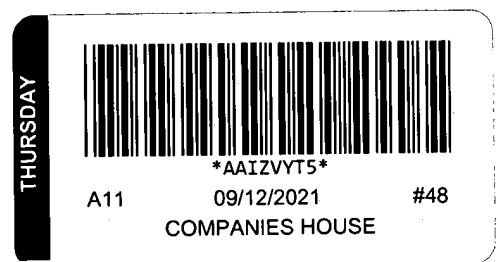


**THE NATURAL HISTORY MUSEUM
TRADING COMPANY LIMITED**

Company No. 02909192

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021**



The Natural History Museum Trading Company Limited

Company Information

Directors

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
36 St. Andrew Square
Edinburgh
EH2 2YB

Auditors

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

The Natural History Museum Trading Company Limited

Strategic Report

For the year ended 31 March 2021

Business review 2020-21

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

Venue Hire (previously called Functions and Banqueting)

Catering at South Kensington and Tring

Retailing at South Kensington and Tring

Wildlife Photographer of the Year Competition

Sponsorship

Scientific & Museum Consultancy including museum development, strategic and operations consultancy

Touring Exhibitions

The Museum was closed to the general public throughout much of 2020-21 due to COVID-19, being open for only 85 calendar days in-line with Government restrictions. This had, and continues to have, a detrimental impact on visitor related activities, i.e. the income from catering and retailing, and Venue Hire. The Museum reopened on 17 May 2021, and is expected to return to profitability in 2021-22, assuming no further lockdowns.

The key performance indicators for each key area are driven by operating profit and some areas also consider other success factors such as visitor numbers. A summary of the financial results for the year for each significant area of business is set out below. Key performance indicators for the Group are described in the consolidated accounts of the Natural History Museum.

Brand Management and Licensing

The operating profit from Brand Management was £379k (2020: £85k), due to an increase in revenue following some significant growth and new opportunities sought in this area.

Image Resources

Image Resources made an operating loss of £17k (2020: profit of £3k) which was due to a drop in revenue following a drop in demand due to COVID-19.

Venue Hire

Venue Hire made an operating loss of £154k (2020: £3,466k profit) which was due to an inability to host events due to COVID-19 throughout the entire year. In 2020-21, the Museum hosted just 1% of the events it held in 2019-20.

Catering

The operating loss from Catering was £217k (2020: £716k profit). Our catering facilities were mostly closed in the year and generated no commission revenue in 2020-21, compared to a revenue of £1,514k in 2019-20.

Retailing

The operating loss from Retailing amounted to £1,744k (2020: £1,330k profit) due to massively reduced visitor numbers, as well as staff redundancies in 2020-21.

Wildlife Photographer of the Year

The operating loss from the Wildlife Photographer of the Year competition amounted to £225k compared to a prior year loss of £374k due to a reduction in cost. The competition is viewed as a loss-leader for the company as it generates significant revenue for Retail and for Touring Exhibitions which is included within the figures for those businesses, though this was impacted this year by the reduction in revenues in both these areas generally.

The Natural History Museum Trading Company Limited

Strategic Report

For the year ended 31 March 2021

Sponsorship

Sponsorship income of £601k (2020: £800k) was received for the special exhibitions and public programme and Dippy on Tour.

Touring Exhibitions

Touring Exhibitions made an operating loss of £419k (2020: profit of £323k). This reflects the decrease in attendees at these exhibitions, as well as the reduced ability to host touring exhibitions due to COVID-19.

Science & Museum Consultancy

The operating profit of £446k (2020: £490k) reflects slightly reduced revenue in the year, though this was largely unaffected by coronavirus restrictions.

Principal risks, material uncertainty and going concern

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.

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;
- the impact of the United Kingdom leaving the European Union; and
- those which relate to carrying out international business.

All the key risks will be significantly affected by the impact of COVID-19 for the foreseeable future even after the Museum re-opened to the general public and all other business activities recommence. As a result, the Directors consider that there is still a material uncertainty relating to the Company operating as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In addition, the Company is dependent on support for its working capital on funds provided by its parent undertaking, the Natural History Museum, and is in receipt of a letter of support.

Future plans

The focus for the coming year will continue to be on recovery from COVID-19 across all the businesses. The company will benefit from the re-opening of the Natural History Museum to the public which occurred on 17 May 2021. However, there will remain considerable uncertainty given the ongoing challenging environment.

