

**THE NATURAL HISTORY MUSEUM  
SPECIAL FUNDS TRUST**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31ST MARCH 2007**

# The Natural History Museum Special Funds Trust

## 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 2009	Prime Minister
Daniel Alexander QC	To 11 May 2010	Co-opted
Sir William Castell LVO	To 5 February 2008	Prime Minister
Ms Louise Charlton	To 30 April 2010	Prime Minister
Professor Diane Edwards CBE FRS	To 6 February 2011	Prime Minister
Professor Alex Halliday FRS	To 28 February 2010	Royal Society
Professor Michael Hassell CBE FRS	To 5 February 2008	Prime Minister
Mr Ian Henderson CBE FRICS	To 2 February 2009	Co-opted
Professor Jacquie McGlade	To 31 December 2009	Prime Minister
Professor Georgina Mace CBE FRS	To 5 February 2008	Prime Minister
Sir David Omand GCB	To 19 January 2010	Prime Minister
Professor Linda Partridge CBE FRS FRSE	To 31 March 2008	Co-opted

### Bankers

National Westminster Bank, 186 Brompton Road, London SW3 1HH.

### 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 2007

### 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 2006/07 the Trustees were as follows:

Mr Oliver Stocken (Chairman)	
Mr Daniel Alexnader QC	Appointed 12 May 2006
Sir William Castell LVO	
Ms Louise Charlton	Appointed 1 May 2006
Professor Diane Edwards CBE FRS	
Professor Alex Halliday FRS	
Professor Michael Hassell CBE FRS	
Mr Ian Henderson CBE FRICS	
Professor Jacquie McGlade	
Professor Georgina Mace CBE FRS	
Dame Judith Mayhew DBE	Retired 30 April 2006
Sir David Omand GCB	
Professor Linda Partridge CBE FRS FRSE	

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.

### Activities during the year

The managing group met once during the year in March 2007 and made 5 awards amounting to £14k 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 Natural History Museum Special Funds Trust

## Financial review for 2006-07

At 31st March 2007 the value of the Fund amounted to £1,313k (2006 - £1,233k) including investments valued at £1,181k (2006 - £1,131k) and cash of £132.5k (2006 - £103.2k).

The Trust received investment income amounting to £40.8k (2006 - £36.6k) and incurred expenditure of £11.6k (2006 - £20.4k). The expenditure included amounts for scientific research projects.

## Accounting Policies

The financial statements for the year ended 31st March 2007 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 apply cash reserves and income as it arises in accordance with the objectives.

## 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 Charities Act 1993 it is proposed that they be re-appointed as auditors for the ensuing year.

On behalf of the Trustees



Date:

17 July 2007

# 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 2007 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 out therein.

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 we have formed.

## 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 2007 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

*Kingston Smith LLP*  
Kingston Smith LLP  
Chartered Accountants  
and Registered Auditors

Date:

*17th July 2007*

# The Natural History Museum Special Funds Trust

## Statement of Financial Activities for the year ended 31st March 2007

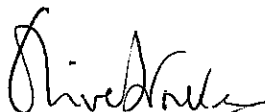
	Note	Unrestricted Funds: General £	Unrestricted Funds: Designated £	Endowment Funds £	Total 2007 £	Total 2006 £
<b>Incoming Resources</b>						
Investment income	2	40,771	-	-	40,771	36,593
<b>Resources Expended</b>						
<b>Costs of generating funds</b>						
		143	-	-	143	126
<b>Charitable expenditure</b>						
Grants payable	3	-	10,046	-	10,046	19,263
Governance costs	4	1,417	-	-	1,417	1,046
<b>Total Resources Expended</b>		<u>1,560</u>	<u>10,046</u>	<u>-</u>	<u>11,606</u>	<u>20,435</u>
<b>Net Incoming Resources</b>		39,211	(10,046)	-	29,165	16,158
<b>Unrealised gain on investment assets</b>						
	6	23,998	-	25,998	49,996	171,774
<b>Net movement in funds</b>		63,209	(10,046)	25,998	79,161	187,932
<b>Transfers</b>		(14,602)	14,602	-	-	-
Fund balances brought forward at 1st April 2006		<u>613,793</u>	<u>31,338</u>	<u>588,427</u>	<u>1,233,558</u>	<u>1,045,626</u>
<b>Fund Balances carried forward at 31st March 2007</b>	8	<u><u>662,400</u></u>	<u><u>35,894</u></u>	<u><u>614,425</u></u>	<u><u>1,312,719</u></u>	<u><u>1,233,558</u></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 2007

