

**THE NATURAL HISTORY MUSEUM TRADING  
COMPANY LIMITED**

**Company No. 02909192**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2015**

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# **The Natural History Museum Trading Company Limited**

## **Company Information**

### **Directors**

Dr Sir Michael Dixon  
Lord Stephen Green  
Mr Neil Greenwood

### **Secretary**

Mr Neil Greenwood

### **Registered Office**

The Natural History Museum  
Cromwell Road  
London  
SW7 5BD

### **Bankers**

The Royal Bank of Scotland  
Nat West Bank Branch  
Brompton Road  
London  
SW3 1HL

### **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

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, touring exhibitions and animatronic sales..

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/licensing:-**

The operating profit from Brand Management was £55k (2014: £62k), reflecting turnover continuing at a lower level than a few years ago. To compensate, costs have also been maintained at a lower level.

#### **Image Resources:-**

Image Resources made an operating loss of £144k (2014: £122k loss) 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 £1,838k (2014: £2,151k) which is a decrease of 15%. This reflects a decrease in both venue hire and location filming fees while events business was in line with 2014-15.

#### **Catering:-**

The operating profit from Catering increased to £587k (2014: £470k) reflecting an increase in concession turnover by 13% to £1,236k following a renegotiation of the operating contract. There was an increase in overhead charge which in part offset the turnover increase.

#### **Retailing:-**

The operating profit from Retailing amounted to £1,831k (2014: £1,608k) - an increase of 14%. This reflects continuing growth in total turnover, by 5% to £8,321k (2014: £7,950k) which was achieved in spite of a small reduction in onsite public visitors.

#### **Wildlife Photographer of the Year:-**

The operating loss from the Wildlife Photographer of the Year competition amounted to £466k (2014: £313k loss) which was broadly in line with expectations. This reflects the continuing loss of significant sponsorship, additional costs for the 50th year celebration and a back dated partner licence payment. However 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 (continued)**

### **Sponsorship :-**

Sponsorship income of £1,192k (2013-14 : nil) was received for the special exhibitions programme and digital applications.

### **Touring Exhibitions:-**

Touring Exhibitions made an operating profit of £339k (2014: £372k) which is reduction of 10%. This reflects a reduction in profit for 3D exhibitions while 2D sales for the Wildlife Photographer Exhibition have continued to grow.

### **Museum Consultancy**

The operating loss of £31k (2014: £64k) was marginally lower than anticipated reflecting income from an on going contract and a receipt against a prior year provision. Going forward the consultancy business is being grouped with Touring Exhibitions as part of an International Engagement business area which has been established..

### **Science Consultancy:-**

Science Consultancy made an operating profit of £392k (2014: £249k) reflecting a increase in turnover by 23%.

### **Anamatronic Sales:-**

Anamatronic activity was ceased during 2014-15 as planned.

### **Health and Safety advisory:-**

Health and Safety advisory activity was ceased during 2014-15 as planned.

### **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: 25 June 2015

# **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 £5,343k (2014: £4,330k). Turnover increased to £16,947k (2014: £15,372) and direct costs of sales to £6,465k (2014: £5,551k), reflecting in particular the increased expenditure for the Wildlife Photographer of the Year.

No dividend was payable.

### **Donations**

A gift aid donation of £5,343k (2014: £4,330k) is to be made to the Natural History Museum in respect of the year ended 31 March 2015.

### **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:

Mr Daniel Alexander (resigned 17 June 2014)  
Ms Louise Charlton (resigned 17 June 2014)  
Dr Sir Michael Dixon  
Mr Neil Greenwood  
Lord Stephen Green (appointed 17 June 2014)

### **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 judgements 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.

# **The Natural History Museum Trading Company Limited**

## **Directors' Report (continued)**

### **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.

### **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**

*Neil Greenwood*

**Mr Neil Greenwood**  
Secretary

The Natural History Museum  
Cromwell Road  
London SW7 5BD

Date: 25 June 2015

# **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 2015 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).

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 2015 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: 18 July 2015

*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**  
**Profit and Loss Account**  
**For the year ended 31 March 2015**

	Note	2015 £'000	2014 £'000
Turnover	2	16,947	15,372
Cost of sales		<u>(6,465)</u>	<u>(5,551)</u>
Gross Profit		10,482	9,821
Administrative expenses		<u>(5,139)</u>	<u>(5,491)</u>
Operating Profit	2 & 3	5,343	4,330
Gift aid	4	<u>(5,343)</u>	<u>(4,330)</u>
Profit on Ordinary Activities before Taxation		-	-
Taxation	6	<u>-</u>	<u>-</u>
Retained Profit transferred to Reserves	12	<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 9 to 13 form part of these financial statements.



