



ANNUAL REPORT
2007/08



BRITISH
ACADEMY

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*Front cover: the British Academy's logo – Clio, the Muse of History
– redrawn by artist and illustrator Debbie Cook as part of
the Academy's updated corporate identity*

*Annual Report designed by Perks Willis Design
and printed by G&B Printers*

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FOREWORD



The Council, as Trustees of the British Academy, submit their annual report for the year ended 31 March 2008. 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.

This Annual Report gives an overview of the past year in the life of the British Academy. It sets out the scale and range of activities undertaken to promote, sustain and represent advanced research in the humanities and social sciences – including some 1700 research awards, 170 research fellowships, 50 events and 40 publications.

During 2007/08 the Academy contributed to a number of policy debates of significance for the humanities and social sciences. A *Review of Peer Review* examined a process critical to academic life and standards, made recommendations on the ways in which peer review systems could be strengthened, and contributed to a national debate on the assessment of research. A report published in 2006 on *Copyright and Research* in the humanities and social sciences found that research in these disciplines was being hindered by the way in which copyright law was interpreted and implemented. As a follow-up the Academy, in partnership with the Publishers Association, produced a set of *Guidelines* to give researchers and publishers practical advice about the application of copyright. The Academy also took forward work on *The Impact of Humanities and Social Science Research* (to be published in 2008) and on *Language Matters*, exploring the case for the study of foreign languages at a time when the numbers of school pupils studying them has fallen dramatically, with predictable effects on subsequent study and on research.

In 2007/08 Fellows of the Academy received a number of awards and honours. Professor Nicholas Stern was created a life peer; Professor Brian Vickers and Professor Christopher Bayly were knighted and Dr Margaret Bent and Professor Myles Burnyeat were made CBE. Professor David Feldman was appointed an Honorary QC, and Professor Eric Hobsbawm was made an Honorary Citizen of Vienna. Several Fellows won prestigious prizes, including the Balzan Prize to Dame Rosalyn Higgins, and the Orwell Prize to Professor Peter Hennessy. A number of Fellows were elected members of overseas academies.

In the course of the year, the Academy conducted a review of its strategic priorities, and will present a new strategic framework to the Annual General Meeting of Fellows in July 2008. Emerging themes in the strategic framework are for the Academy to strengthen the support and representation it provides for the humanities and social sciences, nationally and internationally, and to diversify its sources of income.

Work continued throughout the year to refine and strengthen the processes underpinning election to the Fellowship. Vice-Chancellors and heads of national organisations were invited to submit names for consideration, to ensure that candidates were drawn from as wide a field as possible. Changes to electoral procedures were introduced, taking into account obligations under data processing legislation, and strengthening the evidence base for election.

The success of the Academy depends to a great extent on the energetic contribution of time and expertise that it receives from its elected Officers, from members of Council and Committees and from other Fellows. The Academy also owes a great deal to its dedicated and skilful staff. I thank 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



Her Royal Highness Princess Alexandra visited the Academy on 29 January 2008.
She is also President of the British School at Rome, funded by the Academy

INTRODUCTION



This Annual Report reveals a vigorous and wide-ranging set of activities, in a year with many highlights.

In the course of the year the Government recast the

departmental structure overseeing research funding, with the creation of the Department for Innovation, Universities and Skills, to which the Academy is now accountable for its Grant-in-Aid. The Academy's Grant-in-Aid received a significant boost from the outcome of the Government's Spending Review, rising to £22.5m in 2008/09 and to £25m in 2010/11. This reflected the strong case the Academy had made, highlighting its distinctive approach to supporting research in the humanities and social sciences, targeting support on the best researchers at all levels, but especially early career; building and maintaining knowledge and understanding, and contributing to quality of life, competitiveness and cultural understanding.

The outcome of the spending review also supported the Academy's plans to develop its international links and to broaden its communications activity and policy work to address salient issues and demonstrate the value of sound scholarship.

Demand for the Academy's research funding programmes remained high, indeed at record levels in several cases, putting pressure on success rates. The year saw expansion of the postdoctoral fellowship scheme to its highest level; the launch of a new major grants scheme for established researchers, a new conference grants scheme and recognition for eight new Academy projects. The Academy funds scholars in over 120 institutions across the UK. International developments were fostered by active area panels, growing links with China, and the unique network of Academy-sponsored bodies supporting research overseas.

A new international visiting fellowships scheme, to be delivered jointly by the national academies, will be launched in June 2008.

In 2007/08 the Academy produced nearly twice as many publications as usual, organised a large number of events, both academic and of wider public interest, and did much to support dialogue with wider audiences and engage with issues of public concern.

Following a review of the Academy's management, undertaken in order to ensure that the Academy has the resource and structures to meet the challenges it faces, Directors have been appointed to lead on Programmes, on External Relations and on Finance and Corporate Services. They form a new senior management team, which will work with me and the elected Officers to support staff and ensure that the Academy can deliver its strategic objectives effectively.

I am indebted to the support of the President and Officers, to the contribution made by Fellows and to the skill and commitment of my colleagues in the staff of the Academy.

A handwritten signature in black ink, appearing to read 'Robin Jackson'. The signature is fluid and cursive.

Robin Jackson
Chief Executive and Secretary

STATUTORY INFORMATION

Registered Office:

The British Academy
10 Carlton House Terrace
London SW1Y 5AH

Registered Charity Number:

233176

Registered Auditors:

PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London EC1M 3AP

Bank:

The Royal Bank of Scotland plc
Western Branch
60 Conduit Street
London W1R 9FD

Solicitors:

Macfarlanes
10 Norwich Street
London EC4A 1BD

Property Advisors:

Churston Heard
7 Hanover Square
London W1S 1HQ

Investment Fund Manager:

Barclays Global Investors Limited
Murray House
1 Royal Mint Court
London EC3N 4HH

OBJECTIVES AND ACTIVITIES

The mission of the British Academy is to serve as the UK's national academy for the humanities and social sciences, promoting, sustaining and representing advanced research.

The Academy combines several functions in fulfilling its mission:

- a) as an Academy composed of senior scholars throughout the UK it plays a leadership role in representing the humanities and social sciences nationally and internationally.
- b) as a learned society, it seeks to sustain the health and promote the development of the various academic disciplines that make up the humanities and social sciences; and, taking advantage of the wide range of interests of its Fellows, to encourage inter- and multi-disciplinary approaches to scholarship.
- c) as a grant-giving body, it facilitates the research of individuals and groups of scholars, sustains the work of a number of research institutes and societies at home and abroad, and supports research initiatives of its own.

Strategic objectives

The Academy's objectives are:

1. To provide leadership in representing the interests of research and learning nationally and internationally
2. To give recognition to academic excellence and achievement
3. To support research of the highest quality
4. To help outstanding researchers to reach their full potential and thereby develop research capacity in the UK
5. To communicate and disseminate new knowledge and ideas
6. To promote international research links and collaborations, and broaden understanding across cultures
7. To oversee the work of Academy-sponsored institutions at home and abroad and their role in broadening the UK's research base
8. To contribute to public debate, foster knowledge transfer, and enhance appreciation

of the contributions of the humanities and social sciences to the nation's intellectual, cultural, social and economic health and prosperity

The Academy aims to achieve these objectives by organising its principal activities into four programmes:

- Research Programmes (contributing to objectives 1, 2, 3, 4 and 6)
- International and Institutional Programmes (contributing to objectives 1, 6 and 7)
- Communications and External Relations (contributing to objectives 1, 5 and 8)
- Fellowship Programmes (contributing to objectives 1 and 2)

During 2007/08, the Academy undertook a review of its strategic priorities, and a new strategic framework will be presented to AGM in July 2008.

STRUCTURE, GOVERNANCE AND MANAGEMENT

OFFICERS AND COUNCIL MEMBERS

<i>President</i>	Baroness O'Neill of Bengarve*	
<i>Vice-Presidents</i> (ex-officio)	Professor Roger Kain*	<i>Treasurer</i>
	Professor Duncan Gallie*	<i>Foreign Secretary</i>
	Professor David McKitterick*	<i>Publications Secretary</i>
	Professor Robert Bennett*	<i>Chairman of the Research Committee</i>
	Revd Professor John Morrill*	<i>Chairman of CAC</i>
	Professor Michael Fulford*	<i>Chairman of BASIS</i>
<i>Vice-Presidents</i> (Bye-law 14)	Professor Sarah Broadie*	
	Professor Miles Hewstone*	
<i>Ordinary Members</i>	Professor Karin Barber	Professor Geraint Jenkins
	Professor Hugh Beale	Professor Susan Mendus
	Professor Christopher Bliss	Professor Stephen Mitchell
	Professor Christopher Dyer	Professor Linda Newson
	Professor Marianne Elliott	Professor M. Wynn Thomas
	Professor Sir Roy Goode	Professor Frances Young
	Professor Clive Holes	
<i>Group Chairmen</i>	Professor Hugh Williamson	<i>Chairman of the Humanities Group</i>
	Professor Paul Edwards	<i>Chairman 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>	Mr John Fielden
	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</i> & <i>Corporate Services</i>	Ms Paola Morris
<i>Director of Programmes</i>	Dr Birgit Brandt
<i>Director of External Relations</i>	Mr Tim Brassell

ADMINISTRATION

The Academy is a registered 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 opposite. The principal place of business (the registered office at 10 Carlton House Terrace, *pictured*) and professional advisors of the charity are listed on page 6.

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.

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 some 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'. The Council is the governing body responsible for the finance, property, investments and general business of the Academy, and for setting the strategic direction of the institution. It is chaired by the President and composed of six other Honorary Officers, elected annually at the General

Meeting of Fellows, and fifteen 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 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 the 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 the 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 grant-in-aid and in that capacity can be summoned to appear before the House of Commons Public Accounts Committee.

The Academy has for many years received a grant-in-aid from public funds. This grant-in-aid comes from the Science 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).

There are specialist committees for each of the areas of principal activity mapped to the organisation's objectives above:

- 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, which the Sections of the Academy (representing the different disciplines) and two Groups, one for the Humanities, the other for the Social Sciences, supervise and shape.

An Audit Committee was established in February 2005, made up of three Fellows and two external members.

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.

REVIEW OF THE YEAR

RESEARCH PROGRAMMES

Towards the end of 2007/08, the Academy brought together its staff working in different areas of support for UK and International Research into a single Programmes Department under a new Director (Dr Birgit Brandt). This will enable a more strategic overview to be taken of all the Academy's funding activities and policy development. Challenges ahead include the introduction of an electronic grant making system for the Academy, the development of an evaluation programme to monitor the impact and relevance of Academy programmes, the development of an integrated international strategy and improving structures for the development of research-related policy.

"Critical successes of this year have been the expansion of the postdoctoral fellowship scheme to its highest volume ever achieved, the launch of the new British Academy Research Development Awards which have provided an attractive new medium for offering larger grants to individual established researchers, support for eight new Academy projects following an open competition, and continued growth in popularity of the small grants scheme. Also important has been a shift in the way in which conference grants are being adapted to better reflect the outreach mission of the Academy. Over 1721 research awards of all types were made by the Academy in 2007/08, a huge volume. The award process is highly competitive, and the allocation decisions draw heavily on the time and goodwill of Fellows and others who deserve special thanks for their continued support."