By Order of the Board



Mr Neil Greenwood
Secretary

The Natural History Museum
Cromwell Road
London SW7 5BD

Date: 6 July 2021

The Natural History Museum Trading Company Limited

Directors' Report

For the year ended 31 March 2021

Results and dividends

The operating loss after accounting for an overhead charge for accommodation and support from the Natural History Museum amounted to £963k (2020: £6,654k). Turnover decreased to £4,948k (2020: £20,120k) and direct costs of sales decreased to £4,344k (2020: £8,618k).

No dividend was payable.

Payment to the Natural History Museum

No payment under Deed of Covenant (2020: profit of £6,552k) has been made to the Natural History Museum in respect of the year ended 31 March 2021.

Directors and their interests

The directors who served the company during the period, were as follows:

The Lord Green of Hurstpierpoint
Sir Michael Dixon (Resigned 30 September 2020)
Mr Neil Greenwood

No director had any interests in the shares of the company.

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.

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

Auditors

Moore 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
For the year ended 31 March 2021

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.

In accordance with section 414(c) of the Companies Act 2006 the Directors have chosen to include information about future developments in the Strategic Report.

By Order of the Board



Neil Greenwood
Secretary

The Natural History Museum
Cromwell Road
London SW7 5BD

Date: 6 July 2021

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

Opinion

We have audited the financial statements of The Natural History Museum Trading Company Limited for the year ended 31 March 2021 which comprise of the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to the disclosures in note 1 of the financial statements under the heading of "Going concern basis of preparation" which describe the impact of the Coronavirus pandemic on the company's operations. Our opinion is not modified in this respect.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we accept that there is uncertainty in relation to when the Museum can fully open, however we are satisfied that the Museum is in a position to continue to financially support the Trading Subsidiary for the period of at least 12 months from when these financial statements have been authorised. We have not identified any other material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial

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

statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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 auditor's 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.

Moore Kingston Smith LLP

Shivani Kothari (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

7 July 2021

Devonshire House
60 Goswell Road
London
EC1M 7AD

The Natural History Museum Trading Company Limited
Statement of Income and Retained Earnings
For the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Turnover	2	4,948	20,102
Cost of sales		<u>(4,344)</u>	<u>(8,618)</u>
Gross profit		604	11,484
Other operating income	2	527	-
Administrative expenses		<u>(2,094)</u>	<u>(4,830)</u>
Operating profit/(loss)	2 & 3	<u>(963)</u>	<u>6,654</u>
Profit/(loss) before tax		(963)	6,654
Taxation	6	<u>-</u>	<u>-</u>
Profit/(loss) for the year		<u>(963)</u>	<u>6,654</u>
Retained earnings at 1 April 2020		-	-
Total comprehensive income for the year		(963)	6,654
Payment under Deed of Covenant	4	<u>-</u>	<u>(6,654)</u>
Retained earnings at 31 March 2021		<u>(963)</u>	<u>-</u>

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

The Natural History Museum Trading Company Limited

Balance Sheet at 31 March 2021

	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Intangible assets	7		15		30
Tangible assets	8		848		573
Current assets					
Stock	9	795		745	
Debtors	10	866		2,346	
Cash at bank and in hand		<u>5,836</u>		<u>1,518</u>	
		7,497		4,609	
Creditors: amounts falling due within one year	11	<u>(9,023)</u>		<u>(4,912)</u>	
Net current liabilities			<u>(1,526)</u>		<u>(303)</u>
Net assets/(liabilities)			<u>(663)</u>		<u>300</u>
Capital and reserves					
Called up share capital - equity interests	14		300		300
Profit and loss account	14		<u>(963)</u>		<u>-</u>
Shareholders' funds	14		<u>(663)</u>		<u>300</u>

Approved by the Board and authorised for issue on 6 July 2021



Neil Greenwood
Director

Company Registration No. 02909192

The Natural History Museum Trading Company Limited

Balance Sheet at 31 March 2021

	Note	2021 £'000	2020 £'000
Net cash from operating activities	13	4,661	7,533
Cash flow from investing activities			
Purchase of intangible assets	7	-	-
Purchase of tangible assets	8	<u>(343)</u>	<u>(361)</u>
Net cash used in investing activities		(343)	(361)
Cash flow from financing activities			
Payment to parent under Deed of Covenant	4	<u>-</u>	<u>(6,654)</u>
Net cash used in financing activities		-	(6,654)
 Net increase in cash and cash equivalents		 4,318	 518
Cash and cash equivalents at the beginning of the year		<u>1,518</u>	<u>1,000</u>
Cash and cash equivalents at the end of the year		<u>5,836</u>	<u>1,518</u>

The notes on pages 13 to 20 form part of these financial statements.