# The Natural History Museum Trading Company Limited

## Balance Sheet at 31 March 2015

	Note	2015 £'000	2015 £'000	2014 £'000	2014 £'000
<b>Fixed Assets</b>					
Intangible assets	7		440		-
Tangible assets	8		665		729
<b>Current Assets</b>					
Stocks	9	752		531	
Debtors	10	2,238		1,777	
Cash at bank and in hand		212		267	
		<u>3,202</u>		<u>2,575</u>	
<b>Creditors: Amounts falling due within one year</b>	11	<u>(4,007)</u>		<u>(3,004)</u>	
<b>Net Current Liabilities</b>			<u>(805)</u>		<u>(429)</u>
<b>Total Assets Less Current Liabilities</b>			<u>300</u>		<u>300</u>
<b>Provisions for liabilities</b>	12		<u>-</u>		<u>-</u>
<b>Net Assets</b>			<u><u>300</u></u>		<u><u>300</u></u>
<b>Capital and Reserves</b>					
Called up share capital - equity interests	13		300		300
Profit and loss account	13		<u>-</u>		<u>-</u>
<b>Shareholders' Funds</b>	13		<u><u>300</u></u>		<u><u>300</u></u>

Approved by the Board and authorised for issue on

25 June 2015

Dr Sir Michael Dixon

Director

Company Registration No. 02909192

The notes on pages 9 to 13 form part of these financial statements.

**The Natural History Museum Trading Company Limited**  
**Cash Flow Statement**  
**For the year ended 31st March 2015**

	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Operating Profit		5,343		4,330
Depreciation & amortisation		168		132
Loss on disposal of fixed assets		38		-
(Increase)/ Decrease in stocks		(221)		71
(Increase)/ Decrease in debtors		(461)		73
(Decrease)/increase in creditors		1,150		(121)
(Decrease)/increase in provisions		-		(165)
<b>Net Cash Inflow from Operating Activities</b>		<b>6,017</b>		<b>4,320</b>
<b>Returns on Investments and Servicing of Finance</b>				
Gift aid	(5,343)		(4,330)	
<b>Net Cash Outflow from Returns on Investments and Servicing of Finance</b>		<b>(5,343)</b>		<b>(4,330)</b>
<b>Taxation</b>				
Corporation tax paid	-		-	
<b>Tax paid</b>		-		-
<b>Capital Expenditure and Financial Investment</b>				
Purchase of tangible and intangible fixed assets	(582)		(159)	
<b>Net Cash Outflow for Capital Expenditure and Financial Investment</b>		<b>(582)</b>		<b>(159)</b>
<b>(Decrease)/increase in Cash</b>		<b>92</b>		<b>(169)</b>
<b>1 Reconciliation of Net Cash Flow to movement in Net Funds (note 2)</b>				
Net funds brought forward		120		289
Increase/(Decrease) in cash in the year		92		(169)
Net funds carried forward		212		120
<b>2 Analysis of Changes in Net Funds</b>				
	At 1st April 2014 £'000	Cash Flows £'000	At 31st March 2015 £'000	
Cash at bank and in hand	267	(55)	212	
Bank overdraft	(147)	147	-	
	<u>120</u>	<u>92</u>	<u>212</u>	

The notes on pages 9 to 13 form part of these financial statements.

# **The Natural History Museum Trading Company Limited**

## **Notes to the Financial Statements**

### **For the year ended 31 March 2015**

#### **1 Accounting Policies**

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention.

##### **Going Concern**

The financial statements have been prepared on the going concern basis, notwithstanding the net current liabilities of £805k. The directors believe it is appropriate for the following reason.

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.

##### **Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

##### **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.

Animatronic sales are recognised when the models are completed and delivered.

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.

##### **Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office equipment, IT equipment and fixtures and fittings -	10%-33% straight line
Intangible assets	20% straight line

##### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition.

##### **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.

**The Natural History Museum Trading Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2015 (Continued)**

**2 Analysis by Class of Business and Geographical Area**

	2015		2014	
	Turnover	Operating Profit/ (Loss)	Turnover	Operating Profit/ (Loss)
By Class of Business	£'000	£'000	£'000	£'000
Touring exhibitions	1,749	339	1,715	372
Brand management	124	55	111	62
Image Resources	94	(144)	105	(122)
Functions and banqueting	3,023	1,838	3,496	2,151
Catering	1,236	587	1,095	470
Retailing	8,321	1,831	7,950	1,608
Central costs	-	(249)	2	(45)
Wildlife photographer of the year	144	(466)	52	(313)
Animatronic model sales	-	(1)	-	(58)
Science consultancy	957	392	775	249
Development sponsorship	1,192	1,192	-	-
Museum consultancy	107	(31)	41	(64)
Health and safety advisory	-	-	30	20
	<b>16,947</b>	<b>5,343</b>	<b>15,372</b>	<b>4,330</b>

The operating profit is calculated after accounting for an overhead charge for accommodation and support costs from the Natural History Museum. For 2014/15 this amounted to £1,893k (2014 - £1,964k).