Professor Bob Bennett

Chair of the Research Committee

The Academy provides financial support to a large range of research subjects and projects across the humanities and the social sciences, sustaining and strengthening the UK's research activity and developing the capacity and expertise of the country's research base. This deepens knowledge and understanding of our own and of other societies and cultures throughout the world,

contributes to an inclusive global research culture and provides the scholarly underpinning for policy-related developments.

The Research Committee, reporting to Council, is responsible for framing the Academy's research policy and for allocating funds between the various programmes each year, to reflect agreed priorities. As the monitor and custodian of consistency and transparency in the Academy's grant-giving procedures, it draws up the Code of Practice for the Consideration of Research Proposals issued to all assessors, ensures that appropriate information and guidance are issued to applicants and made publicly accessible, and it has also codified administration procedures to conform to the highest standards and best practice within the academic community.

The Research Committee is also responsible for ensuring that all research programmes are reviewed annually. Periodically, it oversees a wider consultation with the research community at large to evaluate whether the Academy's schemes are meeting their needs in terms of service delivery, and that the programmes are judged to add value within the spectrum of public funding available nationally.

Through all its grant programmes, the Academy seeks to ensure that equal opportunities exist for all sections of the community, and that special needs are taken into account. The Academy monitors the rates of application and awards against a range of criteria; annual statistics are available on the website at www.britac.ac.uk/funding/awards/statistics.html and lists of all awards made can be found at www.britac.ac.uk/funding/awards/.

RESEARCH GRANTS

The three award schemes set out below are overseen by committees that allocate funds, approve and monitor grants, and determine appropriate procedures for grant-giving, the peer review system and evaluating the outcomes of awards.

Small Research Grants

The scheme for Small Research Grants (up to £7,500) complements the schemes for institutionally based project funding provided by the Arts and Humanities Research Council (AHRC) and the Economic and Social Research Council (ESRC). It supports small-scale research, and awards are used to sustain individual research projects or to facilitate the work of small networks of scholars. The scheme is commonly 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 are unpredictable. The scheme was considered a very high priority in a recent consultation with the research community, regarded as providing unique access to fast track, responsive-mode funding that is particularly valuable to scholars in the humanities and the social sciences.

The Academy supports many high-quality applications under this scheme, and in 2007/08 some 1174 applications were considered and 707 awards were made. Application numbers have risen by 43% in the last three years. One of the most valuable attributes of the Small Research Grants is the way it helps develop research capacity in the UK, particularly through fostering the advancement of large numbers of scholars in the early stages of their career.

The Small Research Grants scheme is a priority within the Academy's research funding portfolio, promoting innovation, creativity and diversity across a wide range of people and institutions, and funding excellence wherever it is located: 11% of grants were awarded to staff in post-92 Universities and Colleges of Higher Education, 19% to staff at Oxford, Cambridge and London, 66% to other HEIs, and 4% to independent researchers. Among the great variety of research supported were: *How to place trust well: an experimental study of the role of the source of information*; *Loss in childbearing in sub-Saharan Africa and South Asia*; *Icy nationalism: geopolitics, resource speculation and the polar regions*; *The carbon footprint of archaeological research* and *Chinese religions and globalisation, 1800-present*.

Conference Grants

During 2007/08 the parameters of the British Academy's programmes for conference support were revised. Historically, the Academy had offered three different types of conference grants. *Overseas Conference Grants* (which continue) provide travel expenses to enable selected scholars to present an academic paper at an approved conference outside the UK. *British Conference Grants* provided assistance with the expenses of bringing major international scholars to conferences held in the UK to disseminate research and explore new questions, while *Worldwide Congress Grants* offered support for major international congresses where it was the UK's turn to host the event. These latter two schemes have now been incorporated within a new integrated Conference Support programme, with the overarching aim of promoting the dissemination of the latest research and fostering intellectual networking and advancing understanding. The newly integrated funding stream encourages conference organisers to think of disseminating the results of research to a broader public wherever possible.

The budget for 2007/08 was set at a level to make up to 700 individual Overseas Conference Grants and to support up to 200 British Conferences. Nearly 1,000 Overseas Conference Grant applications were considered this year, and 629 scholars were given individual travel grants. The British Conference Grants scheme assisted some 154 conferences (out of a field of 325 applications). No awards were made for Worldwide Congress Grants. The Academy confirmed 20 initial awards under its new Conference Support programme in 2007/08, which will take effect in the financial year 2008/09.

Larger Research Grants/British Academy Research Development Grants

During 2007/08 the Academy's Larger Research Grants scheme was replaced by the new British Academy Research Development Awards (BARDA). However, 76 new Larger Research

Grants projects started in 2007/08 as a result of award decisions taken in March 2007. Of these 25% were awarded to staff based at Oxford, Cambridge and London; 21% of grants to staff in post-92 Universities and Colleges of Higher Education, 52% to other HEIs, and 4% to museums, galleries and other organisations.

The first round of the new BARDA opened in summer 2007, offering flexible new opportunities for established scholars to concentrate on research, at their creative peak, freed from the constraints of teaching and administration. BARDA provide a flexible package of support from which the applicant is free to choose those elements which will best facilitate the successful achievement of a distinctive programme of research. Applicants can choose to focus their research effort within a concentrated block of time, or to spread their research effort, in shorter recurrent periods, over a period of up to three years. The flexibility of the scheme has attracted much positive comment, and from the statements made by applicants, the scheme is perceived as being distinctive, different from anything offered by the Research Councils and valuable to researchers in all disciplines across the humanities and social sciences. In March 2008, the Academy offered awards to 37 projects which will commence during 2008/09.

Private and Administered Funds

In addition to the projects supported with Government grant-in-aid, the Academy funded 34 research proposals from its private endowments and donations.

Monitoring and Evaluation

During the year, 1,470 grant reports have been assessed, and found satisfactory. None of the research grants were suspended. During 2007/08, the Academy has been notified of 462 publications linked to its support. Many more are in preparation, and dissemination occurs through conference and seminar presentations, radio and media broadcasts, and other public events.

RESEARCH PROJECTS

Centenary Research Project

The Projects Committee received a highly satisfactory report on the progress of the Centenary Research Project, *From Lucy to Language: The Archaeology of the Social Brain*. During the course of the year, one of the Directors, Professor Robin Dunbar, FBA, was appointed Professor of Evolutionary Anthropology and Director of the new Institute of Cognitive and Evolutionary Anthropology at the University of Oxford. By mutual consent with the



Professor Robin Dunbar, a Director of the Centenary Project 'From Lucy to Language'

Directors, and the other institutions concerned, Oxford has become the principal grant-holding institution for this award. The project continues to make impressive progress, and publications during the year included *Origins and Revolutions: Human Identity in Earliest Prehistory* by Professor Clive Gamble.

Academy Research Projects

The Academy supports a portfolio of outstanding research projects, offering them a 'kite mark' of academic recognition plus modest annual funding of up to £5,000, generally covering travel and

other costs associated with servicing their core activities. In many cases the Academy's limited financial contribution leads to the release of funds from other private and public bodies, both in the UK and internationally.

The Academy invited proposals for new projects in 2007 with the specific aim of extending the range of work supported under the programme.

Accordingly, preference was expressed for projects in the Social Sciences; in the Modern World (post-1800) and in the World outside Europe. From 72 outline proposals submitted, the Academy adopted eight new projects, including *An Archive for China*, directed by Professor Robert Bickers of the University of Bristol, and *Commodities of Empire*, jointly directed by Dr Sandip Hazareesingh of the Ferguson Centre for African and Asian Studies at the Open University and Professor Jean Stubbs, Director of the Caribbean Centre at London Metropolitan University.

In total, 42 Academy Research Projects were funded during the year. The Projects Committee undertook detailed reviews of eight of these, one of which (threatened by lack of publication and an uncertain flow of new proposals) was given a further year to provide evidence of future viability. The remaining seven were all assessed as satisfactory, as were the annual progress reports received on all other projects. Around a dozen are published by the Academy, and reference to some of their publications can be found under the Publications programme report below. Other work published during the year included *The West Riding Hearth Tax* by David Hey, Colum Giles, Margaret Spufford and Andrew Wareham; *Utility and Democracy: The Political Thought of Jeremy Bentham* by Philip Schofield, and *Scottish Libraries*, edited by the late John Higgitt, with an introductory essay by the late John Durkan, the 12th volume of the *Corpus of British Medieval Library Catalogues*.

Many of the Academy Research Projects also disseminate the results of their research online. Notable examples include the websites for the Beazley Archive (<http://www.beazley.ox.ac.uk/>) – cited as an important example of digital

communication in a presentation at the World Economic Forum at Davos, Switzerland in February 2008 – and the John Foxe project (<http://www.hrionline.ac.uk/johnfoxe/>).

International Research Projects

Long-term support was maintained for two major international projects of fundamental importance to their disciplines – the *Thesaurus Linguae Latinae*, based in Munich, and the *Lexicon Iconographicum Mythologiae Classicae* in Basel, Switzerland – in the form of a British contribution to a central international pool of funds. Following a formal review of these projects in 2006, the Academy has taken steps to integrate this support with the main Academy Research Projects, and to harmonise the grant limits available to support these projects. Support for two additional projects of direct relevance to British culture and life – the *Records of Early English Drama* and the *Dictionary of Old English* – has also been resumed as Academy Research Projects.

Private Funds

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

RESEARCH POSTS

Postdoctoral Fellowships

There has been a sharp increase in the number of Postdoctoral Fellowships awarded by the Academy in 2007/08 as a direct result of increased Government funding. The three-year 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 PhD, offering them time to

work on and write up new research and gain experience of teaching in the university environment.

The 2007 round of competition, the last to be held on the old timetable (deadline in February, decision in July) proved as popular as ever, with 578 applications submitted. Many high-calibre candidates were considered, and the assessors faced great difficulty, even with the increased funding that enabled 45 new awards to be offered – an increase of 40%. The success rate was just 7.8%.

During the year a total of 150 Postdoctoral Fellows, based in 40 different institutions, were supported, including the Albert Reckitt Postdoctoral Fellowship in Archaeology, currently held by Dr Lindy Crewe at the University of Manchester.

A total of 33 awards were concluded during the course of the year, and the first destinations for most of these alumni was another academic appointment, including many permanent lectureships at Birkbeck, Bristol, Brunel, Edinburgh, Exeter, Leeds, Liverpool, Northumbria, Queen's Belfast, St Andrews and Southampton. The Academy maintains contact with the developing careers of former award-holders, and currently around 84% are known to be actively pursuing academic careers, 70% of them in permanent academic posts. Improved interaction with PDF alumni is a high priority and a programme to strengthen the Academy's ties with those who have previously held these prestigious awards is being developed.

A Postdoctoral Fellows Induction Day was held in November to introduce the newly appointed award holders to each other, to the Academy, and to some of the privileges and responsibilities of being a PDF. This was in addition to the long-running series of annual Postdoctoral Fellowship Symposia, a showcase for their research, which has continued to take place annually in April.