The Natural History Museum Trading Company Limited

Notes to the Financial Statements

For the year ended 31 March 2021

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. Company No. 02909192.

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 are prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The directors have considered the company's cashflow and trading position in the light of the temporary cessation of activities as a result of the COVID-19 pandemic, which has forced the closure of the Museum and associated trading outlets and cancellation of future bookings. The company is dependent on the Museum for the facilities to enable it to trade and the provision of working capital for overheads and other support services. and whilst the Museum is now open there is a considerable challenge to return to the pre pandemic trading levels in addition to the uncertainty relating to when operations can resume in full. As a result, the company will continue to place reliance for financial support from the Museum and have obtained a letter of support accordingly. As such the Directors confirm that the company will continue to meet its ongoing liabilities and commitments for the following 12 months from signing these accounts.

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 income is recognised in line with the period in which the event takes place at the host venue.

Wildlife Photographer of the Year entry fees are recognized in line with the provision of entrance to the competition and judging of entries.

Sponsorship is recognised over the period the sponsor receives the associated benefits.

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 purchased for use by a third party.

Venue hire income is recognised when the event date arises.

Government grants

Income from government and other grants is recognised when the company has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable the income will be received and the amount can be reliably measured.

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.

The Natural History Museum Trading Company Limited

Notes to the Financial Statements

For the year ended 31 March 2021

Image rights	20% straight line
Software and website	10% – 33% straight line

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	5%-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.

Stock

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stock 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' of FRS 102 to all of its financial instruments.

The 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 on 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 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.

The Natural History Museum Trading Company Limited
Notes to the Financial Statements
For the year ended 31 March 2021

2 Analysis by class of business and geographical area

	2021		2020	
	Turnover	Operating Profit/(Loss)	Turnover	Operating Profit/(Loss)
By class of business	£'000	£'000	£'000	£'000
Touring Exhibitions	484	(419)	1,792	323
Brand Management	551	379	276	85
Image Resources	55	(17)	77	3
Venue Hire	228	(154)	5,360	3,466
Catering	-	(217)	1,514	716
Retail	1,469	(1,744)	8,711	1,330
Central costs	-	(140)	-	(184)
Wildlife Photographer of the Year	77	(225)	76	(374)
Science and Museum Consultancy	1,483	446	1,496	490
Development Sponsorship	601	601	800	799
Coronavirus Job Retention Scheme	-	527	-	-
	4,948	(963)	20,102	6,654

The operating profit is calculated after accounting for an overhead charge for accommodation and support costs from the Natural History Museum. For 2020-21 this amounted to £860k (2020 - £2,497k).

	2021		2020	
	Turnover	Operating Profit/(Loss)	Turnover	Operating Profit/(Loss)
By geographical area	£'000	£'000	£'000	£'000
United Kingdom	4,161	(1,443)	18,221	5,398
Europe	310	181	722	542
North America	166	83	716	517
Asia	71	77	90	85
Rest of World	240	139	353	112
	4,948	(963)	20,102	6,654

The Natural History Museum Trading Company Limited

Notes to the Financial Statements

For the year ended 31 March 2021

3 Operating profit

	2021 £'000	2020 £'000
The operating profit is stated after charging:		
Depreciation and amortisation of owned tangible and intangible fixed assets	83	155
Loss on disposal of fixed assets	-	-
Stock recognised as an expense	727	3,726
Auditors' remuneration:		
- Audit - current year	23	23
- Other	<u>2</u>	<u>2</u>

4 Payment to the Natural History Museum

	2021 £'000	2020 £'000
Payment under Deed of Covenant	<u>-</u>	<u>6,654</u>

5 Employee information and Directors' emoluments

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

Staff costs recharged by the Natural History Museum comprise:

	2021 £'000	2020 £'000
Salaries and wages	2,617	3,251
Redundancy costs	323	9
Superannuation	422	442
National Insurance	<u>268</u>	<u>247</u>
	<u>3,630</u>	<u>3,949</u>

