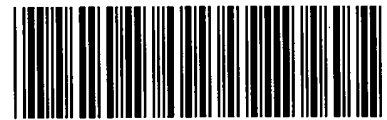


**THE NATURAL HISTORY MUSEUM
TRADING COMPANY LIMITED**

Company No. 02909192

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2016**



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29/07/2016

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COMPANIES HOUSE

The Natural History Museum Trading Company Limited

Company Information

Directors

Dr Sir Michael Dixon
The Lord Green of Hurstpierpoint
Mr Neil Greenwood

Secretary

Mr Neil Greenwood

Registered Office

The Natural History Museum
Cromwell Road
London
SW7 5BD

Bankers

The Royal Bank of Scotland

Auditors

Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

The Natural History Museum Trading Company Limited

Strategic Report

Business Review

The principal activities of the company throughout the year comprised the commercial activities of the Natural History Museum. Specifically, these are made up of:

Brand Management and Licensing

Image resources

Functions and Banqueting, including venue hire, events, and location filming

Catering at South Kensington and Tring

Retailing at South Kensington and Tring

Wildlife Photographer of the Year Competition

Sponsorship

Museum consultancy including museum development, strategic and operations consultancy, and scientific consultancy, and touring exhibitions.

A summary of the results for the year for significant areas of business is set out below. The key performance indicators for each key area are driven by operating profit with each area having a defined target. There are however areas where this is not fully applicable such as touring exhibitions where the success is also measured by the number of people attending exhibitions.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Brand management and licensing

The operating profit from Brand Management was £89k (2015: £55k), reflecting not only an increase in turnover, but further savings made in staffing costs.

Image resources

Image Resources made an operating loss of £113k (2015: £144k) which was in line with expectations for the year as turnover has reduced in recent years.

Functions and Banqueting, venue hire and location filming

Functions and Banqueting made an operating profit of £2,073k (2015: £1,838k) which is an increase of 13%. This reflects increases in venue hire across all the spaces and filming events held during the year, and increased profit from the ice rink.

Catering

The operating profit from Catering increased to £781k (2015: £587k) reflecting an increase in concession turnover by 17% to £1,448k following a renegotiation of the operating contract and the introduction of some new and refurbished onsite outlets. There was an increase in overhead charge which in part offset the turnover increase.

Retailing

The operating profit from Retailing amounted to £892k (2015: £1,831k) - a decrease of 51%. This reflects an increase in staffing costs and increased support costs. A review of the retail operation is being undertaken during 2016-17.

Wildlife Photographer of the Year

The operating loss from the Wildlife Photographer of the Year competition amounted to £296k compared to a prior year loss of £466k. The 2014-15 figures included higher costs for the 50th year celebration award ceremony and backdated partner license payments. The competition continues to generate significant revenue for Retail and for Touring Exhibitions which is included within the figures for those businesses.

The Natural History Museum Trading Company Limited

Strategic Report

Sponsorship

Sponsorship income of £613k (2015: £1,192k) was received for the special exhibitions programme and digital applications.

Touring Exhibitions

Touring Exhibitions made an operating profit of £19k (2015: £339k). This reflects reduced turnover from the 3D exhibition sets, and set up costs incurred to develop a new touring exhibitions programme for which income has yet to be generated.

Museum Consultancy

The operating loss of £83k (2015: £31k) was marginally lower than anticipated reflecting income from an ongoing contract and a receipt against a prior year provision.

Science Consultancy

Science Consultancy made an operating profit of £666k (2015: £392k) reflecting an increase in turnover by 27% based on some new significant contracts.

Principal Risks and uncertainties

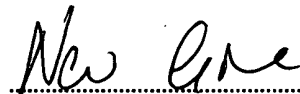
The Directors consider that the key risks to business performance are those which impact upon the volume of visitors to the Natural History Museum including tourism in London, brand and reputation, the overall state of the economy and those which relate to carrying out international business.

Risk management is fully embedded within the annual business planning processes carried out by business unit managers, and this includes the development and implementation of risk management strategies.

Future Plans

Following the growth of the retail and catering businesses over the last few years the focus will remain on driving income from visitors. In addition there will be an emphasis on securing further licensing arrangements, progressing international consultancy work and seeking revenue growth in the Functions and Banqueting business.

