

**BRITISH SCHOOL OF ARCHAEOLOGY IN IRAQ**

(Gertrude Bell Memorial)

Registered Charity No. 219948

10, CARLTON HOUSE TERRACE  
LONDON SW1Y 5AH  
UNITED KINGDOM

**Report and Accounts**

for

2005/2006

**THE SEVENTY THIRD ANNUAL GENERAL MEETING OF THE SCHOOL WILL BE HELD AT THE BRITISH ACADEMY, TEN CARLTON HOUSE TERRACE, LONDON SW1Y 5AH ON THURSDAY, 14<sup>TH</sup> DECEMBER 2006, AT 5.30 P.M. TO HEAR PROFESSOR M. VAN DE MIEROOP, TO CONSIDER THE ACCOUNTS, THE BALANCE SHEET AND THE REPORTS OF THE COUNCIL AND INDEPENDENT EXAMINER; TO ELECT MEMBERS OF THE COUNCIL; TO APPOINT INDEPENDENT EXAMINERS, AND FOR ANY OTHER BUSINESS WHICH MAY PROPERLY BE TRANSACTED.**

**PRIDIE BREWSTER  
CHARTERED ACCOUNTANTS  
29-39 LONDON ROAD  
TWICKENHAM  
MIDDLESEX TW1 3SZ**

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF  
BRITISH SCHOOL OF ARCHAEOLOGY IN IRAQ (GERTRUDE BELL MEMORIAL)

**PRESIDENT**  
MRS RACHEL MAXWELL- HYSLOP FBA, FSA

**VICE-PRESIDENTS**  
SIR STEPHEN EGERTON, KCMG, MA †  
MR EDWARD CHAPLIN CMG

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

**VICE-CHAIRMAN**  
PROFESSOR ALAN MILLARD, MA, M.Phil., FSA

**HONORARY TREASURER**  
MR I.D. CHEYNE, CBE, MA

**SECRETARY**  
MRS J. PORTER MACIVER, AB

**EDITORS OF THE JOURNAL IRAQ**  
DR D. COLLON, MA, Ph.D., FSA  
PROFESSOR A.R. GEORGE, BA, Ph.D.

**BANKERS**  
Barclays Bank PLC  
P.O. Box 11345, London W12 8GG

**INDEPENDENT EXAMINERS**  
PRIDIE BREWSTER  
29-39 London Road, Twickenham  
Middlesex TW1 3SZ

British School of Archaeology in Iraq  
*at The British Academy*  
10, Carlton House Terrace  
London SW1Y 5AH, United Kingdom  
Web-site <http://www.britac.ac.uk/institutes/iraq/>  
E-mail: [bsai@britac.ac.uk](mailto:bsai@britac.ac.uk)  
Tel. + 44 (0) 20 7969 5274  
Fax. + 44 (0) 20 7969 5401

I report on the Accounts of the Association for the year ended 31 March 2006, which are set out on pages 8 to 20.

**Respective responsibilities of Trustees and Examiner**

As the Charity's Trustees, you are responsible for the preparation of the Accounts; you consider that the audit requirement of Section 43(2) of the Charities Act 1993 (the Act) does not apply. It is my responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under Section 43(7)(b) of the act, whether particular matters have come to my attention.

**Basis of Independent Examiner's Report**

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the Charity and a comparison of the Accounts presented with those records. It also includes consideration of any unusual items or disclosures in the Accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, I do not express an audit opinion on the view given by the Accounts.

**Independent Examiner's Statement**

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

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

29/39 London Road  
TWICKENHAM  
Middlesex  
TW1 3SZ

J.R.G. AUBER FCA  
PRIDIE BREWSTER  
CHARTERED ACCOUNTANTS

Dated: 1 November 2006

### REPORT OF THE COUNCIL

The Council presents its report together with the financial statements of the School for the year ended 31 March 2006. The statements have been prepared in accordance with the accounting policies set out on page 10 and comply with the charity's regulations, applicable law and the requirements of the Statement of Recommended Practice "2005 Accounting and Reporting by Charities" issued under the Charities Act 1993.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

The BSAI is governed by its regulations revised at an Extraordinary General Meeting in December 2001.

Twelve Council members, who are also trustees, are responsible for the overall management of the charity and take all major decisions. They are elected by the full membership to serve a 3 year term. They may be re-elected for one further 3 year term and must then stand down for a minimum of a year. (This rule does not apply to the Chairman and Vice-Chairman.) They elect a chairman and vice-chairman from within their ranks. The Treasurer is a member of Council and is nominated by Council and elected yearly by full members at the Annual General Meeting. The President is also ex-officio a member of Council.