Regular participation in conferences and workshops is a feature of the PDFs' dissemination of the results of their research. Much of their

output is also transmitted through the publication of monographs and edited collections, journal articles and essays in collected works. During the past year the Academy has been notified of the publication of 40 monographs and edited collections, including *Families Shamed: The Consequences of Crime for Relatives of Serious Offenders* by Rachel Condry (Willan, 2007) about which she was interviewed on Radio 4's *Thinking Allowed* after its publication; and Yasmin Khan's *The Great Partition: The Making of India and Pakistan* (Yale University Press, 2007) which was well-received in the national press, with reviews in major publications including *The Economist*, and which was also published by Penguin India and widely distributed across South Asia. Academy PDFs also published 169 journal articles and book chapters; and 91 other shorter publications, including encyclopedia entries. Many more are in active preparation for future publication.

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 through the development of the British Academy Research Development Awards (BARDAs), with the consequence that this scheme is now in its penultimate year.

In total, 21 awards were supported during the year to March 2008, with 14 awards concluded in the autumn of 2007, and seven ongoing appointments begun under the full economic costing regime.

Publications arising from the work of these research fellows in the past year included 13 monographs and edited collections, 107 journal articles/book chapters, plus 37 other shorter or non-standard pieces. Among the books to appear were Andrew Murphy's edited volume *A Concise Companion to Shakespeare and the Text* (Blackwell,

2007); *Poverty, Wealth and Place in Britain, 1968 to 2005*, by Danny Dorling et al. published by the Joseph Rowntree Foundation; and *A Corpus of Early Medieval Inscribed Stones and Stone Sculpture in Wales: Volume II South-West Wales* by Nancy Edwards. The research being supported under the scheme was promoted and discussed at many conferences, and Professor James Raven's research on *The Making of the English Novel* was featured on Radio 4's *Making History*.

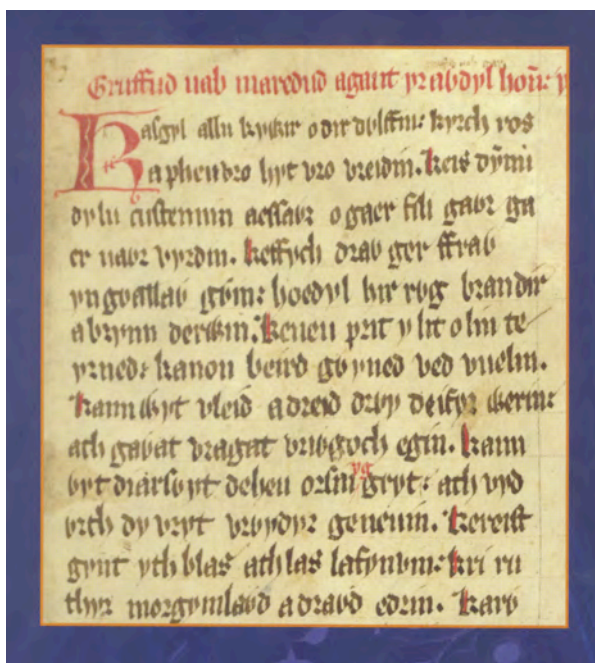
Being appointed as a British Academy Research Leave Fellow is often followed by promotion, as it is a signal mark of esteem. In the past year both Javed Majeed (Queen Mary, University of London) and Walter Matli (University of Oxford) were promoted to Professor, and Simon Ditchfield (University of York) was promoted from Senior Lecturer to Reader.

Private Funds

The Academy continues to make annual awards of seven Senior Research Fellowships with funding generously donated by the Leverhulme Trust. A second annual Symposium was organised and held at the Academy in November 2007, jointly with the Royal Society and the Royal Academy of Engineering, to discuss the topic *Ethics in Research*. This was an opportunity to celebrate the Leverhulme Trust's ongoing support for this scheme.

The income from the Thank-Offering to Britain Fund continued to sustain a Thank-Offering to

Britain Fellowship on the same terms as the Leverhulme-sponsored Senior Research Fellowships. The latest Thank-Offering to Britain Fellow, Professor Richard Collier of the University of Newcastle, had his research published in the volume he edited with S Sheldon, *Fathers' Rights Activism and Law Reform in Comparative Perspective* (Hart Publications).



One of the newly published medieval Welsh manuscripts from the Academy Research Project 'The Poets of the Nobility'

Professor Geoffrey Khan FBA, concluded his Marc Fitch Research Readership and his 3-volume work on *The Christian Neo-Aramaic Dialect of Barwar* is in preparation.

Publications arising from these awards during the past year included four monographs or edited collections arising from the Senior Research Fellowships scheme, including Professor Robert

Swanson's *Indulgences in Late Medieval England: Passports to Paradise?* (CUP), nine articles or book chapters and three other shorter publications.

INTERNATIONAL AND INSTITUTIONAL PROGRAMMES

The Academy's international work forms a central part of its activities. Alongside the support offered through its research programmes and grant-giving, the Academy maintains a strong network of international partnerships and research support structures designed to encourage collaboration between researchers in the UK and worldwide; and it supports a unique range of institutes overseas and learned societies which promote British research on and with different parts of the world.

INTERNATIONAL RELATIONS

“2007/08 was a busy year for the Academy on the international front. In addition to the usual programme of activities, there were several major visits to and from partners overseas and increased activities by Area Panels. The Academy made a substantial contribution to the development of an EU-funded programme to articulate an agenda for collaborative research between Europe and China in the humanities and social sciences. Much work has gone into development of the new Newton International Fellowships scheme, to be launched in June 2008.”

Professor Duncan Gallie
Foreign Secretary

The Academy’s international relations strategy is overseen by the International Policy Committee. It 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; the encouragement of international collaborative research capacity in priority areas through a series of area panels; the facilitation of person-to-person links and networks; and (in close conjunction with BASIS, the Board for Academy-Sponsored Institutes and Societies) the development of Academy policy in relation to the international arena. During 2007/08 the Committee and the Board have debated the future shape and priorities of the international strategy as part of the process of developing an overall strategic framework for the Academy.

Agreements

During 2007/08 the Academy maintained 40 agreements and memoranda of understanding (MoU) with organisations in 30 countries. These partnerships, which form a key part of the Academy’s international strategy, enable support for collaborative research, the establishment of contacts, the improvement of networking between scholars in

different countries and the development of research proposals for which substantive support will subsequently be sought elsewhere. Grants under these agreements are intended to complement the Academy’s research grants schemes (a substantial proportion of research grants involve research abroad, or collaboration with foreign colleagues). They provide introductory channels when scholars first begin to work in a country, and bring in matching funding.

During the year, agreements with a number of long-standing European partner academies were updated, with an emphasis on alterations to organisational support, to effect savings in staff time, offer greater flexibility for incoming scholars and a stronger focus on the development of links with UK partners. The Academy also signed its first MoUs with Africa and Latin America: with the Ghanaian Academy of Arts and Sciences, and with CAPES (the Brazilian Federal Agency for the Support and Evaluation of Graduate Education) and the Brazilian Academy of Sciences.

In 2007/08, the Academy made 50 new awards for either individual or collaborative research, under the terms of its Agreements and MoU, on subjects as diverse as *Contemporary Georgian Folktales and Verbal Charms in English Translation* and *Gender and Sexuality in Contemporary Japanese Cinema* and continued to support a range of ongoing joint projects, on topics such as *Machine Readable Description and Searchable Catalogues of Cyrillic Manuscripts* and *Change and Continuity in Early Iron Age Greece*.

International Organisations

The Academy is a longstanding member of four international bodies, where it seeks to contribute to policy development and planning, as well as representing the interests of UK scholarship in the humanities and social sciences. The Union Académique Internationale, a federation of some 40 academies world-wide, encourages collaboration on long-term scholarly research projects in the fields of the humanities, and, to a lesser extent, the social sciences; the European Science Foundation, comprising nearly 80 member organisations from 30

European countries, is concerned with the development of European science through the planning and implementation of pan-European initiatives; ALLEA (All European Academies), linking over 50 academies in 40 European countries, seeks to encourage the exchange of information and experience between members and offer science policy advice; and the International Human Rights Network of Academies and Scholarly Societies, which numbers more than 65 academies and scholarly societies among its membership, aims to promote and defend the rights of scholars and scientists who have suffered severe repression.

The Academy has also become a member of the International Social Science Council which, under new leadership, is preparing a report on the state of world social science, and planning a World Social Science Forum in Oslo in May 2009. The Academy will continue to develop its engagement with international organisations as part of its strategy for ensuring wider representation of UK interests in the humanities and social sciences.

Area Panels

Area Panels are playing an increasingly important role in the development of the Academy's international policy. The Africa Panel and the Latin America and the Caribbean Panel, in their third year of operation, have continued to develop a broad range of activities, spanning policy, funding, and public events. The Africa Panel commissioned a report on Frameworks for Africa-UK Research Collaboration in the Social Sciences and Humanities, which it planned to discuss with a range of key organisations from Africa and the UK at a meeting in Nairobi (originally scheduled for February 2008 but postponed to September 2008 because of political problems in Kenya.) It is also planning to develop the Africa Desk website in collaboration with the African Studies Association UK.

The Latin America and the Caribbean Panel organised a Brazil Day to mark the signing of the MoU with CAPES (the Brazilian Federal Agency for Support and Evaluation of Graduate

Education), and explored funding opportunities for research on and with Latin America and the Caribbean at a conference held at the British Museum in March 2008. The two grant schemes established in 2006 to promote collaboration between UK scholars and Africa, Latin America and the Caribbean again attracted a wide range of strong applications in the second competition. Both Panels arranged public events: *Mexico City in History and Culture* in October 2007, held in collaboration with the Mexican Embassy, attracted a capacity audience, and substantial media interest in Mexico. The Latin America and the Caribbean Panel also plans a report on UK research being carried out on and with these countries, in order to provide an up-to-date resource on expertise.

Two new Panels for the Middle East and South Asia began work in 2007/08. Both have agreed to establish grant schemes, analogous to that run by the Africa Panel, to promote long-term institutional links between the UK and organisations in the countries within their remits. The Middle East Panel plans a systematic review of UK expertise on the region; the South Asia Panel plans to coordinate and develop website resources, in conjunction with the British Association for South Asian Studies.

Visiting Fellowships

The Academy's Visiting Fellowships scheme, focussed on creating international opportunities for early-career overseas academics, attracted a record number of applicants for the third year of the competition, and 34 awards were offered in March 2008 for visits to take place in 2008/09. In addition the Academy collaborated with both the ESRC and the AHRC on a competition aimed specifically at bringing academics from the Middle East and South Asia to the UK; 13 awards were confirmed in March 2008.

The Academy was delighted to receive funding in the Comprehensive Spending Review for a new series of International Fellowships, to be run in conjunction with the Royal Society and the Royal

Academy of Engineering. This prestigious programme, covering all disciplines from the humanities and social sciences through the natural sciences to engineering, takes as its model the Humboldt scheme in Germany, and aims to attract the best researchers from across the world to the UK, for visits of up to two years. During 2007/08 the Academy has worked with its partners to develop plans for the new programme, to be called the Newton International Fellowships programme; the first competition will take place during 2008/09.

