

BRITISH INSTITUTE FOR THE STUDY OF IRAQ
(Gertrude Bell Memorial)
Registered Charity No. 219948

10, CARLTON HOUSE TERRACE
LONDON SW1Y 5AH
UNITED KINGDOM

Report and Accounts

for

The Year Ended
31 March 2009

2008/2009

THE **SEVENTY-SIXTH ANNUAL GENERAL MEETING** OF THE INSTITUTE WILL BE HELD AT J. Z. YOUNG LECTURE THEATRE, ANATOMY BUILDING, UNIVERSITY COLLEGE LONDON, GOWER STREET, LONDON, WC1E 6BT ON THURSDAY, 10 DECEMBER 2009 AT 6.00 P.M. TO HEAR **DR KAREN RADNER**, TO CONSIDER THE ACCOUNTS, THE BALANCE SHEET AND THE REPORTS OF THE COUNCIL AND INDEPENDENT EXAMINER; TO ELECT MEMBERS OF THE COUNCIL; TO APPOINT INDEPENDENT EXAMINERS, AND FOR ANY OTHER BUSINESS WHICH MAY PROPERLY BE TRANSACTED.

CHAIRMAN

PROFESSOR ROGER MATTHEWS, M.Phil, Ph.D.

VICE-CHAIRMAN

DR ELEANOR ROBSON, B.Sc., MA, D.Phil

HONORARY TREASURER

MR I.D. CHEYNE, CBE, MA, M.Phil

ADMINISTRATOR

MRS J. PORTER MACIVER, AB

EDITORS OF THE JOURNAL *IRAQ*

DR D. COLLON, MA, Ph.D., FSA

PROFESSOR A.R. GEORGE FBA, Ph.D.

CHAIRMAN OF THE APPEAL COMMITTEE

MR PETER DAVIES

VICE-CHAIRMAN OF THE APPEAL COMMITTEE

DR H.E.W. CRAWFORD, MA, Ph.D.

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INDEPENDENT EXAMINERS

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE BRITISH INSTITUTE FOR THE STUDY OF IRAQ (GERTRUDE BELL MEMORIAL)

I report on the financial statements of the Institute for the year ended 31 March 2009 as set out on pages 12 to 25.

This report is made solely to the charity's trustees, as a body, in accordance with the section 43 Charities Act 1993. Our work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in this 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 members as a body, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of financial statements. The charity's trustees consider that an audit is not required for the year under section 43(2) of the Charities Act 1993 (the Act) and that an independent examination is needed.

It is my responsibility to:

- examine the financial statements under section 43 of the 1993 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commissioners under section 43(7)(b) of the 1993 Act; and
- to state where particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- a) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 41 of the 1993 Act; and
 - to prepare financial statements which accord with the accounting records and comply with the accounting requirements of the 1993 Act
- have not been met; or
- b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

E E Irvine FCA
Chartered Accountant
Vantis Group Limited
Torrington House,
47 Holywell Hill,
St Albans, Herts, AL1 1HD

REPORT OF THE COUNCIL

The Council presents its report together with the financial statements of the Institute for the year ended 31 March 2009. The statements have been prepared in accordance with the accounting policies set out on page 15 and comply with the charity's regulations, applicable law and the requirements of the Statement of Recommended Practice 2005 "Accounting and Reporting by Charities" issued under the Charities Act 1993.

STRUCTURE, GOVERNANCE AND MANAGEMENT

BISI is governed by its regulations approved at the Annual General Meeting in December 2007.

Twelve Council members, who are also trustees, are responsible for the overall management of the charity and take all major decisions. They are elected by the full membership to serve a 3-year term. They may be re-elected for one further 3-year term and must then stand down for a minimum of a year. (This rule does not apply to key office holders.) Council members elect a Chairman and Vice-chairman from within their ranks. The Treasurer is a member of the Council and is nominated by the Council and elected yearly by members at the Annual General Meeting. Council may co-opt individuals to Council and invited Dr Glen Rangwala to serve on Council as a co-opted member in January. The Chairman of the BISI Appeal Committee is an *ex-officio* member of Council. At the present time Council have not selected a President or any Vice-Presidents as these positions and their purpose remain under review.

The Council usually meets four times a year (March, June, September and December). After its December Council meeting, it holds its Annual General Meeting to receive and consider the accounts and balance sheet of the Institute, the reports of the Council and of the Independent Examiner, to elect Members of the Council and to discuss any matter of business which is properly transacted. Any member of the Institute who wishes to be present may attend the AGM. Alternatively members are permitted to send in postal ballots for the election of trustees. An open forum is held before the June meeting, at which members are encouraged to raise matters of interest to them.

The BISI Appeal Committee reports to Council. Mr Peter Davies is Chairman of the BISI Appeal (*ex-officio* member of Council) and Dr Harriet Crawford is Vice-Chairman of the Appeal Committee and Chair of the Visiting Scholars Programme. Sir Mark Allen, CMG; Sir Terence Clark, KBE, CMG, CVO; Mr Simon Eccles-Williams; Dr Lamia al-Gailani Werr; Mr Bashir Siman are members of the Appeal Committee along with Mr Iain Cheyne, the BISI Hon Treasurer.

The day-to-day management of the Institute has been delegated to the BISI Administrator, Mrs Joan Porter MacIver, who is the charity's only employee (part-time - 75%).

BISI income comes in part from its own resources and endowment and in part from a grant from the British Academy. The British Academy grant-in-aid to BISI ceased in April 2009. However, the British Academy continues to provide BISI with a London base for its Administrator and through this helps fund core office expenditure, as well as providing a venue for meetings and lectures. It is our understanding that the British Academy will not continue the Learned Societies Programme at expiry of its current term in 2012 and therefore our previous desire to provide a compelling proposition to the Academy for future funding at that time no longer seems a valid aim. Nevertheless, Council hopes to continue to maintain BISI's long standing links with the Academy for the foreseeable future.

OBJECTIVES

- To encourage, support and undertake research relating to the archaeology, history, anthropology, geography, language and other related domains of Iraq and neighbouring countries from earliest times until the present
- To publish a journal devoted to such topics as well as relevant books and monographs
- To assist and collaborate with colleagues in Iraq, in state and higher education sectors
- To co-operate freely with other organisations carrying out related work in Iraq and neighbouring countries
- To assist scholars carrying out relevant research on Iraq and on countries adjacent to Iraq by means of grants
- To expedite and facilitate publication of BISI/BSAI research projects that remain unpublished
- To inform and engage the public, especially in the UK, by means of lectures and day schools

CHAIRMAN'S REPORT

Our activities during 2008-09 reflect a strong desire by Council to foster and advance public education relating to Iraq within a broadened research remit and through outreach efforts under our expanded Development grant scheme. Our funding from the British Academy ceased in April 2009 but Council believes that it will be able to utilise existing resources to continue our work over the coming years. We are looking for additional means of financial support but in the meantime the growing membership as well as the valuable administrative support of the British Academy and the generosity of our Appeal donors and contributors will enable us at the present time to meet both the core financial requirements of our work and the work with our Visiting Scholars Programme (See Appeal and Visiting Scholars Activities below). We do regret that at the present time we have been unable to fund any larger research projects but we have been able to provide seed funding for a number of valuable research projects and conferences (See Research below). The Fieldwork and Research Committee has established the framework to support a pilot project scheme under the theme of 'Exile and Return' and welcomes suitable applications, both ancient and modern, within this theme. We have been able to maintain a vibrant lecture and study day programme for members and the general public, which has been greatly enhanced by our Appeal lectures. On behalf of all our Council and members I wish to thank all those companies, trusts and individuals who have supported our work over the past year and the description of our activities will show this has been a worthwhile cause.

