

Natural History Museum Annual Report and Accounts 2023-2024

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Presented to Parliament pursuant to Section 9(8) of the Museums and Galleries Act 1992

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The Trustees' Annual Report

Reference and administrative details

The Natural History Museum is a non-departmental public body, sponsored by the Department for Culture, Media and Sport (DCMS), and is an exempt charity as listed in Part 3 of the Charities Act 2011.

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

Board Members The Board of Trustees comprises the following:

	Appointment period	Appointed by
Lord Tony Hall of Birkenhead (Chair)	To 31 October 2027	Prime Minister
David Craig	To 31 October 2027	Prime Minister
Professor Dame Jane Francis DBE FRS	To 31 January 2027	Royal Society
Shahpur Kabraji	To 25 June 2026	Prime Minister
Professor Yadvinder Malhi CBE FRS	To 12 April 2028	Prime Minister
Dr Sarah E Thomas	To 30 November 2024	Co-opted
Robert Noel	To 24 April 2026	Prime Minister
Mark Read	To 31 May 2026	Prime Minister

The Trustees' register of interests is available at <http://www.nhm.ac.uk/about-us/governance.html>

Sir Patrick Vallance resigned as chair from the Board of Trustees on 5 July 2024. Lord Tony Hall of Birkenhead became acting Chair on the same date and was subsequently elected by the Board as Chair on 10 July 2024.

Museum Director and Accounting Officer Dr Douglas Gurr

Bankers National Westminster Bank plc, 18 Cromwell Place, London, SW7 2LB.

Auditors Comptroller and Auditor General, National Audit Office, 157-197 Buckingham Palace Road, London SW1W 9SP

Moore Kingston Smith LLP, 6th Floor, 9 Appold Street, London, EC2A 2AP (for subsidiary accounts)

Solicitors Provided in house.

Accounts Preparation The annual report and accounts have been prepared in accordance with the accounting policies set out in note 1 (page 52). They comply with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), and with regard to the Government Financial Reporting Manual, and applicable accounting standards as modified by the Accounts Direction given by the Secretary of State for Culture, Media and Sport, with the approval of HM Treasury.

Structure, governance and management

Status The Trustees of The Natural History Museum were established as a body corporate under the British Museum Act 1963, when the Museum was formally separated from the British Museum, of which it had been a part since the British Museum's establishment in 1753. The Museum is also an exempt charity as listed in Part 3 of the Charities Act 2011.

Statutory duties Under Section 3 of the British Museum Act 1963, the Museum is responsible for keeping its collections and making them available for inspection by the public.

The Board of Trustees

The Museum is governed by a Board of up to 12 Trustees who are appointed by the Prime Minister (8), the Secretary of State for Culture, Media and Sport on recommendation by the President of the Royal Society (1) or co-opted by the Board of Trustees themselves (3). Those appointed by the Prime Minister are appointed by open competition in accordance with the requirements of the Governance Code on Public Appointments (Appendix B) including the appointment of an Independent Assessor to aid the Nominations Committee. Co-opted Trustees are also appointed by open competition, unless the Chair of the Board is able to demonstrate it is in the best interest of the Museum to not do so. As at the date of signing the accounts 8 of the 12 positions are filled.

Further details of Trustees who served during 2023-24 are included in the Governance Statement.

Organisational structure

During the year responsibility and delegated authority for the management of the Museum rested with the Executive Board, under the leadership of the Director of the Museum, who is appointed by the Trustees, and, as the Accounting Officer, is responsible to Parliament.

The Executive Board reflects the functional operation of the Museum and during the year consists of:

Director of the Museum	Dr Douglas Gurr
Executive Director of Finance and Corporate Services	Neil Greenwood (<i>until 31 August 2023</i>)
Chief Operating Officer	Helen Whitehouse (<i>from 11 September 2023</i>)
Executive Director of Science	Dr Tim Littlewood
Chief Information Officer	Richard Hinton
Director of Commercial and Visitor Experience	Adam Farrar
Director of Communications, Digital, Marketing and Publishing	Dan Phelan
Director of Development	Jennifer Cormack (<i>from 11 April 2023</i>)
Director of Estates, Masterplanning and Projects	Keith Jennings
Director of Human Resources	Alison Lodge
Director of Public Programmes	Alex Burch
Director of Strategy and Innovation	Bethan Parry
Deputy Director of Science	Ken Norris

The Natural History Museum has three wholly owned subsidiaries.

The Natural History Museum Trading Company Ltd is a limited company. As at 31 March 2024, the directors were Sir Patrick Vallance, Mark Read, Dr Douglas Gurr and Helen Whitehouse.

The Natural History Museum Special Funds Trust and The Natural History Museum Benevolent Fund are entities administered by the Natural History Museum and governed by the Natural History Museum’s Board of Trustees.

Staff and organisation

The Museum is an Equal Opportunity Employer and has agreed statements of policy under section 2(3) of the Health and Safety at Work Act, 1974.

Senior management communicate with staff through regular Museum-wide presentations, Museum notices and team briefings, the Museum’s Health and Safety and other committees, Whitley Council mechanisms and through informal meetings.

The Museum is a non-departmental public body and follows policy issued by the Cabinet Office on employment of disabled staff.

During the year the Museum employed 1,000 staff (average full-time equivalents) (2023: 911), of which 747 (2023: 687) were on permanent contracts. Those not on permanent contracts are fixed-term appointments, typically engaged on scientific grants or specific projects with a fixed end date.