Council usually meets four times a year (March; June; September and December). After its December Council meeting, the BSAI Annual General Meeting is held to receive and consider the accounts and balance sheet of the School, the reports of the Council and of the Independent Examiner, and to elect Members of the Council. The AGM is attended by any member of the School who wishes to be present. An open forum is held before the June meeting at which members are encouraged to raise matters of interest to them.

The BSAI income comes in part from its own resources and endowment and in part from a grant from the British Academy.

### OBJECTIVES

- To encourage, support and undertake the study of and research relating to the archaeology, history, culture of Iraq and neighbouring countries.
- To publish a journal devoted to such topics and relevant books and monographs which relate to the work of the School.
- To co-operate freely with other organisations carrying out such work in Iraq and neighbouring countries
- To encourage the study of such fields in this country

Council has determined that the BSAI's academic coverage should include the subjects of archaeology, pre-modern history, anthropology, geography, languages and other related domains from the earliest times.

In view of the current situation in Iraq the School's major objectives over the past year have been:

- To assist its colleagues in Iraq
- To assist scholars carrying out relevant research in this country and in countries adjacent to Iraq by means of grants
- To publish its journal and expedite publication of School research projects which still remain unpublished
- To inform and engage the public by means of lectures and day schools

### REPORT OF THE COUNCIL (Continued)

### ACTIVITIES

#### **BSAI APPEAL, DONATIONS AND FUNDRAISING**

In order to assist its colleagues in Iraq the BSAI has an on-going appeal which to date has raised about £86,500. Funds were originally raised informally in 2003-04 and a formal appeal was launched in September 2005. This money is being spent on bringing Iraqi scholars over to this country for top-up training and on providing equipment and books to replace those lost in the aftermath of the invasion. A powerful digital camera has recently been sent to the Iraq Museum in Baghdad to help with the publications' programme.

The BSAI Appeal has received generous support from the Anglo Arab Foundation, The London RAI Committee/ LCANE; The Charlotte Bonham-Carter Charitable Trust; Merchant International; Garth Construction; Morgan Stanley Quilter; AEGIS Foundation and Investcorp. A large number of individuals have also donated most generously. We are extremely grateful to all our donors.

The British Council has generously co-sponsored two joint fellowships/scholarships with the School for the year 2006-07. Programmes have been arranged for three Iraqi scholars who are expected this September: an Islamic scholar; a librarian dealing with the cuneiform collection at the National Museum and an archaeological chemist from the museum in Sulaymaniyah. The Foreign and Commonwealth Office has supported the purchase of a selection of academic books for the universities and museums in Iraq. Through the work of Benjamin Morris, a M.Phil student at the University of Cambridge, and some of our members a large number of books have been collected for the museum and universities in Iraq. The BSAI has received partial sponsorship from the AEGIS Foundation to assist us with sending these books to Iraq, when the timing is appropriate.

Through REACH, Mrs Moyra Gardner has volunteered to help on the BSAI Appeal Committee and along with Miss Penny Sibson has assisted the Secretary with the administration of the Appeal and BSAI mailings (total time volunteered apx. 3 days). Their help is invaluable. Initially Mr Christopher Mann provided consultancy on the appeal.

Wolfson College Oxford has generously donated to the School a full run of the journal *Iraq* which was bequeathed to them by the late Dr Jeremy Black. Additional copies of the Journal have been provided by Queen's College, Oxford. This will ensure that a full set of the Journal is kept for the London office and for the BSAI Baghdad Library, when we return to Iraq.

Council is extremely grateful to the FCO, who arranged for the removal of the School's library from the French Embassy to the British Embassy premises for safekeeping. We are greatly indebted to the French Embassy for storing the books on our behalf for the last 15 years.

We remain grateful for the continuing support of The British Academy.

### **THE AWARDING OF GRANTS**

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

REPORT OF THE COUNCIL (Continued)

RESEARCH ACTIVITIES

The BSAI's principal fieldwork and research grants in 2005-06 have been made to: Dr Georgina Herrmann and Ms Catherine Thomas 'Nimrud Ivories Project' (£10,100 2005/06) to assist in the research and publication of a major corpus of ivories excavated by the school at Nimrud in the 1960s and: to Dr Joan Oates/Tell Brak Excavations (£18,000 – 2005/06) for the support of excavation and publication of the site of Tell Brak in north Syria, but within Greater Mesopotamia, where the School has worked for many years under the auspices of Dr Joan Oates and the late Professor David Oates.

Dr Oates reports that the first season of the new 5-year programme of research at Brak took place from the 19th March to the 16th May, 2006. Two areas of the site were investigated: the first, Area HH, lies at the very highest part of the tell, where our objective was to investigate the little-known and much-debated transition from the end of the 3rd to the beginning of the 2nd millennium BC and to identify any evidence relevant to the controversial environmental 'event' that is thought to have occurred at that time. A large area of houses was opened up, which promises to provide not only interesting evidence concerning the Mitanni control of Brak but also material relevant to the period of supposed environmental disturbance.

