

**THE NATURAL HISTORY MUSEUM  
SPECIAL FUNDS TRUST**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31ST MARCH 2010**

**The Natural History Museum  
Special Funds Trust  
Trustees' Annual Report  
For the year ended 31st March 2010**

**Legal and administrative details**

**Charity name**

The Natural History Museum Special Funds Trust.

**Principal address**

The Natural History Museum, Cromwell Road, London SW7 5BD.

**Trustees**

	Appointment period	Appointed by
Mr Oliver Stocken (Chairman)	To 31 December 2013	Prime Minister
Mr Daniel Alexander QC	To 11 May 2014	Co-opted
Professor Sir Roy Anderson FRS FMedSci	To 31 March 2012	Co-opted
Ms Louise Charlton	To 30 April 2014	Prime Minister
Professor David Drewry	To 5 May 2012	Prime Minister
Professor Diane Edwards CBE FRS	To 6 February 2011	Prime Minister
Professor Alex Halliday FRS	To 28 February 2014	Royal Society
Mr Ian Henderson CBE FRICS	To 2 February 2013	Co-opted
Dr Derek Langslow CBE	To 5 May 2012	Prime Minister
Professor Jacquie McGlade	To 30 June 2011	Prime Minister
Professor Georgina Mace CBE FRS	To 5 February 2012	Prime Minister
Sir David Omand GCB	To 19 January 2014	Prime Minister

**Bankers**

The Royal Bank of Scotland, Nat West Branch, 186 Brompton Road, London SW3 1HL.

**Legal advisors**

Farrer & Co, 66 Lincoln's Inn Fields, London WC2A 3LH

**Investment Advisors**

JPMorgan Fleming Asset Management, 10 Aldermanbury, London EC2V 7RF

**Auditors**

Kingston Smith LLP, Chartered Accountants, Devonshire House, 60 Goswell Road, London EC1M 7AD.

# The Natural History Museum

## Special Funds Trust

### Trustees' Annual Report

#### For the year ended 31st March 2010

#### Background and status

On 15th February 2000 the Charity Commission for England and Wales gave approval for the establishment of a scheme for the administration of a number of individual funds held within The Natural History Museum Special Funds. The scheme is governed by a charity known as The Natural History Museum Special Funds Trust which was established under a charitable trust deed dated 3rd November 1999.

The Trust is administered by and consolidated with The Natural History Museum which is an exempt charity and has been granted full charitable status for tax purposes by the Inland Revenue.

#### Objectives

The objective of the Trust is to disburse funds for general scientific purposes of the Natural History Museum in accordance with a policy approved by the Science Group of the Museum.

This takes account of the objectives of the original funds. These were:

General Fund	Ashton Hamlyn Memorial Fund
Maxwell-Knight Fund	Rothschild Fund
Park Fund	Swiney Fund
Godman Fund	Birch Fund
Sherborn Fund	Museum Invested Fund
Baker Fund	Bairstow Fund
Ramsbottom Fund	Stanley Wilson Greene Fund
Bryozoology Fund	Isabella Gordon Fund

#### Governance and management

The Trustees of the Special Funds Trust are the Trustees of the Natural History Museum. In accordance with the British Museum Act 1963, eight of the Trustees are appointed by the Prime Minister, one by the Royal Society, and three by the existing Trustees. During 2009/10 the Trustees were as follows:

Mr Oliver Stocken (Chairman)  
Mr Daniel Alexander QC  
Professor Sir Roy Anderson FRS FMedSci  
Ms Louise Charlton  
Professor David Drewry  
Professor Diane Edwards CBE FRS  
Professor Alex Halliday FRS  
Mr Ian Henderson CBE FRICS  
Dr Derek Langslow CBE  
Professor Jacquie McGlade  
Professor Georgina Mace CBE FRS  
Sir David Omand GCB

All Trustees attend a trustee induction course.

Applications for awards and disbursements from the trust are made to a managing group comprising the Science Policy Coordinator (chair), four members nominated by the Research Committee, the Collections Committee, the Science Information Committee and the Science Education Committee respectively, and a member from the Library.

The managing group meets up to twice a year to review and approve applications, and to review the progress of previous disbursements.

Financial administration is carried out by the Finance Department of the Natural History Museum.

**The Natural History Museum  
Special Funds Trust  
Trustees' Annual Report  
For the year ended 31st March 2010 (Continued)**

**Activities during the year**

The managing group met twice during the year in July 2009 and March 2010 and made 23 awards amounting to £60k for the purposes for which the fund was established. It is anticipated that a similar level of awards will be made in future years.

The Trust received a bequest of £100k from Mrs Hannah Bond Zimmerman, wife of the late Dr E.C. Zimmerman, an entomology taxonomist. The funds are to be invested in a perpetual trust with the income to be used for grants in aid of the publication of coloured illustrations in publications by the Natural History Museum.