The average days' sickness per year for permanent and fixed term contract staff was 2.0 days per full time equivalent (2023: 4.7 days). Staff turnover during the year was 16% (2023: 18%).

Pension benefits are provided through the Principal Civil Service Pension Scheme (see note 7 to the accounts) and since 1 April 2017, new employees have been auto enrolled into the NHM Pension Scheme which is a defined contribution scheme provided by Aviva.

A volunteer force of 328 people was registered with the Museum during 2023-24 (2023: 268).

The split of permanent and fixed term staff (excluding agency staff) by gender at 31 March 2024 was:

	Female	Male
Directors	5	7
Other employees	655	415

Consultancy appointments related primarily to training courses, public engagement shows, and collections storage work on an intermittent basis meaning it was not appropriate to administer these individuals through payroll. The Museum conducted risk-based assessments and obtained assurances that these individuals were meeting their Income Tax and National Insurance obligations. The total spend on freelancer appointments in the year was £364,000 (2023: £392,000). The number of self-employed individuals earning more than £245 per day is disclosed in the table below:

	2024	2023
Total engaged for less than one year	11	26
Total engaged between one and two years	12	2
Total engaged between two and three years	1	-
Total engaged between three and four years	-	-
Total engaged for more than four years	-	-
Total	24	28

No individuals were deemed to be applicable to IR35. One was reassessed for consistency / assurance purposes during the year and no engagements saw a change to their IR35 status.

No costs were incurred during the year (2023: none) on consultancy deemed to be of a strategic nature.

20 individual staff members (FTE: 20) were relevant union officials during 2023-24. Working hours spent on facility time fell within the 1-50% band for all individuals and no hours were spent on paid trade union activities. The amount paid in respect of facility time to employees who were relevant union officials was £5,272, which equates to 0.01% of the total pay bill of £43,237,000.

Openness and accountability

The Museum is committed to openness and facilitating easy access to all types of recorded information about its collections, services and corporate activities. In particular, the Museum has a Publication scheme, in accordance with schedule 19 of the Freedom of Information Act 2000, which lists the information made available on a proactive basis.

The Publication scheme is only part of the provision for access to information available under the Act. Any information which is not covered by an exemption will be made available on request.

The minutes of Board meetings and the register of Board members' interests are open to inspection by the public.

The Museum has a whistleblowing policy. There were no matters raised during 2023-24.

Relationship with DCMS

As a non-departmental public body, the Museum is sponsored by the Department for Culture, Media and Sport (DCMS). This relationship is formalised via the Funding Agreement and a Framework Agreement.

The Secretary of State for Culture, Media and Sport acts as the principal regulator for the Museum as an exempt charity.

Group entities

The Museum's accounts are a consolidation of the following:

- The Natural History Museum;
- The Natural History Museum Trading Company Ltd.;
- The Natural History Museum Special Funds Trust; and
- The Natural History Museum Benevolent Fund.

Objectives and Activities

Mission and Vision

Our mission is to create advocates for the planet.

Our vision is of a future where both people and the planet thrive. To achieve this, we will harness the powerful combination of our three key assets: our collection, our scientific research and our reach to a worldwide audience.

Objectives

We face a planetary emergency. Humanity's future depends on the natural world, but we are not taking effective action to combat our destructive impact on the planet's survival systems. Global warming, biodiversity loss and extinctions, habitat destruction, waste, plastic, air and water pollution, erosion, soil loss, deforestation, desertification, ocean acidification, the loss of coral reefs and other crises all flow from unsustainable human activity. By threatening Earth's natural systems, we threaten our own future. We must act now, we must act on scientific evidence and we must act together.

Our strategy to 2031, the 150th anniversary of the Natural History Museum opening at South Kensington, was published in January 2020. It sets out the part the Natural History Museum will play as a global, scientific and cultural leader. Our five interlinked strategic priorities will drive our activities to 2031. These are:

- Secure the future of our collection: ensuring our collection is safe, accessible and digitally available – for future innovations and generations.
- Transform the study of natural history: applying technological innovations to our collections, collecting and science, bringing benefits to people and planet. Training future generations of scientists.
- Develop our gardens and galleries: creating new spaces, inside and out, combining heritage and experience to connect to nature.
- Engage and involve the widest possible audience: reaching out nationally and globally, onsite and online to create advocates for the planet.
- Create a resilient and sustainable organisation: investing in people, technology and our estate. Striving towards financial and environmental sustainability.

Alongside our vision and strategic priorities, we have identified several key areas of focus to drive forward our mission and make a step change by 2031. Current areas of focus include:

- NHM Unlocked: providing a secure location to house our collection at Thames Valley Science Park, enabling the collection to be more widely shared, scientific research and innovation accelerated, as well as releasing space at South Kensington to increase our public offer.
- DiSSCo UK (Distributed System of Scientific Collections): leading a major new 10-year programme to digitise a critical mass of the UK's natural science collections, increasing the scale, speed and impact of UK digitisation. The project is expected to generate approximately £2 billion of economic benefits for the UK in sectors including food and health. Funded by UK Research and Innovation, it will be delivered by the Museum and the Arts and Humanities Research Council and will involve approximately 90 partners across the UK.
- Three major advocacy programmes: Wildlife Photographer of the Year, Fixing Our Broken Planet and the Urban Nature Movement. These provide a framework for a changing exhibition and events programme centred around people and planet, linking our physical and digital offer to help create advocates for the planet on a local, national and global scale.

The Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission in defining the strategic direction of the Museum.