	2015		2014	
	Turnover	Operating Profit	Turnover	Operating Profit
By Geographical Area	£'000	£'000	£'000	£'000
United Kingdom	15,433	4,493	13,511	3,335
Europe	740	476	785	444
Middle East	114	109	2	2
North America	187	111	222	92
Rest of World	473	154	852	457
	<b>16,947</b>	<b>5,343</b>	<b>15,372</b>	<b>4,330</b>

A payment of £5,343k is to be made under gift aid to the Trustees of the Natural History Museum (2014 - £4,330k). This payment has not been deducted in arriving at the operating profit shown above.

**3 Operating Profit**

	2015	2014
	£'000	£'000
The operating profit is stated after charging:		
Depreciation & amortisation of owned tangible and intangible fixed assets	168	132
Loss on disposal of fixed assets	39	-
Auditors' remuneration:		
- Audit - current year	15	20
- Other	3	8

**The Natural History Museum Trading Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2015 (Continued)**

<b>4</b>	<b>Gift aid</b>	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>
	Gift aid to the Natural History Museum	<u>5,343</u>	<u>4,330</u>
<b>5</b>	<b>Employee Information and Directors' Emoluments</b>		
	The company does not employ any persons. Staff and pension costs are instead re-charged from		
<b>6</b>	<b>Taxation</b>	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>
	<b>Analysis of charge in the period</b>		
	Current Tax		
	UK corporation tax on profits of the period	<u>-</u>	<u>-</u>
	<b>Factors affecting the tax charge for the period</b>		
	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% (2014 - 20%)	-	-
	Effects of:		
	Capital allowances	(176)	(52)
	Depreciation	168	26
	Others	<u>8</u>	<u>26</u>
	<b>Current tax charge for the period</b>	<u>-</u>	<u>-</u>
<b>7</b>	<b>Intangible Assets</b>		
	<b>Cost</b>	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>
	At 1st April 2014	-	-
	Additions	<u>480</u>	<u>-</u>
	At 31st March 2015	<u>480</u>	<u>-</u>
	<b>Amortisation</b>		
	Charge for the year	<u>40</u>	<u>-</u>
	At 31st March 2015	<u>40</u>	<u>-</u>
	<b>Net Book Value</b>		
	At 31st March 2015	<u>440</u>	<u>-</u>
	At 31st March 2014	<u>-</u>	<u>-</u>

**The Natural History Museum Trading Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2015 (Continued)**

<b>8 Tangible Assets</b>	<b>Fixtures and Fittings £'000</b>	<b>Equipment, IT Equipment and software £'000</b>	<b>Assets under constructi on £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1st April 2014	446	892	80	1,418
Additions	21	81	-	102
Transfers	-	80	(80)	-
Disposals	(69)	(156)	-	(225)
	<u>398</u>	<u>897</u>	<u>-</u>	<u>1,295</u>
At 31st March 2015				
<b>Depreciation</b>				
At 1st April 2014	248	441	-	689
Charge for the year	40	88	-	128
Eliminated on disposal	(58)	(129)	-	(187)
	<u>230</u>	<u>400</u>	<u>-</u>	<u>630</u>
At 31st March 2015				
<b>Net Book Value</b>				
At 31st March 2015	<u>168</u>	<u>497</u>	<u>-</u>	<u>665</u>
At 31st March 2014	<u>198</u>	<u>451</u>	<u>80</u>	<u>729</u>
<b>9 Stocks</b>			<b>2015 £'000</b>	<b>2014 £'000</b>
Goods for resale			<u>752</u>	<u>531</u>
<b>10 Debtors</b>			<b>2015 £'000</b>	<b>2014 £'000</b>
Trade debtors			1,491	784
Prepayments and accrued income			701	555
Amounts owed from parent undertaking			-	434
Other debtors			46	4
			<u>2,238</u>	<u>1,777</u>
<b>11 Creditors: Amounts Falling Due Within One Year</b>			<b>2015 £'000</b>	<b>2014 £'000</b>
Bank loans and overdraft			-	147
Trade creditors			329	41
Amounts owed to parent undertaking			1,212	-
Other creditors			-	51
Accruals and deferred income			2,466	2,765
			<u>4,007</u>	<u>3,004</u>

**The Natural History Museum Trading Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2015 (Continued)**

<b>12 Shareholders' Funds</b>	<b>Profit and Loss Account £'000</b>	<b>Called up Share Capital £'000</b>	<b>Total £'000</b>
<b>2015</b>			
At 1st April 2014	-	300	300
Profit for the year	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
At 31st March 2015	<u>-</u>	<u>300</u>	<u>300</u>
<b>2014</b>	<b>Profit and Loss Account £'000</b>	<b>Called up Share Capital £'000</b>	<b>Total £'000</b>
At 1st April 2013	-	300	300
Profit for the year	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
At 31st March 2014	<u>-</u>	<u>300</u>	<u>300</u>
The share capital comprises:		<b>2015 £'000</b>	<b>2014 £'000</b>
Called up, allotted and fully paid:			
300,000 Ordinary shares of £1 each		<u>300</u>	<u>300</u>

**13 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.

**14 Related Party Transactions**

Transactions with the Natural History Museum have not been disclosed under the provisions of FRS 8 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.