**Financial review for 2009-10**

During the year the value of the fund increased by £287,202 which predominantly reflects the rise in the value of the investments by £210,366 and a donation of £100,000. At 31st March 2010 the value of the Fund amounted to £1,241,201 (2009 - £953,999) including investments valued at £997,812 (2009 - £787,446) and cash of £244,710 (2009 - £167,847).

The Trust received investment income amounting to £39,445 (2009 - £49,912) and incurred expenditure of £62,609 (2009 - £31,073). The expenditure included amounts for scientific research projects.

**Accounting Policies**

The financial statements for the year ended 31st March 2010 have been prepared in accordance with the Charities Statement of Recommended Practice "Accounting and Reporting by Charities" (2005). The accounting policies are shown in Note 1 to the financial statements.

**Reserves Policy**

The reserves policy is to maintain the level of investments and disburse income as it arises in accordance with the objectives as described earlier.

**Investment Powers and policy**

Under the trust deed the Trustees may invest funds in any of the investments permitted by law for the investment of trust funds.

The investment policy is to achieve a balance between income and growth with moderate to low risk.

**Risk Management**

The Trustees of the Natural History Museum have identified and keep under review all major risks and oversee the operation of widespread risk management practices, including the work of the Audit and Assurance Unit which reports to the Trustees' Audit Committee.

**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 auditors for the ensuing year.

On behalf of the Board of Trustees

Oliver Stocken

Date: 1 July 2010

# The Natural History Museum Special Funds Trust

## Independent Auditors' Report to the Trustees of The Natural History Museum Special Funds Trust

We have audited the financial statements of the Natural History Museum Special Funds Trust for the year ended 31st March 2010 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set

This report is made solely to the charity's trustees, as a body, in accordance with regulations made under section 43 of the Charities Act 1993. Our audit work has been undertaken for no purpose other than to draw to the attention of the charity's trustees 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 charity and charity's trustees as a body, for our audit work, for this report, or for the opinion

### Respective Responsibilities of Trustees and Auditors

The trustees' responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit, or if information specified by law in respect of trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31st March 2010 and of its incoming resources and application of resources, including the income and expenditure of the charity for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

Devonshire House  
60 Goswell Road  
London EC1M 7AD

Date: 2 July 2010

**Kingston Smith LLP**  
Chartered Accountants  
and Statutory Auditor

**The Natural History Museum  
Special Funds Trust  
Statement of Financial Activities  
For the year ended 31st March 2010**

	Note	Unrestricted Funds: General £	Unrestricted Funds: Designated £	Endowment Funds £	Total 2010 £	Total 2009 £
<b>Incoming Resources</b>						
Donations		-	-	100,000	<b>100,000</b>	-
Investment income	2	<u>39,445</u>	<u>-</u>	<u>-</u>	<b>39,445</b>	<u>49,212</u>
<b>Resources Expended</b>						
<b>Costs of generating funds</b>						
		160	-	-	<b>160</b>	183
<b>Charitable expenditure</b>						
Grants payable	3	-	60,095	-	<b>60,095</b>	29,335
Governance costs	4	<u>2,354</u>	<u>-</u>	<u>-</u>	<b>2,354</b>	<u>1,555</u>
<b>Total Resources Expended</b>		<u>2,514</u>	<u>60,095</u>	<u>-</u>	<b>62,609</b>	<u>31,073</u>
<b>Net Incoming/(outgoing) Resources</b>		36,931	(60,095)	100,000	<b>76,836</b>	18,139
<b>Unrealised gain/(loss) on investment assets</b>						
	6	<u>100,976</u>	<u>-</u>	<u>109,390</u>	<b>210,366</b>	<u>(253,127)</u>
<b>Net movement in funds</b>		137,907	(60,095)	209,390	<b>287,202</b>	(234,988)
<b>Transfer of awards made</b>		(83,753)	83,753	-	-	-
Fund balances brought forward		<u>444,353</u>	<u>100,175</u>	<u>409,471</u>	<b>953,999</b>	<u>1,188,987</u>
<b>Fund Balances carried forward</b>	8	<u><b>498,507</b></u>	<u><b>123,833</b></u>	<u><b>618,861</b></u>	<b>1,241,201</b>	<u>953,999</u>

The notes on pages 7 and 8 form part of these financial statements.

**The Natural History Museum  
Special Funds Trust  
Balance Sheet at 31st March 2010**

	Note	2010	2009
		£	£
<b>Fixed Assets</b>			
Investments - As held for direct charitable purposes	6	997,812	787,446
<b>Current Assets</b>			
Bank deposit accounts		243,984	165,655
Bank current accounts		<u>726</u>	<u>2,192</u>
		244,710	167,847
<b>Current Liabilities</b>			
Creditors: falling due within one year	7	<u>(1,321)</u>	<u>(1,294)</u>
<b>Net Current Assets</b>		<u>243,389</u>	<u>166,553</u>
<b>Net Assets</b>		<u><u>1,241,201</u></u>	<u><u>953,999</u></u>
<b>Funds</b>			
Permanent endowment funds		618,861	409,471
Unrestricted income funds:			
designated funds		123,833	100,175
general funds		<u>498,507</u>	<u>444,353</u>
Total unrestricted funds		<u>622,340</u>	<u>544,528</u>
<b>Total charity funds</b>	8	<u><u>1,241,201</u></u>	<u><u>953,999</u></u>

Approved by the Board of Trustees and authorised for issue on 1 July 2010

Oliver Stocken  
Trustee

The notes on pages 7 and 8 form part of these financial statements.

