As in previous years the main activity within the restricted funds held by the BSR relates to the Herculaneum conservation project. Further grants in respect of this important and prestigious project were received in the year.

Council may invest in any securities approved by law for the investment of trust or charitable monies or such other securities as Council may from time to time approve. Independent advisers, appointed by Council, manage the BSR's investment portfolio with the objective of the maintenance of income and achieving growth whilst preserving the capital value of the portfolio. During the year the portfolio recorded an unrealised gain of £241,000 (2012 – a loss of £51,000) and a realised loss of £3,000 (2012 - £2,000).

The BSR's reserves comprise general funds, funds designated by Council for specific purposes and restricted funds. Council's policy is that (a) designated and restricted funds should be retained for the purposes for which they were set up and (b) the level of general funds, after eliminating all unrealised revaluation surpluses, should not fall below three nor exceed twelve months' core running costs of the BSR.

THE BRITISH SCHOOL AT ROME

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2013

Unrestricted reserves increased at year end to £3,116,000 (2012 – reserves of £2,608,000). These reserves include (a) designated funds of £1,570,000 set aside by Council for research and scholarship grants and for capital expenditure and (b) the Library fund. The Library is considered to be a heritage asset and is included in the balance sheet at a valuation of £500,000 (2012 - £500,000). At 31 March 2013 the general funds of the BSR, included within unrestricted funds and which are the funds readily available for spending by the BSR, amounted to £1,046,000.

Council considers the level of reserves held remains adequate to meet the immediate needs of the BSR.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of the BSR's affairs at the end of the financial year and of the BSR's activities for the financial year. In preparing those financial statements, the Trustees are required to:

- a) select suitable accounting policies and apply them consistently;
- b) make judgements and accounting estimates that are reasonable and prudent;
- c) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the BSR will continue in operation; and
- e) observe the methods and principles in the Charities SORP.

The Trustees are responsible for:

- a) keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the BSR and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) regulations 2008 and the provisions of the Charter.
- b) safeguarding the assets of the BSR and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

By order of the Council (Trustees).....24 June 2013



Signed on its behalf by
M.N. Higgin — Honorary Treasurer

The British BSR at Rome
Via Gramsci 61, 00197 Rome, Italy
www.bsr.ac.uk

BSR London Office
The BSR at The British Academy
10 Carlton House Terrace, London, SW1Y 5AH, UK

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE BRITISH SCHOOL AT ROME

We have audited the financial statements of The British School at Rome for the year ended 31 March 2013 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes numbered 1 to 21. 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).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and with regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 misstatements, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2013 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



WMT
Chartered Accountants
Statutory Auditors
45 Grosvenor Road
St Albans
Herts
AL1 3AW

22 August 2013

WMT is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE BRITISH SCHOOL AT ROME

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2013

INCOME AND EXPENDITURE	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds Year Ended 31 March 2013 £'000	Total Funds Year Ended 31 March 2012 £'000
Incoming resources:					
Incoming resources from generated funds					
Voluntary income					
Grants from the British Academy		1,046	173	1,219	1,121
Other grants, donations and legacies	2	405	1,234	1,639	1,329
Subscriptions		47	-	47	24
Activities for generating funds					
Appeal income	3	101	35	136	40
Other income		20	-	20	23
Investment income	4	69	8	77	80
Incoming resources from charitable activities					
Publications		26	-	26	28
Residential income	5	415	-	415	391
Other income		31	-	31	50
TOTAL INCOMING RESOURCES		<u>2,160</u>	<u>1,450</u>	<u>3,610</u>	<u>3,086</u>
Resources expended:					
Costs of generating funds					
Costs of generating voluntary income		31	35	66	45
Charitable activities					
Exchange (gains)/ losses	6 - 9	1,876	1,124	3,000	3,415
		-	(20)	(20)	49
Governance costs	10	48	-	48	52
TOTAL RESOURCES EXPENDED		<u>1,955</u>	<u>1,139</u>	<u>3,094</u>	<u>3,561</u>
Net incoming/ (outgoing) resources before transfers		205	311	516	(475)
Transfers					
Gross transfers between funds	18	83	(83)	-	-
Net incoming/ (outgoing) resources before other recognised gains and losses		288	228	516	(475)
OTHER RECOGNISED GAINS AND LOSSES					
Unrealised gains/ (losses) on investments	13	223	18	241	(51)
Realised (losses) on investments	13	(3)	-	(3)	(2)
Net movement in funds		508	246	754	(528)
Opening funds		2,608	1,261	3,869	4,397
Total funds carried forward		<u>3,116</u>	<u>1,507</u>	<u>4,623</u>	<u>3,869</u>