Achievements and activities during 2023-24

Welcoming the world: A record-breaking year for public engagement

The Natural History Museum's status as a beloved visitor attraction goes from strength to strength. This year our two sites at South Kensington and Tring enjoyed a combined visitation of almost 6 million, a remarkable 12% increase over the previous year and surpassing even pre-pandemic figures and becoming our busiest year ever to date.

Our flagship exhibition at South Kensington, *Titanosaur: Life as the Biggest Dinosaur*, an awe-inspiring, interactive family exhibition, welcomed over 343,000 visitors that were invited to walk beneath the 2.67 tonne cast of *Patagotitan mayorum*. The ever-exciting Wildlife Photographer of the Year (WPY) exhibition continued its success, attracting over 186,000 visitors to South Kensington in the year. The exhibition to mark the 59th edition of the competition opened in October 2023 and will run to June 2024. Meanwhile, our innovative contemporary art programme in the Jerwood Gallery welcomed a new free display of photography by Gregor Sailer, *The Polar Silk Road*, which was seen by just over 260,000 people.

The Mammals Hall was closed for six months to enable a refurbishment of the space and conservation of the specimens and models on display and reopened in March 2024. The works were partly funded by a grant from the DCMS Wolfson Gallery Investment Fund.

With funding from the Wolfson Foundation, the Museum has continued to run *Dawnosaurs*, a free event which enables neurodivergent children and their families to explore the Museum before normal opening times. Visitors have access to a wide range of galleries and activities, supported by and led by experienced, neurodivergent-aware facilitators.

The Museum also enhanced its offer of visitor tours with an increased range of behind-the-scenes and guided tours of both the Museum's permanent galleries and special exhibitions made available.

Urban Nature Project

We made great progress on transforming our five acres of garden into a welcoming and biologically diverse green space in the heart of London. Our gardens, which will welcome back the public from summer 2024, will be a place for people to learn about the diversity of life on Earth and showcase our scientific research.

As one of the 20 prize winners from around the globe that exemplify the growing global effort to provide holistic design and construction responses that advance multiple aspects of sustainable development, the Museum was delighted for the project to win silver in the European category at the Holcim Foundation Award for Sustainable Construction in November 2023.

Alongside the Urban Nature Project transforming our gardens, we have launched engagement activities with the Urban Nature Movement. This includes our Explore: Urban Nature Programme, helping young people reconnect with nearby nature. This is a UK-wide learning programme in association with 12 other museums. In the year over 300 teachers received training and the activities saw over 9,000 students participate in workshops targeted at KS2 and KS3 learners.

In April 2023, on Earth Day, we launched Nature Overheard, our unique citizen science programme, that seeks to better understand the impact of noise pollution on wildlife near roads by recording audio and observing insects. Emerging from students own research questions about understanding nature in the urban environment, the survey results are the first live feed into a new Data Ecosystem, enabled by the Museum's partnership with Amazon Web Services (AWS). This platform is bringing disparate forms of biodiversity and environmental data together and provides a way for scientists to access the data for their research.

A wide variety of trusts, foundations, companies and individuals are supporting the Urban Nature project including: Amazon Web Services, The National Lottery Heritage Fund, Evolution Education Trust, The Cadogan Charity, Garfield Weston Foundation, Kusuma Trust, The Wolfson Foundation, Charles Wilson and Rowena Olegario, Royal Commission for the Exhibition of 1851, Clore Duffield Foundation, Workman LLP and Accenture.

Building for the future

This year, the NHM Unlocked programme secured planning permission for a new state-of-the-art collections, research, and digitization centre as the project completed RIBA Stage 3 and made significant progress on RIBA Stage 4 and detailed design. The new facility at Thames Valley Science Park will expand research capabilities, enhance collections storage, and initiates the largest ever move and digitisation of natural history specimens, while enabling us to open spaces, currently used for storage, to the public. We continue exploring the opportunities of partnering with the University of Reading and other tenants of the Thames Valley Science Park and are engaging with the local community as we seek to maximise the benefits for the area.

Public Bodies Infrastructure Fund

The Museum received an additional £16.1m of capital funding in the year from DCMS as part of the Public Bodies Infrastructure Fund. This vital sum has been necessary to fund critical capital projects across our Estate. In addition to completely replacing the roofs and services infrastructure of what will be the new Fixing Our Broken Planet gallery, in the Waterhouse Building, the funding has been used to continue the improvements to the buildings' fire safety and commence the restoration of the terracotta façade on the Waterhouse Building, among many other critical renewal projects. Work will continue into 2024-25 with £13.7m of additional funding bringing the total to £40.5m over the three-year period from 2022-23 to 2024-25.

Influence and advocacy: National, global, and digital

The Natural History Museum's work resonates far beyond our physical locations, shaping debates and driving change. Over the year we continued to expand into new spheres in ambitious ways in order to scale up our strategic impact.

Investing in nature

Our collaboration with Bloomberg marked an exciting move to bring nature data to financial decision-making. The Biodiversity Intactness Index (BII), developed by Natural History Museum scientists, will empower investors to understand the potential impact of business activity on nature and drive positive change.

Inspiring the next generation

The National Education Nature Park was launched in October, with the Royal Horticultural Society and other partners, with all schools in England invited to join. This is a once-in-a-generation opportunity to transform the way we teach climate education and support young people to act and increase biodiversity across England. The land in schools in England forms an area the equivalent to roughly twice the size of Birmingham, so alongside nurseries and colleges, that represents huge potential to collectively contribute to nature recovery across the country.