The other area (TW) has been a major focus of investigation over a number of seasons. Here the only detailed sequence of 4th millennium BC material in Mesopotamia has been excavated, a period when the earliest cities developed. The new project is addressing questions of social and economic development in the 5th millennium BC, and from this one season, extraordinary new evidence of a level of economic organisation previously unsuspected at this time has been recovered. Of particular importance is a substantial new 'industrial' building with large quantities of seal impressions representing an increasing complexity of 'authority', raw material including flint, obsidian, bitumen, shells from which were cut mother-of-pearl inlay, large ovens and beautifully made flint and obsidian tools. A considerable depth of material of this phase remains to be excavated.

The BSAI excavations at Nimrud/Kalhu from 1949 to 1963 recovered several thousand ivories from both the citadel and the palace fortress in the outer town known as Fort Shalmaneser. These presented the School with the major task of conserving, recording, photographing and finally publishing these ivories, which form a unique record of the minor arts of the early first millennium not just of Assyrian Nimrud but of many of the states in Syria and the Levant. Five volumes in the *Ivories from Nimrud* series have already appeared, three more are in preparation, two by Georgina Herrmann (*Ivories from the North West Palace, Ivories from Fort Shalmaneser, Room SW11/12*) and one by Catherine Thomas (*Ivories from the Burnt Palace and Nabu Temple*).

The *Ivories from the North West Palace* will publish some of the finest ivories found at Nimrud in both the 19<sup>th</sup> and 20<sup>th</sup> centuries with superb examples from all the different traditions of ivory carving. While locations have been proposed for some North Syrian style-groups of ivories, recent research on Phoenician stone sculptures may make it possible to propose locations for some of the Phoenician and Syro-Levantine schools of ivory carving. Identifying the original places of production has been a long-term aim of the project. *I.N. VI* is scheduled to be ready for press later this year.

Work is well underway on the very different assemblage of ivories found in the *Burnt Palace*. They have been photographed, recorded and are being arranged in catalogue format through analysis of style groupings in preparation for commentary. Like most buildings, the Burnt Palace seems to have a unique and varied corpus of material which represents a range of workshops and styles revolving around similar themes. The volume is scheduled for completion in 2008.

REPORT OF THE COUNCIL (Continued)

RESEARCH ACTIVITIES (Continued)

Other research grants (£6,900) have been made to the following scholars and institutions:

- Prof. Farouk Al- Rawi and Mr Christopher Walker (Project Sponsor) (£1,900) for the continuation of the project to publish a substantial part of the British Museum's collection of Sumerian administrative texts from Umma. ('Umma Project')
- Dr Stuart Campbell/University of Manchester (£1,200) to complete the publication of the Umm Dabaghiyah excavations with assistance of a part-time researcher and funding for travel to Copenhagen
- Dr Erica Hunter (£800) conference grant request for a 3<sup>rd</sup> Christianity in Iraq Seminar Day to explore Christian-Muslim dialogue in Iraq at SOAS (May 06)
- Dr. Augusta McMahon (£2,230) research and travel grant for the final processing and analysis of faunal remains and soil samples excavated during the 1999-2002 excavations at Chagar Bazar.
- Dr Eleanor Robson (£770) research and travel grant to work on Old Babylonian material from Nippur housed at the University Museum in Philadelphia.

PUBLICATIONS

The two part publication of the Journal Iraq (Vol. LXVI and LXVII, part 1) *Nineveh: papers of the XLIXe Rencontre Assyriologique Internationale, London*. (2005) was published in time for the XLXIe RAI meetings held in Chicago in July 2005.

The BSAI published Alastair Northedge's *Historical Topography of Samarra - Samarra Studies I* (2005) with a generous subvention from the Fondation Max van Berchem. A book launch for the first volume of this series on the ancient city of Samarra was held in April at the British Academy. Professor Northedge's presentation focused on the history and layout of the city, one of the largest archaeological sites in the world and the glory of the Abbasid Caliphs.

In addition, the BSAI published a reprint of David Oates' *Studies in the Ancient History of Northern Iraq* (2005) with a new preface by Joan Oates. A generous subvention for this publication was received from the Charlotte Bonham-Carter Trust in honour of David Oates. The BSAI also wishes to thank the British Academy for providing permission to reprint this valuable publication, originally published by the British Academy in 1968.

Pre-publication work has continued on a number of books/monographs and some of the work has received support from our research programme.

The BSAI has signed an agreement with JSTOR to enable on line digital access of the Journal Iraq up to the previous five years of the Journal's publication. These should be available on line in 2006.