ACTIVITIES AND EVENTS

At the December meeting, Professor James W. Allan spoke at the AGM on 'The shrines of the Shi'i Imams: Najaf, Kerbala and Kazimayn'. In March Professor Amélie Kuhrt FBA talked on the 'Question of hellenisation: the case of the city of Babylon' and in June Dr Eleanor Wilkinson and Professor Tony Wilkinson FBA delivered the Bonham-Carter lecture on 'Archaeology in Iraq: Preservation, Visualisation and Access'.

In addition to our lecture programme and appeal events, BISI sponsored or was involved with the following day schools and conferences: Birkbeck, BISI and EES study day – *From Babylon to Amarna: Ancient Middle Eastern Interactions in the Days of Akhenaten* organised and chaired by Mariana Giovino and Frans van Koppen, Birkbeck College, Faculty of Lifelong Learning (February 2009); and the Christianity in Iraq VI Seminar Day at the Brunei Gallery, SOAS organised by Dr Erica Hunter under the aegis of the Centre for Eastern and Orthodox Christianity, Department for the Study of Religions (April 2009).

BISI APPEAL, EVENTS, DONATIONS AND FUNDRAISING

BISI's Appeal has raised just over £150,000 to provide support for the Visiting Iraqi Scholars Programme. This past year we had generous donations from HE Sheikh Hamed Ahmed Al Hamed of Abu Dhabi to sponsor the Appeal Lecture of Sir Hilary Synnott (September 2008) and the Appeal Programme; Mr Bashir Siman to support the visit of two archivists from the Iraq National Library and Archive to the University of London Computer Centre for a digital archiving training programme (postponed from September 2009 to April/May 2010); The British Museum, Access Industries and Hawkpoint Partners Ltd (through the kindness of Simon Eccles-Williams) to sponsor a special evening at the *Babylon: Myth and Reality* exhibit (January 2009). In addition we have received many kind donations from individuals and trusts. We have also been assisting in a financial capacity Dr Eleanor Wilkinson's 'Digital Nineveh Archive Project' and the work in Mosul receiving and distributing various grant funds via the Fund for Iraq.

The Charlotte Bonham-Carter Trust provided a generous subvention to assist us with the publication of *Ivories from Nimrud VI – Ivories from the North West Palace (1845-1992)* by Georgina Herrmann and Stuart Laidlaw with Helena Coffey, which has just been published.

BISI held a 'sold-out' Appeal Talk with William Dalrymple on 'From the Holy Mountain: A Journey in the Shadow of Byzantium' at the British Museum. We are very grateful to William Dalrymple for giving so generously of his time and to Dr John Curtis OBE of the Department of the Middle East and Rosanna Kwok of the British Museum's Department of Learning & Audiences for their assistance in making the evening possible.

A number of volunteers have assisted the Institute: Miss Penny Sibson has continued to help the BISI Administrator with BISI mailings; Mrs Zöe Bratis provided assistance on membership and Ms Michelle de Gruchy has been helping on membership and special projects. Mr Kit Barclay provided special help on the BISI membership database (Microsoft Access) and Mr Colin Maitland is helping with scanning and digitising a collection of photographs from the 20s and 30s in Iraq.

VISTING SCHOLARS PROGRAMME

The expenditure on our Visiting Scholars Programme covered five Iraqi visitors during the 2008-09 financial year (with some advance payments for our 2009-10 scholars). This included the research leave of Professor Abbas Al Hussainy, who left the UK in the summer of 2008 to return to Al- Qadissiyah University after spending time at the Institute of Archaeology with the support of Professor Roger Matthews, the British Universities Iraq Consortium, the Seven Pillars of Wisdom Trust (via BISI) and BISI. BISI purchased a high spec digital camera for Professor Al Hussainy's fieldwork projects and publications. In October 2008, Mr Hikmat Basheer Al-Aswad, Director of the Mosul Museum, came to the UK under BISI auspices to work on his research at the British Museum and had one-on-one English language tuition at Language Link sponsored by BISI. Mr Qahtan al-Hussein was invited to the UK by Dr John Curtis of the British Museum and DCMS and BISI agreed to sponsor a term's English language study during his UK stay and provided him with a lap-top computer to facilitate his work in the UK. BISI and the British Museum's Department of the Middle East with DCMS support for Mr al-Hussein worked in close cooperation to ensure the success of these visits which helps foster closer ties with the heritage sector in Iraq.

RESEARCH ACTIVITIES AND GRANTS

Applications for research and academic conference grants are initially reviewed by the Fieldwork and Research Committee and then considered by Council.

RESEARCH, TRAVEL AND CONFERENCE GRANTS

Research, conference and travel grants (totalling £15,000) were made to a number of scholars and institutions as outlined on page 5 of the accounts with reports noted in the relevant BISI newsletters ('NL'):

- Professor Mary Jacobus of the University of Cambridge to support 'Culture Wars Heritage and Armed Conflict in the 21st Century' (December 2008) and the travel of two Scholars from the Middle East to Cambridge (Dr Saad Eskander, Director of the Iraq National Library and Archive from Baghdad and Joanne Farchakh Bajjaly from Beirut) [NL #23]
- Dr Alessandro Scafi of the Warburg Institute to support the conference 'The Cosmography of Paradise: The Other World from Ancient Mesopotamia to Medieval Europe'. [NL #23]
- Toby Matthiesen PhD research and travel grant 'The Shia of Saudi Arabia: Identity Politics, Communalism, and the State' [NL #23]
- Alison Jean Millerman 'American dimension to the excavations at Ur in the 1920's and 30's. [NL #22]
- Ali A. K. Ali - research and travel grant 'Iraqi refugees in Jordan: The migration decision making process'
- Khyam Allami - research and travel grant 'The Iraqi 'Ud School: its influences and development' to work with the renowned 'Ud player Naseer Shamma in Cairo.
- Mr Jeffrey Orchard & Mrs Jocelyn Orchard - 'The Hajar Project, Oman: Ancient Aflaj Research Programme'
- Dr John MacGinnis – travel grant to participate in the excavations at Tell Masaikh, Syria (augmented by an anonymous donation 2009-2010)
- Dr Jacob Dahl - research and travel grant to work on the 'Syrian Digital Library of Cuneiform' (SDLC) (also from 2009-10 funding)

DEVELOPMENT GRANTS

BISI Council approved the establishment of BISI Development Grants in 2007 to support development events and projects, such as lectures, study days and popular publications as part of our outreach efforts. These grants are for applicants who are residents of the UK and preference is given to activities taking place in the UK or in Iraq. The aim is to ensure that we are able to assist endeavours that encourage a better understanding of Iraq and have proved to be highly successful as evidenced by the scope of the grant projects.

