



BRITISH ACADEMY
ANNUAL REPORT
2008/09



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*This image first appeared in Vidimus, the only on-line magazine
dedicated to medieval stained glass (www.vidimus.org).*

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FOREWORD

The Council, as Trustees of the British Academy, submits its annual report for the year ended 31 March 2009. In preparing the report, the Council has complied with the Charities Act 1993, the Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005), applicable accounting standards, and the Academy's Royal Charter.

In the past year the Academy has been particularly active on policy matters. It published a major review, *Punching our Weight: the Humanities and Social Sciences in Public Policy-Making*, chaired by Sir Alan Wilson, FBA, which received a warm welcome. The report argued that public policy-making must be informed by high quality research if it is to be effective, but that many opportunities to achieve this are currently being missed; it made a number of practical recommendations. The Academy acknowledges its own responsibility to help link expertise to policy-making, and to that end it has accepted an invitation to convene the national strategic forum for the social sciences. During the year a submission and oral evidence were given to the Commons Select Committee on universities and science, again setting out the need to ensure that policy-making is underpinned by expert knowledge.

The Academy also contributed to several government and other formal reviews during the year. With the other national academies we jointly submitted comments on research priorities to the Minister of Science. By and large, I believe there has been progress during the year, moving the debate away from a narrow focus on short term economic impact towards a broader view, taking account of a fuller range of effects on culture, policy and quality of life over a longer timescale. Yet despite this progress, there is a worrying and recurrent perception, not least in government, that the natural sciences should be privileged over other subjects when it comes to research funding.



I write in the midst of a recession, with the public finances under great strain and an uncertain outlook for public spending. While the government has confirmed its commitment to the 10 year science and innovation framework, with a ring-fence around research funding, the longer term outlook is uncertain. The Department of Innovation, Universities and Skills has been abruptly incorporated into a new Department for Business, Innovation and Skills. A general election is due within a year, and we are aware that, whatever the outcome, levels of public spending, including research, will be under pressure. The Academy will continue to make the case for the humanities and social sciences robustly and repeatedly, and to argue for their due share of research funding.

In spite of these headline events, the year was one of achievement. During the year the Academy was host to many remarkable events and discussions. We celebrated the varied successes of our grantees and postdoctoral fellows, and of many senior colleagues. New Year Honours were awarded to Sir David Cannadine, Dame Rosalind Savill, Linda Colley CBE, Duncan Gallie CBE, Andrew Pettigrew OBE, Carole Hillenbrand OBE and Graham Rees OBE. Vernon Bogdanor was awarded the Sir Isaiah Berlin Prize of the Political Studies Association; Nicholas Boyle was awarded the German Academy for Language and Literature's Friedrich Gundolf Prize; Peter Brown and Romila Thapar were joint winners of the US Library of Congress Kluge Prize; Sir Lawrence Freedman was awarded the Lionel Gelber Prize; Hermione Lee was awarded an English Speaking Union Ambassador Book Award; Thomas Nagel won the Schock Prize as well as the Balzan Prize; and Lord Parekh was appointed to the Global Advisory Council of the Prime Minister of India. I congratulate them all.

A handwritten signature in black ink, which appears to read 'Onora O'Neill'. The signature is fluid and cursive, written on a light-colored background.

Onora O'Neill
President

INTRODUCTION

This Annual Report once again reveals a vigorous range of activities, including several new developments.

The British Academy adopted a new strategic framework in 2008, setting out an ambitious set of objectives to govern its work over the next five years. Its principal priorities are: to support ideas, individuals and intellectual resources; to advance international engagement; and to strengthen the communication of work in the humanities and social sciences.

The Academy receives £22.5m funding annually from government to invest in supporting research and researchers across the humanities and social sciences. It manages a wide-ranging programme, from fellowships to small grants, discussions to publications, research projects to international partnerships.

The highest ever number of postdoctoral fellowships was awarded this year (49). New developments included the Newton International Fellowships (run with our sister national academies), designed to attract the brightest postdoctoral talent from overseas to the UK, and the British Academy Wolfson Research Professorships, generously funded by the Wolfson Foundation, offering extended research leave to a small number of outstanding scholars. There was continued welcome support from the Leverhulme Foundation, and increased grants from the Sino-British Fellowship Trust and the Cassel Educational Trust.

The Academy launched a report on research collaboration with scholars in Africa, and there was an encouraging response to an initiative to develop collaboration between European and Chinese researchers. The sponsored institutes overseas sustained their work, despite acute financial pressure arising from the weak pound. Two awards were made for collaborative research – on Islam, trade and politics across the Indian Ocean, and on clerical authority in Shiite Islam.



The past year has seen a vigorous programme of lectures, discussions and conferences. Highlights included a conference to celebrate the 75th anniversary of the Council for Assistance to Refugee Academics (Academy Fellows played a prominent part in its founding in the 1930s), a panel discussion on the 30th anniversary of the 1979 'Winter of Discontent', and the centenary Schweich Lectures in biblical studies. We also inaugurated a new series, British Academy Forums, providing a

meeting place for policy makers, academics, politicians and journalists to discuss issues of public policy. The *British Academy Review* now appears more frequently as a medium for communicating research to a wide audience.

A new prize in psychology was launched, funded by publishers Wiley-Blackwell. A generous bequest was received from the estate of a Fellow, Rev Professor Charles Moule, for the general purposes of the Academy. The Academy is now planning to develop its capacity for raising support from private sources.

A newly reconstituted Fellowship and Structures Committee has been created, responsible for the effectiveness and integrity of elections to the Fellowship. Changes to strengthen processes have already been introduced and further adjustments are under consideration. There have also been significant developments in the Academy's management and administration during the year, including a revamped website and corporate identity, preparation for a move to electronic grant-making, and the adoption of a new staffing structure. A senior management team, consisting of myself and three Directors, supports Council and its Management Advisory Committee.

The Academy's work continues to depend heavily on the unpaid contributions from its Fellows, for which I am, as ever, very grateful.

A handwritten signature in blue ink, which appears to read 'Robin Jackson'.

Robin Jackson
Chief Executive and Secretary

OFFICERS AND COUNCIL MEMBERS

AS AT 31 MARCH 2009

<i>President</i>	Baroness O'Neill of Bengarve*	
<i>Vice-Presidents</i> (ex-officio)	Professor Roger Kain * Professor Duncan Gallie * Professor David McKitterick * Professor Albert Weale * Rev Professor John Morrill * Professor Michael Fulford*	<i>Treasurer</i> <i>Foreign Secretary</i> <i>Publications Secretary</i> <i>Chair of the Research Committee</i> <i>Chair of CAC</i> <i>Chair of BASIS</i>
<i>Vice-Presidents</i> (Bye-law 14)	Professor Karin Barber * Professor Miles Hewstone *	
<i>Ordinary Members</i>	Professor Joseph Bergin Professor Christopher Bliss Professor Nicholas Boyle Rev Canon Professor David Brown Professor Nicholas Cook Professor Marianne Elliott Professor Sir Roy Goode Professor Geraint Jenkins Professor April McMahon Professor Susan Mendus Professor Stephen Mitchell Professor Linda Newson Professor M. Wynn Thomas	
<i>Group Chairmen</i>	Professor Hugh Williamson Professor Paul Edwards	<i>Chair of the Humanities Group</i> <i>Chair of the Social Sciences Group</i>
<i>Chief Executive and Secretary</i>	Dr Robin Jackson *	

* *Member of the Management Advisory Committee*

Audit Committee

<i>Chairman</i>	Professor Sir Roderick Floud
<i>Ordinary Members</i>	Ms Jacqueline Burke Mr Richard Garrick Sir Peter North Professor M. Wynn Thomas

Senior Management

<i>Chief Executive and Secretary</i>	Dr Robin Jackson
<i>Director of Finance & Corporate Services</i>	Ms Paola Morris
<i>Director of Programmes</i>	Dr Birgit Brandt
<i>Director of Communications & External Relations</i>	Mr Tim Brassell

REVIEW OF THE YEAR

RESEARCH PROGRAMMES

Over the past year the Academy has continued to foster excellence by providing scholars across the humanities and social sciences with opportunities to build independent research careers, to explore original ideas, to apply their findings where possible for public benefit and to engage in debates crucial for the advancement of knowledge. Investing in ideas, individuals and intellectual resources is a key priority which the Academy seeks to realise by offering a portfolio of distinctive career and research opportunities for outstanding scholars at all levels and by supporting long-term scholarly infrastructure projects, which create the resources on which future research can be built. New schemes such as the Wolfson Research Professorships have been valuable enhancements to this portfolio during 2008/09.

Professor Albert Weale

Chair of the Research Committee

RESEARCH GRANTS

SMALL RESEARCH GRANTS

The Academy's Small Research Grants scheme offers awards of up to £7,500 for the support of individuals or small-scale networks of scholars. Awards are often used to sponsor feasibility or pilot studies, and the relatively small amounts on offer enable the Academy to take risks in supporting innovative research where the outcomes may be less predictable than would be required for larger scale funding. They also offer support for the development of research capacity in the UK, particularly through fostering the advancement of scholars in the early stages of their career, and provide support to researchers based in a wide variety of institutions.

The scheme remains a high priority, with consultations with the research community regularly affirming its value in providing unique access to fast track, responsive-mode funding that is particularly beneficial to scholars in the humanities and the social sciences.

Application numbers continue to rise. In 2008/09 some 1,513 applications were considered and 573

awards were made. 13% of grants were awarded to staff in post-1992 universities and colleges of higher education, 23% to staff at Oxford, Cambridge and London, 58% to staff in other HEIs, and 5% to independent researchers. Grants ranged very widely across all disciplines, including support for Dr James Barnes (Oxford Brookes) for work on visual memory errors in Parkinson's Disease patients with visual hallucinations; for Dr Kobil Ruziev (Aberystwyth) to research informal credit institutions in post-communist Uzbekistan, and for Dr Nicola Creighton (Queen's Belfast) for 'Beyond Right and Left: Weimar's Intellectual Discourse Reconsidered'.

CONFERENCE GRANTS

During 2008/09, the Academy brought in a new Conference Support Grant scheme as a way of promoting the dissemination of advanced research and fostering intellectual networking and wider understanding. Levels of interest in the scheme far exceeded that of the schemes it replaced, indicating that the flexibility offered by the programme was widely valued by the community, but with a consequent low success rate. Conferences adopted under the scheme have included 'Communicating with the Persian Speaking World', a conference organised by Professor Annabelle Sreberny (SOAS) in June 2008, which brought together some of the top journalists, media experts and filmmakers from Iran, Afghanistan and Tajikistan, together with representatives from the United Nations, the British Foreign and Commonwealth Office, and the European Union. The conference placed particular emphasis on how participants could co-operate in the region in strengthening the legal and political framework in which journalists and filmmakers operate in highly sensitive political and cultural environments. 'Transmission of Credit Risk and Bank Stability' organised by Professor Shelagh Heffernan (CASS Business School, City University), held in May 2008, brought together more than 90 delegates from central and commercial banks, the Financial Services Authority, other regulatory bodies and organisations, and academics. Keynote addresses were given on 'The Regulatory Response to the Financial Crisis' and 'What Have We Learned from the Sub-Prime Crisis?'.

Papers from the conference can be accessed from: <http://www.cass.city.ac.uk/conferences/CreditRisk/Papers.html>.

The Academy also maintained its Overseas Conference Grant scheme, offering the opportunity for individual scholars, many of them at an early stage of their careers, to present ideas and research on a wider international stage, and to network with colleagues promoting some of the very best of UK scholarship. A total of 526 Overseas Conference Grants were awarded in 2008/09.

LARGER RESEARCH GRANTS/BRITISH ACADEMY RESEARCH DEVELOPMENT AWARDS

The British Academy Research Development Awards (BARDAs) scheme was launched in 2008/09 as a replacement for the former Larger Research Grants and Research Leave Fellowship awards. The scheme offers a flexible opportunity for established scholars at their creative peak to concentrate on research, freed from the constraints of teaching and administration, either focusing their research effort within a concentrated block of time, or spreading it in shorter recurrent periods over a period of up to three years. Demand was strong – 36 awards were made following the first competition, and reports received to date indicate that the scholars who are benefiting from the scheme are making significant progress with their research. Notable examples of researchers supported include Dr Tim Bowyer (Swansea University) who is working on ‘Social Support Amongst Post-Conflict Communities in the Peruvian Andes’ and Professor Malcolm Andrews (University of Kent) who is preparing scholarly editions of newly discovered letters by Charles Dickens. A small number of Larger Research Grants, awarded under the previous scheme, will continue to be supported to their conclusion. Meanwhile a second round of BARDAs was advertised during 2008/09 and the rate of application has remained very high. The success rate for this competition is expected to be 10%.

PRIVATE AND ADMINISTERED FUNDS

In addition to the projects supported with Government funding, the Academy made awards to 28 research proposals from its private endowments and donations. There were generous and welcome increases in the annual donations provided by the Sino-British Fellowship Trust and the Sir Ernest Cassel Educational Trust.