International Policy

During 2007/08 the Academy engaged with the European Commission and European partner organisations to explore relations with China, in the context of membership of CO-REACH, an ERANET (European Research Network) Co-ordination Action which seeks to promote the co-ordination of research between Europe and China. During 2007/08 CO-REACH partners agreed to work together to support two pilot programmes, one in the social sciences and humanities, the other in the natural sciences, supporting research collaboration between European and Chinese scholars.

The Academy has played a key role both in the development of the thematic emphasis of the social science programme and in persuading European partners to join the Academy and the ESRC in committing funding. Engagement with the European Commission to ensure, as far as possible, complementarity between any Commission Calls and the CO-REACH programmes, has also been important. The Academy believes that engagement with a range of European partners in co-operative ventures of this nature is vital in supporting global research collaboration; it is therefore taking an active role in the European Consortium for Asian Field-study and has signed up as an observer in a potential European network with Korea. During 2008/09 the Academy will consider how best to integrate its international strategy to allow its role and profile on the international stage to be further strengthened.

ACADEMY-SPONSORED INSTITUTES AND SOCIETIES

“The highlight of the year was the international conference *Evolving Societies* held in the Barbican Centre, London. This was the first major event where the sponsored institutes and societies came together to present their research. The volume and range of research themes, and of their geographical and chronological spread was impressive. So, too was the success of the organisations in attracting major research funding from UK charities and research councils, as well as international foundations. It was a pleasure to welcome the British Association for South Asian Studies, created by a merger of the Society for South Asian Studies and the former British Association for South Asian Studies, while a further major development was the Academy becoming a founder member of the European Consortium for Asian Field-Study (ECAFS), an organisation which will provide access to a network of some 20 research institutes in Asia.”

Professor Michael Fulford

Chair of BASIS

A key pillar of the Academy’s international strategy was the support provided during 2007/08 by the Board for Academy-Sponsored Institutes and Societies (BASIS) to 14 organisations that facilitate and deliver research overseas, and a fifteenth, the Council for British Archaeology, at home:

- The British Institute at Ankara (BIAA)
- The British Institute in Eastern Africa (BIEA)
- The British Institute of Persian Studies (BIPS)
- The British School at Athens (BSA)
- The British School at Rome (BSR)
- The Council for British Research in the Levant (CBRL)
- The Research Committee of the Association of South East Asian Studies in the UK (ASEASUK)
- The African Studies Association UK (ASAUUK)
- The British Association for South Asian Studies (BASAS)
- The British Institute for the Study of Iraq (BISI)
- The British Society for Middle Eastern Studies (BRISMES)

The Egypt Exploration Society (EES)
The Joint Initiative for the Study of Latin
America and the Caribbean (JISLAC)
The Society for Libyan Studies (SLS)

The Council for British Archaeology (CBA)

The overseas organisations, of which the first six maintain premises abroad, constitute a valuable scholarly presence alongside British diplomatic and cultural representation in the regions where they operate. They provide unique opportunities for British scholars to undertake original research and fieldwork overseas; stimulate collaboration with international scholars and institutions, offer channels for publishing and disseminating the results of that work; and, in some cases, an academic base offering a range of scholarly and logistical support services, including accommodation, laboratory equipment, and library and archive facilities. The organisations also maintain an active programme of lectures, conferences and other activities, both in the UK and overseas. The CBA works to promote the appreciation and care of the historic environment for the benefit of present and future generations. Full information about all these bodies can be found on their respective websites.

For three of the learned societies (ASAUK, BRISMES and JISLAC), this was their first year of sponsorship within the BASIS community; a fourth, BASAS, is the result of a merger recommended by the Academy which has brought together two societies with a complementary disciplinary focus (one new, one previously supported) into a single broadly based organisation. These additions have significantly extended the geographical coverage offered by the network, as well as contributing to the broadening of its disciplinary range, a process that has been under way for a number of years. In a further move to improve facilities for UK scholars working in Asia, the Academy has supported and become a founder member of the European Consortium for Asian Field-study (ECAAF). This will provide access to a network of around 20 European research institutes, and may provide a model for similar consortia in other regions.

The role of BASIS is to sponsor, shape, develop and promote the network of institutes and societies. Each year it solicits and analyses progress reports, plans and funding bids from all sponsored bodies in three separate areas: core/establishment costs and communications and outreach expenditure (for both of which the Academy's Council assigns a block grant to BASIS) and for research costs – funded by the Research Committee – with BASIS making individual allocations to each organisation. This year, it introduced a framework of performance indicators for the first time, and this has provided higher quality data to underpin its funding decisions.

For the third year, additional awards were made specifically to promote multi-disciplinary collaborative research amongst the BASIS community:

- *Shi'ism and identity*, led by the British Institute of Persian Studies and the British Society for Middle Eastern Studies.
- *Changing global geographies of power and development: contemporary Indian-East Africa relations*, proposed by the British Association for South Asian Studies and British Institute in Eastern Africa.
- *Dispossession and displacement: forced migration in the Middle East and Africa*, led by the Council for British Research in the Levant and involving several of the sponsored organisations.
- *Reconnecting the Western Mediterranean*, proposed by the British School at Rome and the Society for Libyan Studies.

All these projects reflect an increasing focus on strategically directed research spanning disciplines, countries, and time periods, and that emphasis is also being carried forward in the individual research plans for each institute and society. The budget also enabled BASIS to make a series of capital investment awards during the year to reinforce institutes' abilities to contribute to inter-cultural dialogue and understanding. In November the Academy organised an international conference to showcase the

increasingly broad and varied work of the institutes and societies. Entitled *Evolving Societies*, the day was organised around four themes – environmental change; human migrations; nations, states and identities; and art and heritage – and involved 20 presentations and an exhibition demonstrating the opportunities the organisations can offer British researchers, and a chance to meet their key players. The conference attracted the support of Sir John Tusa, Chair of the University of the Arts and former Managing Director of the BBC World Service, Lord Bragg of Wigton, the writer and broadcaster, who chaired an afternoon panel discussion on the future of support for overseas research, and His Royal Highness Prince Hassan of Jordan, who stressed to the audience the importance of research into history, culture and society, and the contribution that this kind of international collaboration could make.

best practice. Among the subjects discussed were the funding context within which the Academy was operating, opportunities for working more closely together and promoting the work of the organisations, and proposals to strengthen the way the organisations' performance can be most effectively assessed.

BASIS sustained its established rolling programme of formal reviews of the organisations, in order to evaluate within a five-year cycle the success of each in serving the needs of the UK's research community in a range of humanities and social science disciplines. In 2007/08 the work of the Council for British Archaeology and the Council for British Research in the Levant were reviewed, a 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 discussion of the reports' recommendations with the senior officers of the organisations during 2008.

Priorities for 2008/09 include closer integration with the work of the International Policy Committee and Area Panels, a stronger focus on maximising the impact of the grants awarded and on collaborative research activity, and the continued

broadening of research agendas in order to support the Academy's strategic objectives.



Broadcaster and writer Lord Melvyn Bragg with Professor Mike Fulford at the 'Evolving Societies' event held at the Barbican Arts Centre

The annual meeting of the BASIS Consultative Forum, composed of the members of BASIS and representatives of all the sponsored organisations, was also held in November 2007 in order to develop and share common insights and promote

COMMUNICATIONS AND EXTERNAL RELATIONS

A single focus for all of the Academy's external-facing work was created for the first time at the beginning of 2008 (under a new Director, Tim Brassell) in order to create a more strategic approach across all the Academy's communication-based activities and staff, and to strengthen the Academy's overall visibility. Early priorities have included starting work on a major re-design of the Academy's website, creating an updated house style and new corporate publications, taking a more strategic approach to the Academy's lectures and discussion activities, and exploring ways of creating more partnerships and outreach activity outside London.

PUBLICATIONS

"In 2007/08 the Academy produced nearly twice as many publications as usual, contributing significantly to the dissemination of research and including some extremely attractive volumes. The Publications Committee is working closely with the Communications and Activities Committee to ensure that planning for publication is part of the assessment of activities for Academy support. At the same time, thought is being given to how the Academy's publications programme can keep up to date with the fast-changing publications world."

Professor David McKittrick

Publications Secretary

This has been an extraordinary year for the Academy's publications programme. In order to help its authors meet the Research Assessment Exercise deadline at the end of 2007, the Academy produced more than twice as many publications in 2007/08 as in 2006/07. This was predicted: a year ago it was forecast that 'up to 40 publications' might be produced; in the end it was 39.

The Academy's publications programme has always been strong in its coverage of archaeology and the ancient and medieval worlds. This year has been no different, with just over half of the output being in these fields. The Near East and Central Asia feature

particularly prominently, while the fiftieth volume in the *Early English Church Music* series is a sumptuous facsimile of the Anglo-Saxon manuscript, *The Winchester Troper*.

Current policy issues have also provided several highlights in the list: *Unequal Chances* considers the fate of immigration's second generation in the labour market; *Cabinets and the Bomb* traces the development of Britain's nuclear weapons policy; *The International Politics of EU-China Relations* maps a dramatically-changing strategic relationship.

Five more *British Academy Postdoctoral Fellowship Monographs* were published during 2007/08, and four more contracts awarded. To speed the decision-making process, there will now be two deadlines for monograph proposals each year, in February and in June. Meanwhile the Academy's new programme of Conference Support is already increasing the pool of proposals for publication in the flagship *Proceedings of the British Academy* series.

Three series arising from Academy Research Projects were formally reviewed, to ensure that they continue to produce scholarly work that is making an impact. The Publications Committee continues to explore how the publishing programme can best disseminate new knowledge and ideas, contribute to public debate, and enhance appreciation of the humanities and social sciences.

The *British Academy Review* is an important vehicle for promoting the work of the Academy to wider readerships: issue 10 was published in December, and consideration is currently being given to more frequent publication.

EVENTS

"This year development of the Academy's programme of events advanced apace: more events outside London and in collaboration with Literary and Scientific Festivals as well as a range of universities; more events aimed at creating dialogue with wider publics and exploring common concerns with those engaged at the

sharp end of public life and beyond; more celebration of exceptional research. We are taking a more focused approach to the support of academic conferences. In conjunction with the Publications Committee, and through a fresh look at how we present material accessibly on the web, the Committee is exploring new ways of sharing our events and their outcomes with the world beyond the academic community.”

Professor John Morrill

Chairman of the Communications and Activities Committee

The Academy runs a wide variety of events each year, in three main categories: Academic Lectures and Conferences, which are primarily designed for audiences of academics and researchers; Discussion Events, intended for a wider audience; and Workshops, designed to stimulate exchange between practitioners in academia, business, government, law and the public sector, providing a distinctive forum for scholarly work and debate on specific topics.

Lectures and Conferences

This year’s academic events included 14 lectures. Two proved to be particularly popular with academic and non-academic audiences:

- *What makes humans so different?* – the joint British Academy/British Psychological Society Annual lecture delivered by Professor Robin Dunbar FBA used comparative analyses and experimental studies to explore the structure and function of human behaviour in comparison to the behaviour and biology of primates. The lecture was repeated in April at the Edinburgh International Science Festival
- *Visions of European Unity since 1945* – the Elie Kedourie Memorial Lecture delivered by Professor Noel O’Sullivan (University of Hull) discussed the lack of clarity of the draft European constitution, and explored the wide-ranging debate about the nature of European unity circulating since the Second World War.