By Order of the Board



Mr Neil Greenwood
Secretary

The Natural History Museum
Cromwell Road
London SW7 5BD

Date: 5 July 2016

The Natural History Museum Trading Company Limited

Directors' Report

Results and Dividends

The operating profit after accounting for an overhead charge for accommodation and support from the Natural History Museum amounted to £4,337k (2015: £5,343k). Turnover decreased to £16,692k (2015: £16,947) and direct costs of sales increased to £7,958k (2015: £6,465k), reflecting in particular the increased expenditure for retail staff costs, cost of goods sold and overhead recharges.

No dividend was payable.

Donations

A gift aid donation of £4,337k (2015: £5,343k) is to be made to the Natural History Museum in respect of the year ended 31 March 2016.

Directors and their Interests

The directors, none of whom had any interests in the shares of the company, who served the company during the period, were as follows:

Dr Sir Michael Dixon
Mr Neil Greenwood
The Lord Green of Hurstpierpoint

Directors' Responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to select suitable accounting policies and then apply them consistently; make judgments and estimates that are reasonable and prudent; and prepare the financial statements on a going concern basis unless it is inappropriate to assume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act 2006 it is proposed that they be re-appointed as auditors for the ensuing year.

The Natural History Museum Trading Company Limited

Directors' Report

Disclosure of Information to Auditors

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The directors have taken all reasonable steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By Order of the Board



Mr Neil Greenwood
Secretary

The Natural History Museum
Cromwell Road
London SW7 5BD

Date: 5 July 2016

Independent Auditors' Report to the Members of The Natural History Museum Trading Company Limited

We have audited the financial statements of The Natural History Museum Trading Company Limited for the year ended 31 March 2016 which comprise of the Profit and Loss account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102, 'The Financial Reporting Standards Applicable in the UK and Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditors' report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we have read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception:

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 5th July 2016

Kingston Smith LLP

Shivani Kothari (Senior Statutory Auditor)
For and on behalf of Kingston Smith LLP
Chartered Accountants
Statutory Auditor

The Natural History Museum Trading Company Limited
Statement of Income and Retained Earnings
For the year ended 31 March 2016

	Note	2016 £'000	2015 £'000
Turnover	2	16,692	16,947
Cost of sales		<u>(7,958)</u>	<u>(6,465)</u>
Gross Profit		8,734	10,482
Administrative expenses		<u>(4,397)</u>	<u>(5,139)</u>
Operating Profit	2 & 3	4,337	5,343
Gift aid	4	<u>(4,337)</u>	<u>(5,343)</u>
Profit before tax		-	-
Taxation	6	<u>-</u>	<u>-</u>
Profit for the year	14	<u><u>-</u></u>	<u><u>-</u></u>
Retained earnings at 1 April 2015		-	-
Total comprehensive income for the year		<u>-</u>	<u>-</u>
Retained earnings at 31 March 2016		<u><u>-</u></u>	<u><u>-</u></u>

There are no recognised gains or losses in the year other than the profit for the year.

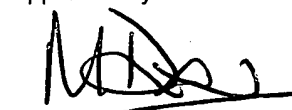
The notes on pages 10 to 19 form part of these financial statements.

The Natural History Museum Trading Company Limited

Balance Sheet at 31 March 2016

	Note	2016 £'000	2016 £'000	2015 £'000	2015 £'000
Fixed assets					
Intangible assets	7		507		648
Tangible assets	8		346		457
Current assets					
Stocks	9	1,074		752	
Debtors	10	1,905		2,103	
Cash at bank and in hand		464		347	
		3,443		3,202	
Creditors: amounts falling due within one year	11	(3,996)		(4,007)	
Net current liabilities			(553)		(805)
Net assets			300		300
Capital and reserves					
Called up share capital - equity interests	14		300		300
Profit and loss account	14		-		-
Shareholders' funds	14		300		300

Approved by the Board and authorised for issue on 5 July 2016


 Dr Sir Michael Dixon
 Director

Company Registration No. 02909192

The notes on pages 10 to 19 form part of these financial statements.