- Dr Mariana Giovino - Clay Workshops - Holborn Community Centre Dr Mariana Giovino - Clay Workshops - Holborn Community Centre (augmented previous grant) [NL #22]
- Mr Andy Lowings and the Golden Lyre of Ur Project [NL #23]
- British Museum/*Babylon; Myth and Reality* Exhibit- Babylon in the community/John Orna-Ornstein [NL #23] (augmented by a grant from the British Iraqi Friendship Society/BIFS) [NL #23]
- Enheduanna Society/F. Hazelton – Project for an 'On line Art Gallery'
- Dr Erica Hunter - Christianity in Iraq Conference - Seminar Day VI [NL # 23 has details of the publication of the collected papers of past conferences]
- Mohammed Jawad/Support for the Imperial College Iraqi Society [NL #23]
- Peter Stone - for the paperback printing of *The Destruction of Cultural Heritage in Iraq* (matched by a BISI grant from the 'Fund from Iraq'). [NL #23]
- REEL Iraq Festival, Edinburgh - sponsorship of the travel to the festival of Iraqi writers (augmented by the 'Fund from Iraq')

PUBLICATION GRANTS

In 2007 Council decided that some of the funding for BISI publications research should fall under its publication committee's remit and therefore established a new publication grant scheme. Some of this work was previously funded by Research Grants.

- Dr Georgina Herrmann – to support preparation work for the publication of *Ivories from Nimrud VII* and to provide a full plan of the publication programme
- Dr Wendy Matthews (PI); 'Urban landscapes and life-histories: web-publication of microstratigraphic sequences in the Sumerian city of Abu Salabikh, Iraq' (grant will mainly be funded in 2009-10 accounts)
- Professor Alastair Northedge – for work on the *Samarra Studies Vol. 2*

PUBLICATIONS

The inclusion of the Journal *IRAQ* with JSTOR has been very successful and has provided a welcome addition to our publication income. As of July 2008 the Journal *Iraq*, from its first issue in 1934 up to the previous five years of the Journal's publication, has been available on line via JSTOR, the not-for-profit scholarly journal archive (<http://www.jstor.org/>). A listing of all the contents of *Iraq* is also on the BISI website. BISI receives publishers' royalties and individual article fees.

We have an active publications programme, which represents a great deal of effort on the part of the authors and editors and we wish to extend our appreciation to them all for their considerable efforts. Council also wishes to thank Dr Jon Taylor, Chairman of the Publications Committee, for his significant contribution in getting BISI publications to press along with a number of other forthcoming titles.

We published last year, in association with the British Museum, *New Light on Nimrud: Proceedings of the Nimrud Conference 11th-13th March 2002*, edited by J.E. Curtis, H. McCall, D. Collon and L. al-Gailani Werr. After some delays we have just published *Ivories from Nimrud VI – Ivories from the North West Palace (1845-1992)* by Georgina Herrmann and Stuart Laidlaw with Helena Coffey. This volume is the sixth in the *Ivories from Nimrud* series published by BSAI/BISI. This publication received a very welcome and generous subvention from the Charlotte Bonham-Carter Charitable Trust.

We are also pleased to report that St John Simpson has published with Archaeopress, Oxford the results of his work in Iraq, *Excavations at Tell Abu Dhahir - Ancient Settlement in the Zammar Region: Excavations by the British Archaeological Expedition to Iraq in the Eski Mosul Dam Salvage Project, 1985-86, Volume Two* edited and with a foreword by Warwick Ball (BAR - S1724; ISBN 978-1-4073-0166-2).

FUTURE AIMS AND PLANS

RESEARCH

BISI will continue to foster a broad range of research and will encourage strong academic applications within the scope of BISI's widening remit, either as stand-alone projects or in collaboration with other funding bodies. The Fieldwork and Research Committee reviewed and updated its guidelines for advertising, awarding, and monitoring research grants for original, high quality humanities and social sciences research on Iraq and its neighbours, from ancient times to the present day. It is announcing a new pilot project scheme under the theme of 'Exile and Return'. Details are available on the BISI website.

Continued efforts have been made to integrate BISI further into UK academe, partly through our Chairman's position as Professor of Near Eastern Archaeology at the Institute of Archaeology UCL, as well as through his role as a member of the new Middle East area panel of the British Academy. BISI will play a role in several upcoming events and occasions. In spring 2010 London will host the 7th International Congress on the Archaeology of the Ancient Near East (7ICAANE). The British Academy has made an award of £15,000 towards the administration of 7ICAANE, which will be co-hosted by UCL and The British Museum and it is anticipated that BISI will be intimately involved in the organisation and support of 7ICAANE, particularly as regards our colleagues from Iraq. BISI is sponsoring the participation of three senior academics from the University of Baghdad to attend a British Academy sponsored conference 'Rethinking the Middle East? Values, Interests and Security Concerns in Western Policies toward Iraq and the Wider Region, 1918-2010' – to take place 17-19 March 2010 and organized by Dr Lars Berger of the University of Salford and colleagues with the British Academy.

PUBLICATION

We will maintain our commitment to ongoing publication of existing and previous projects sponsored by BISI, as well as to our internationally regarded journal *IRAQ*, which will now have Arabic translations of all article abstracts. Dr Hermann is actively working on the *Ivories from Nimrud* series, *Ivories from the Burnt Palace*, which has previously been worked on by Catherine Thomas. We are also supporting preparation for the publication of *Archaeological Atlas of Samarra – Samarra Studies II* by A. Northedge & D. Kennet and a memorial volume for Dr Jeremy Black, eminent Sumerologist and ex-director of the British School. Pre-publication work continues on a number of other books. We are anticipating bringing the publication *Once there was a place : Settlement Archaeology at Chagar Bazar, 1999-2002* by Augusta McMahon with Carlo Colantoni, Julia Frane and Arkadiusz Soltysiak to press shortly as well as Stuart Campbell's work on Umm Dabaghiyah and a Corpus of prehistoric Mesopotamian figurines by Ellen McAdam and the web publication of Wendy Matthews' 'Urban landscapes and life-histories: web-publication of microstratigraphic sequences in the Sumerian city of Abu Salabikh, Iraq' (with JN Postgate).

OUTREACH AND PUBLIC ENGAGEMENT

BISI's programme of regular lectures and Day Schools will continue. A study day 'Seven Years On: The Iraq National Museum, Iraq National Library and Archive & Cultural Heritage in Iraq', the fifth Birkbeck College & British Institute for the Study of Iraq Mesopotamian Archaeology Study Day (Co-sponsored with Ancient Egypt & Middle East Society (AEMES)), organised by Dr Mariana next February. In March 2010 BISI will be participating with the Department of Adult and Continuing Education (DACE) of the University of Glasgow Day School 'Mesopotamia: Exploring Ancient Iraq' organised by Dr Fran Reynolds and with the University of Oxford Department of Continuing Education (OUDCE) in November 2010.

