

**THE BRITISH SCHOOL AT ROME**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MARCH 2012**

**Registered Charity Number: 314176**

# THE BRITISH SCHOOL AT ROME

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 MARCH 2012

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The Council of the British School at Rome is pleased to present its report and financial statements for the year ended 31 March 2012.

#### **Structure, Governance and Management**

The British School at Rome was founded in 1901, incorporated by Royal Charter in 1912 (Supplemental Charter, 1995). 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 2011–12 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](http://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 model trustee declaration of eligibility 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 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.

#### **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 BRITISH SCHOOL AT ROME

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### FOR THE YEAR ENDED 31 MARCH 2012

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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](http://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.W.W. Barker

Sir David Bell

Ms E. Bonham Carter

Mr R. Cooper

Mr J. Gill

Mr M.N. Higgin (Hon. Treasurer)

Mr T.D. Llewellyn (Vice Chair)

Professor R.D. McKitterick<sup>o</sup>

Mr E. Parry

Dr N. Penny

Sir Ivor Roberts (Chair)

Dr F. Salmon\*

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.N. Higgin

Mr T.D. Llewellyn

Professor R.D. McKitterick<sup>o</sup>

Sir Ivor Roberts (Chair)

Dr F. Salmon\*

Mr B. Ward-Perkins

#### **Faculty of the Fine Arts**

Ms S. Boyce

Mr S. Chambers

Mr W. Cobbing

Dr P. Curtis<sup>o</sup>

Ms C. Douglas

Mr J. Fobert

Mr J. Gill (Chair)

Mr D. Hopher

Professor C. Hopkins

Ms P. Johnson

Ms T. Kovats

# THE BRITISH SCHOOL AT ROME

## TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2012

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Ms V. Lovell  
Mr K. Schubert<sup>o</sup>  
Professor R. Tavernor  
Mr A. Wilson\*

### **Faculty of Archaeology, History & Letters**

Professor G. Barker (Chair of Archaeology)  
Dr M. Bradley  
Professor C. Caruso<sup>o</sup>  
Dr N. Christie  
Professor J. Foot  
Professor R. Gordon  
Dr E. Isayev  
Professor R. McKitterick (Chair from 1 January)  
Professor S. Milner  
Professor C. Robertson  
Dr F. Salmon (Chair to 31 December)\*  
Dr R. Skeates \*  
Dr M. Stevens<sup>o</sup>  
Professor R. Sweet  
Mr B. Ward-Perkins (Chair of Publications)  
Dr J. Williams  
Mr M. Wilson Jones\*

**Charity Number: 314176**

### **Auditors**

WMT - Chartered Accountants  
Torrington House  
47 Holywell Hill  
St Albans, Herts  
AL1 1HD

### **Accountants**

WMT - Chartered Accountants  
Torrington House  
47 Holywell Hill  
St Albans, Herts  
AL1 1HD

### **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

# THE BRITISH SCHOOL AT ROME

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 MARCH 2012

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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

° joined during 2011-12

\* left during 2011-12

#### 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 £120,000 before transfers and gains and losses arising on the investment portfolio (2011 – deficit of £24,000).

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 loss of £51,000 (2011 – a gain of £79,000) and a realised loss of £2,000 (2011 - £Nil).

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.

Unrestricted reserves increased at year end to £2,608,000 (2011 – reserves of £2,484,000). These reserves include (a) designated funds of £1,514,000 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 (2011 - £500,000). At 31 March 2011 the general funds of the BSR, included within unrestricted funds and which are the funds readily available for spending by the BSR, amounted to £594,000.

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

# THE BRITISH SCHOOL AT ROME

## TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2012

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### Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted 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 estimates that are reasonable and prudent;
- c) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 Corp.

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).....28 June 2012

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](http://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**

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We have audited the financial statements of The British School at Rome for the year ended 31 March 2012 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 2012 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 Auditor**

Torrington House  
47 Holywell Hill  
St Albans  
AL1 1HD

Williamson Morton Thornton LLP 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 2012