MONITORING AND EVALUATION

During 2008/09, 727 grant reports were assessed. Not only were award-holders found to have met their original objectives satisfactorily, but many have already resulted in publications, both in print and online. Many award-holders make a wider impact beyond academia. For example, Dr Gülnur Aybet, Lecturer in International Relations at the University of Kent and current holder of an Academy Larger Research Grant as Principal Investigator on a project on NATO and EU-State Building in Bosnia, was recently identified in a *Sunday Times* article as one of the most powerful Muslim women in Britain. Professor Chandra Sriram (University of East London) is the Chair of the International Studies Association’s Human Rights Section, and serves on the UN Development Programme’s expert roster as a human rights expert. She received funding through the Larger Research Grant scheme for a project on the Rule of Law in African Countries Emerging from Violent Conflict for a multi-author edited volume by expert scholars in law, African politics and conflict analysis. Chapters draw extensively on insights from policy-makers, and the lessons learned from the research will be of interest to policymakers in the UN and bilateral donor governments, including the UK. Dr Julian Randall (University of Aberdeen Business School) received a Larger Research Grant to facilitate his research on the role of the change agent in the management of cultural change, taking the merger between the Inland Revenue and HM Customs and Excise as a case study. No previous research project has enjoyed the same opportunity to examine the dynamics of a merger in the public sector of the size that this entailed. As part of the dissemination of results at the end of the research, Dr Randall and

Professor Stephen Procter (his Co-Investigator at the University of Newcastle Business School) made a formal presentation to the Board of HMRC, as a result of which they were subsequently invited to address the Annual Conference of Managers in HMRC in April 2009. Their research has significant implications for the overall debate about change in the Civil Service.

RESEARCH PROJECTS

The Academy supports a portfolio of 50 outstanding research projects, offering them a 'kitemark' of academic recognition together with modest annual funding of up to £5,000, generally used for travel and other costs associated with servicing their core activities. In many cases the Academy's limited financial contribution leads to the release of substantial funds from other private and public bodies, both in the UK and internationally: our overall annual contribution of around £350,000 helps secure total funding of more than £10 million. Some, such as the John Foxe Project, are virtually complete. Others, such as the Acquisition and Loss of Nationality Project (CITMODES) co-directed by Professor Jo Shaw (University of Edinburgh) and Professor Rainer Bauböck (European University Institute), are in the midst of developing an exciting programme of work – in this case, building a unique web-based 'observatory' of citizenship laws and policies in Europe.

As part of the rolling programme, detailed reviews were undertaken of nine projects, all of which were assessed as satisfactory, as were the annual progress reports received on all other projects. Around a dozen have research volumes published by the Academy and, including these, 34 editions and monographs arising from the projects were published during the year, including *St Augustine's, Canterbury* (Corpus of British Medieval Library Catalogues, 13) ed. B. Barker-Benfield (British Library Press, in association with the Academy), and *Martyrs and Martyrdom in England, 1400–1700*, ed. T. S. Freeman and T. F. Mayer

(Boydell and Brewer). Many projects have established a well-received presence on the internet – for example, *Vidimus* (www.vidimus.org), the online newsletter of the Corpus Vitrearum Medii Aevi, dedicated to medieval stained glass, has proved immensely popular with a broad, international readership.

The Academy received a highly satisfactory report on the progress of 'From Lucy to Language: The Archaeology of the Social Brain', its Centenary Research Project. Among many highlights, the project staged an international conference at the Academy in September 2008 entitled 'Social Brain, Distributed Mind', papers from which will be published as a volume in the *Proceedings of the British Academy*. 24 papers were published in scientific journals and edited collections, 67 more are in press, and a major edited volume on early kinship was published: *Early Human Kinship: From Sex to Social Reproduction*, eds. N.J. Allen, H. Callan, R. Dunbar and W. James (Blackwell-Wiley).

Restoration of medieval stained glass – illustration from *Vidimus*, the online newsletter of the Corpus Vitrearum Medii Aevi.



The Academy continued to administer private funds on behalf of the Lexicon of Greek Personal Names project and the Balzan Oppenheim Project as well as funding from the Packard Humanities Institute towards the continuing work on the *Dictionary of Medieval Latin from British Sources*.

RESEARCH POSTS

POSTDOCTORAL FELLOWSHIPS

Following increased funding from Government, the Academy was able to announce a record number of 49 three-year Postdoctoral Fellowship (PDF) awards, to begin in the autumn of 2008. However, the continued popularity and prestige of the scheme saw a further record number of applicants, resulting in a success rate well below 10%. The scheme is highly valued by the academic community as a means of providing sustained career development opportunities to outstanding scholars who have recently obtained their doctoral degree, offering them time to work on and write up new research, and to gain experience of teaching in the university environment.



New Postdoctoral Fellows at their induction day, November 2008

During 2008/09, 167 Postdoctoral Fellows, based in 36 different institutions, were supported. 37 awards were concluded, with most new alumni moving on to further academic appointments including permanent lectureships at Aberdeen, Edinburgh, the London School of Economics, Manchester, Reading, the School of Oriental and African Studies, and Surrey. In addition to preparing for publication monographs and a wide variety of articles for edited collections and peer-reviewed journals, Postdoctoral Fellows have reported many contributions to public life in the UK.

Dr Will Jennings' work on the management of the risks associated with the Olympic Games in London 2012 has been featured and extensively quoted in the media; Dr Kate Meagher made presentations to the business community demonstrating the capacity of the UK to contribute to growing business interest in how to engage with or anticipate the effects of the informal economy in Africa; and Dr Martina Tyrrell has been a regular contributor on radio and television on various Arctic, wildlife and climate change stories. In particular, she has addressed issues around Inuit knowledge of polar bears and the role they play in the lives of those people who most closely share their environment, despite the widespread media coverage given to polar bears as the 'poster species' for climate change. During the course of her Fellowship, Dr Sara Pons-Sanz (University of Nottingham) contributed to the 'So you think you are a Viking' exhibition at the Jorvik Viking Centre in York. Dr Polly Ha (University of Cambridge) was interviewed as part of the special features section for the DVD release of *The Other Boleyn Girl*, the popular film version of the novel by Phillipa Gregory.

Research carried out by Postdoctoral Fellows can have important policy relevance. For example, initial findings from the work being carried out by Dr Kathryn Asbury at the Institute of Psychiatry (King's College London), on the genetic and environmental underpinnings of over- and under-achievement among UK schoolchildren, indicates that an average of 60% of school achievement can be explained by genes, making it more heritable than breast cancer, alcoholism, schizophrenia or IQ.

2009 marks the twentieth anniversary of the first cohort of award-holders completing their Fellowships under this scheme, and the Academy maintains contact with the developing careers of former award-holders, around 84% of whom are known to be actively pursuing academic careers – 70% in permanent academic posts. Improved interaction with PDF alumni – now a network of more than 600 scholars – is a high priority and a series of regional networking events has been planned to add to the Academy's existing programme of events for current Fellows which includes an Induction Day for new PDFs and an annual symposium.

RESEARCH LEAVE FELLOWSHIPS

These awards, formerly called Research Readerships, were intended to enable established mid-career scholars to have time bought out of their normal teaching and administrative duties in order to concentrate their research effort on an approved programme of sustained study. The Academy decided to re-prioritise its support for mid-career scholars by developing the British Academy Research Development Awards (BARDAs, see above) and the Fellowship scheme has now ended, with the final seven awards being completed.

At least 90 publications have already appeared as a result of work undertaken by Research Leave Fellows, with a further 45 publications known to be in preparation. Highlights include Danny Dorling's co-authored works, *Identity in Britain: A Cradle-to-Grave Atlas* (Policy Press, 2007) and *Poverty, Wealth and Place in Britain, 1968 to 2005* (Policy Press, 2007); Nancy Edwards' *A Corpus of Early Medieval Inscribed Stones and Stone Sculpture in Wales, Vol II: South Wales* (University of Wales Press, 2007) and Stephen Smith's *Revolution and the People in Russia and China: A Comparative History* (CUP, 2008). Others to be published soon include Simon Ditchfield's *Papacy and Peoples: The Making of Roman Catholicism as a World Religion, 1500–1700* (OUP, forthcoming, 2010), Javed Majeed's *All Kinds of Queer Wild Languages: The Linguistic Survey of India, 1894–1928* (Permanent Black, forthcoming, 2010) and Walter Mattli's co-authored work *Privatizing Global Regulation: Who are the Winners and Losers?* (Princeton University Press, forthcoming, 2010).

PRIVATE FUNDS

The Academy received generous new support from the Wolfson Foundation which enabled a new series of British Academy Wolfson Research Professorships to be advertised. The purpose of these awards is to give an opportunity for extended research leave to a small number of outstanding established scholars, with emphasis also placed on the importance of award-holders communicating their plans and results to a broad audience. The competition attracted 174

applications for just four awards – with the outcome announced in May 2009.

Funding generously contributed by the Leverhulme Trust continues to enable the annual award of seven Senior Research Fellowships. The research enabled by this programme in 2008/09 included Martin Evans' work on 'Algeria: The Undeclared War', which has been accepted for publication by OUP, Lydia Morris' work on a sociological case study, 'What makes a judgement?' addressing the connection between idealised conceptions of rights and the study of rights in practice, and Kendrick Oliver's study of 'Piety, theology and religious revelation in the US Space Program, 1957–75'. Dr Oliver was the Academy's main speaker at the third annual Symposium for Senior Research Fellows held in December 2008, sharing a platform with speakers from the Royal Society and the Royal Academy of Engineering in a celebration of the Leverhulme Trust's ongoing support for this scheme through the three national academies.

The income from the Thank-Offering to Britain Fund continued to sustain a further Fellowship on the same terms as the Leverhulme Fellowships. The latest Thank-Offering to Britain Fellow to be appointed was Dr Patricia Clavin for her research on 'Bread and Butter Internationalism and the League of Nations, 1919–1945'.



Dr Mary Plummer (PDF 2005–2008, third left) with research assistants (from left to right) Kija Nyalali, Halima Abdallah, Gerry Mshana, Zachayo Salmba, and Joyce Wamoyi. Dr Plummer's project focused on lifestyles, sexual behaviour and HIV/STI risk in a young rural African population

INTERNATIONAL ENGAGEMENT

The Academy's international work forms a central part of its strategic activities, within four key priority areas:

Representing the UK

Providing leadership in representing the interests of UK humanities and social sciences internationally by contributing to the shape of international research funding and governance frameworks, and by emphasising the importance of HSS research in tackling global challenges

Partnerships

Supporting and stimulating international exchanges and networks, policy formation and research collaboration by developing and maintaining partnerships with key UK organisations, institutions abroad and international organisations, and Academy-sponsored bodies

Research facilitation and funding

Providing opportunities for UK researchers, both early career and established scholars, to develop international links and carry out research on and in other countries, contributing to networks and collaboration, enabling overseas researchers to interact with scholars in the UK

Communication

Initiating, participating in and influencing debates in the UK and overseas that address international concerns; enhancing the international visibility of UK research by communicating the contribution of international research and scholarship

The Academy has been working through the year to achieve closer integration of the different aspects of its international work, looking in particular at the relationship between the work of its Area Panels and its support for learned societies for their work overseas.

INTERNATIONAL RELATIONS

2008/09 saw a lively and wide range of activities in and with many parts of the world. Three key events, all of central importance for the Academy's international priorities, were the inauguration of the new Newton International Fellowships scheme, the launching of the CO-REACH programme fostering cooperation between Europe and China, and a major report on humanities and social science collaboration with Africa. We initiated two new relationships: with the Ghana Academy, a highly successful conference, organised jointly with the Royal Society in Accra, on the 'forgotten epidemic' of chronic disease; and with the Brazilian agency CAPES: a multi-disciplinary meeting of scholars in Rio de Janeiro on the subject of social difference in contemporary society.

Professor Duncan Gallie
Foreign Secretary

The Academy's international relations strategy, overseen by the International Policy Committee (IPC), emphasises the promotion of international research through a framework of agreements with partner academies and other research bodies; the representation of UK scholarship in international organisations and forums and the encouragement of international collaborative research capacity in priority areas. The Academy draws on the expertise of a number of regional Area Panels which provide advice on developing policy with regard to different regions of the world, and work closely with the sponsored institutes and societies in encouraging a programme of activities which reflect the UK's engagement with key regions.

During 2008/09 the IPC supported 40 agreements and memoranda of understanding (MoUs) with partner bodies in 30 countries, through some 53 research visits and joint projects. It has supported two conferences under the auspices of its two newest MoUs, with CAPES (the Brazilian Federal Agency for Support and Evaluation of Graduate Education), and with the Ghanaian Academy of Arts and Sciences in partnership with the Royal Society. 46 early-career scholars have been able to make short visits to the UK under its Visiting Fellowships scheme, which includes a focus on scholars from Africa and Latin America and the Caribbean, and, in partnership with the ESRC and AHRC, also from the Middle East, South Asia and China. The Committee also offered

14 new two- and three-year partnership grants supporting research and training in four key areas (Africa, Latin America and the Caribbean, the Middle East and South Asia), and has maintained support for a further 16 partnerships and links awarded in previous years.

During the year the Academy engaged with a number of international organisations, from European-centred bodies, such as ALLEA (All European Academies) and the European Science Foundation, to international organisations such as the International Social Science Council and the Union Académique Internationale. The IPC has supported a wide range of initiatives, from a UK Panel on translation at the Cairo Book Fair to special sessions on literature and borderlands for early-career scholars at the British Association of South Asian Studies' annual conference. The Academy's six Area Panels (for Africa, China, Europe, Latin America and the Caribbean, the Middle East and North Africa, and South Asia) are to be augmented by a seventh, charged with taking a strategic overview of relations with and important policy developments relating to East Asia.

Three major projects illustrate the way the Academy is addressing its international priorities.