The statement of financial activities is prepared on the basis that all activities are continuing.

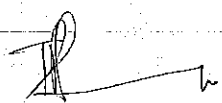
THE BRITISH SCHOOL AT ROME

BALANCE SHEET

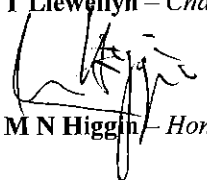
AS AT 31 MARCH 2013

	Notes	2013 £'000	2012 £'000
Fixed Assets			
Tangible assets	12	10	16
Heritage assets	12	500	500
Investments - unrestricted		2,407	1,992
Investments - restricted		170	169
Total investments	13	2,577	2,161
Total Fixed Assets		3,087	2,677
Current Assets			
Debtors	14	63	147
Cash at bank and in hand – unrestricted		596	440
Cash at bank and in hand - restricted		1,356	1,455
Total cash at bank and in hand		1,952	1,895
		2,015	2,042
Creditors – unrestricted		(200)	(167)
Creditors - restricted		(19)	(363)
Creditors: total amounts falling due within one year	15	(219)	(530)
Net Current Assets		1,796	1,512
Total Assets less Current Liabilities		4,883	4,189
Less:			
Provisions for liabilities	16	(260)	(320)
Net Assets		4,623	3,869
<i>Represented By:</i>			
Funds			
Unrestricted	17	3,116	2,608
Restricted	18	1,507	1,261
Total Charity Funds		4,623	3,869

Approved by the Council on 24 June 2013 and signed on its behalf by



Mr T Llewellyn – Chairman



Mr M N Higgin – Honorary Treasurer

THE BRITISH SCHOOL AT ROME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" ("SORP 2005"), applicable accounting standards and the Charities Act 2011.

The accounts have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain fixed assets and using the following policies.

a) Incoming Resources

All income is gross without deduction for related expenditure.

Legacies, including payments on account of legacies, are recognised in the accounts when there is reasonable certainty of receipt and the amount can be ascertained.

Grants for general support, research, scholarships or fixed assets are recognised on a receivable basis and are deferred only when the donor has imposed pre-conditions on the use of the grant.

The School recognises the intangible value of accommodation and related services provided to recipients of awards and scholarships as a credit to residential income and a charge to grants and scholarships.

b) Resources Expended

Liabilities for expenditure are recognised in accordance with the accruals concept.

Grants payable for research and scholarship fall due only when such research is undertaken or upon attendance at the School and accordingly are accounted for over the period of research or attendance.

Expenditure for research and academic studies, residential research programmes, research projects, library and publications disclosed within charitable activities includes departmental salaries.

A proportion of salary cost is allocated to governance costs based on the estimated time expended on such activities.

Support costs are allocated in full to expenditure incurred on charitable activities. The majority of costs are allocated on a pro-rated basis over the different activities undertaken by the School, excluding activities which are financed by restricted funds. Support costs which are related to a specific activity are allocated to that activity in full. The Trustees consider this to be the most appropriate method of allocation.

c) Pensions

The School contributes to the UK Universities Superannuation Scheme for certain of its employees. The Universities Superannuation Scheme is a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The School is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement Benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period.