INCOME AND EXPENDITURE	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds Year Ended 31 March 2012 £'000	Total Funds Year Ended 31 March 2011 £'000
<b>Incoming resources:</b>					
<b>Incoming resources from generated funds</b>					
<b>Voluntary income</b>					
Grant from the British Academy		1,046	75	1,121	1,113
Other grants, donations and legacies	2	398	931	1,329	2,704
Subscriptions		24	-	24	19
<b>Activities for generating funds</b>					
Appeal income	3	-	40	40	39
Other income		23	-	23	15
<b>Investment income</b>	4	66	14	80	75
<b>Incoming resources from charitable activities</b>					
Publications		28	-	28	20
Residential income	5	391	-	391	421
Other income		50	-	50	95
<b>TOTAL INCOMING RESOURCES</b>		<u>2,026</u>	<u>1,060</u>	<u>3,086</u>	<u>4,501</u>
<b>Resources expended:</b>					
<b>Costs of generating funds</b>					
Costs of generating voluntary income		-	45	45	26
<b>Charitable activities</b>					
Exchange (gains)/ losses	6 - 9	1,876	1,539	3,415	3,330
		(22)	71	49	17
<b>Governance costs</b>	10	52	-	52	50
<b>TOTAL RESOURCES EXPENDED</b>		<u>1,906</u>	<u>1,655</u>	<u>3,561</u>	<u>3,423</u>
<b>Net incoming/ (outgoing) resources before transfers</b>		120	(595)	(475)	1,078
<b>Transfers</b>					
Gross transfers between funds	18	53	(53)	-	-
<b>Net incoming/ (outgoing) resources before other recognised gains and losses</b>		<u>173</u>	<u>(648)</u>	<u>(475)</u>	<u>1,078</u>
<b>OTHER RECOGNISED GAINS AND LOSSES</b>					
Unrealised (losses)/ gains on investments	13	(47)	(4)	(51)	79
Realised (losses) on investments	13	(2)	-	(2)	-
<b>Net movement in funds</b>		124	(652)	(528)	1,157
Opening funds		2,484	1,913	4,397	3,240
<b>Total funds carried forward</b>		<u><u>2,608</u></u>	<u><u>1,261</u></u>	<u><u>3,869</u></u>	<u><u>4,397</u></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 2012**

	Notes	2012 £'000	2011 £'000
<b>Fixed Assets</b>			
Tangible assets	12	16	7
Heritage assets	12	500	500
Investments - unrestricted		1,992	2,074
Investments - restricted		169	175
Total investments	13	2,161	2,249
<b>Total Fixed Assets</b>		<b>2,677</b>	<b>2,756</b>
<b>Current Assets</b>			
Debtors	14	147	80
Cash at bank and in hand – unrestricted		440	415
Cash at bank and in hand - restricted		1,455	2,053
Total cash at bank and in hand		1,895	2,468
		2,042	2,548
Creditors – unrestricted		(167)	(239)
Creditors - restricted		(363)	(315)
<b>Creditors:</b> total amounts falling due within one year	15	(530)	(554)
<b>Net Current Assets</b>		<b>1,512</b>	<b>1,994</b>
<b>Total Assets less Current Liabilities</b>		<b>4,189</b>	<b>4,750</b>
Less:			
<b>Provisions for liabilities and charges</b>	16	(320)	(353)
<b>Net Assets</b>		<b>3,869</b>	<b>4,397</b>
<i>Represented By:</i>			
<b>Funds</b>			
Unrestricted	17	2,608	2,484
Restricted	18	1,261	1,913
<b>Total Charity Funds</b>		<b>3,869</b>	<b>4,397</b>

Approved by the Council on 28 June 2012 and signed on its behalf by

**Sir Ivor Roberts** – *Chairman*

**M N Higgin** – *Honorary Treasurer*

# THE BRITISH SCHOOL AT ROME

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2012

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#### 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 2012**

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**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 2012**

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**2. OTHER GRANTS, DONATIONS AND LEGACIES**

	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Total 2012 £'000</b>	<b>Total 2011 £'000</b>
Other grants	395	931	1,326	2,660
Donations and legacies	3	-	3	44
	<u>398</u>	<u>931</u>	<u>1,329</u>	<u>2,704</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**

	<b>2012 £'000</b>	<b>2011 £'000</b>
Dividends – UK equities	69	68
Interest – UK fixed interest securities	1	1
Interest on cash deposits	10	6
	<u>80</u>	<u>75</u>

**5. RESIDENTIAL INCOME**

	<b>2012 £'000</b>	<b>2011 £'000</b>
Residential income includes the intangible value of accommodation and related services provided to recipients of grants and scholarships of:	171	217
	<u>171</u>	<u>217</u>

**THE BRITISH SCHOOL AT ROME**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2012**

**6. CHARITABLE ACTIVITIES**

Expenditure on charitable activities is made up as follows:

	<b>Direct expenses £'000</b>	<b>Support costs £'000</b>	<b>Total 2012 £'000</b>	<b>Total 2011 £'000</b>
Research and academic salaries	403	170	573	580
Residential research programmes	621	258	879	941
Research projects	30	12	42	124
Library	308	129	437	500
Publications	30	13	43	12
Herculaneum conservation project	1,404	-	1,404	1,120
Fasti on line project	24	-	24	42
Radio Past project	13	-	13	11
	<u>2,833</u>	<u>582</u>	<u>3,415</u>	<u>3,330</u>