NEWTON INTERNATIONAL FELLOWSHIPS

The Newton International Fellowships programme, funded and administered jointly with the Royal Academy of Engineering and the Royal Society, was launched in June 2008 by Ian Pearson MP, then Minister for Science and Innovation. The first round of the competition attracted over 700 applications, many of the highest quality. A total of 51 awards were made – the 13 awards in the humanities and social sciences under the Academy's auspices included Dr Chiara Franceschini from Italy going to the University of London's School of Advanced Study to work on 'On the edges: the unchristened dead and their fate in the Western tradition', Dr Katrien Pype from Belgium visiting the University of Birmingham to work on 'Presidential Propaganda on Kinshasa's Television Screens: An Exploration into Politics and Media in the Democratic Republic of the Congo (2009/10)' and Dr Andrey Scherbenok from the USA, who will be based at the University of Sheffield to work on 'Soviet Past

as the Traumatic Object of Contemporary Russian Culture'. The focus on early-career scholarship and strengthened partnerships with other UK academies are important priorities both for this programme and the Academy more widely.

CO-REACH

The Academy has continued to demonstrate international leadership in Europe through its engagement with the European Research Area Network Co-ordination Action CO-REACH initiative (Coordination of Research between Europe and China). After a successful conference in Beijing in May 2008 (a report of which is available in print from the Academy) at which European and Chinese social scientists and humanities scholars explored the synergies between their research, CO-REACH issued a Social Science Call, with an overall budget of around €1.5m from 11 European partners (including the British Academy, the AHRC and the ESRC) and the Chinese Academy of Social Sciences, focusing on five key areas of research, including cultural heritage, demography and the family, and governance. Over 80 applications were received, of which some 70% involved UK participation. The final awards will be made in May 2009. The project represents a first in terms of multilateral European collaboration with China in these fields.

Professor Duncan Gallie with panel members at the CASS social science conference, Beijing, May 2008





Dr Mhairi Gibson and colleagues – Dr Gibson held a UK-Africa Academic Partnership award from 2006 to 2008 during which she researched development intervention and demographic change in Ethiopia

THE NAIROBI REPORT

During the year the Academy's Africa Panel has brought to a conclusion a two-year project on new frameworks for Africa-UK collaboration in social sciences and humanities. After an initial survey of African scholars, some sixty African and British academics, publishers, and representatives of research and donor funding bodies met in Nairobi in September 2008 to explore the issues which had emerged from the survey. In March 2009 the Academy launched *The Nairobi Report* (available in print from the Academy or online from <http://www.britac.ac.uk/reports/nairobi/index.cfm>), drawing on the conference and the survey, which made a series of recommendations in three main areas: the necessity to improve structures, systems and governance to ensure stronger institutional foundations in Africa; the importance of developing communities and networks of scholars in Africa to encourage collaboration, given the relative fragility of individual institutions; and the value of investing in early-career scholars to ensure the health of future generations of scholarship. The Report draws attention to the necessity for a healthy humanities and social sciences sector to ensure that African scholars are able more effectively to address African problems and policy questions.

BRITISH ACADEMY SPONSORED INSTITUTES AND SOCIETIES

With programmes of research ranging from 'Language, space and power in modern Italy' and 'Geographies of power and development in South Asia' through to 'Exploring identities in the Levant' and the 'Cyrenaican Prehistory Project' in Libya, the sponsored institutes and societies have again shown the richness of their support to UK scholars undertaking research overseas, and against a very challenging financial background.

Professor Michael Fulford

Chair of BASIS

Progress was made during the year in bringing together the work of the network of sponsored organisations with the Academy's other international activities. Major milestones included the development of overarching international engagement aims, and the completion of a review of strategic objectives for British Academy Sponsored Institutes and Societies (BASIS), which focused on their unique and distinctive contribution to those aims. A central issue was how to optimise the impact of the financial support granted through the BASIS programme, recognising the critical role these grants play in obtaining other sources of funding. An independent review has helped identify issues and options.

The BASIS programme sponsors, shapes and develops a set of research institutes and learned societies that:

- facilitate, conduct and promote original international research and fieldwork by UK scholars across a wide range of humanities and social sciences disciplines
- build bridges and stimulate collaboration between UK and local overseas scholars and institutions, with British universities, between British and other foreign overseas research institutes, and amongst the sponsored organisations themselves
- maintain local facilities and networks, as appropriate, and provide financial, academic and logistical support to UK scholars, so that research is facilitated, capacity is developed and the next generation of researchers is encouraged
- provide channels for publication of and engagement with research issues and results.

During 2008/09, support was given to the following 14 organisations that facilitate and deliver research overseas:

Institutes with premises overseas:

British Institute at Ankara (BIAA)
British Institute in Eastern Africa (BIEA)
British Institute of Persian Studies (BIPS)
British School at Athens (BSA)
British School at Rome (BSR)
Council for British Research in the Levant (CBRL)

UK-based learned societies

African Studies Association UK (ASAUK)
Research Committee, Association of South East Asian Studies in the UK (ASEASUK)
British Association for South Asian Studies (BASAS)
British Institute for the Study of Iraq (BISI)
British Society for Middle Eastern Studies (BRISMES)
Egypt Exploration Society (EES)
Joint Initiative for the Study of Latin America and the Caribbean (JISLAC)
Society for Libyan Studies (SLS)

A fifteenth, the Council for British Archaeology, whose outreach and advocacy work in the UK does

much to raise and underpin interest in archaeology and the humanities in general, also received support.

Full information about all these bodies can be found on their respective websites.

In a further move to improve facilities for UK scholars working in Asia, the Academy has once more supported the European Consortium for Asian Field-study (ECAAF), which provides access to a network of some 20 European research institutes, and it is hoped that this may provide a model for similar consortia in other regions.

Sponsored organisations again delivered rich and ambitious programmes of activity during 2008/09, supporting and leading wide-ranging research programmes, publishing a suite of journals and monographs, and running a series of outreach events in the UK and overseas. This was achieved despite a severe deterioration in the value of their grants, resulting from the weakness of sterling against all the currencies in which they operate. The Academy was able to make some modest one-off payments in December 2008 to ameliorate a proportion of their losses, but further weakening of the pound since then, combined with some extremely high local inflation rates, will continue to pose acute challenges for the programme during 2009/10, with some reductions in activity becoming unavoidable. A major challenge

Dr Dawn Chatty, Professor David Forgacs, Professor Lord Bikhu Parekh, and Dr Renée Hirschon answer questions on the management of contemporary migration at the Evolving Societies event in November 2008



will be how to secure the UK's considerable and long-standing investment in these organisations in the face of these pressures and the prospect of tightening budgets within the Academy.

One of the ways in which BASIS has been working to optimise the impact of its funding activities is through an annual Collaborative Research Scheme which enables innovative new research to be carried out by international partners who otherwise would not have opportunities to work together. By providing funding over a three-year period, more substantial, longer term research projects can be developed, and two such awards have been made for the first time this year, focussed on strategically directed research spanning different disciplines, countries, and time periods:

- *Islam, Trade and Politics across the Indian Ocean: Interaction between Southeast Asia and Turkey and the Ottoman Empire, 16th–20th centuries* – involving the British Institute at Ankara, the Association for South-East Asian Studies UK, and researchers at Suleyman Demirel University, Turkey, National University of Singapore, International Centre for Aceh and Indian Ocean Studies, Indonesia, and National University of Malaysia
- *Clerical Authority in Shiite Islam: Culture and learning in the seminaries of Iraq and Iran* – involving the British Society for Middle Eastern Studies and the British Institute of Persian Studies, with contributions from the UK, Europe, Iraq and Iran, including the universities of Cambridge, Durham, Exeter, Oxford, and St Andrews, the Norwegian Institute of International Affairs, Università degli Studi di Siena, Mufid University and the Iman Khomeini Madrasa (Qum, Iran), Razavi University of the Islamic Sciences (Mashad, Iran), Bahr al-Ulum Institute and Kashif al-Ghita Foundation (Najaf, Iraq), as well as London-based Iranian and Iraqi diaspora seminaries.

A second BASIS showcase event, *Evolving Societies 2008*, was held at the Academy in November, featuring a compact and focused series of case studies on BASIS research activities arranged in parallel sessions: Professor Lord Parekh, FBA, chaired a session on the management of contemporary migration in Italy, Greece and the Middle East, and Professor Fulford chaired a session on cultural

heritage management for the benefit of local economies and societies.

The annual Forum meeting of BASIS committee members and institute and society representatives also took place in November, with a presentation from the UK Research Office in Brussels which set out sources of support for EU funding opportunities. Issues discussed during the meeting generally concerned the challenging funding context for 2009/10 and beyond, and ways in which the sponsored organisations could work together with the Academy to make the most effective use of available funds.

BASIS maintained its established rolling programme of reviews of the institutes, in order to evaluate, within a five-year cycle, each organisation's progress since the previous review, the efficiency, effectiveness and value for money of its operations, the quality of its outputs and its contributions to British Academy objectives – as well as its success in serving the needs of the UK's research community in a range of humanities and social science disciplines. In 2008/09 the work of the British School at Rome was reviewed, in a rigorous process that involved the preliminary gathering of structured documentation, a visit by members of BASIS to the organisation, and the production of a final report. The final stage will involve discussions of the report's recommendations with the senior officers of the organisation during 2009. As with other recent reviews, it was instructive and impressive to see how much the staff were able to accomplish with the funds at their disposal.

COMMUNICATIONS AND EXTERNAL RELATIONS

PUBLICATIONS

During the year, the Publications Committee has paid particular attention to developing strategies for the future, where e-publishing will play an increasingly important role. At a time of vigorously held opinions about academic publishing, the committee has continued to support and encourage the widest possible dissemination of research and informed discussion on public policy.

Professor David McKitterick
Publications Secretary

The Academy's publications operation plays an important role in supporting two of the Academy's research programmes – Postdoctoral Fellowships, and Academy Research Projects. Two-thirds of the 18 titles published in 2008/09 were associated with these two schemes.

The British Academy Postdoctoral Fellowship Monographs series provides early-career scholars with an opportunity to publish a work that will help establish their reputation. Five new volumes were published in the year, with subjects varying from

ancient Egyptian literature to Islam in modern Tanzania; and a further six new contracts were awarded.

The Academy also publishes 12 series of research resources arising from its longstanding Academy Research Projects. Seven new volumes appeared, mainly of primary source material for the study of medieval England. In a formal review of three series publishing illustrated catalogues of archaeological artifacts (Greek vases, medieval British coins, medieval British stained glass), the Publications Committee was impressed at the wider reach achieved for this material through the websites run by the relevant Projects.

To keep its academic titles available, the Academy is increasingly making use of the 'print-on-demand' facility offered through its principal distributor, Oxford University Press. Just over 50 titles may now be ordered in this way, keeping in print editions going back as far as the 1950s.

The Academy seeks to demonstrate to a non-specialist readership the value of humanities and social sciences scholarship – in general, and in particular in matters of topical debate. To this end, the *British Academy Review* is being developed and expanded into a wide-ranging collection of articles arising from the Academy's intellectual life. Two issues were published in 2008/09. The January 2009 issue had a strong international flavour: articles revealed both the impact of globalisation at the local level, and how local situations can defy simple global assumptions – with a particular focus on Latin America and the Caribbean. There are plans to publish three editions of the *British Academy Review* each year. Future issues will continue to balance themed and more general content – including some 'special issues' focused on particular subjects.

EVENTS

The past year saw a review of the Academy's events programme with three distinct objectives. The first was to reflect the overall priorities for the organisation as set out in the Strategic Framework for 2008-13, with particular reference to the Academy's need to increase the scope and impact of all its communications activities, including events. The second was to recognise that, given the constraints on resources from

A mural of Che Guevara from an article on urban slums in Brazil, Venezuela and Bolivia, published in the *British Academy Review* issue 12 (January 2009)
(Photograph: Dr Jeremy Lester.)



both public and private funds, and to sustain standards of excellence, limits had to be set on numbers and clearer priorities established for the types of events to be supported in future. The third, and arguably the most vital, was to seek to engage a wider range of audiences, communicating new research and perspectives and demonstrating the value of humanities and social science scholarship.

Rev Professor John Morrill

Chair of the Communications and Activities Committee

LECTURES AND CONFERENCES

A total of 17 Lectures and five Conferences and Symposia were held during the year. Highlights included:

What is the State? – The Twelfth Annual British Academy Lecture delivered by Professor Quentin Skinner, FBA. In his lecture, Professor Skinner considered a range of rival answers that have been offered to this question in modern legal and political thought, concluding that we might now be moving into a ‘post sovereignty’ era beyond the state.

Archaeology and the Bible: A Broken Link – The Schweich Centenary Lecture on Biblical Archaeology, delivered by Professor Graham Davies, FBA. In this special lecture (commissioned to mark the centenary of the first series of Schweich Lectures given by Professor S R Driver in 1908) Professor Davies explored the various ways in which biblical scholars and archaeologists have worked together in the past, and discussed how they might in the future.

Effective psychological treatments for anxiety disorders: science, policy and economics – The joint British Academy/British Psychological Society Annual Lecture delivered by Professor David Clark, FBA. This lecture discussed a cognitive science approach to developing new and effective psychological treatments for anxiety, and reviewed ways of overcoming obstacles with particular emphasis on the Government initiative on ‘Improving Access to Psychological Therapies’.

John Milton – A Symposium on the Quatercentenary of his Birth – This conference, convened by Professor Paul Hammond, FBA, marked

the 400th anniversary of the birth of John Milton on 9 December 1608. Milton’s standing was unparalleled in English culture: the conference took stock of various aspects of his rich and diverse legacy, and his unparalleled standing in English culture both as the greatest English poet after Shakespeare and as a far-reaching influence on the poetry and political thought of subsequent generations. The day concluded with a poetry reading from Professor Geoffrey Hill, drawing on a selection of Milton’s work and his own poetry.