Ten conferences were also supported, including:

- *Enquiry, Evidence and Facts: An Interdisciplinary Conference*, convened by Professor William Twining FBA and Professor Mary Morgan FBA and organised in association with research programmes funded by the Leverhulme Trust and ESRC. The conference debated the different theoretical, methodological and practical approaches to the study of evidence and the way that ‘facts’ are acquired and used across different fields.
- *Social and Cultural Change in late pre-modern Korea*, convened by Professor Peter Kornicki FBA – a one day conference focused on Korea in the Choson dynasty (1392-1910), exploring social and economic changes in Korea including issues such as disaster relief, education and print culture.

Discussion events

The Academy supported three one-day conferences and sixteen evening debates, including three panel discussions organised as part of UK festivals:

- *Urban Latin America through Film and Music*, a one day conference hosted by Manchester Museum bringing together academic researchers in the arts and the social sciences with arts practitioners, such as film-makers, writers and people connected to the music industry, in order to engage a broad cross-section of the public in probing behind the popular, often false stereotypes of Latin America
- *Posterity: Present Concerns with the Future*, an evening discussion at the Academy in which panellists examined the importance humanity has, in various ways, attached to the idea of posterity – from the Enlightenment’s faith in progress to ecological and ethical notions of conservation and stewardship and the long-term disposal of potentially lethal nuclear waste.
- *Local Devolution of Public Services* – this discussion, forming part of the ESRC’s 2008 Social Science Festival, was co-organised and hosted by the University of Birmingham and

brought together historians, politicians and local government practitioners to discuss why local government has apparently become weaker over the past 60 years, with low voter turn-out, declining levels of interest and poor levels of accountability.

Workshops

Seven workshops took place during the year, including:

- *Parliament, Past and Future: exploring backbench dissent and executive dominance* – a workshop gathering together 25 leading political scholars to examine the present state of the subject and consider the range of possible measures constituting backbench dissent. It was followed by a well-attended public discussion chaired by Peter Riddell of *The Times*.
- *Philosophy and Public Policy* – a one-day Saturday workshop which addressed the competence, the authority and the limits of philosophy in

contributing to public policy, and also about the application of philosophy to policy concerns.

- *The Compass of Story: The Oriental Tale and Western Imagination* – this workshop, convened by Professor Marina Warner FBA and featured on Radio 4's *Start The Week*, explored the impact of oriental story-telling, especially *The Arabian Nights*, on Western fiction and entertainment, and the long imaginative interactions between the Middle Eastern and Western worlds.

WEB-BASED ACTIVITIES

The Academy places great emphasis on maintaining and developing its website (www.britac.ac.uk). The website is not only a primary information source about the Academy and its activities – for example, its research grants and awards, programme of events and publications catalogue – but also provides links to a wide range of scholarly bodies and resources, nationally and internationally.

BRITISH ACADEMY
THE UK'S NATIONAL ACADEMY FOR THE HUMANITIES AND SOCIAL SCIENCES

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SEARCH GO

THE BRITISH ACADEMY, established by Royal Charter in 1902, champions and supports the humanities and social sciences. It aims to inspire, recognise and support excellence and high achievement across the UK and internationally.

ACADEMY DIARY
24 June 2008
Reconstituting a Traumatized Society
8 September 2008
Peoples of the Circumpolar North
11 September 2008
Archaeology and Wildlife

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2008 Queen's Birthday Honours
The Academy congratulates the following Fellows who have been recognised in the Queen's Birthday Honours List 2008: Professor John Cleland, for services to Social Science (CBE), Professor Wendy Davies, for services to Research in the Humanities and to Higher Education (OBE), Professor Christopher Dyer, for services to Scholarship (CBE), Professor Marina Warner, for services to Literature (CBE)

News
Record number of Postdoctoral Fellowships awards
A record 49 outstanding researchers working across the humanities and social sciences are to receive prestigious British Academy Postdoctoral Fellowships, worth an average of £220,000 over a three year period.
The successful applicants' proposed areas of study and research cover a wide range of academic and policy issues, from how to induce innovation in tackling climate change to a study of the processes by which infants recognise words; and from a study of when and why the media influences citizens to the legal problems arising from EU action against terrorism.
Find out more

£13M Newton International Fellowships Launched
These new Fellowships offer researchers funding to work for two years with a UK research institution, thus establishing long term international collaborations with the most promising postdoctoral researchers working overseas in the fields of humanities, engineering, natural and social sciences.
Find out more

Reminder: upcoming deadline for British Academy grant applications
Applications for grants under the UK-Middle East Capacity Sharing Partnerships and UK-South Asia Partnerships schemes, each offering two awards of up to £10,000 a year for up to three years, must be received by the Academy by **4 July 2008**.

Just Published
Creating the AHRC
A complete account of the establishment of the Arts and Humanities Research Council and how it took its place among the UK's Research Councils.

Joint Guidelines on Copyright and Academic Research
Practical guidelines for researchers and publishers working in the humanities and social sciences have been published jointly by the British Academy and the Publishers Association.

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The Academy's newly redesigned website

The Academy has undertaken a review of the appearance, functionality, and accessibility of its website. It is expected that a redesigned site will come online in the summer of 2008.

Two areas of the site are of particular interest to scholars and researchers: PORTAL (www.britac.ac.uk/portal), the Academy's directory of online resources in the humanities and social sciences, now contains more than 1125 links to high-quality, professional-level websites designed to assist with research, while the Directory of UK Subject Associations and Learned Societies in the Humanities and Social Sciences (www.britac.ac.uk/links/ukshass.asp) provides details of over 300 scholarly organisations.

POLICY STUDIES

Through its series of policy-related studies, the Academy has sought to:

- highlight the contributions the humanities and social sciences make to the UK
- explore issues particularly relevant to the humanities and social sciences
- review the condition and health of the sector.

Drawing upon the expertise within the Fellowship, the Academy's Research Committee, which has oversight of this area of Academy activity, identifies the issues for investigation and convenes specific groups of experts to oversee the reviews. In 2007/08, the Research Committee undertook for major studies:

- *A Review of Peer Review.* Peer review is critical to academic life: it plays a crucial role in making academic research more efficient, not only in quality, but also in the effective use of time. In response to concerns that the system was showing signs of strain, this Review was established to consider practices for the purpose of awarding research grants and for publication. Its report, *Peer Review: the challenges for the humanities and social sciences*, made a number of recommendations on how peer review systems

could be strengthened and was launched at an event at the British Academy in September attended by representatives from national organisations, Fellows, journal editors and researchers. The report was warmly received and was timely. Crucially, it also contributed to debate on the use of peer review to assess the research performance of university departments, which was the subject of a high profile, national consultation.

- *Maximising the impact of humanities and social science research.* Research in the humanities and social sciences is of direct relevance to the development of government policy on health, social well-being, crime and punishment, education, environment, transport, economic development, and international understanding, development and security. This review was set up in response to concerns that government policy-makers did not always recognise the full potential of what these disciplines had to offer. It will assess whether there are any barriers hindering the effective exploitation of the knowledge and understanding arising from humanities and social science research. The aim is to publish the final report of the review in Autumn 2008.
- *Language Matters.* The decline in GCSE numbers in languages means fewer students at A level and degree level, damaging the supply of both school teachers and HE researchers, and resulting in a growing number of closures of university language departments. The effects are widespread: damaging not only language-based degrees, but also leading to research that is increasingly insular in outlook. While there have been numerous studies on the problem from the perspective of schools, there has been very little from that of the higher education sector. This review has been set up to address this shortcoming. It will focus on the role that universities can play in encouraging language learning and teaching, and gather evidence on the value of language learning to the UK's knowledge based society and economy. The aim is publish the report later in the 2008/09 academic year.

- *Copyright and research in the humanities and social sciences.* Research in the humanities and social sciences makes a vital contribution to the UK's innovation agenda. However, the findings of an earlier Academy report on copyright (published in September 2006) found that the progress of research in these disciplines was being hindered by the way in which copyright law was being interpreted and implemented. The Academy's Review Group also found evidence of widespread uncertainties and confusion about copyright law. The Group has therefore worked in conjunction with the Publishers Association to produce a new series of Guidelines, which give researchers and publishers advice about the application of copyright in the context of their work. These Guidelines are a unique resource for researchers and publishers alike, with authoritative advice on copyright legislation. The Guidelines were finalised in March 2008 and launched in April 2008.

In 2008/09, the Research Committee intends to undertake the following projects:

- *Language Matters* – publish and launch the final report of the review;
- *Maximising the impact of humanities and social science research* – publish and launch the final report of the review;
- Identify the topic for another major review in 2008/09, and to determine the programme of work for 2009/10.

Policy Advice

In fulfilment of its objective 'to provide leadership in representing the interests of research and learning nationally and internationally' the Academy's Policy Advisory Committee (PAC), a sub-committee of Council, takes the lead in responding on behalf of the Academy to requests for comments on, or contributions to, proposals or consultations from other organisations, public or private. The PAC draws upon the expertise within its Fellowship to provide informed and independent advice, statements and reports, which

seek to influence national and international debate and policy making.

In 2007/08, the PAC oversaw a total of five submissions to consultations. These included:

- *Reform of higher education research assessment and funding.* The Government has announced that there will be a new mechanism to assess the quality of university research, to inform funding decisions. The Government considers the current system, which is underpinned by peer review judgements, to be unduly burdensome, and believes that a greater use of quantitative indicators (metrics) will reduce the costs and load that falls to the HE sector. The consultation is significant for the well-being of research, especially in the humanities and social sciences, where metrics pose particular challenges, because of the special features of research in these disciplines, and also because the metrics available are less developed than those for the natural sciences. The Academy's submission explored ways in which these difficulties might be overcome. It will actively engage in further debates on the issue, to ensure that the measures introduced are appropriate for the humanities and social sciences, and do not lead to harmful distortions of research performance and quality.
- *Innovation and Intellectual Property.* The British Academy is well placed to comment on the way in which the UK's Intellectual Property regime, notably copyright, impacts on innovation, because its Fellows are both creators and users of copyright material. The Academy drew on this expertise to make two submissions to Government reviews on topics regarding the way in which the UK's copyright regime could become more 'fit for purpose' and respond more effectively to the demands of the UK's global knowledge economy.

FELLOWSHIP PROGRAMMES

The Fellowship of the British Academy is organised in eighteen Sections by academic discipline and subject. The Sections met as usual twice during the year, in January and March, to transact electoral business and to consider various policy issues and 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. In addition, 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 their areas of scholarship.

The Fellowship Standing Committee considers the claims to election of scholars whose work does not fit easily into the Academy's Section structure. It normally meets once a year, and after consultation and careful scrutiny makes recommendations for election direct to Council.

At the Annual General Meeting of Fellows held on 19 July 2007, 35 candidates were elected to Ordinary, 3 to Senior, and 10 to Corresponding Fellowship of the Academy.

Following consultation with Fellows, Council agreed during the year to modify electoral procedures for the future, taking into account obligations under Data Processing legislation, and in order to strengthen the evidence base on which elections are conducted. Elections will now take place over a slightly longer cycle, allowing more time for the collection of information from and about candidates and also for independent assessments of candidates' standing and achievements.