Digital pioneers

The Museum's digital presence reached millions worldwide with nearly 19 million website sessions and over 17 million video views across platforms. Our latest podcast series, *Our Broken Planet*, offered listeners on every continent a deeper understanding of the planetary emergency as well as hope about actions we can take to tackle it.

Sharing the wonder with Naturally Curious

In February the Museum launched its new online learning platform, Naturally Curious. This collaboration between the Graduate Centre, Science and Digital offers a fully digital learning experience, diving deeper into a range of topics such as Deep Sea, Dinosaurs, Rocks in Space and Snakes. New courses, presented by Museum scientists and researchers, are planned to be released monthly and are split into digestible chapters and accompanied by a course handbook.

The Museum at COP28

In November 2023, the Museum sent a delegation to the 2023 United Nations Climate Change Conference or Conference of the Parties (COP28) in the United Arab Emirates. Here, the Museum was able to engage with policy makers and take part in critical conversations around the planetary emergency, biodiversity loss and the vital role of data. The Museum's Biodiversity Intactness Index (BII) provided a rigorous biodiversity metric to support the implementation of 'biodiversity positive nature-based solutions'. The BII uses data on plants, fungi and animals from around the world and shows how local terrestrial biodiversity responds to human pressures such as land use change and intensification. It can also project how biodiversity will change in response to future management decisions, helping businesses and policy makers evaluate different management strategies and opportunities.

Preliminary analysis using the BII explores the '30 by 30' target which commits the world's governments to designate 30% of Earth's land and ocean as protected areas by 2030. Locations around the world which provide key benefits to human wellbeing and livelihoods, such as pollination, water quality, flood regulation and access to nature, and the local ecosystem are known as Critical Nature Assets. In

addition to the existing global network of protected areas, where the focus is more on protecting local biodiversity and prevention of species extinction, these should be safeguarded as part of delivering the '30 by 30' target. Initial analysis by NHM shows that only 5.6% of Critical Nature Assets are currently protected, with the UK in the bottom 10% of countries globally.

Expanding our national reach

Following on from the successful Dippy Returns exhibition in 2022-23, the nation's favourite dinosaur went on to a long-term loan at the Herbert Art Gallery in Coventry, which opened in February 2023. During 2023-24, 159,666 visitors came to see our wonderful diplodocus replica. Dippy has also helped facilitate a range of events engaging the local community during 2023-24, including a Dino Day in August and a virtual reality experience. In addition, the Herbert Art Gallery welcomed our Wildlife Photography of the Year 59 touring exhibition in October 2023 and was seen by 29,429 people.

In September 2023, the Museum also launched Our Broken Planet: Community of Practice (now named Fixing Our Broken Planet) connecting museum practitioners from across the United Kingdom. This Community will become a place to interact, learn and collaborate, fostering knowledge exchange among museum teams, scientists, researchers, youth engagement experts, and cultural practitioners.

Generation Hope: Act for the Planet

As part of our ongoing Fixing Our Broken Planet programme, we hosted a series of free public activities in February 2024 with the aim of creating advocates for the planet, following on from a similar series in March 2023. This series encompassed a range of both onsite and online activities, including talks, discussions and workshops, with contributions from our own research scientists, The London Wildlife Trust and The Resilience Project. Generation Hope offered young people opportunities to connect and network with other global change makers and organisations and was guided by the work of the Generation Hope advisory board including NHM scientists and global climate activists.

The Museum also held Fixing Our Broken Planet festival stands at the First Light Festival in Lowestoft and at the British Science Festival in Exeter, where over 3,000 people engaged with the content presented at both events.

Engaging a Global Audience

Our exhibitions continue to tour to audiences around the world. Fantastic Beasts: The Wonder of Nature was open in the Melbourne Museum from May to October 2023, and the latest Wildlife Photographer of the Year tour, showcasing entries from the 58th and 59th years, opened at venues including: the Queen Victoria Museum and Art Gallery, Tasmania in June; the Royal Ontario Museum, Toronto in November; and the Natural History Museum of Denmark, Copenhagen also in November.

Driving scientific discoveries with global impact

The Natural History Museum is not only a place for sharing the wonder of nature with the public, but also a powerhouse of scientific research and last year saw some significant progress in efforts to transform the study of natural history and unlock the secrets of the collections. The collections we care for are unparalleled in their size and diversity, and our 350 scientists strive to create innovative ways to harness their potential to solve real-world issues like biodiversity loss and food security. This year saw several major breakthroughs.

Discovering new species

No fewer than 815 new species were discovered and described by Natural History Museum scientists in 2023, including a new dinosaur from the Isle of Wight, which was named *Vectipelta barretti* in honour of the Museum's Professor Paul Barrett, as well as a new genus of butterfly which paid homage to the Lord of the Rings villain Sauron.

Loss of tropical pollinators from climate change puts chocolate and coffee production at risk

Dr Joe Millard led research on the threat of climate change and habitat loss to tropical crop plants such as cacao and coffee. Published in the journal *Science Advances* and funded in part by NERC, this global collaborative assessment predicted future scenarios using data from 2,673 sites and 3,080 insect pollinator species from the Museum-led PREDICTS database, showing how combined habitat and climate change leads to large reductions in insect pollinators. The greatest and most rapidly increasing risks to crop production are expected in the tropics, particularly in regions of sub-Saharan Africa, northern South America, and Southeast Asia. This will impact key crops grown by small producers such as cacao in Africa, which produces short-lived flowers pollinated by *Forcipomyia* midges – the shaded, damp environments that the midge prefers are becoming less common as cocoa production and climate change intensify. Other crops at risk are mangos, watermelon and coffee.