Participants at the ‘Trust in Public Life’ panel discussion: Lord Wilson of Dinton, Professor Peter Hennessy, FBA (Chairman), Baroness O’Neill, President of the British Academy, and Mark Thompson, Director General of the BBC. (Photograph: David Graeme-Baker)

PANEL DISCUSSIONS AND WORKSHOPS

During 2008/09 a total of 12 panel discussions and nine workshops and other events were held. Highlights included:

Rescuing The Housing Market – This debate, convened and chaired by Professor Susan J Smith, FBA, looked beyond the ‘credit crunch’ to more imaginative ways of sharing the benefits and mitigating the risks of volatile housing markets and debated such questions as, Should people hold less of their wealth in their homes? and Could shared ownership be the key to sustainable housing futures? The discussion was featured on BBC Radio 4’s *Start the Week* and the Academy has made the discussion available as a podcast via its website.

Trust in Public Life – This panel discussion brought together BBC Director General Mark Thompson, former Cabinet Secretary Lord Richard Wilson, and Onora O’Neill, PBA (who gave the seminal Reith Lectures in 2002 on the subject of trust) to debate

whether public trust in our major institutions has fallen as much as is widely suggested and if there are any remedies for arresting its decline.

Talent and Autism – This joint British Academy/Royal Society discussion, convened by Professor Uta Frith, FBA, FRS, and Professor Francesca Happé, explored the raised incidence of extraordinary talent in individuals with autism – one of psychology’s big unexplained puzzles. The panel explored whether talent results mainly from nature or nurture, and whether there is a price to pay for exceptional ability in one domain.

The Winter of Discontent in British Politics – Politicians, policy makers and academics came together for this event to consider the industrial strife that beset the Callaghan government in the winter of 1978/79. The ‘Winter of Discontent’ was seen at the time as a key factor in Labour’s defeat in the general election of 1979 but has continued to resonate in British politics for many years after; indeed its echoes are still plainly with us in press coverage and political rhetoric today. The debate was convened by Dr Lawrence Black, Dr Hugh Pemberton and Professor Pat Thane, FBA and was chaired by Peter Riddell of *The Times*.

Archaeology and wildlife: past, present and future – A workshop convened by John Gowlett and Terry O’Connor was organised as part of the British Association’s Festival of Science at the University of Liverpool in September 2008. Contributors addressed the impact of habitat destruction and the loss of biodiversity, and the ways in which conservationists are recognising the importance of understanding the distribution and abundance of wildlife in the past as well as the present, in order to plan for the future.

BRITISH ACADEMY FORUMS

In June 2008 the Academy brought together senior academics, civil servants and policy makers for a timely discussion of the significance of the Government’s draft Constitutional Renewal Bill – just as Parliament’s Joint Committee on the subject was at work. Building on the success of this, Council approved the establishment of a series of British Academy Forums, which would provide a neutral forum for argument based on research and evidence,

to help frame the terms of public debates and clarify policy options. On 2 March 2009, 30 eminent academics, politicians, civil servants and journalists assembled to discuss ‘The Strange Career of British Democracy’ – inspired by the recent influential book by Professor David Marquand FBA. Transcripts of both workshops are available on the Academy’s website. Future Forums will cover topics such as the recession and the legality of military interventions.

WEB-BASED ACTIVITIES

The Academy places great emphasis on maintaining and developing its website (www.britac.ac.uk). The website is both the primary source of information about the Academy and its activities – for example, policy-related and other publications, information on research grants and awards, and the Academy’s events programme – and also provides links to a wide range of scholarly bodies and resources, nationally and internationally.

The major development in the past year was the relaunch of the site in August 2008 in the new corporate livery and with improved navigation and accessibility. In 2009/10, we will be concentrating on further developing the content of the site, including building on the library of podcasts (downloadable audio files) of events that we began developing in 2009, adding richer, more varied multimedia content to the site.

As ever, we are keen to receive feedback from the Fellowship and other users of the site on ways in which it can be improved.

POLICY ENGAGEMENT

The Academy regularly produces policy reports and statements which focus on issues of particular concern to the humanities and social sciences (HSS). The objectives are to:

- provide independent evidence and knowledge for policy formulation and key areas of public concern
- highlight the contributions the humanities and social sciences make to the UK
- review the condition and health of the sector.

In 2008/09, the Academy undertook two major studies:

Punching our Weight: Humanities and Social Sciences in Public Policy-Making

The report explored ways in which the relationships between public policy makers and HSS academic researchers might be improved, in order to support the effectiveness of Government decision-making. It was informed by extensive soundings from both policy makers and academics. The report found that both sides were in agreement that a greater contribution from the humanities and social sciences was needed, especially as the challenges faced by society – globalisation, climate change, social mobility, cultural understanding, happiness and quality of life – are growing in complexity and require the development of a more sophisticated understanding of human behaviour.



Sir Alan Wilson and Ian Pearson MP, then Minister for Science and Innovation, at the *Punching our Weight* launch event

organisations and think tanks. Attending the launch, the then Minister for Science and Innovation, Ian Pearson, said:

‘The humanities and social sciences are an integral part of our vision and have much to contribute to the debate on the great issues that affect us all. ... I welcome the publication of this

report and its focus on increasing the contribution of humanities and social science research... The [Academy] report is also a timely contribution to our continuing public consultation on developing a new Science and Society strategy for the UK.’

Language Matters This study was set up in response to concerns that UK-born researchers are not taking up opportunities to undertake projects requiring advanced knowledge of languages other than English, because they do not have the language skills they need. External researchers were commissioned to explore the hypothesis that research in certain fields was not being done, or was being done badly. The findings, together with the Academy’s own conclusions on the action that needs to be taken to address the problems identified, will be presented at a conference in June 2009, which will be attended by the Minister for Higher Education and Intellectual Property, David Lammy MP.

The Academy also responded to a number of major national consultations during 2008/09, including:

- *Taking Forward the Gowers Review of Intellectual Property: Proposed Changes to Copyright Exceptions*. The British Academy’s submission to the UK Intellectual Property Office consultation (April 2008).
- *ESRC Consultation on its Strategic Plan 2009–2014* (September 2008).
- *A Vision for Science and Society – consultation by the Department for Innovation, Universities and Skills (DIUS)* (October 2008) – proposals for the development of a new UK strategy for Science and Society.
- *RCUK (Research Councils UK) Consultation on A Code of Conduct and Policy on the Governance of Good Research Conduct* (October 2008).
- *Putting Science and Engineering at the heart of Government Policy – an inquiry by the House of Commons Innovation, Universities, Science and Skills Select Committee* (January 2009).
- *A Review of the Government Official History Programme* (March 2009).
- *Strategic Science Funding*: a response to the request by Lord Drayson, Minister for Science and Innovation, for advice on ways in which the UK research base can best be exploited to help the UK maintain its competitive edge (March 2009).

FELLOWSHIP PROGRAMMES

The Fellowship of the British Academy is organised in 18 Sections by academic discipline and subject. The Sections met as normal twice during the year, in January and March, to transact electoral business and to consider various policy issues and other aspects of the Academy's activities. Each Section appoints a Standing Committee, typically composed of six members, to prepare business and act for the Section where appropriate. Sections also appoint dedicated officers to deal with particular aspects of the Academy's grant-giving activities.

In addition to the Sections, there are two Groups, for the Humanities and the Social Sciences, composed of Section representatives, which meet twice a year. The Groups perform electoral and other functions, making recommendations to Council regarding elections to the Fellowship and advising on matters to do with the particular interests of humanities and social science scholarship.

The Fellowship and Structures Committee was given a revised remit in the course of the year. It meets twice a year, to recommend to Council any structural changes appropriate for the Fellowship; to monitor the process of election to the Fellowship; and to consider the claims of persons whose work does not sufficiently fall within the purview of any one Section.

This year was the first year in which a revised electoral process was introduced, involving disclosure to candidates that they were under consideration for the Fellowship and the commissioning of independent assessments, usually from leading scholars and scientists overseas.

At the Annual General Meeting of Fellows held on 17 July 2008, 35 candidates were elected to Ordinary, three to Senior, and 10 to Corresponding Fellowship of the Academy.

ELECTIONS AT THE 2008 AGM

ORDINARY AND SENIOR FELLOWSHIPS

Professor Sara Arber, Professor of Sociology, University of Surrey; Co-Director, Centre for Research on Ageing and Gender

Professor Alan Baddeley CBE, FRS, Professor of Psychology, University of York

Professor Michael Bell, Professor of English and Comparative Literary Studies, University of Warwick

Professor John Blair, Professor of Medieval History and Archaeology, University of Oxford; Fellow and Praelector, The Queen's College

Professor Martin Browning, Professor of Economics, University of Oxford; Fellow, Nuffield College

Professor Harald Clahsen, Professor of Linguistics, University of Essex

Professor Trevor J Dadson, Professor of Hispanic Studies and Vice-Principal (Humanities & Social Sciences), Queen Mary, University of London

Professor Jon Driver FMedSci, Director, Institute of Cognitive Neuroscience, University College London

Professor David Firth, Professor of Statistics, University of Warwick

Professor Chris Frith FRS, Emeritus Professor of Neuropsychology, Wellcome Trust Centre for Neuroimaging, University College London; Niels Bohr Visiting Professor, University of Aarhus

Professor Roberta Gilchrist, Professor of Archaeology, University of Reading

Professor Robert Hillenbrand, Professor Emeritus, History of Art, University of Edinburgh

Professor Colin Jones, Professor of History, Queen Mary, University of London

Professor Oliver B Linton, Professor of Econometrics, London School of Economics

Professor Julius Lipner, Professor of Hinduism and the Comparative Study of Religion, University of Cambridge

Professor Ruth Mace, Professor of Evolutionary Anthropology, University College London

Professor Christopher McCrudden, Professor of Human Rights Law, University of Oxford; Fellow, Lincoln College

Professor Linda McDowell, Professor of Human Geography, University of Oxford; Fellow, St John's College

Professor Iain McLean, Professor of Politics, University of Oxford; Official Fellow in Politics, Nuffield College

Professor Hugh McLeod, Professor of Church History, University of Birmingham

Professor Daniel Miller, Professor of Anthropology, University College London

Professor Peter Neary, Professor of Economics, University of Oxford; Fellow, Merton College

Professor Vivian Nutton, Professor of the History of Medicine, University College London

Professor Stephen Oakley, Kennedy Professor of Latin, University of Cambridge

Professor Michael O'Brien, Professor of American Intellectual History, University of Cambridge; Fellow, Jesus College

Professor Ray Pahl, Visiting Research Professor, University of Essex; Professor Emeritus of Sociology, University of Kent

Professor Roger Parker, Thurston Dart Professor of Music, King's College London

Professor Kenneth Reid CBE, FRSE, WS, Professor of Property Law, University of Edinburgh

Professor Martin J S Rudwick, Affiliated Research Scholar, History and Philosophy of Science, University of Cambridge; Professor Emeritus of History, University of California, San Diego

Professor Roger Scruton, Senior Research Fellow, Blackfriars Hall; Research Professor, Institute for the Psychological Sciences, Arlington, Virginia

Professor Vivienne Shue, Professor and Director, Contemporary China Studies, University of Oxford

Professor Paul Julian Smith, Professor of Spanish, University of Cambridge

Professor Susan J Smith, Professor of Geography and Director of the Institute of Advanced Study, Durham University

Professor Lisa Tickner, Professor Emerita of Art History, Middlesex University; Visiting Professor, Courtauld Institute of Art, University of London

Professor John Tiley, Professor of the Law of Taxation, University of Cambridge; Fellow, Queens' College

Professor Charles Townshend, Professor of International History, Keele University

Professor Tony Wilkinson, Professor of Archaeology, Durham University

Professor Mark Williams, Professor of Clinical Psychology and Wellcome Principal Research Fellow, University of Oxford

CORRESPONDING FELLOWS

Professor Agostino Paravicini Bagliani, Professor of Medieval History, University of Lausanne

Professor Thomas Elsaesser, Research Professor, Media and Culture, University of Amsterdam

Professor Daniel Kahneman, Eugene Higgins Professor of Psychology and Emeritus Professor of Public Affairs, Princeton University

Professor Martha Nussbaum, Ernst Freund Distinguished Service Professor of Law and Ethics, University of Chicago

Professor Peter C B Phillips, Sterling Professor of Economics and Professor of Statistics, Yale University; Distinguished Alumnus Professor, University of Auckland; Distinguished Term Professor, Singapore Management University; Adjunct Professor, University of York

Professor Anthony Reid, Director, Asia Research Institute, National University of Singapore

Professor Pat Rogers, DeBartolo Professor in the Liberal Arts, University of South Florida

Professor Dame Anne Salmond, Distinguished Professor of Maori Studies and Anthropology, University of Auckland

Professor Dan Sperber, Directeur de Recherche au Centre National de la Recherche Scientifique, Institut Jean Nicod, Paris

Professor Bas C van Fraassen, Distinguished University Professor, San Francisco State University

HONORARY FELLOW

Professor Sir Michael Marmot FRCP, FFPHM, FMedSci, Director, International Institute for Society and Health; MRC Research Professor of Epidemiology and Public Health, University College London

OBJECTIVES AND ACTIVITIES

During 2008/09 the British Academy agreed a five year Strategic Framework for 2008 to 2013. The Academy's fundamental purpose was re-stated as being

‘to inspire, recognise and support excellence and high achievement in the humanities and social sciences, throughout the UK and internationally, and to champion their role and value’.