The Natural History Museum Trading Company Limited
Cash Flow Statement
For the year ended 31 March 2016

	Note	2016 £'000	2015 £'000
Net cash from operating activities	13	4,453	6,152
Cash flow from investing activities			
Purchase of intangible assets		-	(480)
Purchase of tangible assets		-	(102)
Proceeds from disposals of assets		<u>1</u>	<u>-</u>
Net cash used in investing activities		1	(582)
Cash flow from financing activities			
Payment of gift aid to parent	4	<u>(4,337)</u>	<u>(5,343)</u>
Net cash used in financing activities		(4,337)	(5,343)
Net increase in cash and cash equivalents		117	227
Cash and cash equivalents at the beginning of the year		<u>347</u>	<u>120</u>
Cash and cash equivalents at the end of the year		<u>464</u>	<u>347</u>

The Natural History Museum Trading Company Limited

Notes to the Financial Statements

For the year ended 31 March 2016

1 Accounting policies

Company information

The Natural History Museum Trading Company Limited is a limited company domiciled and incorporated in England and Wales. The registered office is The Natural History Museum, Cromwell Road, London, SW7 5BD.

Accounting convention

The financial statements have been prepared under the historical cost convention. The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest thousand.

Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, "The Financial Reporting Standard Applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Going Concern

The financial statements have been prepared on the going concern basis.

The company is dependent for its working capital on funds provided by its parent undertaking. The parent has provided an undertaking that for at least 12 months from the date of approval of these financial statements that it will continue to make available such funds as are needed by the company. This should enable the company to continue in operational existence for the foreseeable future and meet its liabilities as they fall due. As with any company placing reliance on financial support, the directors acknowledge that there can be no certainty that this will continue although, at the date of approval of these financial statements, they have no reason to believe it will not do so.

On this basis, the directors consider it appropriate to prepare the accounts on the going concern basis. The accounts do not include any adjustments that would result from the basis of preparation being inappropriate.

Turnover

Turnover is recognised net of VAT in the following ways for each class of business:

Retail and catering income is recognised on a cash basis as goods are sold.

Touring exhibitions and Wildlife Photographer of the Year income is recognised as tickets are sold and sponsorship is recognised over the period the event takes place.

Consultancy income comprising science, exhibitions and health and safety is recognised on an accruals basis as the consultancy is provided.

Brand management and image resource royalties are recognised as the intellectual property is used by a third party

Functions and banqueting income is recognised when the event date arises.

Intangible fixed assets

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life.

Image rights -
Software and website-

20% straight line
10% – 33% straight line

The Natural History Museum Trading Company Limited

Notes to the Financial Statements

For the year ended 31 March 2016

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Tangible fixed assets

Individual fixed assets costing £5,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on the following basis:

Office equipment, IT equipment and fixtures and fittings - 10%-33% straight line

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Stocks

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

The Trading Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Foreign currencies

Profit and loss transactions denominated in foreign currencies are translated into Sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the profit and loss account.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Significant accounting estimates

In the application of the company's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis.

The annual amortisation charge for intangible assets is sensitive to changes in the estimated lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. See note 7 for details of the carrying amount of each class of intangible fixed asset.

The annual depreciation charge for office and IT equipment and fixtures and fittings is sensitive to

The Natural History Museum Trading Company Limited

Notes to the Financial Statements

For the year ended 31 March 2016

changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. See note 8 for the carrying amount of each class of tangible fixed asset.

FRS 102

These financial statements for the year ended 31 March 2016 are the first financial statements of the Natural History Museum Trading Company prepared in accordance with FRS 102. The date of transition to FRS 102 was 1 April 2015. An explanation of how transition to FRS 102 has affected the reported financial position is given in note 17. Transition to FRS 102 has not affect the reported financial position

2 Analysis by Class of Business and Geographical Area

By Class of Business	2016		2015	
	Turnover £'000	Operating Profit/ (Loss) £'000	Turnover £'000	Operating Profit/ (Loss) £'000
Touring exhibitions	1,215	19	1,749	339
Brand management	139	89	124	55
Image Resources	87	(113)	94	(144)
Functions and banqueting	3,372	2,073	3,023	1,838
Catering	1,448	781	1,236	587
Retailing	8,351	892	8,321	1,831
Central costs	-	(298)	-	(249)
Wildlife photographer of the year	68	(296)	144	(466)
Animatronic model sales	-	-	-	(1)
Science consultancy	1,219	666	957	392
Development sponsorship	613	613	1,192	1,192
Museum consultancy	124	(83)	107	(31)
Other commercial activities	56	(6)	-	-
	16,692	4,337	16,947	5,343

The operating profit is calculated after accounting for an overhead charge for accommodation and support costs from the Natural History Museum. For 2015-16 this amounted to £2,021k (2015 - £1,893k).