Vice-Chancellors and heads of national organisations were also invited to submit names for consideration, to ensure that candidates were drawn from as broad a field as possible.

ELECTIONS AT THE AGM – JULY 2007

Ordinary and Senior Fellows

Professor Ash Amin

(University of Durham) Geography

Professor Mark Armstrong

(University College London) Economics

Professor Derek Attridge

(University of York) English Literature

Dr Toby Barnard

(University of Oxford) Early Modern History

Professor John Barton

(University of Oxford) Biblical Studies

Professor Paul Binski

(University of Cambridge) History of Medieval Art

Professor Rachel Bowlby

(University College London) English Literature

Professor Harvey Brown

(University of Oxford) Philosophy of Physics

Professor Andrew Burrows

(University of Oxford) Law

Professor Bryony Coles

(University of Exeter) Archaeology

Professor Ross Cranston

(London School of Economics and Political Science) Law

Professor Robert Foley

(University of Cambridge) Human Evolutionary Studies

Professor Mary Fulbrook

(University College London) Modern German History

Professor Christopher Fuller

(London School of Economics and Political Science) Anthropology

Professor John Gillingham

(London School of Economics and Political Science) Medieval History

Professor John Haffenden

(University of Sheffield) English Literature

Professor Christopher Hill

(University of Cambridge) International Relations

Professor Carole Hillenbrand

(University of Edinburgh) Islamic History

Dr Boyd Hilton

(University of Cambridge) Modern British History

Professor Michael Hunter

(Birkbeck, University of London) Intellectual History

Professor Catriona Kelly

(University of Oxford) Russian History

Professor Joni Lovenduski

(Birkbeck, University of London) Politics

Professor Richard McCabe

(University of Oxford) English Literature

Professor David Martin

(London School of Economics and Political Science) Sociology

Professor Henrietta Moore

(London School of Economics and Political Science) Social Anthropology

Professor Colin Morris

(University of Southampton) Medieval History

Professor Anthony Ogus

(University of Manchester) Law

Professor Carole Pateman

(Cardiff University) Political Theory

Mr Nicholas Purcell

(University of Oxford) Ancient History

Professor Genevra Richardson

(King's College London) Law

Professor Ian Roberts

(University of Cambridge) Linguistics

Professor Kevin Roberts

(University of Oxford) Economics

Professor Mike Savage

(University of Manchester) Sociology

Professor John Scott

(University of Essex) Sociology

Professor Richard Smith

(University of Cambridge) Economic Theory and Statistics

Dr Zara Steiner

(University of Cambridge) Modern History

Professor Steven Tipper

(Bangor University) Cognitive Science

Professor H Peyton Young

(University of Oxford) Economics

Corresponding Fellows

Professor Philip Bohlman

(University of Chicago) Ethnomusicology

Professor Peter Cane (Australian National University) Law

Professor Susan Carey (Harvard University) Psychology

Professor Noël Duval (University of Paris, Sorbonne - Paris IV) Ancient History and Archaeology

Professor Derek Gregory (University of British Columbia at Vancouver) Geography

Professor Tony Judt (New York University) Modern History

Professor David Kaplan (University of California, Los Angeles) Philosophy

Professor Denis Knoepfler (University of Neuchâtel and Collège de France) Ancient History

Professor Joseph Nye (Harvard University) International Relations

Professor Ariel Rubinstein (Tel Aviv University and New York University) Economics

FINANCIAL REVIEW

FINANCIAL REVIEW OF THE YEAR 2007/08

The Statement of Financial Activities shows a planned net surplus (all funds) of £897,376 (2007: £313,555) for the year. There is in addition a net loss on investments of £422,546 (2007: £247,652 gain), bringing the net movement in funds, a surplus for the year, to £474,830 (2007: £561,207), most of which relates to the Designated Funds, £463,451. Of the Total Funds balance at 31 March 2008, £11,534m, £164,163 (2007: £148,434) relates to public funds. Of this amount, £167,756 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, £7,264m (of the total invested, £7,695m at 31 March 2008) have been invested in three tracker funds managed by Barclays Global Investors Limited (BGI): in the ChariTrak UK Equity Income Fund (39.4%), the BGI Index Selection Funds (overseas equities funds, 39.6%) and the GiltTrak Distribution Fund (20%). The BGI portfolio is invested to generate interest and dividend income of at least £150,000 per annum; actual BGI income for the year ending 31 March 2008 was £233,420. The actual performance of the BGI funds in total, a loss of 3.00% for the year ending 31 March 2008, is considered satisfactory when compared to the benchmark of -3.00%. In addition to the BGI investments, the Marc Fitch Fund is invested separately and generated income of £7,768; 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.

Restricted Funds

The majority of the Academy's income comes from the DIUS grant-in-aid which was £22,585m in 2007/08 as compared with £16.885m in 2006/07, an increase of 33%. During the year grants of £257,418 were returned, compared with £187,404 in 2006/07. Incoming 'funds administered' on behalf of other organisations amounted to £373,842 compared to £648,377 in 2006/07. There was in addition a grant from the ESRC, £141,030 in 2007/08 compared with £44,550 in 2006/07, that helps to fund the Academy's China programmes.

The cost of generating funds was £343,394 in 2007/08, increased from £270,826 in 2006/07.

Resources expended on Grants, Awards and Activities amounted to £22,420m in 2007/08 compared with £17,336m in 2006/07, an increase of £5,084m or 29.3%, 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 £14,985m, or 66.7% of this expenditure and an increase of 1.2% over 2006/07;
- 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 £5,952m or 26.5% of this expenditure and an increase of 36% compared with 2006/07;
- Communications and related activities – lectures, symposia and other events contributing to greater public understanding of the humanities and social sciences, which totalled £863,190 or 3.8 % of this expenditure and an increase of 0.2% compared with 2006/07.

Other grants and prizes from the Academy's private funds and funds administered on behalf of other organisations amounted to £581,343, 2.5% of this expenditure, compared with £871,323 in 2006/07, 5.0% of the 2006/07 expenditure. The depreciation of leasehold improvements amounted to £100,463 each year, and in 2007/08 that was 0.45 % 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 2007/08 were £215,782 compared with £262,295 in 2006/07 a decrease of 17.6% due to a decrease in staff and support costs.

Support costs for charitable activities, including governance, amounted to £813,706 in 2007/08, 3.6% of total resources expended on Charitable Activities of £22,636m compared with £579,547 in 2006/07, which was 3.3% of resources expended of £17.598m. Support costs in total increased, from £708,579 in 2006/07 to £989,428 in 2007/08, 39.5%. Total Academy support costs are allocated to all programme activities based on head count.

Staff costs amounted to £1,566m in 2007/08, 6.57% of total resources expended of £23,828m, compared with £1.404m in 2006/07, 7.56% of total resources expended of £18,565m. The actual increase of £161,784 or 11% was primarily the result of contractual pay awards and pension costs.

General Funds

Income of £447,272 was generated from room hire and office rent and fees, including the reimbursement of related expenses, compared to £489,156 in 2006/07. Total expenses in 2007/08 were £496,915 compared with £473,168 in 2006/07. There was a deficit of £49,643 in 2007/08 compared with a profit of £15,998 in 2006/07. The Academy also earned interest of £82,449 on its bank balances, bringing the General Fund balance to £163,937 at 31 March 2008.

Designated Funds

The Academy Development Fund (ADF) had incoming resources of £181,821 primarily from investment income of £98,912 and subscriptions of £70,217 and resources expended of £66,971 primarily for administrative costs related to Fellowship activities, library support and the Pictures, Portraits and Decorations programme. Net realised and unrealised gains/losses on investments decreased from a gain of £75,840 in 2006/07 to a loss of £129,014 in 2007/08.

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.

The Academy's Publications Fund had income of £332,464 and direct production costs of £284,849 in 2007/08 compared with £170,264 and £167,307 respectively in 2006/07. The fund balance was £251,842 at 31 March 2008, 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 2008. An amount is 'reserved' each year in the Designated Fund, with £170,000 set aside in 2007/08. The Fund for Building Repairs and Maintenance was increased by £100,000 in 2007/08 to bring it to £240,000. 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 has also been set up to accumulate sufficient funds to finance a major overhaul of the Academy's website within the next five years; £20,000 has been set aside in 2007/08. A Fund has been set aside to accumulate sufficient funds to finance the Organisational Development Programme, £65,000 has been set aside in 2007/08. A Fund has also been set up to accumulate resources to finance the IT development programme including Fellows database, Online Grants and Hospitality

Management systems, £200,000 has been set aside in 2007/08.

In total, investment income for the Designated Funds (ADF) was £98,912 in 2007/08 compared with £83,641 in 2006/07.

Endowment Funds

Only the Webster Fund is 'endowed' with net realised/unrealised gains/losses of £20,768 in 2007/08 compared to £10,409 in 2006/07.

Reserves Policy

The Unrestricted Funds (General and Designated Funds) have a combined balance at 31 March 2008 of £4,127m. The largest Designated Fund, balance of £3,017m, 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 2007/08 Council agreed 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, £251,842, 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 2008 external redecoration project, £170,000, (3) to cover any extraordinary capital repairs related to the building, £240,000 (4) £20,000 for the website (5) £65,000 for the Organisational

Development Programme and (6) £200,000 for the IT Development programme.

Council agreed that the General Fund, balance of £163,937 at 31 March 2008, 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 outside of 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

2008

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.

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;
- 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.

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 2008 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 Regulation 7 of the Charities Accounts and Report Regulations 2005. Our audit work has been undertaken so that we might state to the trustees 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 the Council as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Council members and auditors

The Councils' responsibilities for preparing the councils' 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 councils' 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 Councils' 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 and the terms upon which the Department for

Innovation, Universities and Skills 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 the Department for Innovation, Universities and Skills 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 the trustees 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 2008 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 the Department for Innovation, Universities and Skills 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 2008

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2008

	Notes	General Funds	Designated Funds	Restricted Funds	Endowment Funds	2008 Funds	2007 Funds
		£	£	£	£	£	£
Incoming Resources							
Incoming resources from generated funds							
Voluntary income – donations		-	2,692	27,567	-	30,259	26,821
Activities for generating funds	2	447,272	332,464	-	-	779,736	659,420
Investment income	3	82,449	98,912	265,786	-	447,147	326,410
Incoming resources from charitable activities							
Grants receivable	4	-	-	23,388,082	-	23,388,082	17,765,331
Other incoming resources	5	-	80,217	-	-	80,217	100,914
Total incoming resources		529,721	514,285	23,681,435	-	24,725,441	18,878,896
Resources Expended							
Less cost of generating funds							
Investment management fees	6	-	3,818	7,753	-	11,571	4,593
Other		496,915	348,002	335,641	-	1,180,558	962,848
Total cost of generating funds		496,915	351,820	343,394	-	1,192,129	967,441
Total incoming resources available for charitable application		32,806	162,465	23,338,041	-	23,533,312	17,911,455
Charitable activities							
Grants and awards	6	-	-	22,420,154	-	22,420,154	17,335,605
Governance costs	7	-	-	215,782	-	215,782	262,295
Total charitable activities		-	-	22,635,936	-	22,635,936	17,597,900
Total resources expended	6	496,915	351,820	22,979,330	-	23,828,065	18,565,341
Net incoming resources before transfers		32,806	162,465	702,105	-	897,376	313,555
Net transfers between funds	15	-	430,000	(430,000)	-	-	-
Net incoming resources before other recognised gains and losses		32,806	592,465	272,105	-	897,376	313,555
Other recognised gains and losses							
Net (losses)/gains on investments	11	-	(129,014)	(272,764)	(20,768)	(422,546)	247,652
Net movement in funds		32,806	463,451	(659)	(20,768)	474,830	561,207
Fund balances brought forward at 1 April 2007	15	131,131	3,500,588	7,095,498	332,240	11,059,457	10,498,250
TOTAL FUNDS CARRIED FORWARD AT 31 MARCH 2008		163,937	3,964,039	7,094,839	311,472	11,534,287	11,059,457