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

	2021 Number	2020 Number
Touring Exhibitions	10	11
Brand Management	2	2
Image Resources	1	1
Venue Hire	8	8
Catering	-	2
Retailing	47	53
Wildlife Photographer of the Year	3	3
Museum Consultancy	<u>10</u>	<u>9</u>
	<u>81</u>	<u>89</u>

The Natural History Museum Trading Company Limited
Notes to the Financial Statements
For the year ended 31 March 2021

6 Taxation

	2021 £'000	2020 £'000
Analysis of charge in the period		
Current tax		
UK corporation tax on profits of the period	-	-
Factors affecting the tax charge for the period		
Profit/(loss) on ordinary activities before tax	(963)	6,654
Profit on ordinary activities before tax multiplied by the standard rate of UK corporation tax of 19% (2020 - 19%)	(183)	1,264
Effects of:		
Capital allowances	39	21
Depreciation	(16)	(19)
Deed of covenant payment	-	(1,264)
Others	(5)	(2)
Losses unutilised	165	-
Current tax charge for the period	-	-

7 Intangible assets

	Image rights £'000	IT Software £'000	Total £'000
Cost			
At 1 April 2020	480	272	752
Disposals	-	-	-
At 31 March 2021	480	272	752
Amortisation			
At 1 April 2020	480	242	722
Charge for the year	-	15	15
Disposals	-	-	-
At 31 March 2021	480	257	737
Net book value			
At 31 March 2021	-	15	15
At 31 March 2020	-	30	30

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8 Tangible assets

	Fixtures & Fittings £'000	Equipment £'000	Asset under construction £'000	Total £'000
Cost				
At 1 April 2020	435	507	343	1,285
Additions	-	6	337	343
Disposals	-	(15)	-	(15)
At 31 March 2021	<u>435</u>	<u>498</u>	<u>680</u>	<u>1,613</u>
Depreciation				
At 1 April 2020	298	414	-	712
Charge for the Year	39	29	-	68
Eliminated on Disposal	-	(15)	-	(15)
At 31 March 2021	<u>337</u>	<u>428</u>	<u>-</u>	<u>765</u>
Net book value				
At 31 March 2021	<u>98</u>	<u>70</u>	<u>680</u>	<u>848</u>
At 31 March 2020	<u>137</u>	<u>93</u>	<u>343</u>	<u>573</u>

9 Stock

	2021 £'000	2020 £'000
Goods for resale	<u>795</u>	<u>745</u>

10 Debtors

	2021 £'000	2020 £'000
Trade debtors	644	1,882
Prepayments and accrued income	<u>222</u>	<u>464</u>
	<u>866</u>	<u>2,346</u>

11 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	263	301
Amounts owed to parent undertaking	5,445	1,342
Other creditors	85	433
Accruals and deferred income	<u>3,230</u>	<u>2,836</u>
	<u>9,023</u>	<u>4,912</u>

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12 Financial instruments

	2021 £'000	2020 £'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost		
- Trade debtors	644	1,882
- Accrued income	137	413
	<u>781</u>	<u>2,295</u>
	2021 £'000	2020 £'000
Carrying amount of financial liabilities		
Debt instruments measured at amortised cost		
- Trade creditors	263	301
- Amounts Due to Parent Undertaking	5,445	1,342
- Accruals	856	471
	<u>6,564</u>	<u>2,114</u>

13 Net cash from operating activities

	2021 £'000	2020 £'000
Loss for the year	(963)	-
Payment to parent under Deed of Covenant	-	6,654
Operating profit	(963)	6,654
Depreciation	68	73
Amortisation	15	82
Loss on disposal of fixed assets	-	-
(Increase)/decrease in stock	(50)	(21)
(Increase)/decrease in debtors	1,480	1,042
Increase/(decrease) in creditors	4,111	(297)
	<u>4,661</u>	<u>7,533</u>

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14 Shareholder's funds

	Profit and Loss Account £'000	Called up share capital £'000	Total £'000
2021			
At 1 April 2020	-	300	300
Profit for the year	(963)	-	(963)
At 31 March 2021	<u>(963)</u>	<u>300</u>	<u>(663)</u>
	Profit and Loss Account £'000	Called up share capital £'000	Total £'000
2020			
At 1 April 2019	-	300	300
Profit for the year	-	-	-
At 31 March 2020	<u>-</u>	<u>300</u>	<u>300</u>
The share capital comprises:			
		2021	2020
		£'000	£'000
Called up, allotted and fully paid:			
300,000 Ordinary shares of £1 each		<u>300</u>	<u>300</u>

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.