BISI is strengthening and widening its membership base and offers members the choice of two journals – our journal *IRAQ* and/or the *International Journal of Contemporary Iraqi Studies*, as well as the option of a full membership without a journal subscription.

APPEAL AND APPEAL EVENTS

Until a return to Iraq is possible BISI will maintain focus on its Appeal and associated programmes. Three to four Iraqi scholars are expected in 2009-10 under our Visiting Scholars Programme, which falls under the remit of our Visiting Scholars Committee. New procedures were implemented to select scholars and administer the programme. Members are welcome to inform scholars based in Iraq regarding the grants, which provides 1-2 month individual research or training programmes in the UK for individuals conducting research or training on subjects relating to Iraq, with a focus on Iraq's heritage. From time to time we augment the programme with English language tuition. There are further details on the website.

We held an Appeal Talk 'Iraq: is the age of wars over?' with Patrick Cockburn, Middle East correspondent of *The Independent*, and author of *The Occupation: War, Resistance and Daily Life in Iraq* sponsored by G4S Risk Management in May 2009. G4S will be sponsoring a BISI scholar, as well.

We are holding an Appeal Event at the British Academy on 17 September 2009 with Professor Jim Al-Khalili OBE 'Science and Rationalism in 9th Century Baghdad' and Dr Saad Eskander, Director of the Iraq National Library and Archive, 'INLA at a time of National Crisis: Difficult Choices and Unanticipated Challenges' on 4 February 2010 at the British Museum, jointly sponsored by the Department of the Middle East of the British Museum. We will continue to arrange events and activities to raise funds for the BISI Appeal and welcome suggestions from members.

VISTING SCHOLARS PROGRAMME

The first three 2009-10 scholars have been in the UK and were selected under BISI's new application scheme (full details are available on the BISI web-site). Between April and May, BISI sponsored two scholars from Mosul and Baghdad. These visits could not have been possible without the very generous support and involvement of those who provided the training arrangements. Ms Al Omari from the Mosul Museum is working on developing an Education programme for the Mosul Museum. For her UK training opportunities, we wish to thank Dr Timothy Potts, Director, Margaret Greaves, Director of Public Engagement, and Julia Tozer, Head of Education all at the Fitzwilliam Museum, Cambridge and their colleagues who assisted Saba during her April training time at the Museum. We also wish to thank Dr Erica Hunter for being such a kind and generous hostess during this Cambridge visit. At the British Museum, we are grateful to Susan Raikes, Head of Learning Programmes, for arranging a wonderful one-month programme for Saba. The second scholar, Mr Mustafa Maroof Hussein of the State Board of Antiquities and Heritage, spent two months training with L-P Archaeology under the auspices of Mr Chaz Morse. His time included a visit to Wales to work with an archaeological field unit team. In June, Ms Layla Salih Mahmood of the Mosul Museum arrived to participate in the British Museum's International Curatorial Training Programme. We wish to thank Claire Messenger, the coordinator of that programme, for all her efforts. She was also able to spend some time with Dr Eleanor Wilkinson of the University of Durham to work on the 'Digital Nineveh Archive' project. All these visitors received considerable assistance from Dr Lamia al-Gailani Werr in London and Nadja Qaisi of the Council for British Research in Levant (CBRL) in Amman during the transit stages. Mrs MacIver, the BISI Administrator, handles all the administrative arrangements for the programme without her invaluable input and involvement the scheme would not be possible.

BISI has offered future places on this programme to Mr Karwan Omar from the Sulaymaniyah Museum, who will be working at the British Museum's conservation department on metal conservation in the autumn of 2009. In addition we are funding the visit of Mr Munir Esah of the State Board of Antiquities and Heritage to come to the UK for an exploratory visit to discuss developing a database for the Iraq Museum collections. The details of these programmes are being developed. BISI is also funding the travel of three senior Iraqi academics from the University of Baghdad to a conference at the British Academy next March (See Future Aims/Research). Two archivists from the Iraq National Library and Archives in Baghdad will be attending a special digital archiving course at the University of London Computer Centre next April/May 2010 sponsored by Mr Bashir Siman, a member of the Appeal Committee.

We accept applications to our Visiting Scholars Programme twice a year (April and October). The aim of the programme is to assist scholars to make contact with professionals and academics in their field in the UK and to update their skills. Dr Harriet Crawford, Chair of the Visiting Scholars Programme, would be pleased to hear from any members or their contacts, who would be willing to offer placements for future scholars or have any suggestions. Each programme is tailor-made and requires considerable effort to arrange. We do wish again to thank all those who have made and will continue to make this programme possible.

STRUCTURE AND GOVERNANCE

The Institute is currently establishing itself as a Company limited by guarantee in order to protect the assets of the Charity and in keeping with the status of all the British Academy sponsored Schools and Institutes. Members will be asked to ratify and approve this action at the 2009 Annual General Meeting. The new Memorandum of Association adopted BISI's previous regulations for the new Company limited by guarantee.

Council will maintain an on-going review of its governance procedures, including the broadening of its membership to reflect the Institute's widening remit and broadened objectives. The decision to become a Company limited by guarantee to protect the assets of the charity was undertaken as part of this on going review.

FINANCIAL REVIEW

The accounts of the Institute for the year ended 31 March 2009 are attached to this report. A review of the transactions and financial position of the Institute is set out below.

The performance of the Institute's incoming resources before realised and unrealised gains and losses on revaluations and disposals of investment assets resulted in a surplus of £4,095. This included a percentage payment for the TV film rights to our previously owned reversionary rights of 'A Pocket Full of Rye' for £17,500. We received £23,335 in Appeal donations and Appeal event income and gift aid, designated for funding the Iraqi Visiting Scholars programme.

There was a net loss on unrealised revaluations of investment assets totalling £49,280, reflecting the continuing fall in the equity markets. We believe that our reserves continue to be maintained at a satisfactory level for the current operation of the Institute. The Institute may face some financial constraints during 2009/2010 when its British Academy grant-in-aid ceases. Council and the Finance Committee continue to monitor BISI's financial situation and undertake steps to secure its future.

UNRESTRICTED FUNDS

The Institute's principal source of unrestricted income during the year continued to be grants from the British Academy, which totalled £30,260.

RESTRICTED FUNDS

There was a £1,408 loss on restricted funds in the year before realised and unrealised gains and losses on revaluations and disposals of investment assets, which reflects the increased expenditure over annual income on the Visiting Iraqi Scholars programme.

INVESTMENT POLICY

The selection of investments is made on the principle of deciding what form of investment will be most suitable for the needs of the Institute and obtaining skilled advice for this purpose, bearing in mind both the short-term and long-term future of the Institute, and the effects of inflation on capital and income. The Finance Committee of the BISI Council monitors the performance of the investments chosen. The decrease in market value of investments and the endowment fund during the year to 31 March 2009 was in line with market conditions.

STATEMENT ABOUT RISKS AND RESERVES POLICY

The members of the Council have undertaken a review of the major risks to which the Institute is exposed, and systems designed to mitigate those risks have been considered. They are determined to hold the level of working fund reserves that equates to an amount sufficient to cover operating costs for at least twelve months and not to exceed fifteen months. If it should appear likely that these limits will be breached, Council should consider, on the recommendation of the Finance Committee, what appropriate action to take.