**7. CHARITABLE ACTIVITIES – RESTRICTED EXPENDITURE**

Included within charitable expenditure is the following restricted expenditure:

	<b>2012 £'000</b>	<b>2011 £'000</b>
Herculaneum conservation project	1,404	1,120
Fasti on line project	24	42
Scholarships (within residential research programmes)	15	15
Library appeal fund (within library costs)	9	7
PHI library project (within library costs)	25	19
Murray project (within library costs)	4	11
Radio Past project	13	11
British Academy restructuring grant	45	-
	<u>1,539</u>	<u>1,225</u>

**8. GRANTS AND SCHOLARSHIPS**

Grants and scholarships amounted to £306,000 (2011 - £375,000) awarded to 41 (2011 – 35) individuals. There were no grants payable to institutions (2011 – none).

	<b>2012</b>		<b>2011</b>	
	<b>No.</b>	<b>£'000</b>	<b>No.</b>	<b>£'000</b>
<b>Grants paid:-</b>				
Research	6	35	8	47
Scholarships	35	100	27	111
Intangible value of accommodation and related services		171		217
	<u>41</u>	<u>306</u>	<u>35</u>	<u>375</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 2012**

**9. SUPPORT COSTS**

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

	<b>2012</b> <b>£'000</b>	<b>2011</b> <b>£'000</b>
Support staff salaries	256	259
Building maintenance and utilities costs	237	238
IT and equipment maintenance	34	84
Depreciation	7	20
Travel expenses	6	12
Consultants fees	27	38
Other	15	62
	<u>582</u>	<u>713</u>

All support costs relate to unrestricted funds.

**10. GOVERNANCE COSTS**

	<b>2012</b> <b>£'000</b>	<b>2011</b> <b>£'000</b>
Salaries and pensions	21	20
Auditors' remuneration	13	13
Annual report	3	4
Council and committee meetings	15	13
	<u>52</u>	<u>50</u>

All governance expenditure relates to unrestricted funds.

**11. TRUSTEES AND EMPLOYEES**

	<b>2012</b> <b>£'000</b>	<b>2011</b> <b>£'000</b>
Aggregate staff costs comprise :		
Wages and salaries	615	625
Taxes, social security and related costs	260	268
Pensions	31	21
Staff termination pay (note 16)	43	41
	<u>949</u>	<u>955</u>

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**FOR THE YEAR ENDED 31 MARCH 2012**

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**11. TRUSTEES AND EMPLOYEES (Cont)**

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

	<b>2012</b>	<b>2011</b>
	<b>No.</b>	<b>No.</b>
£60,001 to £70,000	1	1

	<b>2012</b>	<b>2011</b>
	<b>No</b>	<b>No</b>
The average number of employees analysed by function was as follows:		
Academic programmes	5	5
Residential research programmes	5	7
Publications	1	1
Library	5	5
Support	5	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 (2011 - £Nil).

A total amount of £927 (2011 - £1,116) was reimbursed to 2 (2011 – 4) Trustees in respect of travel charges.

The School participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is externally funded and 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 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 funding level under the new scheme specific funding regime has fallen from 103% in 2008 to 92% in 2011. The next formal triennial actuarial valuation is due as at 31 March 2014.

At 31 March 2012 USS had over 135,000 members and the School had 4 active members participating in the scheme.

The total UK pension cost for the School in respect of this scheme was £30,541 (2011 - £20,500). 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 £42,795 (2011 - £41,000) (see note 16).

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**FOR THE YEAR ENDED 31 MARCH 2012**

**12. FIXED ASSETS**

	<b>Library Books £'000</b>	<b>Computer Equipment £'000</b>	<b>Office Equipment £'000</b>	<b>Furniture &amp; Fittings £'000</b>	<b>Vehicles £'000</b>	<b>Total £'000</b>
<b>Cost or Valuation</b>						
Brought forward	500	25	219	125	49	918
Additions	-	16	-	-	-	16
Disposals	-	-	-	-	-	-
Carried forward	<u>500</u>	<u>41</u>	<u>219</u>	<u>125</u>	<u>49</u>	<u>934</u>
<b>Depreciation</b>						
Brought forward	-	22	218	122	49	411
Charge for year	-	4	-	3	-	7
Disposals	-	-	-	-	-	-
Carried forward	<u>-</u>	<u>26</u>	<u>218</u>	<u>125</u>	<u>49</u>	<u>418</u>
<b>Net Book Value</b>						
At 31 March 2012	<u>500</u>	<u>15</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>516</u>
At 31 March 2011	<u>500</u>	<u>3</u>	<u>1</u>	<u>3</u>	<u>-</u>	<u>507</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.