THE BRITISH SCHOOL AT ROME

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES (continued)

d) Staff Termination Fund

The School provides for deferred pay which is due to Italian employees when they leave the employment of the School. The amount payable is calculated in accordance with existing Italian legal requirements and the Italian national labour contract. The charge is recognised within the Statement of Financial Activities.

e) Fixed Assets

Fixed assets other than library books are disclosed at cost. Depreciation is provided by the School to write off the cost less the estimated residual value of tangible fixed assets over their useful economic lives as follows: -

Computers	-	25% straight line
Motor vehicles	-	25% straight line
Office equipment	-	20% straight line
Furniture and fittings	-	20% straight line

Additions to fixed assets with a value below £1,000 are written off directly to the Statement of Financial Activities.

The library is considered to be a heritage asset and is included in the balance sheet at a valuation ascertained by the Trustees and reviewed on a regular basis. The valuation takes account of those factors which, in the opinion of the Trustees, are most relevant to assessing the value of the library in the context of its contribution to the objectives and activities of the School, including its insured value. The cost of additions to the library are capitalised where they have a material impact on the value of the library. No depreciation is charged as the library is considered to have an indefinite life.

f) Investments

Investments are carried at market value with any unrealised gains and losses being included in the Statement of Financial Activities and allocated between restricted and unrestricted funds.

The proportion of investment income relating to restricted funds is retained for use within restricted funds.

g) Foreign Currency

Foreign currency conversion for the balance sheet is at year-end rates. During the year the translation is at average rates on a month to month basis, or forward contract rate as applicable. Exchange gains or losses are treated as other income or expenditure in the Statement of Financial Activities where they cannot be directly related to individual activities. Where exchange gains or losses can be directly related to individual designated or restricted projects the gain or loss is attributed to the relevant fund.

h) Cash Flow Statement

The School is exempted by FRS 1 (revised) from preparing a cash flow statement.

i) Funds

Details of the funds of the School, how they have arisen and their use are given in notes 17 and 18.

THE BRITISH SCHOOL AT ROME

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

2. OTHER GRANTS, DONATIONS AND LEGACIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2013 £'000	Total 2012 £'000
Other grants	405	1,234	1,639	1,326
Donations and legacies	-	-	-	3
	<u>405</u>	<u>1,234</u>	<u>1,639</u>	<u>1,329</u>

3. APPEAL INCOME

Appeal income primarily relates to funds raised for the development of the academic activities of the School, the extraordinary maintenance of the building and the further generation of funds for those purposes.

4. INVESTMENT INCOME

	2013 £'000	2012 £'000
Dividends – UK equities	74	69
Interest – UK fixed interest securities	-	1
Interest on cash deposits	3	10
	<u>77</u>	<u>80</u>

5. RESIDENTIAL INCOME

	2013 £'000	2012 £'000
Residential income includes the intangible value of accommodation and related services provided to recipients of grants and scholarships of:	<u>222</u>	<u>171</u>

THE BRITISH SCHOOL AT ROME

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

6. CHARITABLE ACTIVITIES

Expenditure on charitable activities is made up as follows:

	Direct expenses £'000	Support costs £'000	Total 2013 £'000	Total 2012 £'000
Research and academic salaries and related staff costs	438	200	638	573
Residential research programmes	581	269	850	879
Research projects	21	10	31	42
Library	295	135	430	437
Publications	53	24	77	43
Herculaneum conservation project	937	-	937	1,404
Fasti on line project	-	-	-	24
Radio Past project	37	-	37	13
	<u>2,362</u>	<u>638</u>	<u>3,000</u>	<u>3,415</u>

7. CHARITABLE ACTIVITIES – RESTRICTED EXPENDITURE

Included within charitable expenditure is the following restricted expenditure:

	2013 £'000	2012 £'000
Herculaneum conservation project	937	1,404
Fasti on line project	-	24
Scholarships (within residential research programmes)	15	15
Library appeal fund (within library costs)	-	9
PHI library project (within library costs)	11	25
Murray project (within library costs)	-	4
Radio Past project	37	13
British Academy restructuring grant	124	45
	<u>1,124</u>	<u>1,539</u>

8. GRANTS AND SCHOLARSHIPS

Grants and scholarships amounted to £400,000 (2012 - £306,000) awarded to 50 (2012 – 41) individuals. There were no grants payable to institutions (2012 – none).