STATEMENT OF COUNCIL RESPONSIBILITIES

In preparing these financial statements, the Council is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Institute will continue in business.

The members of the Council are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Institute. They are also responsible for safeguarding the assets of the Institute and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF PUBLIC BENEFIT

'To advance research and public education relating to Iraq and the neighbouring countries in anthropology, archaeology, geography, history, language and related disciplines within the arts, humanities and social sciences.'

- BISI supports high-quality research across its academic remit by making grants and providing expert advice and input.
- BISI assists with publications, both print and electronic, for academic and public dissemination of research activities.
- BISI supports and facilitates academic exchange and collaboration between the UK and Iraq through programmes of visiting scholars and academic engagement.
- BISI provides a focus for the UK public and the Iraqi community in Britain to engage with matters concerning Iraq.
- BISI supports public education through organising and supporting lectures, conferences, workshops and study days.
- BISI provides expertise and specialist knowledge to government bodies, journalists and other parties.

The following served as members of the BISI Council for all or part of the year ended 31 March 2009, as more fully explained below.

Dr Athem Al Sabti
Mr I.D. Cheyne, CBE
Dr Eleanor Coghill
Dr Paul Collins
Mr Peter Davies (*ex-officio*)
Professor Andrew George FBA
Dr Harriet Martin
Professor R. Matthews
Dr Venetia Porter
Professor J.N. Postgate FBA
Dr Glen Rangwala (co-opted)
Dr Frances Reynolds
Dr Eleanor Robson
Professor E. Savage-Smith
Dr Jon Taylor

At the AGM in December 2008 Council members Sir Terence Clark, KBE, CMG, CVO, Dr John Curtis OBE and Dr Georgina Herrmann OBE stood down and four Council members were elected: Dr Athem Al Sabti; Dr Paul Collins; Professor Andrew George; and Dr Harriet Martin.

In January 2009 Council co-opted Dr Glen Rangwala of the Department of Politics, University of Cambridge to Council.

BY ORDER OF THE COUNCIL



.....
Roger Matthews
Chairman



.....
J. Porter MacIver
Administrator



.....
I.D. Cheyne
Hon. Treasurer

Dated: 17 September 2009

**BRITISH INSTITUTE FOR THE STUDY OF IRAQ
(GERTRUDE BELL MEMORIAL)
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2009**

	Note	Un- Restricted Funds £	Restricted Funds £	Endowment £	Total Funds 2009 £	Total Funds 2008 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income:						
Donations and subscriptions	2(a,b)	74,626	-	-	74,626	97,898
Appeal income		-	23,335	-	23,335	16,457
Activities for generating funds:						
Investment income	2(c)	13,229	3,447	-	16,676	18,359
Royalties		-	-	-	-	14,996
		87,855	26,782	-	114,637	147,710
Incoming resources from charitable activities:						
Publication sales		9,004	-	-	9,004	5,412
Publication subventions		3,000	-	-	3,000	2,500
Total Incoming Resources		99,859	26,782	-	126,641	155,622
RESOURCES EXPENDED						
Costs of generating funds	3(c)	-	-	-	-	667
Charitable activities						
Grants payable	3(a)	24,000	-	-	24,000	29,753
Other charitable activity costs	3(b)/ii	39,368	28,190	-	67,558	60,378
Cost of publications	3(b)/i	26,693	-	-	26,693	23,641
Governance costs	3(b)	4,295	-	-	4,295	3,981
Total Resources Expended		94,356	28,190	-	122,546	118,420
Net incoming/(outgoing) resources before other recognised gains		5,503	(1,408)	-	4,095	37,202
Gains and losses on revaluations and disposals of investment assets:						
Realised		-	-	-	-	(783)
Unrealised		(10,085)	15	(39,210)	(49,280)	(18,048)
		(10,085)	15	(39,210)	(49,280)	(18,831)
Net movement in funds		(4,582)	(1,393)	(39,210)	(45,185)	18,371
Reconciliation of funds						
Total funds brought forward		143,506	86,801	135,719	366,026	347,655
Total funds carried forward		£138,924	£85,408	£96,509	£320,841	£366,026

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

**BRITISH INSTITUTE FOR THE STUDY OF IRAQ
(GERTRUDE BELL MEMORIAL)
BALANCE SHEET
AS AT 31 MARCH 2009**

	Notes	2009	2008
FIXED ASSETS			
Computer Equipment	4	323	499
Investments - Endowment Fund	5	91,841	131,051
	5	<u>95,211</u>	<u>105,281</u>
		187,375	236,831
CURRENT ASSETS			
Debtors	6	13,160	6,841
Cash and Deposits at Bank	7	<u>142,947</u>	<u>130,074</u>
		156,107	136,915
CREDITORS: Amounts falling Due within one year	8	<u>(22,641)</u>	<u>(7,720)</u>
		133,466	129,195
NET CURRENT ASSETS AND NET ASSETS		<u>£320,841</u>	<u>£366,026</u>
FINANCED BY:			
Unrestricted Fund	13	138,924	143,506
Endowment Fund (Inc transfer from G. Bell Fund)	12	96,509	135,719
Restricted Funds	11	<u>85,408</u>	<u>86,801</u>
		<u>£320,841</u>	<u>£366,026</u>

Approved by Council and signed on its behalf:

Professor Roger Matthews -
Chairman



I. D. Cheyne – Honorary Treasurer



J. P. MacIver – Administrator



Dated: 17 September 2009

**BRITISH INSTITUTE FOR THE STUDY OF IRAQ
(GERTRUDE BELL MEMORIAL)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009**

1. ACCOUNTING POLICIES

- a) The accounts have been prepared under the historic cost convention with the exception that investments are valued at market value. The accounts are in accordance with applicable accounting standards, the Charities SORP 2005 (Accounting and Reporting by Charities) and comply with the Charities (Accounts and Reports) Regulations 2005 issued under the Charities Act 1993.
- b) Investment income is recorded when receivable. Income arising on endowment funds is treated as unrestricted.
- c) Gift Aid reclaimable on donations to the charity is included when the amount is received.
- d) Grants are included in the accounts in the period to which they relate.
- e) Investments are included at market value. All other assets are included at cost or net realisable value, if lower.
- f) The Institute owns a collection of ivories from its excavations. These are on deposit with the British Museum at present and are not included in the accounts. The Institute has gifted its collection of tablets from its excavations to the British Museum.
- g) The institution 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 trustee-administered fund. The institution 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 income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.
- h) The investments received on the 14 January 1932 following an appeal formed an endowment fund to be administered by the Council.

The Council has the power from time to time to vary or transpose any investments forming part of the Endowment Fund and all the subscriptions of Members and all monies received by the Institute which are not allocated by the donor or the Council to any special purpose shall be applicable by the Council for the general purposes of the Institute.

- i) Tangible fixed assets costing over £500 are capitalised and included at cost including any incidental expenses of acquisition. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Computer equipment – over 3 years.