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 2008

	Notes	2008 Total £	2007 Total £
FIXED ASSETS			
Tangible assets	10	1,108,442	1,190,133
Investments	11	7,694,598	8,134,394
		8,803,040	9,324,527
CURRENT ASSETS			
Debtors	12	367,755	325,837
Cash at bank and in hand		3,383,682	2,246,146
		3,751,437	2,571,983
CREDITORS			
Amounts falling due within one year	13	(423,734)	(295,405)
		3,327,703	2,276,578
NET CURRENT ASSETS			
		(596,456)	(541,648)
NET ASSETS			
Represented by:		11,534,287	11,059,457
General funds			
Other general funds	15	163,937	131,131
Designated funds			
Academy development fund	15	3,017,197	3,031,361
Publications		251,842	204,227
Repairs and maintenance		240,000	140,000
External redecoration		170,000	110,000
Website development		20,000	15,000
Organisation development		65,000	-
IT Development		200,000	-
		3,964,039	3,500,588
Restricted funds			
Grant in Aid	15	164,163	148,434
Grants from previous years not taken up		257,418	-
Carlton House Terrace property		940,686	1,041,149
Funds administered		95,651	128,414
Restricted investment funds		5,097,626	5,370,390
Restricted income funds		539,295	407,111
		7,094,839	7,095,498
		311,472	332,240
Endowment funds			
	15	11,534,287	11,059,457

The Financial Statements on pages 34 to 50 were approved and authorised for issue on 26 June 2008 and signed by:

Honorary Treasurer

Secretary

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2008

	2008 £	2007 £
Reconciliation of operating surplus to net cash inflow from operating activities		
Operating surplus/(deficit) for the year	897,376	313,555
Investment income	(447,147)	(326,410)
Depreciation charges	175,751	156,939
Increase in debtors	(41,918)	(85,716)
Increase in creditors	183,137	578,533
Net cash inflow/(outflow) from operating activities	767,199	636,901
Cash flow statement		
Net cash inflow from operating activities	767,199	636,901
Returns on investments	447,147	326,410
Capital expenditure and financial investment	(59,227)	(80,266)
Increase in cash and liquid resources	1,155,119	883,035
Reconciliation of net cash inflow to movement in net funds		
Change in cash and liquid resources	1,155,119	883,035
Cash and liquid resources at 1 April 2007	2,359,226	1,476,191
Cash and liquid resources at 31 March 2008	3,514,345	2,359,226

CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2008 (CONTINUED)

	2007 £	2008 £	2007 £
Notes to Cash Flow Statement			
Note (i) Gross cash flows			
Returns on investments			
Investment income		<u>447,147</u>	<u>326,410</u>
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(94,060)	(126,466)
Payments to acquire investments		(356,670)	(691,185)
Receipts from sales of investments		391,503	737,385
		<u>(59,227)</u>	<u>(80,266)</u>
Note (ii) Analysis of change in net funds			
	At 1 April 2007 £	Cash Flows £	At 31 March 2008 £
Cash in hand, at bank	2,246,146	1,137,536	3,383,682
Cash held with investment managers	113,080	17,583	130,663
	<u>2,359,226</u>	<u>1,155,119</u>	<u>3,514,345</u>

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES

a. Basis of Preparation of the Accounts

The annual report, incorporating the financial statements for the year ended 31 March 2008, 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. For detail on grants for capital expenditure see "Tangible Fixed Assets" below.
- 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 – over 5 years
Leasehold improvements – over the life of the lease

Items which are fully depreciated are treated as disposals.

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 gifted to the Academy for its library are not valued within the accounts.

At 31 March 2008 the estimated value of stocks of publications not included in the balance

NOTES TO THE ACCOUNTS YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES (CONTINUED)

sheet was £100,842 (2007: £62,926), 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.

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 2008

2. ACTIVITIES FOR GENERATING FUNDS	2008	2007
	£	£
Rents and hire of rooms	447,272	485,959
Recharge of external redecoration	-	3,197
	<u>447,272</u>	<u>489,156</u>
Publications	332,464	170,264
	<u>779,736</u>	<u>659,420</u>
3. INVESTMENT INCOME	2008	2007
	£	£
Investment income	251,187	210,392
Bank interest	195,960	116,018
	<u>447,147</u>	<u>326,410</u>
UK		
Bonds	94,434	
Equities	86,332	
Bank and deposit interest	195,960	
	<u>376,726</u>	
Overseas		
Equities	70,421	
	<u>447,147</u>	
4. GRANTS RECEIVABLE	2008	2007
	£	£
Department for Innovation, Universities and Skills	22,585,000	16,885,000
Grants returned awarded in prior years	257,418	187,404
Other grants received	171,822	44,550
	<u>23,014,240</u>	<u>17,116,954</u>
Grants received for funds administered by the Academy	373,842	648,377
	<u>23,388,082</u>	<u>17,765,331</u>
5. OTHER INCOMING RESOURCES	2008	2007
	£	£
Subscriptions	70,217	74,131
ADF - sundry income and recharges	10,000	26,783
	<u>80,217</u>	<u>100,914</u>

NOTES TO THE ACCOUNTS YEAR ENDED 31 MARCH 2008

6. TOTAL RESOURCES EXPENDED

	Grants/ Awards/ activities £	Staff costs £	Depreciation £	Other direct costs £	Support costs £	Total 2008 £	Total 2007 £
Cost of generating funds							
Investment managers fees	-	-	-	11,571	-	11,571	4,593
Other:							
Rent and hire of room costs	-	69,691	3,773	373,881	49,570	496,915	473,168
Publications	-	199,736	9,602	285,000	126,152	620,490	434,688
Academy development fund	-	-	-	63,153	-	63,153	54,992
Total cost of generating funds	-	269,427	13,375	733,605	175,722	1,192,129	967,441
Charitable activities							
Grants, awards and activities							
Research programmes							
Grants	7,465,140	286,934	14,979	-	196,896	7,963,949	6,228,116
Projects	334,883	42,202	2,009	-	26,417	405,509	341,542
Posts	6,196,788	101,287	4,838	-	63,620	6,366,534	4,644,781
Policy studies	77,349	80,538	3,379	-	44,425	205,691	142,006
International/Institutional							
BASIS	4,076,483	44,108	2,076	-	27,308	4,149,975	3,186,946
IPC	1,272,770	298,631	15,599	-	205,009	1,792,009	1,198,110
Communications and activities	316,961	319,986	15,396	-	202,338	854,681	622,318
Grants and prizes							
Restricted funds	174,738	-	-	-	-	174,738	182,806
Funds administered	406,605	-	-	-	-	406,605	688,517
Property depreciation	-	-	100,463	-	-	100,463	100,463
Total grants awards and activities	20,321,717	1,173,686	158,739	-	766,013	22,420,154	17,335,605
Governance costs	-	122,831	3,639	41,619	47,693	215,782	262,295
Total charitable activities	20,321,717	1,173,686	162,378	41,619	813,706	22,635,935	17,597,900
Total resources expended	20,321,717	1,565,945	175,751	775,224	989,428	23,828,065	18,565,341

NOTES TO THE ACCOUNTS YEAR ENDED 31 MARCH 2008

6. TOTAL RESOURCES EXPENDED (CONTINUED)

GRANTS PAID TO INSTITUTIONS	INSTITUTION	£
During the year the top 50 grants by value payable to Institutions were as follows:		
	University of Oxford	2,496,806
	University of Cambridge	1,378,958
	The British School at Rome	1,018,000
	The British School at Athens	707,000
	University College London	606,345
	University of Manchester	560,842
	University of Edinburgh	559,577
	London School of Economics and Political Science	499,735
	Council for British Research in the Levant	486,000
	British Insititute at Ankara	455,000
	University of Leeds	443,786
	University of Nottingham	390,317
	British Institute in Eastern Africa	369,000
	King's College London	350,892
	University of Essex	341,111
	Council for British Archaeology	340,000
	University of Birmingham	322,943
	Queen Mary, University of London	263,921
	University of York	252,021
	University of Glasgow	251,443
	SOAS	235,280
	University of Sussex	231,954
	Goldsmiths, University of London	225,787
	Queen's University Belfast	212,548
	University of Newcastle upon Tyne	212,372
	University of Kent	207,523
	University of Sheffield	204,467
	University of Reading	202,199
	Birkbeck, University of London	193,842
	University of Exeter	191,503
	University of Warwick	189,806
	University of Bristol	162,496
	University of Leicester	158,201
	University of Southampton	157,265
	Cardiff University	152,481
	Royal Holloway, University of London	141,812
	Open University	123,649
	Bangor University	123,275
	Courtauld Institute of Art	123,243
	University of St Andrews	122,341
	University of Liverpool	121,150
	University of Durham	120,224
	University of Aberdeen	114,849
	University of East Anglia	114,271
	Swansea University	111,431
	Brunel University	111,250
	British Institute for Persian Studies	106,500
	University of Stirling	85,424
	University of Hull	83,160
	University of London	80,199

NOTES TO THE ACCOUNTS YEAR ENDED 31 MARCH 2008

7. GOVERNANCE COSTS	2008	2007
	£	£
External audit	16,035	16,568
Internal audit	10,649	8,954
Accounting assistance	4,935	4,700
Council and AGM travel	10,000	10,000
Staff costs	122,831	161,787
Support costs	47,693	55,836
Depreciation	3,639	4,450
	<u>215,782</u>	<u>262,295</u>

8. STAFF COSTS	2008	2007
	£	£
Salaries	1,308,190	1,181,480
Social security costs	108,634	102,515
Pension costs - SAUL	149,121	120,166
	<u>1,565,945</u>	<u>1,404,161</u>

The average number of full time equivalent permanent employees (all administrative staff) during the year was 36 (2007: 33).

	2008	2007
	£	£
Remuneration of higher paid staff greater than £60,000 is:		
£90,000 - £100,000	<u>1</u>	<u>1</u>

No members of the Council received any remuneration from the Academy for the year ended 31 March 2008 (2007: £Nil). Council members are reimbursed in respect of travel and other expenses necessarily incurred by them in the furtherance of the Academy's activities. During the year ended 31 March 2008 such reimbursement to 22 Council members (2007: 22) amounted to £11,095 (2007: £9,307).