ROLES

In fulfilling this fundamental purpose, the Academy combines several roles:

- as a Fellowship composed of distinguished scholars elected by their peers, it takes a lead in representing the humanities and social sciences, facilitating international collaboration, providing an independent and authoritative source of advice, and contributing to public policy and debate.
- as a learned society, it seeks to foster and promote the full range of work that makes up the humanities and social sciences, including inter- and multi-disciplinary work.
- as a funder, it supports excellent ideas, individuals and intellectual resources in the humanities and social sciences, it enables UK researchers to work with scholars and resources in other countries, sustains a British research presence in various parts of the world and helps attract overseas scholars to the UK.
- as a national forum for the humanities and social sciences, it supports a range of activities and publications (print and electronic), which aim to stimulate curiosity, to inspire and develop future generations of scholars, and to encourage appreciation of the social, economic and cultural value of these disciplines.

STRATEGIC PRIORITIES

In order to deliver its objectives, the Academy has identified its strategic priorities for the medium term (2008-13) under the following four main headings:

- **Ideas, Individuals and Intellectual Resources:** Advance the humanities and social sciences by providing distinct career and research opportunities for outstanding scholars at all levels – including those at an early career stage. Support long-term scholarly infrastructural projects, which create the resources on which future research can be built.
- **International Engagement:** Promote UK humanities and social sciences internationally and build international collaboration; create opportunities for UK researchers overseas, and help attract outstanding international talent to the UK; support a British research presence overseas and facilitate dialogue and understanding across cultural and national boundaries.
- **Communications and Advocacy:** Increase the scope and impact of communications and policy work; create and support events and publications that communicate new research and perspectives; encourage public debate and demonstrate the value of humanities and social science scholarship to a wide range of audiences.
- **Fellowship:** Strengthen opportunities and structures by which Fellows can contribute their expertise to the intellectual life of the Academy and the country.

For further information about the Academy's Strategic Framework please visit:
<http://www.britac.ac.uk/misc/mission.cfm>

GOVERNANCE AND MANAGEMENT

AS AT 31 MARCH 2009

The Academy is a charity, registered with the Charity Commission for England and Wales under number 233176. The Officers and Council Members, the Audit Committee and Senior Executives are listed on page 6. The principal place of business (the registered office at 10 Carlton House Terrace) and professional advisors of the charity are listed on page 2.

The British Academy, an independent corporation, was established by Royal Charter in 1902, from which it derives its legal status. Its Objects were redefined in a Supplemental Charter granted in its Centenary year as: 'the promotion of the study of the humanities and the social sciences'. The British Academy is thus the UK's national academy for the humanities and the social sciences, the counterpart of the Royal Society, the UK's national academy of science. Its objectives, powers and framework of governance are set out in the Charter and its supporting Bye-Laws, as approved by the Privy Council. In the course of the year, the Privy Council approved a number of changes to the Academy's Bye-Laws, designed to streamline the conduct of its affairs.

The Academy is a private, independent, self-governing body, composed of some 880 Ordinary Fellows elected in recognition of their distinction as scholars and researchers in a branch of the humanities or social sciences. Up to 35 scholars are elected to the Ordinary Fellowship each year. In all, including Corresponding (i.e. overseas) and Honorary Fellows, there are some 1,150 Fellows of the British Academy.

Under the terms of the founding Charter, 'The Government of the Academy shall be vested in the Council and in the Fellows assembled in General Meeting'. Council is the governing body responsible for the finance, property, investments and general business of the Academy, and for setting its strategic direction. It is chaired by the President and composed of six other Honorary Officers, elected annually at the General Meeting of Fellows, and 15 Ordinary Members, of whom five are elected each year at the same meeting to serve for a three-year term. None of the Officers or Members of Council receives any payment apart from the reimbursement of expenses for the work that they do for the Academy. Council is responsible, through the Chief Executive and Secretary, for the administration and management of



The Academy's
premises at 10
Carlton House
Terrace

the affairs of the Academy and is required to present audited financial statements for each financial year.

New members of Council initially receive a range of documents issued by such bodies as the Charity Commission and the Cabinet Office (Office of Public Service) regarding their responsibilities as Charity Trustees and guidance on good practice for board members of public bodies. Subsequently they also attend a meeting with the Academy's Officers to receive presentations concerning the accountability of Trustees, their responsibilities as custodians of public funds, the annual cycle of Council meetings and the regular business to be transacted, and the means of raising issues for the attention of the management and Council. These induction procedures are reviewed annually by Council.

The Council meets at least five times in each academic year. It is assisted by the Management Advisory Committee, which provides a forum for discussion of all matters to do with the strategy, direction, organisation and financial management of the Academy. It also has formal responsibilities relating to management of the Academy's affairs: to advise the Treasurer and the Chief Executive and Secretary on the conduct and management of the Academy's administrative and financial business, and to report on them to Council.

The Treasurer is the Honorary Officer principally responsible for the Academy's financial affairs. The

principal Executive Officer of the Academy is the Chief Executive and Secretary, who is responsible, in conjunction with the Treasurer, for conducting and managing the Academy's business in accordance with the policies and procedures from time to time prescribed by Council. Under the terms of the Financial Memorandum between the Academy and the Department of Innovation, Universities and Skills (DIUS), the Chief Executive and Secretary is the designated Accounting Officer for the Government's financial support.

The Academy has for many years received annual grants from public funds. This support comes from the Science and Research budget, as allocated by the Department for Innovation, Universities and Skills.

The British Academy endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty, and leadership) and with the Guidance on Codes of Practice for Board Members of Public Bodies, issued by the Cabinet Office (Office of Public Service).

Specialist committees oversee each of the areas of principal activity, mapped to the organisation's objectives and strategic priorities:

- Research Programmes, co-ordinated by the Research Committee with separate components for research grants, research projects and research posts;
- International and Institutional Programmes, which are overseen by the International Policy Committee (IPC) and the Board for Academy-Sponsored Institutes and Societies (BASIS);
- Communications and External Relations, which are overseen by the Publications Committee and the Communications and Activities Committee (CAC);
- Fellowship Programmes, supervised and shaped by the 18 Sections of the Academy (representing the different disciplines) and the two Groups of Humanities and Social Sciences.

In addition, there is an Audit Committee, made up of three Fellows and two external members, and an Investment Management Committee, which supplies advice on investment strategy and management.

PUBLIC BENEFIT REPORTING

The Council, as formal Trustees of the Academy, operate in accordance with the Charities Act 2006 and this Annual Report meets the requirement in the Act to set out the public benefits of the Academy's work. The Council is also satisfied that it has complied with the duties set out in Section 4 of the Act to have due regard to the public benefit guidance published by the Charity Commission.

RISK MANAGEMENT

The Council has identified and reviewed the major risks to which the British Academy is exposed and is satisfied that systems are in place to mitigate them. A risk register is monitored by senior management and the Audit Committee, and reviewed and formally adopted by the Council annually. The review of risk management is included in the terms of reference of the Audit Committee.

GRANT MAKING POLICY

The Academy's grant making policy and procedures are set out in its Code of Practice for Consideration of Research Proposals. The Academy issues guidelines on the information to be supplied by applicants, details of the criteria against which applications are assessed, and the process and timescale for the assessment of applications. Applications are judged on their academic merit through a stringent process of peer review by appropriately qualified experts.

Recommendations are passed to the relevant awarding committee for the final decision on awards. All applications receive careful scrutiny by assessors, who are normally drawn from subject-specific experts within the Academy's Fellowship. Appeals may not be made against the academic judgement of the Academy's assessors, panels, or committees. An appeal may be made on the sole ground of improper procedure. Assessors are required to declare actual or potential conflicts of interest. Fellows of the Academy who wish to apply for a grant during the period in which they are serving in any capacity as an assessor must abstain from any involvement in the competition to which they are applying. The Code of Practice is reviewed annually.

FINANCIAL REVIEW

FINANCIAL REVIEW OF THE YEAR 2008/09

The Statement of Financial Activities shows a planned net surplus (all funds) of £431,061 (2008: £897,376) for the year. There is in addition a net unrealised loss on investments of £1.779m (2008 £422,546 loss), bringing the net movement in funds, a loss for the year, to £1.348m (2008: £474,830 surplus), most of which relates to the Restricted Funds, £1.221m. Of the Total Funds balance at 31 March 2009, £10.185m, £146,608 (2008: £164,163) relates to public funds. This amount has been spent and is tied up in capitalised/fixed assets.

INVESTMENT POLICY

The Academy's primary aim is to achieve growth of capital and an annual income set by Council. It achieves this by applying a proportion of its funds in equity and/or equity related investments balanced by an element of lower risk, stable income generating investments such as fixed-interest gilts. Performance is assessed over the longer term. A period of five years is considered appropriate. Council is advised on investment matters by an Investment Management Committee chaired by the Treasurer and with at least one member external to the Academy with professional fund management experience. The bulk of the funds, £5.494m (of the total invested, £5.933m at 31 March 2009) have been invested in three tracker funds managed by Barclays Global Investors Limited (BGI): in the ChariTrak UK Equity Income Fund (39.2%), the BGI Index Selection Funds (overseas equities funds, 41.1%) and the UK Corporate Bond Fund (18.7%). The BGI portfolio is invested to generate interest and dividend income of at least £150,000 per annum; actual BGI income for the year ended 31 March 2009 was £241,269. The actual performance of the BGI funds in total, a loss of 21.45% for the year ending 31 March 2009, is considered satisfactory when compared to the benchmark of -21.87%. In addition to the BGI investments, the Marc Fitch Fund is invested separately and generated income of £14,571; the fund is managed by Lombard Odier. Funds are also invested in bank and money market accounts, to provide some liquidity; this generates additional investment income.

The Academy is one of many charities adversely affected by the financial situation of the Icelandic

banks, having for several years held a tracker deposit with Kaupthing, Singer and Friedlander who went into administration in early October 2008. The balance on this deposit account was significantly reduced during the year and at the date of administration it stood at £229,527. Reflecting the high degree of uncertainty in the outcome of our efforts to reclaim this sum, the Academy has written down its net assets by this amount.

RESTRICTED FUNDS

The majority of the Academy's income comes from the DIUS grant which was £22.540m in 2008-09 as compared with £22.585m in 2007-08, a decrease of 0.2%. DIUS funding for 2007-08 included a once-off injection of £1.2m; underlying growth in DIUS funding from 2007-08 to 2008-09 was therefore a 5.4% increase. During the year grants of £348,758 were returned, compared with £257,418 in 2007-08. Incoming 'funds administered' on behalf of other organisations amounted to £448,213 compared to £373,842 in 2007-08. There was in addition a grant from the ESRC, £20,765 in 2008-09 compared with £141,030 in 2007-08, that helps to fund the Academy's China programmes.

The cost of generating funds was £338,593 in 2008-09, decreased from £343,394 in 2007-08.

Resources expended on Grants, Awards and Activities amounted to £23.022m in 2008-09 compared with £22.420m in 2007-08, an increase of 0.6m or 2.7% primarily an increase in research grants and awards related to research posts. There were three principal strands of expenditure:

- **Research programmes** – research and conference grants, research projects and research posts, and policy studies, which amounted to £15.633m, or 67.9% of this expenditure and an increase of 4.3% over 2007-08;
- **International and institutional programmes** – the Academy's own overseas exchanges and activities, and support for Academy-sponsored Schools, Institutes and Societies and the Council for British Archaeology, which totalled £5.747m or 24.9% of this expenditure and a decrease of 3.3% compared with 2007-08;
- **Communications and related activities** – lectures, symposia and other events contributing

to greater public understanding of the humanities and social sciences, which totalled £825,929 or 3.6% of this expenditure and a decrease of 3.4% compared with 2007-08.

Other grants and prizes from the Academy's private funds and funds administered on behalf of other organisations amounted to £715,349, 3.1% of this expenditure, compared with £581,343 in 2007-08, 2.5% of the 2007-08 expenditure.

During the year, the Rose Mary Crawshay Prize for English Literature Charity was removed from the Central Register of Charities and its assets of £19,164 were transferred under the direct management of the Academy, under endowment funds.

The depreciation of leasehold improvements amounts to £100,463 each year, and in 2008-09 that was 0.44% of this expenditure.

Governance costs are those related to external and internal audit, Council and AGM meetings, and related staff costs. Total governance costs in 2008-09 were £226,016 compared with £215,782 in 2007-08, an increase of 4.7% due to an increase in staff and travel costs.

Support costs for charitable activities, including governance, amounted to £669,945 in 2008-09, 2.9% of total resources expended on Charitable Activities of £23.248m, compared with £813,706 in 2007-08, which was 3.6% of resources expended of £22.636m. Support costs in total decreased, from £989,428 in 2007-08 to £822,321 in 2008-09, 16.9%. Total Academy support costs are allocated to all programme activities based on head count.

Staff costs amounted to £1.644m in 2008-09, 6.7% of total resources expended of £24.620m, compared with £1.566m in 2007-08, 6.57% of total resources expended of £23.828m. The actual increase of £78,000 or 4.97% was primarily the result of contractual pay awards and pension costs.

GENERAL FUNDS

Income of £739,558 was generated from room hire and office rent and fees, including the reimbursement

of related expenses, compared to £447,272 in 2007-08. Total expenses in 2008-09 were £709,879 compared with £496,915 in 2007-08. There was a surplus of £29,679 in 2008-09 compared with a deficit of £49,643 in 2007-08. The Academy also earned interest of £103,768 on its bank balances bringing the General Fund balance to £297,384 at 31 March 2009.

DESIGNATED FUNDS

The Academy Development Fund (ADF) had incoming resources of £260,816 primarily from investment income of £105,623 and subscriptions of £65,775 and resources expended of £164,788 primarily for administrative costs related to Fellowship activities and the Pictures, Portraits and Decorations programme. Net realised and unrealised gains/losses on investments increased from an unrealised loss of £129,014 in 2007-08 to an unrealised loss of £553,799 in 2008-09.