	Note	2007		2006	
		£	£	£	£
<b>Fixed Assets</b>					
Investments - As held for direct charitable purposes	6		1,181,587		1,131,591
<b>Current Assets</b>					
Bank deposit accounts		131,372		101,504	
Bank current accounts		<u>1,170</u>		<u>1,755</u>	
		132,542		103,259	
<b>Current Liabilities</b>					
Creditors	7	<u>(1,410)</u>		<u>(1,292)</u>	
<b>Net Current Assets</b>			<u>131,132</u>		<u>101,967</u>
<b>Net Assets</b>			<u>1,312,719</u>		<u>1,233,558</u>
<b>Funds</b>					
Permanent endowment funds			614,425		588,427
Unrestricted income funds:					
designated funds		35,894		31,338	
general funds		<u>662,400</u>		<u>613,793</u>	
Total unrestricted funds			<u>698,294</u>		<u>645,131</u>
<b>Total charity funds</b>	8		<u>1,312,719</u>		<u>1,233,558</u>



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On behalf of the Trustees

Date:

17 July 2007

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 2007

### 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.

### 2 Investment Income

	2007	2006
	£	£
JPMorgan Fleming - The Fledgeling UK Equity Fund	21,359	17,446
JPMorgan Fleming - The Fledgeling Bond Fund	14,406	15,345
Bank interest	5,006	3,802
	<u>40,771</u>	<u>36,593</u>

### 3 Charitable Grants

	2007	2006
	£	£
Grants to individuals for travel and scientific research	10,046	19,263
	<u>10,046</u>	<u>19,263</u>

Five new grants were awarded in the year and at 31st March 2007 £35,894 (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.

### 4 Governance Costs

	2007	2006
	£	£
The major expenses within this category are as follows:		
Audit and accountancy	1,234	881
Other miscellaneous expenses	183	165
	<u>1,417</u>	<u>1,046</u>

# The Natural History Museum Special Funds Trust

## 5 Trustees' Remuneration

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

6 Investments	Market Value 31-Mar-06	Increase in value	Market Value 31-Mar-07
	£	£	£
The Fledgeling UK Equity Fund	817,328	64,267	881,595
The Fledgeling Bond Fund Units	314,263	(14,271)	299,992
	<u>1,131,591</u>	<u>49,996</u>	<u>1,181,587</u>

7 Creditors	2007 £	2006 £
Accruals - Audit fees	<u>1,410</u>	<u>1,292</u>

8 Funds	Balance at 1st April 2006 £	Incoming Resources £	Resources Expended £	Gain on Investments £	Transfers £	Balance at 31st March 2007 £
Unrestricted general	613,793	40,771	(1,560)	23,998	(14,602)	662,400
Unrestricted designated	31,338	-	(10,046)	-	14,602	35,894
Permanent endowment	588,427	-	-	25,998	-	614,425
	<u>1,233,558</u>	<u>40,771</u>	<u>(11,606)</u>	<u>49,996</u>	<u>-</u>	<u>1,312,719</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.

9 Allocation of Assets between Funds	Unrestricted General £	Unrestricted Designated £	Permanent Endowment £	Total £
Investments	567,162	-	614,425	1,181,587
Current assets	96,648	35,894	-	132,542
Current liabilities	(1,410)	-	-	(1,410)
	<u>662,400</u>	<u>35,894</u>	<u>614,425</u>	<u>1,312,719</u>