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**FOR THE YEAR ENDED 31 MARCH 2012**

**13. INVESTMENTS**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Quoted investments	1,913	1,965
Cash on deposit	248	284
	<u>2,161</u>	<u>2,249</u>
Historical cost at 31 March:-		
Quoted investments	<u>1,760</u>	<u>1,749</u>

The quoted investments comprise: -

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
		<b>Restated</b>
UK equity	1,169	1,205
European equity	85	33
Global equity	42	-
UK bonds	333	316
Hedge funds	211	337
Property funds	73	74
	<u>1,913</u>	<u>1,965</u>

The movement on quoted investments comprises: -

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Market value at 1 April	1,965	1,886
Additions at cost	186	-
Disposal proceeds	(185)	-
	<u>1,966</u>	<u>1,886</u>
Unrealised (losses)/ gains	(51)	79
Realised (losses)	(2)	-
	<u>1,913</u>	<u>1,965</u>

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**FOR THE YEAR ENDED 31 MARCH 2012**

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**14. DEBTORS**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Other debtors and prepayments	147	80

Included in other debtors is an amount of £105,345 (2011: £Nil) relating to an investment trade that was in progress at the year end. This was settled on 17 April 2012.

**15. CREDITORS: amounts falling due within one year**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Other creditors and accruals	530	554

Included in other creditors is an amount of £42,065 (2011: £44,427) relating to deferred income. This primarily comprises fees received in advance for courses to be held in 2012/13 and other income for charitable activities to be undertaken in 2012/13.

**16. PROVISIONS**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Provision for staff termination pay	320	353

This liability represents deferred pay due to employees at 31 March 2012, 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:

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Balance at 1 April	353	314
Increase in provision for the year	43	41
Employee draw down	(5)	(2)
Leavers	(47)	-
Exchange (gain)	(24)	-
<b>Balance at 31 March</b>	<b>320</b>	<b>353</b>

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**FOR THE YEAR ENDED 31 MARCH 2012**

**17. UNRESTRICTED FUNDS**

	<b>General Funds £'000</b>	<b>Capital Fund £'000</b>	<b>Library Fund £'000</b>	<b>Designated Funds £'000</b>	<b>Total 2012 £'000</b>	<b>Total 2011 £'000</b>
At 1 April	456	278	500	1,250	2,484	2,293
Net incoming/ (outgoing) resources	124	-	-	(4)	120	(24)
Gross transfers between funds (see below and note 18)	53	-	-	-	53	144
Unrealised (losses)/ gains on investments	(37)	-	-	(10)	(47)	71
Realised (losses) on investments	(2)	-	-	-	(2)	-
At 31 March	<u>594</u>	<u>278</u>	<u>500</u>	<u>1,236</u>	<u>2,608</u>	<u>2,484</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**

	<b>Radio Past Fund £'000</b>	<b>Cary Fund £'000</b>	<b>Appeal Fund £'000</b>	<b>PHI Funds £'000</b>	<b>BASIS Funds £'000</b>	<b>Other Funds £'000</b>	<b>Total 2012 £'000</b>	<b>Total 2011 £'000</b>
At 1 April	34	127	67	1,594	-	91	1,913	947
Total incoming resources	-	4	40	939	75	2	1,060	2,345
Total resources expended	(13)	(15)	(54)	(1,524)	(45)	(4)	(1,655)	(1,243)
Gross transfers between funds	-	-	-	(53)	-	-	(53)	(144)
Unrealised (losses)/ gains on investments	-	(3)	-	-	-	(1)	(4)	8
At 31 March	<u>21</u>	<u>113</u>	<u>53</u>	<u>956</u>	<u>30</u>	<u>88</u>	<u>1,261</u>	<u>1,913</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 relate to two grants received on a restricted basis. This consists of a grant of £58,000 towards restructuring and an incentivization grant for £17,000.

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.

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2012**

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**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Total £'000</b>
Fund balances at 31 March 2012 are represented by:			
Tangible and heritage fixed assets	516	-	516
Investments	1,992	169	2,161
Cash	440	1,455	1,895
Other current assets	147	-	147
Current liabilities	(167)	(363)	(530)
Long term liabilities	(320)	-	(320)
	<hr/>	<hr/>	<hr/>
Total net assets	2,608	1,261	3,869
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**20. COMMITMENTS**

The School has awarded grants and scholarships totalling £69,056 to be paid in 2012/13 (2011/12: £115,971). No provision has been made for these grants as the conditions attaching to the grants had not been met at 31 March 2012.

**21. CONTROLLING PARTY**

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