The Academy's Publications Fund had income of £185,028 and direct production costs of £148,868 in 2008-09 compared with £332,464 and £284,849 respectively in 2007-08. The fund balance was £263,002 at 31 March 2009, and is reviewed annually.

The Academy's lease with the Crown Estate requires that the external redecoration of the building be carried out every four years, with the next redecoration due in 2009 (postponed by the Crown Estate from summer 2008). An amount is 'reserved' each year in the Designated Fund, with £240,000 set aside in 2008-09. The Fund for Building Repairs and Maintenance was increased by £25,000 in 2008-09 to bring it to £265,000. The Fund is a contingency, to cover extraordinary capital repairs; the annual budget for premises is then reduced in order to free up funds for programme activities. A Fund was also set up in 2006-07 to accumulate sufficient funds to finance a major overhaul of the Academy's website within the following five years; £10,000 has been set aside in 2008-09. A Fund has been set aside to accumulate sufficient funds to finance the Organisational Development Programme; £65,000 has been set aside in 2008-09. A Fund has also been set up to accumulate resources to finance the IT development programme including

the Fellows database, Online Grants and IT service desk systems; £227,642 has been set aside in 2008–09. The BASIS Transition Fund (with a balance at 31 March 2009 of £50,000) is a new fund set up in 2008–09 to assist BASIS organisations to adjust to financial constraints.

In total, investment income for the Designated Funds (ADF) was £105,623 in 2008–09 compared with £98,912 in 2007–08.

RESTRICTED FUNDS

Depreciation of £100,463 was applied against the Carlton House Property Fund in the year and will continue to be until the leasehold property improvements are fully depreciated and the Carlton House Property Fund reduced to nil.

ENDOWMENT FUNDS

The Webster Fund is ‘endowed’ with net unrealised losses of £75,808 in 2008–09 compared to £20,768 in 2007–08.

During the year, the assets of £19,164 of the Rose Mary Crawshay Prize for English Literature were transferred to the direct management of the Academy, under endowment funds.

RESERVES POLICY

The Unrestricted Funds (General and Designated Funds) have a combined balance at 31 March 2009 of £4.084m. The largest Designated Fund, balance of £2.666m, relates to the Academy Development Fund (ADF), established in 1991, which is made up primarily of donations (a significant proportion of which are from the Academy’s Fellows), Fellows’ subscriptions, and investment income less some operating costs related to the Academy’s Fellowship. The Academy is free to devote the income of the ADF to whatever object it deems fit. Council decided at the outset, and has continued to allow the Fund to grow in order to give the Academy some independence from the public sector and other funders. The intention in creating the Fund was to enable the Academy to take new initiatives at its unfettered discretion. Proposals for the use of the

Fund are reviewed annually by Council. In 2008–09 Council agreed to continue to build up the ADF in order to reduce reliance on public funds.

Additional reserves have been set aside (1) for the Publications Fund, to cover the direct costs associated with the work in progress for one year, £263,002, so as to make no claim on public/restricted funds for direct production costs, (2) to cover a proportion of the total cost of the 2009 external redecoration project, £240,000, (3) to cover any extraordinary capital repairs related to the building, £265,000 (4) £10,000 for the website (5) £65,000 for the Organisational Development Programme (6) £227,642 for the IT Development programme and (7) £50,000 to assist BASIS institutes to adjust to financial constraints.

Council agreed that the General Fund, balance of £297,384 at 31 March 2009, will also be invested to build up the Academy’s private funds, to help reduce reliance on public funds.

VOLUNTEERS

The Academy is critically dependent on the voluntary services of its Fellows who, whether as Officers, Chairmen or members of the Sections, Committees and Sub-committees, or as referees and assessors perform a range of tasks for which they are wholly unremunerated apart from the recovery of their direct expenses. The Academy also consults external academic experts and relies extensively on the services and goodwill of numerous referees and assessors outside its Fellowship and external members of the Investment Management and Audit Committees. All this constitutes an unquantifiable voluntary contribution without which the Academy would be unable to fulfil its objectives.

AUDITORS

A resolution for the reappointment of PKF (UK) LLP will be proposed at the annual meeting for the ensuing year.

R J P Kain
2009
Honorary Treasurer

STATEMENT OF COUNCIL'S RESPONSIBILITIES

Council is responsible, through the Chief Executive and Secretary, for the administration and management of the affairs of the Academy and is required to present audited financial statements for each financial year.

- safeguard the assets of the Academy and prevent and detect fraud;
- secure the economical, efficient and effective management of the Academy's resources and expenditure.

Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Academy and enable it to ensure that the financial statements are prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (revised 2005) ('SORP') and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the Department for Innovation, Universities and Skills and the Council of the Academy, Council is required, through the Chief Executive and Secretary as Accounting Officer, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Academy and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, Council has ensured that:

- suitable accounting policies have been selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- financial statements are prepared on the going concern basis.

Council has taken steps to:

- ensure that funds from the Department for Innovation, Universities and Skills are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Department for Innovation, Universities and Skills and any other conditions which the Department for Innovation, Universities and Skills may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;

INDEPENDENT AUDITORS' REPORT TO THE FELLOWS OF THE BRITISH ACADEMY

We have audited the financial statements of the British Academy for the year ended 31 March 2009 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Trustees (Council of the Academy), as a body, in accordance with regulations made under section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE COUNCIL AND AUDITORS

Council's responsibilities for preparing the Council's report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are set out in the statement of Council's responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Council's report is not consistent with the financial statements, if the Academy has not kept proper accounting records or if we have not received all the information and explanations we require for our audit. We read the Council's report and consider the implications for our report if we become aware of any apparent misstatements within it.

The relationship between the British Academy and the Department for Innovation, Universities and

Skills (DIUS) and the terms upon which DIUS provides funds to the Academy are governed by a Financial Memorandum. Our responsibility includes a requirement to report our opinion on whether the funds provided by DIUS have been applied in accordance with this Financial Memorandum.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Academy's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Academy's affairs as at 31 March 2009 and of its incoming resources and application of resources in the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

In our opinion, in all material aspects the income from DIUS has been applied to the purposes intended by Parliament as set out in the Financial Memorandum and the financial transactions conform to the authorities which govern them.

PKF (UK) LLP

Registered Auditors, London, UK, 23 June 2009

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2009

	Notes	General Funds	Designated Funds	Restricted Funds	Endowment Funds	2009 Funds	2008 Funds
		£	£	£	£	£	£
Incoming Resources							
Incoming resources from generated funds							
Voluntary income – donations		-	23,976	-	-	23,976	30,259
Activities for generating funds	2	739,558	185,028	-	-	924,586	779,736
Investment income	3	103,768	105,623	246,410	-	455,801	447,147
Incoming resources from charitable activities							
Grants receivable	4	-	-	23,432,079	-	23,432,079	23,388,082
Other incoming resources	5	-	131,217	63,948	19,165	214,330	80,217
Total incoming resources		843,326	445,844	23,742,437	19,165	25,050,772	24,725,441
Resources Expended							
Cost of generating funds							
Investment management fees	6	-	2,511	9,685	-	12,196	11,571
Other		709,879	320,957	328,908	-	1,359,744	1,180,558
Total cost of generating funds		709,879	323,468	338,593	-	1,371,940	1,192,129
Total incoming resources available for charitable application		133,447	122,376	23,403,844	19,165	23,678,832	23,533,312
Charitable activities							
Grants and awards	6	-	121,901	22,899,854	-	23,021,755	22,420,154
Governance costs	7	-	-	226,016	-	226,016	215,782
Total charitable activities		-	121,901	23,125,870	-	23,247,771	22,635,936
Total resources expended	6	709,879	445,369	23,464,463	-	24,619,711	23,828,065
Net incoming resources before transfers							
		133,447	475	277,974	19,165	431,061	897,376
Net transfers between funds	15	-	376,230	(376,230)	-	-	-
Net incoming resources before other recognised gains and losses							
		133,447	376,705	(98,256)	19,165	431,061	897,376
Other recognised gains and losses							
Net unrealised loss on investments	11	-	(553,799)	(1,150,181)	(75,808)	(1,779,788)	(422,546)
Net movement in funds		133,447	(177,094)	(1,248,437)	(56,643)	(1,348,727)	474,830
Fund balances brought forward at 1 April 2008							
	15	163,937	3,964,039	7,094,839	311,472	11,534,287	11,059,457
TOTAL FUNDS CARRIED FORWARD AT 31 MARCH 2009		297,384	3,786,945	5,846,402	254,829	10,185,560	11,534,287

All of the above results are derived from continuing activities. There are no other recognised gains or losses other than those stated above.

BALANCE SHEET

31 MARCH 2009

	Notes	2009 Total £	2008 Total £
FIXED ASSETS			
Tangible assets	10	986,830	1,108,442
Investments	11	5,932,969	7,694,598
		6,919,799	8,803,040
CURRENT ASSETS			
Debtors	12	466,801	367,755
Cash at bank and in hand		6,150,280	3,383,682
		6,617,081	3,751,437
CREDITORS			
Amounts falling due within one year	13	(2,900,537)	(423,734)
		3,716,544	3,327,703
NET CURRENT ASSETS			
		(450,783)	(596,456)
NET ASSETS			
		10,185,560	11,534,287
Represented by:			
General funds			
Other general funds	15	297,384	163,937
Designated funds			
Academy development fund	15	2,666,301	3,017,197
Publications		263,002	251,842
Repairs and maintenance		265,000	240,000
External redecoration		240,000	170,000
Website development		10,000	20,000
Organisation development		65,000	65,000
IT development		227,642	200,000
BASIS transition		50,000	-
		3,786,945	3,964,039
Restricted funds			
DIUS grant	15	146,608	164,163
Grants from previous years not taken up		348,758	257,418
Carlton House Terrace property		840,223	940,686
Funds administered		86,949	95,651
		3,947,445	5,097,626
Restricted investment funds		476,419	539,295
		5,846,402	7,094,839
Endowment funds			
	15	254,829	311,472
		10,185,560	11,534,287

The Financial Statements on pages 31 to 48 were approved and authorised for issue on 23 June 2009 and signed by:

Honorary Treasurer

Chief Executive and Secretary

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2009

	2009	2008
	£	£
Reconciliation of operating surplus to net cash inflow from operating activities		
Operating surplus/(deficit) for the year	431,061	897,376
Investment income	(455,801)	(447,147)
Depreciation charges	178,282	175,751
Increase in debtors	(65,008)	(41,918)
Increase in creditors	(2,476,803)	183,137
Net cash inflow/(outflow) from operating activities	<u>2,565,257</u>	<u>767,199</u>
Cash flow statement		
Net cash inflow from operating activities	2,565,257	767,199
Returns on investments	455,801	447,147
Capital expenditure and financial investment	(303,259)	(59,227)
Increase in cash and liquid resources	<u>2,717,799</u>	<u>1,155,119</u>
Reconciliation of net cash inflow to movement in net funds		
Change in cash and liquid resources	2,717,799	1,155,119
Cash and liquid resources at 1 April 2008	<u>3,514,345</u>	<u>2,359,226</u>
Cash and liquid resources at 31 March 2009	<u>6,232,144</u>	<u>3,514,345</u>

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2009 (CONTINUED)

	2009	2008	
	£	£	
Notes to Cash Flow Statement			
Note (i) Gross cash flows			
Returns on investments			
Investment income	<u>455,801</u>	<u>447,147</u>	
Capital expenditure and financial investment			
Financial investment loss	(229,527)		
Payments to acquire tangible fixed assets	(25,939)	(94,060)	
Payments to acquire investments	(2,046,199)	(356,670)	
Receipts from sales of investments	1,998,406	391,503	
	<u>(303,259)</u>	<u>(59,227)</u>	
Note (ii) Analysis of change in net funds			
	At 1 April 2008	Cash Flows	At 31 March 2009
	£	£	£
Cash in hand, at bank	3,383,682	2,766,598	6,150,280
Cash held with investment managers	130,663	(48,799)	81,864
	<u>3,514,345</u>	<u>2,717,799</u>	<u>6,232,144</u>

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2009

1. ACCOUNTING POLICIES

a. Basis of Preparation of the Accounts

The annual report, incorporating the financial statements for the year ended 31 March 2009, has been prepared in accordance with the Academy's Royal Charter, and in compliance with the Charities Act 1993, the Statement of Recommended Practice 'Accounting and Reporting by Charities' ('SORP 2005'), and with applicable accounting standards.

b. Historical Cost Convention

The financial statements have been prepared under the historical cost convention, as modified for the inclusion of investment assets.

c. Incoming Resources

The specific bases for accounting for income are described below. In general terms, income is accounted for on a receivable basis, gross of related expenditure. Income is only recognised where there is evidence of entitlement, where it is virtually certain that income will be received, and there is reasonable certainty of the amount.

- Voluntary income includes donations which are accounted for in the year in which they are received.
- Activities for generating funds include income receivable from the rent and hire of rooms.
- Investment income is included in the Statement of Financial Activities in the year in which it is receivable.
- Grants receivable are recognised when entitlement to the grant is confirmed, and also include returned grants which are accounted for on receipt.
- Other incoming resources consist of subscriptions, including income tax recoverable.

d. Resources Expended

Expenditure is recognised on an accruals basis, gross of any related income. Where costs cannot be directly attributed to particular categories they have been allocated to activities on a headcount basis.