9. NET INCOMING RESOURCES IS AFTER CHARGING	2008	2007
	£	£
Auditors' - remuneration	16,035	16,568
- other services	10,649	8,954
Investment management fees	11,571	4,593
Operating leases		
- land and buildings	470,000	470,000
Hire of equipment	180,408	145,408
	<u>679,663</u>	<u>645,523</u>

NOTES TO THE ACCOUNTS YEAR ENDED 31 MARCH 2008

10. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Furniture and equipment £	Total £
Cost			
At 1 April 2007	2,009,267	282,378	2,291,645
Additions	-	94,060	94,060
At 31 March 2008	<u>2,009,267</u>	<u>376,438</u>	<u>2,385,705</u>
Depreciation			
At 1 April 2007			
Charge for the year	968,118	133,394	1,101,512
	<u>100,463</u>	<u>75,288</u>	<u>175,751</u>
At 31 March 2008	<u>1,068,581</u>	<u>208,682</u>	<u>1,277,263</u>
Net book value			
At 31 March 2008	<u>940,686</u>	<u>167,756</u>	<u>1,108,442</u>
At 31 March 2007	<u>1,041,149</u>	<u>148,984</u>	<u>1,190,133</u>

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

11. INVESTMENTS

	2008 £	2007 £
At 1 April 2007	8,021,314	7,819,862
Additions	356,670	691,185
Disposal proceeds	(391,503)	(737,385)
Net (loss)/gain in market value	(422,546)	247,652
	<u>7,563,935</u>	<u>8,021,314</u>
Bank balances	130,663	113,080
At 31 March 2008	<u>7,694,598</u>	<u>8,134,394</u>
Fixed Interest and Equities at cost	<u>6,441,293</u>	<u>6,496,761</u>

	UK £	Overseas £	Total 2008 £	Total 2007 £
Comprising:				
Commodities	-	30,093	30,093	20,329
Bonds	1,644,097	15,562	1,659,659	1,579,836
Equities	2,860,575	3,005,210	5,865,785	6,410,938
Other	-	8,398	8,398	10,211
	<u>4,504,672</u>	<u>3,059,263</u>	<u>7,563,935</u>	<u>8,021,314</u>

No single investment represented greater than 5% of the Academy's portfolio.

NOTES TO THE ACCOUNTS YEAR ENDED 31 MARCH 2008

12. DEBTORS	2008	2007
	£	£
Debtors	344,481	253,173
Prepayments and accrued income	23,274	72,664
	<u>367,755</u>	<u>325,837</u>
13. CREDITORS: Amounts falling due within one year	2008	2007
	£	£
Other creditors	10,540	2,408
Grants and awards (see below)	42,600	105,656
Accruals	127,690	51,929
Deferred income	242,904	135,412
	<u>423,734</u>	<u>295,405</u>
Grants and Awards included within creditors		
Grants and awards allocated, not yet paid comprise:		
Research grants	42,600	97,350
Overseas grants	-	8,306
	<u>42,600</u>	<u>105,656</u>
14. DEFERRED INCOME	2008	
	£	
At 1 April 2007	677,060	
Taken to income in the year	(140,305)	
Taken to deferred income in the year	302,605	
	<u>839,360</u>	
At 31 March 2008	839,360	
Amount falling due within one year (note 13)	242,904	
Amount falling due after one year	596,456	
	<u>839,360</u>	

NOTES TO THE ACCOUNTS YEAR ENDED 31 MARCH 2008

15. NET MOVEMENT IN FUNDS	Balance 1 April 2007	Incoming resources	Resources expended	Transfers	Net realised/ unrealised gains/(losses)	Balance 31 March 2008
	£	£	£	£	£	£
Unrestricted funds						
General funds	131,131	529,721	496,915	-	-	163,937
	131,131	529,721	496,915	-	-	163,937
Designated funds						
Academy development fund	3,031,361	181,821	66,971	-	(129,014)	3,017,197
Publications	204,227	332,464	284,849	-	-	251,842
Repairs and maintenance	140,000	-	-	100,000	-	240,000
Website development	15,000	-	-	5,000	-	20,000
External redecoration	110,000	-	-	60,000	-	170,000
Organisational development	-	-	-	65,000	-	65,000
IT development	-	-	-	200,000	-	200,000
Total designated funds	3,500,588	514,285	351,820	430,000	(129,014)	3,964,039
Total unrestricted funds	3,631,719	1,044,006	848,735	430,000	(129,014)	4,127,976
Restricted funds						
Grant in aid	148,434	22,585,000	22,139,271	(430,000)	-	164,163
Grants from previous years not taken up	-	257,418	-	-	-	257,418
ESRC Grant	-	141,030	141,030	-	-	-
Carlton House Terrace property	1,041,149	-	100,463	-	-	940,686
Co Reach	-	40,792	40,792	-	-	-
	1,189,583	23,024,240	22,421,556	(430,000)	-	1,362,267
Funds administered						
Lexicon of Greek Personal Names	104,381	-	33,171	-	-	71,210
Leverhulme Senior Research Fellowships	-	200,111	200,111	-	-	-
Medieval Latin Dictionary-Packard	-	140,304	140,304	-	-	-
Other funds administered	24,033	33,427	33,019	-	-	24,441
	128,414	373,843	406,605	-	-	95,651
Restricted investment funds						
Elizabeth Barker Fund	348,221	-	-	-	(21,766)	326,455
Browning Fund	139,069	-	-	-	(8,693)	130,376
Caton Thompson Fund	139,762	-	-	-	(8,736)	131,026
Neil Ker	317,741	-	-	-	(19,861)	297,880
Leopold Schweich	179,415	-	-	-	(11,215)	168,200
Stenton	386,331	-	-	-	(24,149)	362,182
Albert Reckitt	1,608,667	-	-	-	(100,554)	1,508,113
Stein Arnold	178,453	-	-	-	(11,155)	167,298
Thank Offering to Britain	857,256	-	-	-	(53,585)	803,671
S T Lee	128,251	-	-	-	(8,017)	120,234
Marc Fitch	399,067	-	-	-	37,983	437,050
Other restricted	688,157	-	-	-	(43,016)	645,141
	5,370,390	-	-	-	(272,764)	5,097,626
Restricted income funds						
Elizabeth Barker Fund	17,681	16,686	12,650	-	-	21,717
Browning Fund	9,212	6,665	5,260	-	-	10,617
Caton Thompson Fund	7,789	6,698	5,261	-	-	9,226
Neil Ker	38,016	15,227	10,837	-	-	42,406
Leopold Schweich	42,572	9,056	3,713	-	-	47,915
Webster	91,998	15,922	4,048	-	-	103,872
Stenton	39,869	19,254	8,535	-	-	50,588
Albert Reckitt	8,025	87,093	39,828	-	-	55,290
Stein Arnold	9,573	8,552	6,356	-	-	11,769
Thank Offering to Britain	58,507	41,083	33,014	-	-	66,576
S T Lee	6,567	-	-	-	-	6,567
Marc Fitch	7,181	7,768	10,214	-	-	4,735
Other restricted income	70,121	49,349	11,453	-	-	108,017
	407,111	283,353	151,169	-	-	539,295
Total restricted funds	7,095,498	23,681,435	22,979,330	(430,000)	(272,764)	7,094,839
Endowment fund						
Webster	332,240	-	-	-	(20,768)	311,472
TOTAL FUNDS	11,059,457	24,725,441	23,828,066	-	(422,546)	11,534,287

NOTES TO THE ACCOUNTS YEAR ENDED 31 MARCH 2008

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 years.

Web Development Fund To cover the cost of redesigning the website 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 complete a job evaluation and pay review exercise.

IT Development Fund To fund three major IT development projects: Fellows' Database, Online Grants and Hospitality Management System, to begin in 2008/09

Restricted Funds In addition to its Grant-in-Aid, the Academy also has at its disposable 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 allows established scholars to undertake or complete programmes of sustained research for a 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.

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

Elizabeth Barker Fund To support studies in recent European history, particularly the history of central and eastern Europe.

Browning Fund To fund 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 Promotion of the study of Western medieval manuscripts, in particular those of British interest.

NOTES TO THE ACCOUNTS YEAR ENDED 31 MARCH 2008

15. NET MOVEMENT IN FUNDS (CONTINUED)

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

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

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.

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 years.

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

Thank Offering to Britain Fund To fund 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 To provide for a visiting lectureship on a topic related to the humanities or social sciences.

Other restricted funds Twenty-three funds: to fund awards for, and lectures on, scholarly research in the humanities and social sciences.

Endowment Fund

The endowment fund shown represents assets which must be permanently held by the Academy. The purposes for which the income generating from this fund is to be applied is shown below.

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

16. NET ASSET FUNDS

	Fixed assets £	Investments £	Net current assets £	Long term liabilities £	Total assets £
General	-	-	163,937,97	-	163,937
Designated	-	1,974,028	1,990,011	-	3,964,039
Restricted	1,108,442	5,409,098	1,173,755	(596,456)	7,094,837
Endowment	-	311,472	-	-	311,472
	<u>1,108,442</u>	<u>7,694,598</u>	<u>3,327,702</u>	<u>(596,456)</u>	<u>11,534,287</u>

NOTES TO THE ACCOUNTS YEAR ENDED 31 MARCH 2008

17. PENSION SCHEME

The Academy participates in a centralised defined benefit scheme 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 possible to identify the Academy's share of the underlying assets and liabilities of SAUL. Therefore contributions are accounted for as if SAUL were a defined contribution scheme and pension costs are based on the 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 2005 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.
Investment return on liabilities - 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 2006 (currently 10.5% of Salaries), an increase of 2.5% of Salaries. Member contributions are also to increase, by 1.0% of Salaries 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 2006 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 2005).

The next formal actuarial valuation is due at 31 March 2008 when the above rates will be reviewed.

The pension cost relating to this scheme charged to the Statement of Financial Activities (page 34) for the year was £149,121 (2007: £120,166).

18. LEASE COMMITMENTS

The Academy has an annual commitment of £470,000 (2007: £470,000) under operating leases in respect of land and buildings, which expire in a period greater than five years.

The Academy has a commitment totalling £17,610 (2007: £27,672) in respect of a lease for a photocopier and £163,248 (2007: £117,736) in respect of publishing commitments.

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 2008

	2008		2007	
Income	£	£	£	£
Core grant income	22,585,000		16,885,000	
DIUS	257,418		187,404	
Grants returned in year	171,822		44,550	
Other grants		<u>23,014,240</u>		<u>17,116,954</u>
Grants received for funds administered by the Academy		373,842		648,377
Donations		30,259		53,545
Rent and hire of rooms		447,272		489,156
Publications income		332,464		170,264
Investment income including bank interest receivable		447,147		326,410
Subscriptions		70,217		74,131
Other income		10,000		59
Total income		<u>24,725,441</u>		<u>18,878,896</u>
Expenditure				
Grants, awards and charitable activities		20,321,717		15,666,148
Staff costs		1,565,945		1,404,161
Depreciation		175,751		156,939
Other operating expenses		1,764,653		1,338,093
Total expenditure		<u>23,838,065</u>		<u>18,565,341</u>
Net income before gains on investments		897,376		313,555
Net (loss)/gains on investments		(422,546)		247,652
Result for the year		<u>474,830</u>		<u>561,207</u>

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

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