The Natural History Museum Trading Company Limited
Notes to the Financial Statements
For the year ended 31 March 2016

By Geographical Area	2016		2015	
	Turnover £'000	Operating Profit £'000	Turnover £'000	Operating Profit £'000
United Kingdom	15,221	3,596	15,433	4,493
Europe	671	330	740	476
Middle East	95	67	114	109
North America	160	151	187	111
Rest of World	545	193	473	154
	16,692	4,337	16,947	5,343

A payment of £4,337k is to be made under gift aid to the Trustees of the Natural History Museum (2015 - £5,343k). This payment has not been deducted in arriving at the operating profit shown above.

3 Operating profit

	2016 £'000	2015 £'000
The operating profit is stated after charging:		
Depreciation & amortisation of owned tangible and intangible fixed assets	233	168
Loss on disposal of fixed assets	16	39
Stock recognised as an expense	3,625	3,413
Auditors' remuneration:		
- Audit - current year	21	15
- Other	2	3

4 Gift Aid

	2016 £'000	2015 £'000
Gift aid to the Natural History Museum	4,337	5,343

5 Employee information and Directors' Emoluments

The company does not employ any persons. Staff and pension costs are instead re-charged from the parent company, the Natural History Museum. No remuneration for directors or key personnel is recharged to the company.

The Natural History Museum Trading Company Limited

Notes to the Financial Statements

For the year ended 31 March 2016

Staff costs recharged by the Natural History Museum comprise:

	2016 £'000	2015 £'000
Salaries and wages	2,240	2,011
Redundancy costs	12	33
Pension costs	441	358
Social security	164	150
	<u>2,857</u>	<u>2,552</u>

Staff costs recharged by the Natural History Museum relate to the following average number of employees for the year:

	2016 Number	2015 Number
Touring exhibitions	9	8
Brand management	1	1
Image resources	4	4
Functions and banqueting	8	8
Catering	1	1
Retailing	45	40
Wildlife photographer of the year	4	4
Museum consultancy	2	-
	<u>74</u>	<u>66</u>

6 Taxation

	2016 £'000	2015 £'000
Analysis of charge in the period		
Current Tax		
UK corporation tax on profits of the period	<u>-</u>	<u>-</u>
Factors affecting the tax charge for the period		
Profit on ordinary activities before tax	<u>-</u>	<u>-</u>
Profit on ordinary activities before tax multiplied by the standard rate of UK corporation tax of 20% (2015 - 20%)	-	-
Effects of:		
Capital allowances	(61)	(176)
Depreciation	137	168
Others	<u>(76)</u>	<u>8</u>
Current tax charge for the period	<u>-</u>	<u>-</u>

The Natural History Museum Trading Company Limited
Notes to the Financial Statements
For the year ended 31 March 2016

7 Intangible Assets

	Image rights £'000	IT Software £'000	Total £'000
Cost			
At 1 April 2015 and 31 March 2016	480	287	767
Amortisation			
At 1 April 2015	40	80	120
Charge for the year	96	44	140
At 31 March 2016	136	124	260
Net Book Value			
At 31 March 2016	344	163	507
At 31 March 2015	440	208	648

8 Tangible Assets

	Fixtures & Fittings £'000	Equipment £'000	Total £'000
Cost			
At 1 April 2015	397	610	1,007
Additions	-	-	-
Disposals	(94)	-	(94)
At 31 March 2016	303	610	913
Amortisation			
At 1 April 2015	230	320	550
Charge for the year	39	56	95
Eliminated on disposal	(78)	-	(78)
At 31 March 2016	191	376	258
Net Book Value			
At 31 March 2016	112	234	346
At 31 March 2015	167	290	457

9 Stock

	2016 £'000	2015 £'000
Goods for resale	1,074	752

The Natural History Museum Trading Company Limited
Notes to the Financial Statements
For the year ended 31 March 2016

10 Debtors

	2016 £'000	2015 £'000
Trade debtors	1,462	1,491
Prepayments and accrued income	443	566
Other debtors	-	46
	<u>1,905</u>	<u>2,103</u>

11 Creditors: Amounts falling due within one year

	2016 £'000	2015 £'000
Trade creditors	161	329
Amounts owed to parent undertaking	1,187	1,212
Other creditors	323	-
Accruals and deferred income	<u>2,325</u>	<u>2,466</u>
	<u>3,996</u>	<u>4,007</u>

12 Financial instruments

	2016 £'000	2015 £'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost		
- Trade debtors	1,462	1,491
- Accrued income	362	389
- Other income	-	46
	<u>1,824</u>	<u>1,926</u>