- Costs of generating funds include expenditure directly incurred in generating income from the publications programme, room hire, office rental and investments.
- Grants are charged to the statement of financial activities when a constructive obligation exists notwithstanding that they may be paid in future periods.
- Governance costs include those associated with the management of the Academy's assets and with constitutional and statutory requirements.

e. Operating Leases

Rental costs under operating leases are charged to the Statement of Financial Activities, as the charges are incurred, over the lease periods.

f. Tangible Fixed Assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life, as follows:

- Furniture and Equipment at cost of up to £2,000 is fully written off within the year of purchase.
- Furniture and equipment - over 5 years
- Leasehold improvements - over the life of the lease
- Items which are fully depreciated are treated as disposals.
- Items under finance leases are capitalised and written off over the term of the lease.

g. Investments

Listed investments are included in the financial statements at market value at the balance sheet date.

Gains/losses on disposal of investments and revaluation of investments are recognised in the year of gain or loss and are allocated to the funds to which the investments relate in accordance with their percentage share of the investments.

h. Stocks of Publications

Costs of publications are written off in the Statement of Financial Activities when incurred. Stocks of books donated to the Academy for its library are not valued within the accounts.

1. ACCOUNTING POLICIES (CONTINUED)

At 31 March 2009 the estimated value of stocks of publications not included in the balance sheet was £94,616 (2008: £100,842), being the lower of cost and net realisable value.

i. Pensions

The Academy participates in the Superannuation Arrangements of the University of London ('SAUL'), which is a funded defined benefit scheme. The scheme is contracted-out of the Second State Pension. The scheme is valued formally every three years by professionally qualified and independent actuaries using the Projected Unit method. Informal reviews of the scheme's position are carried out between formal valuations.

j. Liquid Resources

Liquid Resources are represented by fixed term bid deposits, Tracker deposits and National Savings Bonds. During the year, a bad debt of £229,527, representing investments into a tracker deposit fund held at Kaupthing, Singer and Friedlander Bank was written off to reflect the high degree of uncertainty in the outcome of our efforts to reclaim this amount.

k. Funds

General Funds are those which are available for use at the Council's discretion in the furtherance of the Academy's objects.

Designated Funds are unrestricted funds set aside for unrestricted purposes and which would otherwise form part of General Funds. Details of the nature and purpose of each designated fund are set out in note 15.

Restricted Funds are funds that are subject to restrictions imposed by donors and are applied in accordance with these restrictions. Details of the nature and purpose of each restricted fund are set out in note 15.

Endowment funds represent those assets which must be held permanently by the Academy. Income arising from Endowment funds is allocated to the corresponding named individual restricted funds in accordance with their percentage share of the investments and applied for the purposes for which they were originally given.

NOTES TO THE ACCOUNTS YEAR ENDED 31 MARCH 2009

2. ACTIVITIES FOR GENERATING FUNDS	2009	2008
	£	£
Rents and hire of rooms	739,558	447,272
Publications	185,028	332,464
	<u>924,586</u>	<u>779,736</u>
3. INVESTMENT INCOME	2009	2008
	£	£
Investment income	287,793	251,187
Bank interest	168,008	195,960
	<u>455,801</u>	<u>447,147</u>
	2009	2008
	£	£
UK		
Bonds	12,147	94,434
Equities	174,479	86,332
Bank and deposit interest	168,008	195,960
	<u>354,634</u>	<u>376,726</u>
Overseas		
Equities	100,563	70,421
Bonds	604	-
	<u>455,801</u>	<u>447,147</u>
4. GRANTS RECEIVABLE	2009	2008
	£	£
Department for Innovation, Universities and Skills	22,539,790	22,585,000
Grants returned awarded in prior years	348,758	257,418
Other grants received	93,558	171,822
	<u>22,982,106</u>	<u>23,014,240</u>
Grants received for funds administered by the Academy	449,973	373,842
	<u>23,432,079</u>	<u>23,388,082</u>
5. OTHER INCOMING RESOURCES	2009	2008
	£	£
Subscriptions	65,775	70,217
ADF - sundry income and recharges	65,442	10,000
Other income	83,113	-
	<u>214,330</u>	<u>80,217</u>

NOTES TO THE ACCOUNTS YEAR ENDED 31 MARCH 2009

6. TOTAL RESOURCES EXPENDED

	Grants/ Awards/ activities £	Staff costs £	Depreciation £	Other direct costs £	Support costs £	Total 2009 £	Total 2008 £
Cost of generating funds							
Investment managers' fees	-	-	-	12,196	-	12,196	11,571
Other:							
Rent and hire of room costs	-	99,771	4,522	557,801	47,785	709,879	496,915
Publications	-	224,231	9,898	148,868	104,591	487,588	620,490
Academy development fund	-	-	-	162,277	-	162,277	63,153
Total cost of generating funds	-	324,002	14,420	881,142	152,376	1,371,940	1,192,129
Charitable activities							
Grants, awards and activities							
Research programmes							
Grants	6,667,387	293,268	17,750	39,058	187,564	7,205,027	7,963,949
Projects	353,247	51,650	2,355	-	24,883	432,135	405,509
Posts	7,597,099	117,049	5,768	-	60,950	7,780,866	6,366,534
Policy studies	74,448	95,099	3,891	-	41,116	214,554	205,691
International/Institutional							
BASIS	4,186,126	44,697	1,843	-	19,473	4,252,139	4,149,975
IPC	1,059,382	278,387	13,618	-	143,906	1,495,293	1,792,009
Communications and activities	322,385	320,889	14,062	20,000	148,593	825,929	854,681
Grants and prizes							
Restricted funds	280,921	-	-	-	-	280,921	174,738
Funds administered	434,428	-	-	-	-	434,428	406,605
Property depreciation	-	-	100,463	-	-	100,463	100,463
Total grants awards and activities	20,975,423	1,201,039	159,750	59,058	626,485	23,021,755	22,420,154
Governance costs	-	135,256	4,113	43,187	43,460	226,016	215,782
Total charitable activities	20,975,423	1,336,295	163,863	102,245	669,945	23,247,771	22,635,935
Total resources expended	20,975,423	1,660,297	178,283	983,387	822,321	24,619,711	23,828,065

NOTES TO THE ACCOUNTS YEAR ENDED 31 MARCH 2009

6. TOTAL RESOURCES EXPENDED (CONTINUED)

GRANTS PAID TO INSTITUTIONS	INSTITUTION	£
During the year the top 50 grants by value payable to institutions were:		
	University of Oxford	3,208,795
	University of Cambridge	1,529,588
	British School at Rome	1,065,022
	University College London	897,867
	British School at Athens	741,980
	University of Edinburgh	723,664
	University of Leeds	585,847
	University of Manchester	507,636
	Council for British Research in the Levant	499,105
	King's College London	488,163
	London School of Economics	469,655
	British Insititute at Ankara	457,410
	University of Sussex	389,029
	Council for British Archaeology	340,435
	School of Oriental and African Studies	339,271
	British Institute in Eastern Africa	333,311
	University of Sheffield	260,513
	University of Birmingham	258,772
	University of Kent	254,367
	University of Reading	247,773
	Birkbeck College, University of London	247,221
	Cardiff University	229,763
	University of York	228,845
	University of Nottingham	228,466
	University of Essex	225,600
	Royal Holloway, University of London	222,333
	University of Exeter	181,467
	Goldsmiths, University of London	179,625
	University of Southampton	166,468
	University of Warwick	152,757
	Queen Mary, University of London	151,219
	University of St Andrews	148,897
	University of Bristol	145,721
	University of Glasgow	137,605
	University of Leicester	129,614
	Queen's University Belfast	127,603
	Swansea University	108,299
	University of Dundee	103,758
	British Institute for Persian Studies	100,233
	Society for Libyan Studies	90,165
	British Association for South Asian Studies	90,000
	Bangor University	89,478
	University of East Anglia	88,816
	Lancaster University	86,521
	Brunel University	78,364
	Warburg Institute, University of London	78,348
	Association for South East Asian Studies UK	78,015
	The Courtauld Institute of Art	76,719
	University of Durham	76,015
	Imperial College	75,945

NOTES TO THE ACCOUNTS YEAR ENDED 31 MARCH 2009

7. GOVERNANCE COSTS	2009	2008
	£	£
External audit	15,245	16,035
Internal audit	9,299	10,649
Accounting assistance	-	4,935
Council and AGM travel	18,643	10,000
Staff costs	135,256	122,831
Support costs	43,460	47,693
Depreciation	4,113	3,639
	<u>226,016</u>	<u>215,782</u>

8. STAFF COSTS	2009	2008
	£	£
Staff costs:		
Salaries	1,373,856	1,308,190
Social security costs	116,275	108,634
Pension costs - SAUL	153,658	149,121
Other staff costs	16,508	
	<u>1,660,297</u>	<u>1,565,945</u>

The average number of full time equivalent permanent employees (all administrative staff) during the year was 37 (2008: 36).

Remuneration of higher paid staff greater than £60,000 is:	2009	2008
	£	£
£60,000-£70,000	2	-
£90,000-£100,000	-	1
£100,000 - £110,000	1	-
	<u>1</u>	<u>-</u>

Total employer pension contributions for the higher paid staff above were £29,359. No members of the Council received any remuneration from the Academy for the year ended 31 March 2009 (2008: £Nil). Council members are reimbursed in respect of travel and other expenses necessarily incurred them in the furtherance of the Academy's activities. During the year ended by 31 March 2009 such reimbursement to 23 Council members (2008: 22) for Council and AGM meetings amounted to £18,643 (2008: £11,095).

9. NET INCOMING RESOURCES IS AFTER CHARGING	2009	2008
	£	£
Auditors' – remuneration	15,245	16,035
– other services	20,886	10,649
Investment management fees	12,196	11,571
Operating leases		
– land and buildings	565,000	470,000
Hire of equipment	10,605	180,408
	<u>10,605</u>	<u>180,408</u>

NOTES TO THE ACCOUNTS YEAR ENDED 31 MARCH 2009

10. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Furniture and equipment £	Leased assets £	Total £
Cost				
At 1 April 2008	2,009,267	376,438	-	2,385,705
Additions		23,146	33,525	56,671
Disposals	-	-	-	-
At 31 March 2009	2,009,267	399,584	33,525	2,442,376
Depreciation				
At 1 April 2008	1,068,581	208,682	-	1,277,263
Charge for the year	100,463	77,820	-	178,283
Disposals	-	-	-	-
At 31 March 2009	1,169,044	286,502	-	1,455,546
Net book value				
At 31 March 2009	840,223	113,082	33,525	986,830
At 31 March 2008	940,686	167,756	-	1,108,422

The fixed assets are used to promote the direct charitable activities of the Academy.

11. INVESTMENTS

	2009 £	2008 £		
At 1 April 2008	7,563,935	8,021,314		
Additions	2,065,364	356,670		
Disposal proceeds	(1,998,406)	(391,503)		
Net (loss)/gain in market value	(1,779,788)	(422,546)		
Bank balances	5,851,105	7,563,935		
	81,864	130,663		
At 31 March 2009	5,932,969	7,694,598		
Fixed Interest and Equities at cost	6,424,346	6,441,293		
	UK £	Overseas £	Total 2009 £	Total 2008 £
Comprising:				
Commodities	-	41,084	41,084	30,093
Bonds	1,324,629	17,148	1,341,777	1,659,659
Equities	2,182,374	2,285,870	4,468,244	5,865,785
Other	-	-	-	8,398
	3,507,003	2,344,102	5,851,105	7,563,935

Single investments representing more than 5% of the Academy's portfolio were:
Charitrak UK Equity Fund: 39.2%; BGI ISF Europe Ex: 16%; BGI ISF Japan
Distributing: 8.1%; and BGI ISF American Distributing: 13.2%

NOTES TO THE ACCOUNTS YEAR ENDED 31 MARCH 2009

12. DEBTORS

	2009 £	2008 £
Debtors	303,811	344,481
Prepayments and accrued income	158,300	23,274
Recoverable VAT	4,690	-
	<u>466,801</u>	<u>367,755</u>

13. CREDITORS: Amounts falling due within one year

	2009 £	2008 £
Other creditors	128,446	10,540
Grants and awards (see below)	2,477,476	42,600
Accruals	63,666	127,690
Deferred income (see below)	230,949	242,904
	<u>2,900,537</u>	<u>423,734</u>
Lease Obligation included in creditors	11,175	-

(i) Grants and Awards included within creditors

Grants and awards allocated, not yet paid comprise:

Research grants	2,477,476	42,600
	<u>2,477,476</u>	<u>42,600</u>

(ii) Deferred income

At 1 April 2008	839,360	677,060
Taken to income in the year	(191,178)	(140,305)
Taken to deferred income in the year	13,994	302,605
	<u>662,176</u>	<u>839,360</u>
At 31 March 2009	662,176	839,360

14. CREDITORS: Amounts falling due after more than one year

	2009 £	2008 £
Amount falling due within one year (note 13)	230,949	242,904
Amount falling due after one year (see below)	431,227	596,456
	<u>662,176</u>	<u>839,360</u>
Lease obligation due after more than one year	19,556	-
Deferred income	431,227	596,456
	<u>450,783</u>	<u>596,456</u>
Total amount falling due after more than one year	450,783	596,456