EVENTS

At the December meeting, Dr Erica Hunter spoke on 'Hira as a centre of Christianity during the Sassanid - Islamic periods'; in March Dr Dominique Collon spoke on 'Survival and Revival of some Mesopotamian motifs' and Dr Irving Finkel spoke in June on 'Babylonian ghosts - welcome and unwelcome'.

**REPORT OF THE COUNCIL (Continued)**

**EVENTS (Continued)**

In addition to our lecture programme, a BSAI-Birkbeck Study Day on 'The Babylonians: Life in Ancient Southern Iraq', took place in January organized by Dr Frances Reynolds. In March Dr Lamia Al Gailani Werr gave a lecture in aid of the BSAI Appeal to the BSAI and Harvard Club of the UK on 'The Destruction of the Heritage of Iraq, a bitter legacy'.

**FUTURE OBJECTIVES**

Until a return to Iraq is possible the school will continue to focus on its appeal and the associated programmes.

Three Iraqi scholars are expected in 2007.

Two major events have been arranged for the autumn when Mr Michael Wood will be giving an illustrated lecture 'Iraq: the cradle of civilisation' at the British Museum in aid of the Appeal, co-sponsored by the department of the Ancient Near East, and Mr John Simpson CBE will be giving a talk 'An Ever Changing World' followed by a buffet reception. This event is sponsored by Control Risks.

The School will also continue to foster such research as is possible in the present circumstances and to hold regular lectures and Day Schools.

**FINANCIAL REVIEW**

The accounts of the School for the year ended 31 March 2006 are attached to this report. A review of the transactions and financial position of the School is set out below.

The strong performance of the School's incoming resources before realised and unrealised gains and losses on revaluations and disposals of investment assets was made up of an operating profit of £34,998 augmented by over £30,000 in appeal donations and gift aid. In addition, the net gain on revaluations and disposals of investment assets totalling £12,717 has led to a significant increase in our overall net worth. We believe that our reserves continue to be maintained at a satisfactory level for the operation of the School.

**UNRESTRICTED FUNDS**

The School's principal source of income during the year continued to be grants from the British Academy which totalled £62,000 and the School received subventions totalling £14,017 for its publications.

**RESTRICTED FUNDS**

There was a £30,417 gain on restricted funds in the year before realised and unrealised gains and losses on revaluations and disposals of investment assets.

**INVESTMENT POLICY**

The selection of investments is made on the principle of deciding what form of investment will be most suitable for the needs of the School and obtaining skilled advice for this purpose, bearing in mind both the short-term and long-term future of the School, and the effects of inflation on capital and income. The Finance Committee of the Council of Management monitors the performance of the investments chosen. The increase in market value of investments and the endowment fund by £11,975 during the year to 31 March 2006 was in line with market conditions.

**REPORT OF THE COUNCIL (Continued)**

**STATEMENT ABOUT RISKS AND RESERVES POLICY**

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

**STATEMENT OF COUNCIL RESPONSIBILITIES**

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

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

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

**STATEMENT OF COUNCIL OF MANAGEMENT RESPONSIBILITIES**

The following served as members of the Council of Management for all or part of the year ended 31 March 2006, as more fully explained below.

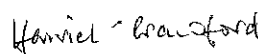
I.D. Cheyne, CBE, MA  
Sir Terence Clark KBE, CMG, CVO  
E. Coghill, B.A., M.Phil., Ph.D  
D. Collon, MA, Ph.D., FSA  
H.E.W. Crawford, MA, Ph.D.  
J.E. Curtis, Ph.D., FBA, FSA  
G. Herrmann, OBE, D.Phil., FBA  
R. Matthews, M.Phil., Ph.D.  
A. McMahon, Ph.D.  
Professor A. R. Millard, MA, M.Phil., FSA  
F. Reynolds, Ph.D.  
E. Robson, B.Sc., MA, D. Phil  
J.J. Taylor, Ph.D.

At the AGM in December 2005 three Council members were re-elected:


Sir Terence Clark KBE, CMG, CVO, Dr John Curtis and Dr Georgina Herrmann

A resolution will be submitted at the forthcoming Annual Meeting that Pridie Brewster, Chartered Accountants, be re-appointed as Independent Examiners.