	2013		2012	
	No.	£'000	No.	£'000
Grants paid:-				
Research	7	46	6	35
Scholarships	43	132	35	100
Intangible value of accommodation and related services		222		171
	<u>50</u>	<u>400</u>	<u>41</u>	<u>306</u>

The School supports residential awards for visual artists and architects and for research in the archaeology, history, art history, society and culture of Italy

THE BRITISH SCHOOL AT ROME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

9. SUPPORT COSTS

Support costs, which are allocated to charitable activities, are as follows:

	2013	2012
	£'000	£'000
Support staff salaries and related staff costs	235	256
Building maintenance and utilities costs	228	237
IT and equipment maintenance	38	34
Depreciation	6	7
Travel expenses	21	6
Consultants fees	72	27
Other	38	15
	<u>638</u>	<u>582</u>

All support costs relate to unrestricted funds.

10. GOVERNANCE COSTS

	2013	2012
	£'000	£'000
Salaries and related staff costs	28	21
Auditors' remuneration	12	13
Annual report	1	3
Council and committee meetings	7	15
	<u>48</u>	<u>52</u>

All governance expenditure relates to unrestricted funds.

The School's auditors were also paid £20,000 (included in consultant fees in note 9) for additional assistance provided in the period.

11. TRUSTEES AND EMPLOYEES

	2013	2012
	£'000	£'000
Aggregate staff costs comprise :		
Wages and salaries	621	615
Taxes, social security and related costs	319	260
Pensions	18	31
Staff termination pay (note 16)	29	43
	<u>987</u>	<u>949</u>

THE BRITISH SCHOOL AT ROME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

11. TRUSTEES AND EMPLOYEES (cont)

The number of employees earning more than £60,000 is as follows:

	2013 No.	2012 No.
£60,001 to £70,000	1	1

	2013 No	2012 No
The average number of employees analysed by function was as follows:		
Academic programmes	4	5
Residential research programmes	7	5
Publications	1	1
Library	5	5
Support	2	5
Development	1	1
Management and administration of the charity	1	1

The Trustees of the School received no remuneration in the year under review (2012 - £Nil).

A total amount of £864 (2012 - £927) was reimbursed to 3 (2012 - 2) Trustees in respect of travel charges.

The School participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited.

Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The School is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement Benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period.

The latest triennial actuarial valuation of the scheme was at 31 March 2011. At the valuation date, the value of the assets of the scheme was £32,433.5 million and the value of the scheme's technical provisions was £35,343.7 million indicating a shortfall of £2,910.2 million. The actuary has estimated that the funding level as at 31 March 2013 under the scheme specific funding regime had fallen from 92% at March 2012 to 77%. The next formal triennial actuarial valuation is due as at 31 March 2014.

At 31 March 2013 USS had over 148,000 active members and the School had 3 active members participating in the scheme.

The total UK pension cost for the School in respect of this scheme was £18,000 (2012 - £30,541). There were no outstanding contributions at the balance sheet date. The contribution rate payable was 16% of pensionable salaries.

The contribution to the provision of staff termination pay for the year was £29,000 (2012 - £42,795) (see note 16).

THE BRITISH SCHOOL AT ROME

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

12. FIXED ASSETS

	Library Books £'000	Computer Equipment £'000	Office Equipment £'000	Furniture & Fittings £'000	Vehicles £'000	Total £'000
Cost or Valuation						
Brought forward	500	41	219	125	49	934
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Carried forward	<u>500</u>	<u>41</u>	<u>219</u>	<u>125</u>	<u>49</u>	<u>934</u>
Depreciation						
Brought forward	-	26	218	125	49	418
Charge for year	-	5	1	-	-	6
Disposals	-	-	-	-	-	-
Carried forward	<u>-</u>	<u>31</u>	<u>219</u>	<u>125</u>	<u>49</u>	<u>424</u>
Net Book Value						
At 31 March 2013	<u>500</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>510</u>
At 31 March 2012	<u>500</u>	<u>15</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>516</u>

Fixed assets held are all for direct charitable use.