Around 90% of species in proposed deep-sea mining zone are unnamed

A future of renewable energy resources requires new mineral resources to manufacture advanced technologies, but mining will have impacts on biodiversity and the environment therefore, policy-makers need good information to inform choices. In the Museum's Resourcing the Green Economy theme, Dr Adrian Glover and colleagues have been working on the baseline biodiversity in the Clarion-Clipperton Zone (CCZ) in the Pacific Ocean, covering six million square kilometres between Hawaii and Mexico. A 5,000-metre deep abyssal plain, the CCZ is covered with tennis-ball sized mineral nodules containing the key element manganese, but extraction is not yet permitted until potential environmental impacts are better understood. In research funded by the Pew Charitable Trust, the team undertook a large-scale assessment and concluded that the sea floor is far more biodiverse than previously thought, including purple sea cucumbers, starfish, crustaceans and pale sea anemones. They estimate that of up to 8,000 species, only ten per cent has so far been named, with many new species yet to be discovered.

The Darwin Tree of Life 1,000th genome

DNA gives new and deeper insights into the complexity and diversity of the natural world on a species, population and individual level. The Museum is a key partner in The Darwin Tree of Life (DToL; Wellcome Sanger) project that aims to gather the DNA from genomes of all species represented in the British Isles. New technology will enable this information to be harnessed in more sophisticated monitoring programmes to detect environmental change and human impact, and to understand habitat value in more sophisticated ways. Museum scientists collect, identify and preserve the DToL specimens to ensure the accuracy of the science and develop a resource for future investigation. The project is now releasing a new genome every day to the scientific community and we were very pleased this year to reach the one thousandth genome – the purple bar moth, *Cosmorhoe ocellata*, collected at the Gilbert White's House, Selborne.

Marsupials: primitive or highly evolved?

Innovative use of technology in research has enabled Museum scientists to challenge the idea that marsupials are primitive in terms of reproduction, giving birth to less developed young and so intermediate in evolutionary terms between egg-laying monotremes and placental mammals. Professor Anjali Goswami and her team analysed mammal skulls representing life stages from embryo for 22 living mammal species in research supported by BBSRC and the Leverhulme Trust. A large dataset from micro-CT scans of 165 specimens was analysed, giving understanding of how the common ancestor of marsupials and placental mammals would have developed. Publication in *Current Biology* describes how the ancestor of both groups developed in a way more similar to placental mammals, indicating that marsupial reproduction has undergone greater evolutionary modification over time, and challenging the myth of primitive marsupial status. The scientists suggest that marsupials may have a reproductive strategy evolved to cope with unstable environments in which a long pregnancy might increase risks to the mother.

Benefits of investment in collections digitisation

Natural history collections are an unrivalled source of data on 4.56 billion years of planetary development and hundreds of years of biological change, including human impacts. So far, 5.8 million out of 80 million specimens in the Museum's collection are digitally available via the Museum's open data portal. The Museum has, over the years, led the development of digitisation in UK and European partnerships, calculating with Frontier Economics a potential £2 billion in benefits to the UK economy from digitising all UK natural science collections. Dr Vince Smith, Helen Hardy and colleagues have now published a study, with analytical support from McKinsey and Company, on demand, use, research benefits and impact of digitisation and data access. Approximately 7.6 million records, from twelve UK institutions, available via the Global Biodiversity Information Facility (GBIF) were analysed, showing that while UK collections data are just 0.3% of total GBIF occurrences, they are cited in 12% of peer-reviewed publications citing GBIF data, demonstrating the value of UK collections data to the world and an estimated £18 million of efficiency savings for researchers.

Transforming collections access, linking distributed collections across multiple museums, and delivering research benefits is the purpose of the multi-partner DiSSCo UK, led by the Museum and linked to wider European initiatives. The UK Government in March announced a £155 million, 10-year programme to digitise natural science collections held in the UK, which hold more than 137 million items, used to find solutions to global problems such as biodiversity loss and food security. Delivered by the Museum and the Arts and Humanities Research Council (AHRC), the programme involves around 90 partners across the UK. By deploying the latest AI-derived innovations, DiSSCo UK will deliver tools to study and explore environmental systems, applying AI to inform policy and assist with environmental management decisions. Once digitised, the data will be freely available to anyone worldwide, meaning greater access and opportunities for global collaboration.

Snake Shift

Snakes and lizards make up one third of terrestrial vertebrates and show spectacular evolutionary innovations in movement, feeding, and senses. However, snakes are so different from lizards with respect to ecology, morphology, and biogeography that there seem to be different dynamics of evolution to those of lizards. Dr Marc Jones and collaborators, in a paper featured on the cover of the journal *Science*, have developed a new family tree with natural history and DNA data and found a pulse of evolutionary innovation at the origin of snakes, more than 150 million years ago. This is described as a macroevolutionary singularity

– a phase of rapid change with a cascade of new characteristics that enabled accelerated adaptation to new diets and environments, having lasting impact on ecosystems. The rate of diversification in snakes is significantly higher than in lizards with this higher rate, enabled by key innovations, being maintained to the present day.

How do plant names reflect women in science?

Dr Sandy Knapp and Sarah Vincent have collaborated on an analysis of how women's contributions to science are reflected in the names of plant genera. They developed and published a dataset to enable the names, roles and lives of these women to be shared more widely and used to identify trends and broader implications. The data also show how names are distributed by geography, time and taxon. It is hoped that this will enable better recognition and celebration of the role of women in the history and development of science.