**BY ORDER OF THE COUNCIL**

  
**H.E.W. CRAWFORD**  
Chairman

  
**J. PORTER MacIVER**  
Secretary

  
**I.D. CHEYNE**  
Hon. Treasurer

Dated: 14 September 2006

BRITISH SCHOOL OF ARCHAEOLOGY IN IRAQ  
(GERTRUDE BELL MEMORIAL)

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STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2006

	Note	Un- restricted Funds	Restricted Funds	Endowment	Total Funds 2006	Total Funds 2005
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds:</b>						
<i>Voluntary income:</i>						
Donations and Subscriptions	2(a,b)	79,785	-	-	79,785	93,961
Appeal income		-	30,178	-	30,178	-
<i>Activities for generating funds:</i>						
Investment income	2(c)	8,263	1,696	-	9,959	10,979
		88,048	31,874	-	119,922	104,940
<i>Incoming resources from charitable activities:</i>						
Publication sales		7,446	-	-	7,446	7,737
Publication subventions		14,017	-	-	14,017	-
<b>Total Incoming Resources</b>		<u>£109,511</u>	<u>£31,874</u>	<u>£-</u>	<u>£141,385</u>	<u>£112,677</u>
<b>RESOURCES EXPENDED</b>						
<b>Charitable activities</b>						
Grants payable	3(a)	34,349	-	-	34,349	46,280
Other charitable activity costs	3(b)	35,383	1,457	-	36,840	36,955
Cost of publications		29,990	-	-	29,990	29,555
<b>Governance costs</b>	3(b)/11	5,208	-	-	5,208	3,693
<b>Total Resources Expended</b>		<u>£104,930</u>	<u>£1,457</u>	<u>£-</u>	<u>£106,387</u>	<u>£116,483</u>
<b>Net Incoming/(Outgoing) Resources before other recognised gains</b>		4,581	30,417	-	34,998	(3,806)
<b>Gains and Losses on revaluations and disposals of investment assets:</b>						
Realised		(4,889)	(547)	-	(5,436)	-
Unrealised		2,171	334	15,648	18,153	4,897
		<u>(2,718)</u>	<u>(213)</u>	<u>15,648</u>	<u>12,717</u>	<u>4,897</u>
<b>Net Movements in funds</b>		1,863	30,204	15,648	47,715	1,091
<b>Reconciliation of funds</b>						
Total funds brought forward		92,784	36,867	74,483	204,134	203,043
<b>Total funds carried forward</b>		<u>£94,647</u>	<u>£67,071</u>	<u>£90,131</u>	<u>£251,849</u>	<u>£204,134</u>

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

BRITISH SCHOOL OF ARCHAEOLOGY IN IRAQ  
(GERTRUDE BELL MEMORIAL)

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BALANCE SHEET AS AT 31 MARCH 2006

	Notes	2006	2005
<b>FIXED ASSETS</b>			
Computer equipment	4	688	1
Investments - Endowment Fund	5	90,131	74,483
- Other Funds	5	70,199	73,872
		<u>161,018</u>	<u>148,356</u>
<b>CURRENT ASSETS</b>			
Debtors	6	16,573	2,393
Cash and Deposits at Bank		79,929	73,814
		<u>96,502</u>	<u>76,207</u>
<b>CREDITORS: amounts falling due within one year</b>	8	<u>5,671</u>	<u>20,429</u>
		<u>90,831</u>	<u>55,778</u>
<b>NET CURRENT ASSETS</b>		<u>£251,849</u>	<u>£204,134</u>
<b>Financed by:</b>			
Unrestricted fund	13	94,647	92,784
Endowment Fund	12	90,131	74,483
Restricted funds	11	67,071	36,867
		<u>£251,849</u>	<u>£204,134</u>

Approved by:

Dr. H.E.W. Crawford – Chairman

*Haniel Crawford*

14 September 2006

I.D. Cheyne - Honorary Treasurer

*I.D. Cheyne*

14 September 2006

J.P. MacIver – Secretary

*J.P. MacIver*

14 September 2006

## NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31 MARCH 2006

## 1. ACCOUNTING POLICIES

- a) The Accounts have been prepared on the historic cost convention with the exception that investments are valued at market value. The Accounts are in accordance with applicable accounting standards, the charities SORP 2005 (Accounting and Reporting by Charities) and comply with the Charities (Accounts and reports) Regulations 2005 issued under the Charities Act 1993.
- b) Investment income is recorded when receivable.
- c) Gift aid reclaimable on donations to the charity is included with the amount received.
- d) Grants are included in the Accounts in the period to which they relate.
- e) Investments are included at market value. All other assets are included at cost or net realisable value, if lower.
- f) The School owns a collection of ivories from its excavations. These are on deposit with the British Museum at present and are not included in the Accounts. The School has gifted its collection of tablets from its excavations to the British Museum.
- g) The School participates in the Universities Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Earnings-Related Pension Scheme. The scheme is valued every three years by a professionally qualified independent actuary using the aggregate method, the rates of contribution payable being determined by the trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the Scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the Scheme, and are accounted for on the basis of charging the cost of providing pensions over the period during which the School benefits from the employee's services.
- h) The investments received on the 14 January 1932 following an Appeal formed an endowment fund to be administered by the Council.  
The Council has the power from time to time to vary or transpose any investments forming part of the Endowment Fund. The income of the endowment Fund and all the subscriptions of Members and all monies received by the School which are not allocated by the donor or the council to any special purpose shall be applicable by the council for the general purposes of the School.