**The Natural History Museum  
Special Funds Trust  
Notes to the Financial Statements  
For the year ended 31st March 2010**

**1 Accounting Policies**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and to conform with the requirements of the Statement of Recommended Practice (Accounting and Reporting by Charities) revised 2005. Accounting policies have remained unchanged from the previous year.

Income arising and expenditure incurred during the year are accounted for on an accruals basis.

Investments are included at market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

**Funds**

The Unrestricted General Funds are funds which the Trustees are free to use in accordance with the charitable objectives.

The Unrestricted Designated Funds are funds which have been set aside at the discretion of the trustees in order to meet the cost of grants awarded but not yet disbursed (see note 3).

The Permanent Endowment Fund represents assets which must be held permanently by the charity.

<b>2 Investment Income</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
JPMorgan Fleming - The Fledgeling UK Equity Fund	<b>25,930</b>	29,389
JPMorgan Fleming - The Fledgeling Bond Fund	<b>12,193</b>	14,138
Bank interest	<b>1,322</b>	5,685
	<b><u>39,445</u></b>	<b><u>49,212</u></b>

<b>3 Charitable Grants</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Grants to individuals for travel and scientific research	<b><u>60,095</u></b>	<b><u>29,335</u></b>

23 new grants were awarded in the year and at 31st March 2010 £123,833 (see note 8) has been awarded but not yet disbursed.

Awards are only disbursed when commitments are entered into or expenditure is incurred by the recipient of the grant.

<b>4 Governance Costs</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
The major expenses within this category are as follows:		
Audit and accountancy	<b>2,097</b>	1,265
Other miscellaneous expenses	<b>257</b>	290
	<b><u>2,354</u></b>	<b><u>1,555</u></b>

**The Natural History Museum  
Special Funds Trust  
Notes to the Financial Statements  
For the year ended 31st March 2010 (Continued)**

**5 Trustees' Remuneration**

The Trustees did not receive any remuneration or reimbursement of expenses from the Trust.

**6 Investments**

	<b>Market Value 2009 £</b>	<b>Increase/ (Decrease) £</b>	<b>Market Value 2010 £</b>
The Fledgeling UK Equity Fund	474,693	214,729	<b>689,422</b>
The Fledgeling Bond Fund Units	312,753	(4,363)	<b>308,390</b>
	<u>787,446</u>	<u>210,366</u>	<u><b>997,812</b></u>

**7 Creditors**

	<b>2010 £</b>	<b>2009 £</b>
Amount due to the Benevolent Fund	29	29
Accruals - Audit fees	<u>1,292</u>	<u>1,265</u>
	<u><b>1,321</b></u>	<u><b>1,294</b></u>

**8 Funds**

	<b>Balance at 1st April 2009 £</b>	<b>Incoming Resources £</b>	<b>Resources Expended £</b>	<b>Gain on Investments £</b>	<b>Transfers £</b>	<b>Balance at 31st March 2010 £</b>
Unrestricted general	444,353	39,445	(2,514)	100,976	(83,753)	<b>498,507</b>
Unrestricted designated	100,175	-	(60,095)	-	83,753	<b>123,833</b>
Permanent endowment	<u>409,471</u>	<u>100,000</u>	<u>-</u>	<u>109,390</u>	<u>-</u>	<u><b>618,861</b></u>
	<u>953,999</u>	<u>139,445</u>	<u>(62,609)</u>	<u>210,366</u>	<u>-</u>	<u><b>1,241,201</b></u>

The transfer between unrestricted funds, from general to designated, is to set aside funds to meet the future costs of grants awarded but not yet disbursed.

A permanent endowment of £100,000 was received from the estate of Mrs Hannah Bond Zimmerman, to be invested in a perpetual trust and the income to be used for grants in aid of the publication of coloured illustrations in publications by the Natural History Museum.

**9 Allocation of Assets between Funds**

	<b>Unrestricted General £</b>	<b>Unrestricted Designated £</b>	<b>Permanent Endowment £</b>	<b>Total £</b>
Investments	478,951	-	518,861	<b>997,812</b>
Current assets	20,877	123,833	100,000	<b>244,710</b>
Current liabilities	<u>(1,321)</u>	<u>-</u>	<u>-</u>	<u><b>(1,321)</b></u>
	<u><b>498,507</b></u>	<u><b>123,833</b></u>	<u><b>618,861</b></u>	<u><b>1,241,201</b></u>