Under an agreement dated 25 April 1912 between the Comune Di Roma and the British Ambassador at that time, the British School at Rome was granted, for an annual rental of one Italian lira, the use in perpetuity of the land on which the School is built, provided that the land is used exclusively for study and research in the humanities, archaeology and fine arts. Should the land not be used for such purposes, it has to be surrendered to the Comune without any compensation for its cost or value. On this basis, no value is ascribed to the School building neither in the accounts nor to any additions or improvements to the building. Such expenditure is written off to the Statement of Financial Activities in the year of expenditure.

The Trustees consider that it is not possible to ascribe a meaningful value to the intangible benefit of the use of the land on which the School is built.

The Trustees consider the library of books, papers, manuscripts and pictures to be a heritage asset within the definition of SORP 2005 and FRS 30. The Trustees have ascribed a valuation of £500,000 to the library. Many of the contents are considered to be irreplaceable. The library's holdings consist of approximately 60,000 volumes of which 50,000 are monographs and 10,000 periodicals. 600 current periodicals are taken. Specialisms include: Mediterranean archaeology, prehistory, ancient history and texts; the history of ancient religions; ecclesiastical and medieval history; Italian topography, history of art and architectural history, and the writings of 15 travelers in Italy. The library's acquisition policy aims to complement UK academic libraries through its holding of local Italian publications and periodicals in these areas of study. The open-shelf reference library provides the bibliographic resources and services necessary to support the research activities of the School. The library welcomes all scholars, undergraduates and graduates, studying in any field relevant to its collections, on proof of relevant experience. 80% of the collection is catalogued online and the rest is catalogued on paper.

THE BRITISH SCHOOL AT ROME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

13. INVESTMENTS

	2013	2012
	£'000	£'000
Quoted investments	2,365	1,913
Cash on deposit	212	248
	<u>2,577</u>	<u>2,161</u>

Historical cost at 31 March:-

Quoted investments	<u>1,973</u>	<u>1,760</u>
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The quoted investments comprise: -

	2013	2012
	£'000	£'000
UK equities	1,443	1,169
European equities	101	85
Global equities	99	42
UK bonds	208	333
Global bonds	71	-
Portfolio funds	158	-
Hedge funds	221	211
Property funds	64	73
	<u>2,365</u>	<u>1,913</u>

The movement on quoted investments comprises: -

	2013	2012
	£'000	£'000
Market value at 1 April	1,913	1,965
Additions at cost	685	186
Disposal proceeds	(471)	(185)
	<u>2,127</u>	<u>1,966</u>
Unrealised gains/ (losses)	241	(51)
Realised (losses)	(3)	(2)
	<u>2,365</u>	<u>1,913</u>

THE BRITISH SCHOOL AT ROME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

14. DEBTORS

	2013	2012
	£'000	£'000
Other debtors and prepayments	63	147

Included in other debtors is an amount of £nil (2012: £105,345) relating to an investment trade that was in progress at the year end.

15. CREDITORS: amounts falling due within one year

	2013	2012
	£'000	£'000
Other creditors and accruals	219	530

Included in other creditors is an amount of £88,523 (2012: £42,065) relating to deferred income. This primarily comprises fees received in advance for courses to be held in 2013/14 and other income for charitable activities to be undertaken in 2013/14.

16. PROVISIONS

	2013	2012
	£'000	£'000
Provision for staff termination pay	260	320

This liability represents deferred pay due to employees at 31 March 2013, payable when they leave the School. The amount payable is calculated in accordance with existing Italian legal requirements and the Italian national labour contract.