**BRITISH INSTITUTE FOR THE STUDY OF IRAQ
(GERTRUDE BELL MEMORIAL)
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009**

2. INCOMING RESOURCES

	Un- Restricted Funds	Restricted Funds	Endowment	Total 2009	Total 2008
	£	£	£	£	£
Grants and Donations					
a) Donations	590	-	-	590	6,519
Sale of reversion rights – 'A Pocket Full of Rye'*	17,500	-	-	17,500	39,000
Subscriptions from members	26,276	-	-	26,276	22,379
	<u>44,366</u>	-	-	<u>44,366</u>	<u>67,898</u>
* Mrs Rosalind Hicks (daughter of Dame Agatha Christie), passed the UK and British Commonwealth rights of 'A Pocket Full of Rye' to the British School of Archaeology in Iraq on her death in December 2005, the executors assigned to the School interest in the copyright. The School received the royalties on this title until its sale to Agatha Christie Limited in September 2007 for £39,000. The additional payment of £17,500 was received in the year upon the commencement of the production of a television programme of this title.					
b) Grants from government and other public bodies:					
British Academy Annual Grant (including £260 extra payment)	30,260	-	-	30,260	30,000
Total Grants and Donations	<u>£74,626</u>	-	-	<u>£74,626</u>	<u>£97,898</u>
c) Investment Income					
Interest on Government Stocks	3,522	261	-	3,783	3,654
Dividends on COIF & M&G Investments	7,413	-	-	7,413	7,401
Bank and COIF Deposit interest	2,294	3,186	-	5,480	7,304
	<u>£13,229</u>	<u>£3,447</u>	-	<u>£16,676</u>	<u>£18,359</u>

**BRITISH INSTITUTE FOR THE STUDY OF IRAQ
(GERTRUDE BELL MEMORIAL)
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009**

3. RESOURCES EXPENDED

	2009	2008
	£	£
a) Cost of Charitable Activity – Grants Payable		
BISI made a number of grants in the year (20 in 2008/09 and 14 in 2007/08)		
Research, Travel and conference grants	15,000	4,395
Fieldwork (Tell Brak Excavations with £1000 special donation)	-	14,240
Development Grants	5,000	2,368
Publications Grants	4,000	8,750
	<u>24,000</u>	<u>29,753</u>
Unrestricted Grants were paid to 9 individuals in 2008/09 (8 in 2007/08)		
The unrestricted grants awarded were as follows:-		
Professor Mary Jacobus Culture Wars: Heritage & Armed Conflict in the 21 st Century	3,057	-
Tony Matthiesen 'The State, Communalism & Transnationalism in Saudi Arabia & Bahrain'	1,820	-
Alison Jean Millerman 'American Dimension to the Excavations at Ur in the 1920s and 30s'	1,445	-
Ali A K Ali 'Iraqi refugees in Jordan. The migration decision making process'	2,500	-
Khyam Allami 'The Iraqi 'Ud School: its influences and development'	3,000	-
Mr Jeffrey Orchard & Mrs Jocelyn Orchard 'The Hajar Project, Oman: Ancient Aflaj Research Programme'	1,802	-
Dr A Scafi/Warburg Institute Conference 'The Cosmography of Paradise: The Other World from Ancient Mesopotamia to Medieval Europe'	800	-
Dr John MacGinnis 'Participation in the Excavations at Tell Masaikh'	500	-
Dr Jacob Dahl Travel Grant 'Syrian Digital Library of Cuneiform' (SDLC) (total £500 balance 2009/10)	76	-
Tell Brak Excavations Dr A McMahon (University of Cambridge) & Dr Joan Oates	-	14,240
Dr Lisa Cooper (Research Grant Archaeological Achievements of Gertrude Bell)	-	1,060
Dr Marie Christine Ludwig (Research Grant – Literary Texts from Ur)	-	1,000
Samarrafinds Project Dr Venetia Porter (Travel Grants for Dr Konrad & Dr Dahmi)	-	389
Dr Lloyd Weeks (Society for Arabian Studies) Conference Grant	-	1,000
Dr H Crawford et al. (Conference Grant – Preludes to urbanism)	-	946
Total Research Grants	<u>15,000</u>	<u>18,635</u>
Development Grants		
Unrestricted Development Grants were made to 8 individuals 2008/09 (4 in 2007/08)		
Dr Mariana Giovino Clay Workshops Holborn Community Centre	80	700
Andy Lowings/Golden Lyre of Ur Project	500	-
British Museum/Babylon Exhibit Babylon in the Community John Orna-Ornstein outreach	1,000	-
Enheduanna Society/F Hazelton Project 1 On Line Art Gallery	469	-
Dr Erica Hunter - Christianity in Iraq - Conference Seminar Day	900	800
Support for the Imperial College Iraqi Society/ Visit to Babylon Exhibit	300	-
Peter Stone - for the reprinting of <i>The Destruction of Cultural Heritage in Iraq</i>	1,000	-
REEL Iraq Festival sponsorship of Iraqi writers (£123 supported by Appeal Funds)	751	-
Prof A R George/LCANE for joint BISI/Institute of Archaeology Lecture/(O Roualt)	-	198
ArtRole/Adalet Garmiany – Iraqi visiting artist subsistence travel UK	-	670
Total Development Grants	<u>5,000</u>	<u>2,368</u>
Publications Grants		
Unrestricted Publications Grants were made to 3 individuals in 2008/09 (2 in 2007/08)		
From 2007-08 Nimrud Ivories Project work is covered by Publications Expenditure		
Dr G Hermann - Nimrud Ivories project VII	1,800	8,000
Dr Wendy Matthews (PI) 'Urban landscapes & life histories, web publication of Microstratigraphic sequences in the Sumerian city of Abu Salbikh, Iraq'	700	-
Professor Alastair Northedge – <i>Samarra Studies</i> / II	1,500	-
Ubaid Conference Publication/Dr Rob Carter	-	750
Total Publication Grants	<u>4,000</u>	<u>8,750</u>
Total Grants Payable	<u>£24,000</u>	<u>£29,753</u>

**BRITISH INSTITUTE FOR THE STUDY OF IRAQ
(GERTRUDE BELL MEMORIAL)
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009**

3. RESOURCES EXPENDED (CONT)

	Note	Working Fund Costs £	Restricted Funds £	Governance £	Total 2009 £	Total 2008 £
b) Analysis of other Charitable Activity costs: (including support costs)						
i) Directly Allocated Costs:						
London						
Gifts and donations		-	-	-	-	68
Restricted fund expenditure		-	-	-	-	325
Purchases for Iraq & Appeal expenditure	12	-	24,342	-	24,342	21,905
London Activities & Lecture Expenses		1,240	232	-	1,472	778
PR Expenses (including Arabic translations)		1,663	-	-	1,663	-
Total London Expenditure		2,903	24,574	-	27,477	23,076
Other Direct Costs						
Printing Annual Report		-	-	319	319	299
Publication costs		26,693	-	-	26,693	23,641
Total Other Direct Costs		26,693	-	319	27,012	23,940
ii) Support costs allocated to activities;						
London office administration salary & pension cost	9	32,545	3,616	-	36,161	33,110
Office expenditure		3,438	-	-	3,438	3,026
Bank & Credit card charges		482	-	-	482	403
Accountancy (inc support) & Examination fees		-	-	2,850	2,850	2,725
Consultants		-	-	300	300	305
Council meetings (inc AGM Expenses)		-	-	436	436	963
Council members' travel expenses		-	-	214	214	78
Depreciation		-	-	176	176	374
Total Support Costs		36,465	3,616	3,976	44,057	40,984
Total Resources Expended		£66,061	£28,190	£4,295	£98,546	£88,000

The Independent Examiners fee amounts to £850 (2008: £970) net of VAT

c) Cost of Generating Funds

No commission was paid on the royalties for 'A Pocket Full of Rye' in 2009 (2008: £667).