## NOTES TO THE ACCOUNTS (Continued)

## FOR THE YEAR ENDED 31 MARCH 2006

2. INCOMING RESOURCES	2006			2005
	Unrestricted	Restricted	Total	Total
<b>a) Grants and Donations</b>				
Donations	200	-	200	1,726
Subscription from Members	17,585	-	17,585	17,467
	<u>£17,785</u>	<u>£-</u>	<u>£17,785</u>	<u>£19,193</u>
<b>b) Grants from Government and other public bodies</b>				
British Academy Annual Grant	62,000	-	62,000	60,000
Other grants	-	-	-	1,000
Grants returned	-	-	-	13,768
	<u>£62,000</u>	<u>£-</u>	<u>£62,000</u>	<u>£74,768</u>
<b>Total Grants and donations</b>	<u>£79,785</u>	<u>£-</u>	<u>£79,785</u>	<u>£93,961</u>
<b>c) Investment income:</b>				
Interest on Government Stocks	4,479	301	4,780	6,233
Dividend on COIF income shares	2,729	-	2,729	2,567
Bank interest	1,055	1,395	2,450	2,179
	<u>£8,263</u>	<u>£1,696</u>	<u>£9,959</u>	<u>£10,979</u>

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2006

	2006	2005
<b>3. RESOURCES EXPENDED</b>		
a) <b>Cost of Charitable Activity – Grants payable</b>		
The school made a number of grants in the year:		
Research, Travel, Conference grants	17,000	19,835
Fieldwork (Tell Brak Excavations, Research Fellow and Field Director 2005)	18,000	18,150
Tell Ahmar Survey (funded by Seven Pillars of Wisdom Trust)	-	1,000
Visiting scholars (Christie Mallowan Scholars)	-	7,295
Tell Brak – Grant refund on Senior Research Fellow/Field Director 2004-05	(651)	-
	<u>£34,349</u>	<u>£46,280</u>
Unrestricted grants were paid to 7 individuals (2005 – 10).		
The unrestricted grants were as follows :		
University of Cambridge (Tell Brak Excavations and Senior Research Fellowship)	17,349	18,150
University of Cambridge (Professor Postgate – Abu Salabikh Grant)	-	858
Nimrud Ivories Project (Dr. Georgina Herrmann and Catherine Thomas)	10,100	6,750
University of Cambridge (Dr. Augusta McMahon Chagar Bazaar Travel and Research Grants)	2,230	-
Umma Project (Dr. Farouk Al-Rawi Research Grant)	1,900	5,160
Dr. Stuart Campbell (Umm Dabagiyah Research Assistant and Travel Grant)	1,200	-
Dr. Diana Stein (2 travel grants 2004 and 2005)	-	2,169
Dr. Eleanor Robson (travel grant)	770	-
Dr. Erica Hunter (Christianity in Iraq Conference Grant)	800	800
Other small grants	-	4,098
	<u>34,349</u>	<u>37,985</u>
<b>Restricted Grants</b>		
Tell Ahmar	-	1,000
Visiting scholars (Christie Mallowan Scholars)	-	7,295
	<u>£34,349</u>	<u>£46,280</u>

BRITISH SCHOOL OF ARCHAEOLOGY IN IRAQ  
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NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2006

3. RESOURCES EXPENDED (Continued)

	Working Fund Directly Attributable Costs	Restricted	Governance	2006 Total	2005 Total
b) Analysis of other charitable activity costs: (Including support costs)					
i) Directly allocated costs:					
London	50	-	-	50	-
Gifts and Donations	-	317	-	317	1,358
Restricted fund expenditure	2,970	1,140	-	4,110	-
Purchases for Iraq and Appeal expenditure	-	-	-	-	-
<b>Total London Expenditure</b>	<u>3,020</u>	<u>1,457</u>	<u>-</u>	<u>4,477</u>	<u>1,358</u>
<b>Bagdad – Directors House Rental</b>					
Other direct costs	2,000	-	-	2,000	2,000
Printing Annual Report	-	-	281	281	226
Publication costs	29,990	-	-	29,990	29,555
<b>Support costs allocated to activities:</b>					
London office administration salary and pension costs (9)	25,948	-	-	25,948	25,093
Office expenditure	3,889	-	-	3,889	8,295
Bank and Credit Card charges	526	-	-	526	435
Examination/Audit fees	-	-	2,850	2,850	2,800
Consultants	-	-	950	950	-
Council meeting	-	-	450	450	-
Council Members' expenses	-	-	334	334	441
Depreciation	-	-	343	343	-
	<u>£65,373</u>	<u>£1,457</u>	<u>£5,208</u>	<u>£72,038</u>	<u>£70,203</u>
<b>Total Resources Expended</b>					



NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2006

4. TANGIBLE ASSETS

	Computer Equipment	Total
<b>COSTS</b>		
Brought forward at 1 April 2005	1,073	1,073
Additions in the year	1,030	1,030
Carried forward at 31 March 2006	2,103	2,103
<b>DEPRECIATION</b>		
Brought forward at 1 April 2005	1,072	1,072
Additions in the year	343	343
Carried forward at 31 March 2006	1,415	1,415
<b>NET BOOK VALUE:</b>		
At 31 March 2006	£688	£688
At 31 March 2005	£1	£1

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NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2006

5. INVESTMENT

Holding	FUND/INVESTMENT	2006 Cost	2006 Market Value	Holding	2005 Cost	2005 Market Value
8,149	<b>Endowment Fund - Gertrude Bell Memorial</b> Income shares in charities official investment fund	8,200	90,131	8,149	8,200	74,483
	<b>BONHAM CARTER LECTURE FUND</b>					
£2,672.84	9½% Conversion Stock 2005	-	-	£2,673	3,000	2,736
£2,407.41	8½% Treasury Stock 2007	2,608	2,550	£-	-	-
	<b>MALLOWAN FUND</b>					
£2,279.94	Treasury 8½% Stock 2005	-	-	£2,280	2,500	2,378
£2,161.28	5.75% stock 07/12/2009 GBP 100	2,268	2,273	£-	-	-
	<b>WORKING FUND</b>					
£23,730.91	9½% Conversion Stock 2005	-	-	£23,731	26,637	24,291
£21,373.59	8½% Treasury Stock 2007	23,171	22,645	£-	-	-
£20,547.20	Treasury 8½% Loan 2005	-	-	£20,547	22,530	21,429
£20,991.88	Treasury 8½% Loan 2007	25,729	22,243	£20,992	25,729	23,038
£19,477.72	5.75% Stock 07/12/2009	20,442	20,488	-	-	-
		69,342	65,376		74,896	68,758
	<b>Total</b>	£82,418	£160,330		£88,596	£148,355
	Total Endowment funds	8,200	90,131		8,200	74,483
	Total Other Funds	74,218	70,199		80,396	73,872
		£82,418	£160,330		£88,596	£148,355

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2006

5. INVESTMENT ASSETS (Continued)

MOVEMENTS IN INVESTMENT ASSETS

	Cost	Market Value
At beginning of year	88,596	148,355
Disposals	(54,667)	(54,667)
Acquisitions	48,489	48,489
Increase/(decrease) in valuation	-	18,153
	<u>£82,418</u>	<u>£160,330</u>

All investments were held in the U.K.

6. DEBTORS	Unrestricted	Restricted	2006 Total	2005 Total
Tax recoverable	-	1,776	1,776	-
VAT Recoverable	340	-	340	213
Grants paid in advance 2006/07	8,000	-	8,000	-
Publication/Subvention income due	5,707	-	5,707	-
Other Debtors	750	-	750	2,180
	<u>£14,797</u>	<u>£1,776</u>	<u>£16,573</u>	<u>£2,393</u>

7. CASH AT BANK AND IN HAND	2006	2005
Cash at bank	<u>£79,929</u>	<u>£73,814</u>

8. CREDITORS	Unrestricted	Restricted	2006 Total	2005 Total
Amounts falling due within one year				
Grants received in advance	-	-	-	9,327
London office	1,663	-	1,663	29
Accruals and other creditors	4,008	-	4,008	2,800
Deferred income	-	-	-	8,273
	<u>£5,671</u>	<u>£-</u>	<u>£5,671</u>	<u>£20,429</u>

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2006

9. EMPLOYEES

a) The School employed one part-time employee in the year. The remuneration was as follows :-

The staff costs were:

	2006	2005
Salary (70% of full time (2005 – 70%))	21,889	20,663
Social Security (net of £250 rebate)	1,013	1,490
Pension contributions	3,046	2,940
	<u>£25,948</u>	<u>£25,093</u>

b) PENSION COSTS

The Institute participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. The institution is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The latest actuarial valuation of the scheme was at 31 March 2005. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest) and the rates of increase in salary and pensions. In relation to the past service liabilities the financial assumptions were derived from market yields prevailing at the valuation date. It was assumed that the valuation rate of interest would be 4.5% per annum, salary increases would be 3.9% per annum (plus an additional allowance for increases in salaries due to age and promotion in line with recent experience) and pensions would increase by 2.9% per annum. In relation to the future service liabilities it was assumed that the valuation rate of interest would be 6.2% per annum, including an additional investment return assumption of 1.7% per annum, salary increases would be 3.9% per annum (also plus an allowance for increases in salaries due to age and promotion) and pensions would increase by 2.9% per annum. The valuation was carried out using the projected unit method.