The movements in the provision for the year are as follows:

	2013	2012
	£'000	£'000
Balance at 1 April	320	353
Increase in provision for the year	29	43
Employee draw down	-	(5)
Leavers	(94)	(47)
Exchange loss / (gain)	5	(24)
Balance at 31 March	260	320

THE BRITISH SCHOOL AT ROME

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

17. UNRESTRICTED FUNDS

	General Funds £'000	Capital Fund £'000	Library Fund £'000	Designated Funds £'000	Total 2013 £'000	Total 2012 £'000
At 1 April	594	278	500	1,236	2,608	2,484
Net incoming/ (outgoing) resources	194	-	-	11	205	120
Gross transfers between funds (see below and note 18)	83	-	-	-	83	53
Unrealised gains/ (losses) on investments	177	-	-	46	223	(47)
Realised (losses) on investments	(2)	-	-	(1)	(3)	(2)
At 31 March	<u>1,046</u>	<u>278</u>	<u>500</u>	<u>1,292</u>	<u>3,116</u>	<u>2,608</u>

The designated funds are funds set aside by Council for various grants for research and scholarship and arise from unrestricted bequests.

The value of the library is held in a specific designated fund as it represents a heritage asset that is not readily available for spending by the School.

18. RESTRICTED FUNDS

	Radio Past Fund £'000	Cary Fund £'000	Appeal Fund £'000	PHI Funds £'000	BASIS Funds £'000	Getty Funds £'000	Other Funds £'000	Total 2013 £'000	Total 2012 £'000
At 1 April	21	113	53	956	30	-	88	1,261	1,913
Total incoming resources	20	4	35	1,153	173	63	2	1,450	1,060
Total resources expended	(37)	(15)	(35)	(928)	(124)	-	-	(1,139)	(1,655)
Gross transfers between funds	-	-	-	(49)	(34)	-	-	(83)	(53)
Unrealised gains/ (losses) on investments	-	13	-	-	-	-	5	18	(4)
At 31 March	<u>4</u>	<u>115</u>	<u>53</u>	<u>1,132</u>	<u>45</u>	<u>63</u>	<u>95</u>	<u>1,507</u>	<u>1,261</u>

The Radio Past Fund represents a grant given by the European Commission for the School to participate in a project with a consortium of European universities and firms aimed at developing methods of surface survey and non-invasive sub-surface prospections.

The bequest establishing the Cary Fund was restricted and Council determined in November 1995 that it should be used to create a fellowship to enable an academic to undertake research in Rome and to be involved with a School postgraduate taught course.

The Appeal Fund primarily relates to funds raised for the development of the academic activities of the School, the extraordinary maintenance of the building and the further generation of funds for those purposes.

The Packard Humanities Institute (PHI) Funds represents grants given by the Institute to finance specific projects, principally in Herculaneum, the Fasti on line project and the PHI library project.

The BASIS funds comprise grants received on a restricted basis to provide financial assistance to the School for the restructuring of its administrative functions.

The transfers between funds relate primarily to certain grant income originally received as restricted income that has become available to the School to use for its general objectives.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Total £'000
Fund balances at 31 March 2013 are represented by:			
Tangible and heritage fixed assets	510	-	510
Investments	2,407	170	2,577
Cash	596	1,356	1,952
Other current assets	63	-	63
Current liabilities	(200)	(19)	(219)
Long term liabilities	(260)	-	(260)
	<u>3,116</u>	<u>1,507</u>	<u>4,623</u>
Total net assets	<u>3,116</u>	<u>1,507</u>	<u>4,623</u>

20. COMMITMENTS

The School has awarded grants and scholarships totalling £65,536 to be paid in 2013/14 (2012/13: £69,056). No provision has been made for these grants as the conditions attaching to the grants had not been met at 31 March 2013.

21. CONTROLLING PARTY

The activities of the School are controlled by Council. There is no ultimate controlling party of the School.