**BRITISH INSTITUTE FOR THE STUDY OF IRAQ
(GERTRUDE BELL MEMORIAL)
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009**

4. TANGIBLE ASSETS

	Computer And Survey Equipment	Total
	£	£
COST:		
Brought forward at 1.4.08	2,631	2,631
Additions in the year	-	-
Carried forward at 31.3.09	<u>2,631</u>	<u>2,631</u>
DEPRECIATION:		
Brought forward at 1.4.08	2,132	2,132
Charge in year	176	176
Carried forward at 31.3.09	<u>2,308</u>	<u>2,308</u>
NET BOOK VALUE:		
At 31 March 2009	<u>£323</u>	<u>£323</u>
At 31 March 2008	<u>£499</u>	<u>£499</u>

**BRITISH INSTITUTE FOR THE STUDY OF IRAQ
(GERTRUDE BELL MEMORIAL)
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009**

5. INVESTMENTS

Holding	Fund/Investment	2009 Costs £	2009 Market Value £	Holding £	2008 Cost £	2008 Market Value £
Endowment Fund						
Gertrude Bell Memorial						
8,149	Income shares in Charities Official Investment Funds	8,200	63,108	8,149	8,200	87,010
3,096	M&G Charifund Shares	49,725	25,364	3,096	49,725	40,555
2,927	M&G Charibond Shares	3,594	3,369	2,927	3,594	3,486
	Total Endowment Fund	61,519	91,841		61,519	131,051
Bonham Carter Lecture Fund						
£2,370.53	5.75% stock 7.12.2009 GBP 100	2,398	2,452	£2,370.53	2,398	2,444
	Total Bonham Carter Lecture Fund	2,398	2,452		2,398	2,444
Hicks Legacy Fund (unrestricted)						
£3,506.91	Income shares in Charities Official Investment Funds	39,000	27,159	£3,506.91	39,000	37,445
Mallowan Fund						
£2,161.28	5.75% Stock 7.12.2009 GBP 100	2,268	2,236	£2,161.28	2,268	2,229
Working Fund (unrestricted)						
£61,251.19	5.75% Stock 7.12.2009 GBP 100	62,647	63,364	£61,251.29	62,647	63,163
		62,647	63,364		62,647	63,163
TOTAL		£167,832	£187,052		£167,832	£236,332
Total Endowment Funds		61,519	91,841			
Total Other Funds		106,313	95,211			
		£167,832	£187,052			
MOVEMENT IN INVESTMENT ASSETS						
		Cost	Market Value			
At beginning of year		167,832	236,332			
Disposals		-	-			
Acquisitions		-	-			
Increase/(decrease) in valuation		-	(49,280)			
Realised gain/(loss)		-	-			
		£167,832	£187,052			

All investments were held in the UK.

**BRITISH INSTITUTE FOR THE STUDY OF IRAQ
(GERTRUDE BELL MEMORIAL)
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009**

6. DEBTORS

	Unrestricted £	Restricted £	2009 Total £	2008 Total £
Tax recoverable	595	1,815	2,410	1,173
VAT recoverable	619	-	619	382
Publication/Subvention income due	-	-	-	1,141
Subscription Income Due	4,661	-	4,661	-
Advances recoverable & Donations	5,000	-	5,000	4,000
Other debtors	470	-	470	145
	<u>£11,345</u>	<u>£1,815</u>	<u>£13,160</u>	<u>£6,841</u>

7. CASH AND DEPOSITS AT BANK

	2009 £	2008 £
Cash and Deposits	<u>£142,947</u>	<u>£130,074</u>

8. CREDITORS

	Unrestricted £	Restricted £	2009 Total £	2008 Total £
Amounts falling due within one year:				
London Office	4,529	-	4,529	4,345
Accruals and other creditors	18,112	-	18,112	3,375
	<u>£22,641</u>	<u>-</u>	<u>£22,641</u>	<u>£7,720</u>

9. EMPLOYEES

	2009 £	2008 £
a) The Institute employed one part-time employee in the year. The remuneration was as follows:		
Salaries (75% of full time)	29,942	27,426
Social Security (net of £75 rebate (2008: £100))	2,027	1,845
Pension Contributions	4,192	3,839
	<u>£36,161</u>	<u>£33,110</u>
Restricted expenditure 10%	3,616	3,311
Unrestricted 90%	32,545	29,799
	<u>£36,161</u>	<u>£33,110</u>

**BRITISH INSTITUTE FOR THE STUDY OF IRAQ
(GERTRUDE BELL MEMORIAL)
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009**

b) PENSION COSTS

The institution 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. USS has over 130,000 active members and the institution has one active member participating in the scheme. The institution 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 income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

Because of the mutual nature of the scheme, the institution 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 income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The latest actuarial valuation of the scheme was at 31 March 2008. This was the first valuation for USS under the new scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions.

The valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (ie the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date. An "inflation risk premium" adjustment was also included by deducting 0.3% from the market-implied inflation on account of the historically high level of inflation implied by government bonds (particularly when compared to the Bank of England's target of 2% for CPI which corresponds broadly to 2.75% for RPI per annum).

To calculate the technical provisions, it was assumed that the valuation rate of interest would be 6.4% per annum (which includes an additional assumed investment return over gilts of 2% per annum), salary increases would be 4.3% per annum (plus an additional allowance for increases in salaries due to age and promotion reflecting historic Scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 3.3% per annum.

At the valuation date, the value of the assets of the scheme was £28,842.6 million and the value of the scheme's technical provisions was £28,135.3 million indicating a surplus of £707.3 million. The assets therefore were sufficient to cover 103% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts) the funding level was approximately 71%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the Scheme was 107% funded; on a buy-out basis (ie assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 79% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, using a AA bond discount rate of 6.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2008 was 104%.

**BRITISH INSTITUTE FOR THE STUDY OF IRAQ
(GERTRUDE BELL MEMORIAL)
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009**

b) PENSION COSTS (continued)

The technical provisions relate essentially to the past service liabilities and funding levels, but it is also necessary to assess the ongoing cost of newly accruing benefits. The cost of future accrual was calculated using the same assumptions as those used to calculate the technical provisions except that the valuation rate of interest assumed asset outperformance over gilts of 1.7% per annum (compared to 2% per annum for the technical provisions) giving a discount rate of 6.1% per annum; also the allowance for promotional salary increases was not as high. There is currently uncertainty in the sector regarding pay growth. Analysis has shown very variable levels of growth over and above general pay increases in recent years, and the salary growth assumption built into the cost of future accrual is based on more stable, historic, salary experience. However, when calculating the past service liabilities of the scheme, a cautionary reserve has been included, in addition, on account of the variability mentioned above.