Exploring asteroids

Professor Sarah Russell is long-term collaborator on the scientific analysis of samples returned from the Japanese JAXA Hayabusa2 mission to the Asteroid Ryugu. This work on unique specimens from an asteroid orbiting the sun gives insights into the origins and evolution of the solar system and the extraordinary diversity of space material between and beyond the planets. Her work has resulted in 17 high profile publications in the year that range from innovative methods for analysing the mineral chemistry of tiny carbonate grains, to exploring ideas about formation of carbonaceous chondrite meteorites that contain the same volatiles and organics associated with the origins of life. This research is rooted in the Museum's unique expertise, analytical laboratories and collection of meteorites, providing a basis for future collaboration on space mission sampling and return.

A 17th Century herbarium from India

Among the Museum's treasures are specimens collected by Samuel Browne, a surgeon working for the East India Company at Fort St. George, Madras (now Chennai) in India. In 1697, Browne sent a herbarium of 316 specimens to the Company accompanied by vernacular names, descriptions and notes on properties and uses. Dr Ranee Prakash, Dr Caroline Whitefoord and Dr Mark Carine, with colleagues from the Botanical Survey of India, published a description of the Browne herbarium with identifications for all specimens together with an analysis of its significance for botanical knowledge and its value in understanding plant culture in 17th century Tamil Nadu and Andhra Pradesh.

Mining legacies

Mining legacies are a significant challenge: past efforts at rehabilitation of mined areas have often focused on technical and environmental aspects, leading to resistance from the local community due to their exclusion from the process. With funding from DEFRA's Global Centre on Biodiversity for Climate programme, Prof Richard Herrington, Dr Robin Armstrong, Dr Ana Santos and Dr Anne Jungblut collaborated with partners in the Philippines on a project, Biodiversity Positive Mining for the Net Zero Challenge (Bio + Mine), focusing on the abandoned Sto Niño copper mine (Benguet, Philippines) that closed in 1982, leaving a continuing negative legacy. Work published in the year, developed with local communities, used socio-economic, demographic, ecological, and technological data to develop an inclusive mitigation strategy for ecosystem reconstruction, representing a model for other legacy and active mines worldwide.

Our supporters

Patrons

We are so grateful for the continued support of our Patrons throughout 2023-24. As a community of generous donors, we are thankful for their loyalty and commitment to our mission to create advocates for the planet. This support is invaluable and enables us to fulfil our charitable objectives to preserve our collections, enhance our public spaces and continue pioneering research.

As ever, we are thrilled to have delivered another year of special events to bring our Patrons closer to our collections and our scientists. Some highlights include the *Patrons Night at the Museum* in the beautiful Hintze Hall showcasing some of the incredible permanent collections, the behind-the-scenes tour into our imaging and digitising labs, the Patrons exclusive architecture tour of the Waterhouse building in January and a preview of the newly refurbished Mammals Hall in March.

Philanthropy

The Museum has continued to receive donations from philanthropic individuals and trusts and foundations this year, contributing to both the Museum's exhibition and gallery spaces, and science research. The Cookson Charitable Trust, one of our long-term supporters of minerals, is now funding the enhancement of a popular gallery space and we have also secured a substantial new acquisition with thanks to the generosity of David and Molly Lowell Borthwick. Our Lepidoptera team are thrilled to have generous funding from Christer Fåhræus towards Blue Hairstreak butterfly research. We are also pleased to commence a new partnership with Natural Environment Research Council towards an upcoming gallery.

As the fundraising campaign for the Urban Nature Project ends, we would like to thank The Portal Trust for their contribution towards the gardening apprenticeship scheme and all our supporters, to the Urban Nature Project and beyond, for their generosity.

Corporate Partnerships

Collaborating with corporate partners passionate about advocating for the planet means we can amplify the Museum's influence and impact through diverse support.

Amazon Web Services, as Lead Sponsor of the Urban Nature Project, is helping us build a cutting-edge Data Ecosystem to accelerate urban nature recovery across the UK. Workman LLP and Accenture's support also boosts the Urban Nature Project with their proactive participation. Apple TV+ continued its dynamic support, transitioning from Dippy's installation to the spectacular Titanosaur exhibition, coinciding with the release of Prehistoric Planet's second season, whilst IAG Cargo contributed gift-in-kind support. Our vibrant partnership with O2 Virgin Media expanded, providing exciting offers as well as competitions on the Priority app. Our third year of partnership with the LEGO Group's Build the Change programme inspired schools, families, and SEND audiences to explore the natural world through playful, collaborative events. Meanwhile, Google Arts & Culture enriched our Fixing Our Broken Planet programme by helping us tell compelling stories about our planet's challenges and the inspiring efforts driving positive change.

Membership

Our members are incredibly important to us, and we continued to engage with them through a range of unique onsite and online activities during 2023-24.

Highlights in the year included welcoming over 2,000 new members of which a record number of new members joined during April 2023, following the launch of

our sold-out exhibition *Titanosaur: Life as the biggest dinosaur*. We also launched our members' priority booking period for one of our most popular museum events, *Dino Snores for Kids*, as part of our new "members' first" initiative. Our events programme went from strength to strength with sold out Mary Anning and Charles Darwin character themed family workshops. Over 200 members attended a lecture in August, with key speakers including Sir Brian May discussing the ground-breaking NASA OSIRIS-REx mission to collect a sample from an Asteroid.