	2016 £'000	2015 £'000
Carrying amount of financial liabilities		
Debt instruments measured at amortised cost		
- Trade creditors	161	329
- Amounts due to parent undertaking	1,187	1,212
- Accruals	388	399
- Other creditors	<u>323</u>	<u>-</u>
	<u>2,059</u>	<u>1,940</u>

The Natural History Museum Trading Company Limited
Notes to the Financial Statements
For the year ended 31 March 2016

13 Net cash from operating activities

	2016 £'000	2015 £'000
Profit for the year	-	-
Payment of gift aid to parent	4,337	5,343
Operating profit	4,337	5,343
Depreciation	95	128
Amortisation	140	40
Loss on disposal of fixed assets	16	38
Increase in stocks	(322)	(221)
Decrease/(increase) in debtors	198	(326)
(Decrease)/increase in creditors	(11)	1,150
	<u>4,453</u>	<u>6,152</u>

14 Shareholder's Funds

	Profit and Loss Account £'000	Called up Share Capital £'000	Total £'000
2016			
At 1 April 2015	-	300	300
Profit for the year	-	-	-
At 31 March 2016	<u>-</u>	<u>300</u>	<u>-</u>
	Profit and Loss Account £'000	Called up Share Capital £'000	Total £'000
2015			
At 1 April 2014	-	300	300
Profit for the year	-	-	-
At 31st March 2015	<u>-</u>	<u>300</u>	<u>300</u>

The share capital comprises:

	2016 £'000	2015 £'000
Called up, allotted and fully paid: 300,000 Ordinary shares of £1 each	<u>300</u>	<u>300</u>

The Natural History Museum Trading Company Limited

Notes to the Financial Statements

For the year ended 31 March 2016

15 Parent undertaking and controlling party

The parent undertaking is The Trustees of The Natural History Museum, a body corporate set up by the British Museum Act 1963. The directors believe there is no ultimate controlling party.

16 Related party transactions

Transactions with the Natural History Museum have not been disclosed under the provisions of FRS 102 as the Natural History Museum Trading Company is a wholly owned subsidiary of the Museum and consolidated accounts are publicly available from its Registered Office.

17 Transition to FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements under UK GAAP were for the year ended 31 March 2015. The date of transition to FRS 102 was 1 April 2014.

The transition to FRS 102 has had a presentational effect on the balance sheet only. The main items are:

- 1) Computer software and website costs, with a net book value of £208,000 at 1 April 2015 have been reclassified from tangible to intangible assets as required by FRS 102. This has no effect on the company's net assets or on the profit for the year, except that the previous depreciation charge is now described as amortisation.
- 2) The company's cash flow statement reflects the presentation requirements of FRS 102, which is different to that prepared under FRS 1. In addition the cash flow statement reconciles to cash and cash equivalents whereas under previous UK GAAP the cash flow statement reconciled to cash.
- 3) FRS 102 requires short term employee benefits to be charged to the profit and loss account as the employee service is received. This has resulted in the Trading Company recognising a liability for holiday pay of £5,400 as at 31 March 2016. Previously holiday pay accruals were not recognised and were charged to the profit and loss account as they were paid. The holiday pay liability as at 31 March 2015 was not deemed to be material to the Trading Company, and so the prior year profit and loss has not been restated.

The Natural History Museum Trading Company Limited
Notes to the Financial Statements
For the year ended 31 March 2016

Balance sheet

As at 1 April 2015

	Notes	As previously stated £'000	Effect of transition £'000	FRS 102 (as restated) £'000
Fixed assets				
Intangible assets	7	440	208	648
Tangible assets	8	665	(208)	457
		<u>1,105</u>	<u>-</u>	<u>1,105</u>
Current assets				
Stocks	9	752	-	752
Debtors	10	2,238	(135)	2,103
Cash at bank and in hand		212	135	347
		<u>3,202</u>	<u>-</u>	<u>3,202</u>
Creditors - amounts falling due within one year	11	(4,007)	-	(4,007)
Net current liabilities		<u>(805)</u>	<u>-</u>	<u>(805)</u>
Net assets		<u>300</u>	<u>-</u>	<u>300</u>
Capital and reserves				
Called up share capital - equity interests	14	300	-	300
Profit and loss account	14	-	-	-
Shareholder's funds	14	<u>300</u>	<u>-</u>	<u>300</u>

No restatements have been made to the Statement of Retained Earnings as a result of FRS 102.