NOTES TO THE ACCOUNTS YEAR ENDED 31 MARCH 2009

15. NET MOVEMENT IN FUNDS	Balance 1 April 2008 £	Incoming resources £	Resources expended £	Transfers £	Net realised/ unrealised gains/(losses) £	Balance 31 March 2009 £
Unrestricted funds						
General funds	163,937	843,326	(709,879)	-	-	297,384
Designated funds						
Academy development fund	3,017,197	260,816	(164,788)	106,875	(553,799)	2,666,301
Publications	251,842	185,028	(148,868)	(25,000)	-	263,002
Repairs and maintenance	240,000	-	-	25,000	-	265,000
Website development	20,000	-	(20,000)	10,000	-	10,000
External redecoration	170,000	-	-	70,000	-	240,000
Organisational development	65,000	-	(44,774)	44,774	-	65,000
IT development	200,000	-	(66,939)	94,581	-	227,642
BASIS	-	-	-	50,000	-	50,000
Total designated funds	3,964,039	445,844	(445,369)	376,230	(553,799)	3,786,945
Total unrestricted funds	4,127,976	1,289,170	(1,155,248)	376,230	(553,799)	4,084,329
Restricted funds						
DIUS Grant	164,163	22,539,790	(22,539,790)	(17,555)	-	146,608
Grants from previous years not taken up	257,418	348,758	(2,704)	(254,714)	-	348,758
ESRC Grant	-	20,765	(20,765)	-	-	-
Carlton House Terrace property	940,686	-	(100,463)	-	-	840,223
CO-REACH	-	72,793	(75,707)	2,914	-	-
	1,362,267	22,982,106	(22,739,429)	(269,355)	-	1,335,589
Funds administered						
Lexicon of Greek Personal Names	71,210	13,784	-	-	-	84,994
Leverhulme Senior Research Fellowships	-	290,044	(290,044)	-	-	-
Medieval Latin Dictionary-Packard	-	104,791	(104,791)	-	-	-
Other funds administered	24,441	39,593	(39,593)	(22,486)	-	1,955
	95,651	448,213	(434,428)	(22,486)	-	86,949
Restricted investment funds						
Elisabeth Barker Fund	326,455	-	-	-	(79,455)	247,000
Browning Fund	130,376	-	-	-	(31,732)	98,644
Caton Thompson Fund	131,026	-	-	-	(31,890)	99,136
Neil Ker	297,880	-	-	-	(72,500)	225,380
Leopold Schweich	168,200	-	-	-	(40,938)	127,262
Stenton	362,182	-	-	-	(88,151)	274,031
Albert Reckitt	1,508,113	-	-	-	(367,055)	1,141,058
Stein Arnold	167,298	-	-	-	(40,718)	126,580
Thank Offering to Britain	803,671	-	-	-	(195,603)	608,068
S T Lee	120,234	-	-	-	(29,263)	90,971
Marc Fitch	437,050	-	-	-	(15,853)	421,197
Other restricted	645,141	-	-	-	(157,023)	488,118
	5,097,626	-	-	-	(1,150,181)	3,947,445
Restricted income funds						
Elisabeth Barker Fund	21,717	15,154	(22,699)	-	-	14,172
Browning Fund	10,617	6,052	(8,773)	-	-	7,896
Caton Thompson Fund	9,226	6,082	(8,794)	-	-	6,514
Neil Ker	42,406	14,037	(17,231)	-	-	39,212
Leopold Schweich	47,915	8,619	(8,641)	-	-	47,893
Webster	103,872	14,459	(17,711)	-	-	100,621
Stenton	50,588	17,554	(22,991)	-	-	45,151
Albert Reckitt	55,290	70,007	(91,554)	-	-	33,743
Stein Arnold	11,769	7,766	(11,143)	-	-	8,392
Thank Offering to Britain	66,576	37,306	(43,828)	-	-	60,054
S T Lee	6,567	5,581	(350)	-	-	11,798
Marc Fitch	4,735	14,571	(4,200)	-	-	15,106
Other restricted income	108,017	94,932	(32,692)	(84,389)	-	85,868
	539,295	312,119	(290,606)	(84,389)	-	476,419
Total restricted funds	7,094,839	23,742,437	(23,464,463)	(376,230)	(1,150,181)	5,846,402
Endowment funds						
Webster	311,472	-	-	-	(75,808)	235,664
Rose Mary Crawshay	-	19,165	-	-	-	19,165
	311,472	19,165	-	-	(75,808)	254,829
TOTAL FUNDS	11,534,287	25,050,772	(24,619,711)	-	(1,779,788)	10,185,560

NOTES TO THE ACCOUNTS YEAR ENDED 31 MARCH 2009

15. NET MOVEMENT IN FUNDS (CONTINUED)

DESIGNATED FUNDS

Designated funds have been set aside for the following purposes:

Academy Development Fund: Any donations received, unless otherwise specified, are added to this Fund established in 1991, of which a significant proportion was donated by Fellows themselves. This is the only fund whose income the Academy is free to devote to whatever object it deems fit. All the other private funds must be directed to specific ends. Council decided at the outset, and has continued to allow the Fund to accumulate. Its intention in creating it was to enable the Academy to take new initiatives at its unfettered discretion. Proposals for the use of the fund are reviewed annually.

Publications: This fund covers the estimated direct costs of work in progress for one year, to take into account the uncertainties of the income stream, and make no call on public funds for direct costs.

Repairs and Maintenance Fund: To cover unforeseen capital repairs relating to the building which will be reviewed annually.

External Redecoration Fund: To set aside sufficient public funds to enable the Academy to comply with its obligation, under the lease with the Crown Estate, to redecorate the exterior of its building every four to five years.

Web Development Fund: To cover the cost of redesigning and updating the website over five years. To be reviewed annually.

Organisational Development Fund: To develop a new human resource strategy, and related policies and procedures; to update corporate working practices; and to deliver the organisational staff development programme (three years). Reviewed annually.

IT Development Fund: To fund major IT development projects: the Fellows' Database, Online Grants and IT Service Desk system.

BASIS Transition Fund: To assist Academy sponsored institutes to adjust to financial constraints (rising costs, adverse exchange rate movements, local inflation rates).

RESTRICTED FUNDS

In addition to its DIUS grant, the Academy also has at its disposal private funds arising from gifts and legacies, from contributions made by the Academy's Fellows, and from grants made by research foundations. These funds are applied for the following restricted purposes. Amounts included in restricted investment funds are the amounts set aside and invested from these contributions to generate income:

Lexicon of Greek Personal Names: Funds a project to provide researchers in all fields of classical studies with a comprehensive and authoritative compilation of ancient Greek personal names.

Leverhulme Senior Research Fellowships: Funds seven awards which allow established scholars to undertake or complete programmes of sustained research for the duration of one year.

Medieval Latin Dictionary – Packard: Funds a project to compile a dictionary recording the usage of Latin during the medieval period in the British Isles and charts the medieval developments of the language.

Elisabeth Barker Fund: Supports studies in recent European history, particularly the history of central and eastern Europe.

Browning Fund: Funds original research, or its publication, in the field of British history in the early modern period with particular reference to the seventeenth century.

Caton Thompson Fund: For the furtherance of archaeological research, whether in the field or in publication, by scholars selected preferably but not necessarily from the Fellows of the Academy.

Neil Ker Fund: Supports the promotion of the study of Western medieval manuscripts, in particular those of British interest.

Leopold Schweich Fund: Funds lectures, and their publication, on subjects relating to the archaeology, art, history, languages and literature of Ancient Civilisation with reference to Biblical Study.

Stenton Fund: Supports three undertakings: Syllogue of Coins of the British Isles, the Seldon Society, and the Pipe Roll Society.

NOTES TO THE ACCOUNTS YEAR ENDED 31 MARCH 2009

15. NET MOVEMENT IN FUNDS (CONTINUED)

Albert Reckitt Fund: Funds annual awards for the exploration and excavation of ancient sites and the preservation and exhibition of objects discovered, and the publication of results.

Stein Arnold Fund: Funds research on the antiquities, historical geography, early history or arts in parts of Asia.

Thank Offering to Britain Fund: Funds the equivalent of a Senior Research Fellowship.

Marc Fitch Fund: Funds a fellowship allowing postdoctoral scholars to have three years to work on a major programme of research and gain teaching experience.

S T Lee Fund: Funds a visiting fellowship on a topic related to the humanities or social sciences.

Other funds administered: Four funds to support a few small awards for research, publication and education related to the promotion of the humanities and social sciences.

OTHER RESTRICTED FUNDS

24 funds that support awards for, and lectures on, scholarly research in the humanities and social sciences.

ENDOWMENT FUNDS

The endowment funds shown represent assets which must be permanently held by the Academy. The purposes for which the income generated from these funds are to be applied are shown below.

Webster Fund: For entertaining and representation overseas, and the better administration of the Academy.

Rose Mary Crawshay: For historical or critical work of sufficient value on any subject connected with English Literature by a woman.

16. ANALYSIS OF NET ASSETS BY FUND

	Fixed assets £	Investments £	Net current assets £	Long term liabilities £	Total assets £
General					
Designated	-	-	297,384	-	297,384
Restricted	-	1,721,583	2,065,362	-	3,786,945
Endowment	986,830	3,975,722	1,334,633	(450,783)	5,846,402
	-	235,664	19,165	-	254,829
	<u>986,830</u>	<u>5,932,969</u>	<u>3,716,544</u>	<u>(450,783)</u>	<u>10,185,560</u>

NOTES TO THE ACCOUNTS YEAR ENDED 31 MARCH 2009

17. PENSION SCHEME

The Academy participates in a centralised defined benefit scheme (Superannuation Arrangements of the University of London – SAUL) for all qualified employees with the assets held in separate Trustee-administered funds. The Academy has now adopted FRS17 for accounting for pension costs. It is not appropriate to identify the Academy’s individual share of the Scheme assets and liabilities for the following reasons:

- For all purposes, including funding, the Employers share actuarial risks. Any funding exercise (i.e. determination of cash contribution requirements) does not separately identify assets and liabilities for individual Employers, and (with the exception of some new Employers joining SAUL and some Employers employing new groups of members) all Employers pay the same contribution rate;
- Some members have worked for more than one Employer within the scheme. Therefore it is difficult to determine the liability and assets attributable to successive periods of employment and hence allocate it appropriately to each Employer;
- The allocation of assets and liabilities relating to non-active members is very difficult as historical information relating to each member’s service history with employers is not readily available. Contributions are therefore accounted for as if SAUL were a defined contributions scheme and pension costs are based on amounts actually paid (i.e. cash amounts) in accordance with paragraphs 8-12 of FRS17.

The scheme is subject to triennial valuation by professionally qualified and independent actuaries. The last available valuation was carried out as at 31 March 2006 using the projected unit credit method in which the actuarial liability makes allowance for projected earnings. The following assumptions were used to assess the past service funding position and future service liabilities:

Valuation method

	Projected unit	
	Past Service	Future Service
Investment return on liabilities		
- before retirement	5.5% p.a.	6.5% p.a.
- after retirement	4.5% p.a.	4.5% p.a.
Salary growth (excluding an allowance for promotional increases)	4.15% p.a.	4.15% p.a.
Pension increases	2.65% p.a.	2.65% p.a.

The actuarial valuation applies to the scheme as a whole and does not identify surpluses or deficits applicable to individual Employers. As a whole, the market value of the scheme’s assets was £982 million representing 93% of the liability for benefits after allowing for expected future increases in salaries.

Following the two informal funding reviews at 31 March 2004 and 31 March 2003, the Trustee of SAUL has undertaken a significant consultation exercise with Employers and representatives of Members regarding the level of contributions payable to SAUL.

Following this consultation, the Employers have agreed to contribute 13.0% of Salaries from August 2007, an increase of 2.5% of Salaries. Member contributions also increased to 6.0% of Salaries with effect from the same date.

Employers who have recently joined SAUL (‘New Employers’) and certain employee groups (as agreed by the Trustee of SAUL), will pay 19.2% of Salaries per annum from August 2007 until the second actuarial valuation after entry (or some other period as agreed with the Trustee).

A comparison of SAUL’s assets and liabilities calculated using assumptions consistent with FRS17 revealed the Scheme to be broadly balanced at the last formal valuation date (31 March 2006).

The next formal actuarial valuation is due at 31 March 2009 when the above rates will be reviewed. It will be available to Employers from July 2009

The pension cost relating to this scheme charged to the Statement of Financial Activities (page 31) for the year was £153,658 (2008: £149,121).

18. LEASES AND OTHER COMMITMENTS

The Academy has an annual commitment of £565,000 (2008: £470,000) under operating leases in respect of land and buildings, which expire in a period greater than five years.

The Academy has an annual commitment totalling £10,605 (2008: £17,610) in respect of a lease for a photocopier. The lease is due to expire in 2012.

The Academy has commitments totalling £184,846 (2008: £163,248) in respect of work in progress in publications.

The Academy has a commitment totalling £30,731 in respect of a finance lease for the telephone system, expiring within three years (March 2012).

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 2009

	2009		2008	
	£	£	£	£
Income				
Core grant income				
DIUS Grant	22,539,790		22,585,000	
Grants returned in year	348,758		257,418	
Other grants	93,558		171,822	
		22,982,106		23,014,240
Grants received for funds administered by the Academy		449,973		373,842
Donations		23,976		30,259
Rent and hire of rooms		739,558		447,272
Publications income		185,028		332,464
Investment income including bank interest receivable		455,801		447,147
Subscriptions		65,775		70,217
Other income		148,555		10,000
Total income		25,050,772		24,725,441
Expenditure				
Grants, awards and charitable activities		20,975,423		20,321,717
Staff costs		1,660,297		1,565,945
Depreciation		178,283		175,751
Other operating expenses		1,805,708		1,764,653
Total expenditure		24,619,711		23,838,065
Net income before gains on investments		431,061		897,376
Net unrealised loss on investments		(1,779,788)		(422,546)
Result for the year		(1,348,727)		474,830

This page does not form part of the statutory financial statements.