At the valuation date, the value of the assets of the scheme was £21,740 million and the value of the past service liabilities was £28,308 million indicating a deficit of £6,568 million. The assets therefore were sufficient to cover 77% of the benefits which had accrued to members after allowing for expected future increases in earnings...

NOTES TO THE ACCOUNTS (Continued)  
FOR THE YEAR ENDED 31 MARCH 2006

9. b) PENSION COSTS (Continued)

Using the Minimum Funding requirement prescribed assumptions introduced by the Pensions Act 1995, the scheme was 126% funded at the valuation date and under the Pension Protection Fund regulations introduced by the Pensions Act 2004 it was 110% funded.

The institution contribution rate required for future service benefits alone at the date of the valuation was 14.3% of pensionable salaries but the trustee company, on the advice of the actuary, decided to maintain the institution contribution rate at 14% of pensionable salaries.

Surpluses or deficits which arise at future valuations may impact on the institution's future contribution commitment. An additional factor which could impact the funding level of the scheme is that with effect from 16 March 2006, USS positioned itself as a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The next formal triennial actuarial valuation is due as at 31 March 2008. The contribution rate will be reviewed as part of each valuation.

The total pension cost for the Institution was £3,046 (2005 - £2,940).

10. RELATED PARTY TRANSACTIONS

The following members of Council received a research grant from the School in respect of a School Project:

G. Herrmann £10,100 (Nimrud Ivories Project)

Travelling expenses totalling £333 (E. Coghill, G. Herrmann and A. Millard)

No remuneration or other benefits have been paid or are payable to any charity trustee or connected person in the year to 31 March 2006 in respect of their responsibilities as Trustees, except for an honorarium of £500 paid to a Member of council for duties related to the Journal Iraq.

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NOTES TO THE ACCOUNTS (Continued)  
FOR THE YEAR ENDED 31 MARCH 2006

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11. RESTRICTED INCOME FUNDS

	Appeal & Fund for Iraq	Mallowan Fund	Bonham Carter Lecture Fund	Total
<b>Income:</b>				
Appeals	28,403	-	-	28,403
Gift Aid - Appeals	1,775	-	-	1,775
Investment income	1,395	134	167	1,696
	31,573	134	167	31,874
<b>Expenditure:</b>				
Direct Charitable Expenditure	(1,140)	(55)	(262)	(1,457)
Net incoming resources before revaluations and investment assets disposal	30,433	79	(95)	30,417
Gains and (Losses) on investment asset revaluations	-	(220)	(327)	(547)
Gains on sale of investments	-	128	206	334
Fund Balance Brought Forward	30,278	3,031	3,558	36,867
Fund Balance Carried Forward	£60,711	£3,018	£3,342	£67,071

12. RESTRICTED FUNDS

	Endowment Fund	Working Fund (Unrestricted)	Appeal & Fund for Iraq	Mallowan Fund	Bonham Carter Lecture Fund	Total
Investments	90,131	65,375	-	2,273	2,551	160,330
Fixed assets	-	688	-	-	-	688
Debtors	-	16,573	-	-	-	16,573
Cash and deposits at bank	-	53,283	26,646	-	-	79,929
Creditors	-	(5,571)	(100)	-	-	(5,671)
Inter-fund balances	-	(35,701)	34,165	745	791	-
	£90,131	£94,647	£60,711	£3,018	£3,342	£251,849

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2006

13. UNRESTRICTED FUNDS	TOTAL
Balance brought forward	92,784
Transfers	-
Realised and unrealised gains and losses	(2,718)
Net incoming resources	4,581
	<u>£94,647</u>

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

BSAI MEMBERSHIP DETAILS

Full Membership	£30 / US\$55 per annum £40 per annum for Joint Membership £10 for students accredited in the UK and £15 for non-UK Students (proof of student status required)
Associate Membership	£10 per annum (world-wide)

**Full Members** receive the journal *IRAQ* post-free, the Annual Report and Accounts, a six-monthly Newsletter (May and November) and a 20% discount on all School publications including the *Iraq Archaeological Reports*. All members receive invitations to at least three lectures a year: the AGM (December), a March lecture and the Bonham Carter Lecture (June) in London at the British Academy. Application forms for students may be obtained from the Secretary or on line.

**Associate Members** receive all the benefits of full Membership except the journal and the right to vote at the AGM.

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