Supporter engagement

We continued to successfully fundraise for the public phase of our Urban Nature Project appeal. Donors have welcomed the chance to add their name, or the name of a loved one, to the Museum's gardens through an engraving on a bench or a railing. In March 2024 we hit our Public Appeal fundraising target of £650k with over 1,900 donors. We thank all those that donated to support this campaign. It was the Museum's first public appeal and has been hugely successful.

Our Workforce

Diversity in the Museum

The Museum continues to strive to become a more equal, diverse and inclusive organisation and has been gathering and evaluating data on its workforce to help do this.

- Black, Asian and minority ethnicities made up 16.1% (2023: 15.0%) of the workforce.
- 13.4% of the workforce self-define as having a disability (2023: 9.1%).
- 14.4% of the workforce identified as lesbian, gay, bisexual, or other sexuality (2023: 10.4%).
- 56.6% of staff identified as a woman (2023: 59.2%), 34.4% as a man (2023: 39.7%) and 1.4% as non-binary (2023: 1.1%). 7.6% of staff described themselves as another gender or preferred not to say (2023: 0%).
- 1.8% of the workforce held a gender identity that was not the one assigned at birth (2023: 0.9%).
- 18.6% of the workplace reported holding a religion or belief (2023: 8.9%)

Our vision is of a future where both people and the planet thrive. Diversity is one of our core values and we strive to build a workplace where everyone feels a sense of belonging. All new staff who join us learn about the importance of diversity and inclusion to the Museum and how to contribute to creating an inclusive environment.

We know we have more to do and we have developed a strategy and action plan to enable us to meet our diversity and inclusion aims. We are committed to ensuring that everyone who works at the Museum feels they can thrive and feel valued and respected.

We also believe that transparency is key which is why we have voluntarily published on our website our Ethnicity Pay Gap alongside our Gender Pay Gap.

Our volunteer programme

Volunteers are vital to the Museum, with over 300 people currently donating their time to engage visitors and support the scientists and collections. The Museum offers exciting opportunities for volunteering, internships, and work experience, all designed to benefit participants as much as they benefit the Museum. These programmes aim to inspire and provide enriching experiences – both public-facing and behind-the-scenes. In November, the Museum won seven awards at

the London Heritage Volunteer Awards, including the Best Team Award for the Women in Science Tour Team.

Plans for 2024-25

The operating plan is in place for the year to ensure that key deliverables are resourced and monitored.

At South Kensington, *Birds: Brilliant and Bizarre* runs from May 2024 to January 2025. The *Wildlife Photographer of the Year* exhibition will celebrate its landmark 60th year with the winning competition entries on show from October 2024. Supported by the Jerwood Foundation, a sound installation by Jana Winderen, in collaboration with Tony Myatt, will run in the Jerwood gallery from July 2024 to January 2025.

Our new permanent gallery, *Fixing Our Broken Planet*, will open in 2025 with an exhibition comprising of four thematic zones which empower audiences by showcasing tangible solutions and actions that they can take.

The Urban Nature Project is set to open the transformed gardens at South Kensington to the public in July 2024. Our gardens follow the story of how life on Earth has changed over time, from the days of the dinosaurs through to today. With a new Nature Activity Centre in the west gardens, the Museum will offer an enhanced schools' programme and increased opportunities for visitors to learn more about urban nature and sustainability.

Following the launch of our new brand identity in July 2023, the programme will continue with a gradual replacement of staff uniforms and a new approach to signage and wayfinding around the Museum to further improve the visitor experience.

For the NHM Science and Digitisation Centre, plans include completing RIBA stage 4 and taking possession of the site to commence construction in 2025 alongside continued preparations and digitisation of the collections that will move to the new facility.

The critical infrastructure renewal projects funded by the Public Bodies Infrastructure Fund will continue, including further fire precautions projects across our sites, roof replacements at Tring and South Kensington, recladding of the northern façade of the Palaeontology building, and restoration of the terracotta façade of the Grade 1 listed Waterhouse building.

After a successful run at South Kensington, *Titanosaur: Life as the Biggest Dinosaur* is due to start its global tour in Yokohama, Japan in July 2024. In addition, *Fantastic Beasts: The Wonder of Nature* will open at its next venue at the Chiang Kai-shek Memorial Hall in Taipei in July 2024. Our latest *Wildlife Photographer of the Year* Exhibition will be on show across the UK and the world throughout the year.

Results of the Natural History Museum and consolidated subsidiaries

With a record year for visitor numbers, just shy of 6.0m (2023: 5.3m), generating an increase in visitor related income, total income grew to £135.5m (2023: £117.0m). The prior year includes COVID-19 support funding of £3.1m from the Government, which ended in 2022-23 and, overall, non-government income increased by £15.8m to £66.9m (2023: £51.1m).

Reflecting inflationary pressures, particularly around pay and energy bills, and increased activity, total expenditure in the year increased by £18.1m to £122.7m (2023: £104.6m).

This contributed to an overall consolidated surplus for the year before gains and losses on investments and revaluation of £12.8m (2023: £12.3m). This includes a profit from the trading company of £9.8m (2023: £9.7m). After adjusting for depreciation, amortisation and loss on disposal of fixed assets (being non-cash items), which is considered a more meaningful indicator of in year financial performance, there was an overall surplus of £29.8m (2023: £27.5m).