The institution contribution rate required for future service benefits alone at the date of the valuation was 16% of pensionable salaries and the trustee company, on the advice of the actuary, agreed to increase the institution contribution rate to 16% of pensionable salaries from 1 October 2009.

Since 31 March 2008 global investment markets have continued to fall and at 31 March 2009 the actuary has estimated that the funding level under the new scheme specific funding regime had fallen from 103% to 74%. This estimate is based on the funding level at 31 March 2008, adjusted to reflect the fund's actual investment performance over the year and changes in market conditions (market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions).

On the FRS17 basis, using a AA bond discount rate of 7.1% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2009 was 86%. An estimate of the funding level measured on a buy-out basis at that date was approximately 46%.

Surpluses or deficits which arise at future valuations may impact on the institution's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements.

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The next formal triennial actuarial valuation is due as at 31 March 2011. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

At 31 March 2009, USS had over 130,000 active members and the institution had one active member participating in the scheme.

The total pension cost for the institution was £4,192 (2008: £3,839). This includes £753 (2008: £677) outstanding contributions at the balance sheet date. The contribution rate payable by the institution was 14% of pensionable salaries.

**BRITISH INSTITUTE FOR THE STUDY OF IRAQ
(GERTRUDE BELL MEMORIAL)
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009**

10. RELATED PARTY TRANSACTIONS

The following former member of Council received a publications grant from the Institute in respect of a future publication. G Hermann (Nimrud Ivories Publications).

Travelling expenses totalled £214.

No remuneration or other benefits have been paid or are payable to any charity trustee or connected person in the year to 31 March 2009, in respect of their responsibilities as trustees except Professor Andrew George received an honorarium (£750) with respect to his work as Co-Editor of the journal 'IRAQ'.

11. RESTRICTED INCOME FUNDS

	Appeal And Fund For Iraq	Mallowan Fund	Bonham Carter Lecture Fund	2009 Total
	£	£	£	£
Income:				
Appeal	21,520	-	-	21,520
Gift Aid – Appeals	1,815	-	-	1,815
Investment Income	3,187	124	136	3,447
	<u>26,522</u>	<u>124</u>	<u>136</u>	<u>26,782</u>
Expenditure:				
Direct Charitable Expenditure	(28,422)	48	184	(28,190)
Net Outgoing resources before valuations and investment assets disposals	(1,900)	172	320	(1,408)
Gains/(losses) on investment asset revaluations	-	7	8	15
Gains on sale of investments	-	-	-	-
Fund Balance Brought Forward	81,159	2,357	3,285	86,801
Fund Balance Carried Forward	<u>£79,259</u>	<u>£2,536</u>	<u>£3,613</u>	<u>£85,408</u>

Note on Restricted and Endowment Funds.

The original Appeal Committee transferred all investments held for or on account of the Appeal Fund to the British Institute for the Study of Iraq (Gertrude Bell Memorial) as an endowment, to be administered by the Council of the Institute pursuant to the resolution passed at a meeting held on the 14th day of January 1932. The Council has the power from time to time to vary or transpose any investments forming part of the Endowment Fund. The Charity changed its name with the approval of its members on 12 December 2007 and all the assets are now in the name of the British Institute for the Study of Iraq (Gertrude Bell Memorial).

The Bell Fund was created by the bequest from Gertrude Lowthian Bell CBE (died on 12 July 1926) "To pay the sum of six thousand pounds to the trustees for the time being of the British School of Archaeology in Iraq if shall have been founded before my death such sum to be invested by them and the income thereof to be used by them for archaeological work in Iraq...." (the first bequest) and by a second bequest from Sir Thomas Hugh Bell (died on 29 June 1931) of four thousand pounds. As the British Institute for the Study of Iraq was not established until 14 January 1932, the first bequest and the second bequest were vested in the Retiring Trustees of the British Museum, who invested the same and paid the income thereof to the Trustees from time to time of the British Institute for the Study of Iraq with effect from 14 January 1932 to 23 January 2007. On 23 January 2007 the Bell Fund was transferred from the British Museum to the British Institute for the Study of Iraq.

**BRITISH INSTITUTE FOR THE STUDY OF IRAQ
(GERTRUDE BELL MEMORIAL)
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009**

11. RESTRICTED INCOME FUNDS (CONT)

In 1973/74 The Bonham Carter Lecture Fund was endowed to support the lecture expenses of the Bonham-Carter lecture which takes place annually in memory of Lady Charlotte Bonham-Carter, a long standing member of the former Executive Committee of the BISI Council.

In 1977 Sir Max Mallowan bequeathed £2,500 for an endowment to the School, the income derived from the bequest was to be applied to the costs of providing an Annual Dinner at which a toast was to be made in memory of Sir Max and his late wife Dame Agatha Mallowan D.B.E. In 2004 the School approached Mrs Rosalind Hicks (Dame Agatha's daughter) and Mr Matthew Prichard and members of the family who agreed that the bequest could be utilised to support the costs of the BISI Annual General Lecture. Council and guests would continue to toast the memory of Dame Agatha and Sir Max Mallowan at the reception after the lecture.

In 2003 after the invasion of Iraq, the BISI received a number of unrestricted donations to assist with rebuilding the heritage of Iraq. In addition, Mrs Rosalind Hicks provided a donation of £20,000 to assist with scholarships for Iraqis to be called 'BISI Christie-Mallowan' Scholars. In 2005 the BISI launched a formal appeal to raise funds for further scholarships and assistance to the heritage sector in Iraq. These funds are now all amalgamated into the restricted 'Appeal & Fund for Iraq' and are used for scholarships and for the purposes set out in our Appeal brochure.

12. TOTAL FUNDS

	Endow- ment Fund	Working Fund (un restricted)	Appeal & Fund For Iraq	Mallowan Fund	Bonham Carter Lecture Fund	Total
	£	£	£	£	£	£
Investments	91,841	90,523	-	2,236	2,452	187,052
Fixed Assets	-	323	-	-	-	323
Debtors	-	11,344	1,815	-	-	13,159
Cash and Deposits at Bank	-	65,857	77,072	-	-	142,929
Creditors	-	(22,641)	-	-	-	(22,641)
Inter-Fund Balances	4,668	(6,482)	372	300	1,161	19
	<u>£96,509</u>	<u>£138,924</u>	<u>£79,259</u>	<u>£2,536</u>	<u>£3,613</u>	<u>£320,841</u>

13. UNRESTRICTED FUNDS

	Total
	£
Balance brought forward	143,506
Transfers	-
Realised and unrealised gains and losses	(10,084)
Net incoming resources	5,502
	<u>£138,924</u>

The Council of Management has reviewed the level of the Unrestricted Fund and had concluded that it is sufficient to cover contingencies. A separate Contingency Fund was deemed unnecessary.