Available reserves at 31 March 2024, as represented by current assets less liabilities, amounted to £35.5m (2023: £40.8m). This includes the general fund, the unrestricted and non-designated reserve, which amounted to £6.6m (2023: £5.3m). This is £0.6m above the minimum reserve figure of £6m approved by Trustees as part of the annual budgeting process and is held to manage cash flow and budgetary risks. Designated cash reserves amounted to £20.8m including funds held to underpin capital expenditure on the Urban Nature Project through to 2024-25, committed expenditure on estate infrastructure improvements and other critical and future strategic investment. In addition, there were reserves of £1.6m held within the designated fund for future scientific research (2023: £1.6m), and £3.4m (2023: £7.1m) held within restricted funds for future investment in capital projects and activities.

As anticipated, our cash at bank and in hand decreased to £42.4m from £48.5m following planned capital spend in 2023-24. It is anticipated that this will decrease further in the next financial year as the Museum continues to invest in its capital programme.

These figures are summarised below:

	2024	2023
	£m	£m
Net income for the year before depreciation, amortisation, losses on disposal, asset indexation and revaluation	29.8	27.5
Net income for the year excluding additional government COVID-19 support and CJRS	29.8	24.4
General Fund	6.6	5.3
Current assets less liabilities	35.5	40.8

Capital expenditure for the year (tangible fixed assets) amounted to £37.2m (2023: £19.2m) including significant expenditure on core estate infrastructure such as fire precautions work, continuation of the re-roofing of the Waterhouse Building western roofs, and the continued construction of the development of the gardens at South Kensington for the Urban Nature Project, due to complete in the summer of 2024. There was also further investment in various scientific equipment and IT infrastructure.

Total net assets at 31 March 2024 amounted to £713m (2023: £722m) of which £129.9m is restricted (2023: £114.9m). This includes total fixed assets of £681m (2023: £681m) which accounted for the majority of the total assets and predominantly reflect land and buildings such as the Waterhouse Building, and the Museum's collection. These buildings are not realisable assets and maintaining them creates an ongoing strain on resources.

The Natural History Museum Trading Company Limited

The Museum established a trading company, The Natural History Museum Trading Company Limited, on 1 April 1994. It comprises the activities of retailing, venue hire, catering, brand management, the picture library, touring exhibitions, the Wildlife Photographer of the Year Competition, catering and consultancy.

Profit for the year amounted to £9,832k (2023: £9,679k). This results in a payment of £9,781k (2023: £9,679k) to be made to the Museum under a deed of covenant.

The Trading Company has benefitted from the growth of visitors to the Museum in 2023-24 following our Titanosaur exhibition. We have also benefitted from a return of international tourism to London. However, profit has not increased in line with turnover due to inflationary pressures on costs. The Directors of the Trading Company continue to adopt the going concern basis for preparing its accounts.

The results of the Trading Company are included in the Museum's consolidated accounts and are summarised in note 12.

The registered office of the Trading Company is at The Natural History Museum, Cromwell Road, London SW7 5BD.

The Benevolent Fund

The Benevolent Fund was established by the British Museum Trustees on 14 March 1936 having been passed to the Trustees by Dr G. E. Herbert Smith. The income from the fund is to be used “to assist members of staff, in particular those less well paid, who may fall upon misfortune”. Assistance is usually given by way of small grants or interest-free loans to members of staff.

The balance of funds held at 31 March 2024 was £55.2k (2023: £51.6k).

The Special Funds Trust

The Natural History Museum Special Funds Trust governs a scheme set up in 2000 to consolidate and administer several individual funds. The Trust applies the income in or towards the furtherance of the work of the Museum for which provision is not made from public funds. Funds are allocated with due consideration to the intentions of the original funds.

The balance of funds held at 31 March 2024 was £7.2m (2023: £6.5m).

The Funding Agreement

The Museum has a Funding Agreement with DCMS which sets out what the Government expects the Museum to deliver for the Grant-in-Aid it receives. The current funding allocation covers the period to 2024-25.

The Grant-in-Aid for the period 2022-23 to 2024-25 is as follows:

	2023	2024	2025
	£'000	£'000	£'000
Resource Grant-in-Aid	43,392	44,417	44,236
Additional Grant-in-Aid for coronavirus support	3,100	–	–
Capital Grant-in-Aid			
Baseline	2,346	2,393	2,441
NHM Science and Digitisation Centre	6,350	5,710	34,850
Public Bodies Infrastructure fund	10,700	16,068	13,700
Total	65,888	68,588	95,227

The Museum received coronavirus support funding from DCMS of £3.1m in 2022-23 being the second and final year of this additional Resource Grant-in-Aid.

Additional Capital Grant-in-Aid of £16.1m was received in 2023-24 under the Public Bodies Infrastructure Fund to further support investment in fire precautions measures, re-roofing of the western Waterhouse galleries, restoration of building façades and other infrastructure renewal projects at South Kensington. For 2024-25 the Museum has been provisionally allocated an additional £13.7m to continue fire precautions work, complete the re-roofing project and other critical infrastructure projects.

The Capital Grant-in-Aid budget for the new NHM Science and Digitisation centre (also known as NHM Unlocked) totals £201m. The Museum received £5.71m in 2023-24 with next year’s allocation currently provided at £34.85m. Actual funds drawn down may differ and are subject to approval of the Full Business Case in 2024.

For the purposes of consolidated budgeting and monitoring with DCMS during the year, reflecting HM Treasury guidance, a budget of £4.25m for the Museum’s net operational non-capital research spend is reallocated to Capital Grant-in-Aid, thereby reflecting budgeting totals for 2023-24 of £39.495m for Resource Grant-in-Aid and £6.643m for Capital Grant-in-Aid.

Financial risks

The Museum continues to receive EU funding in line with those grants which were awarded prior to 31 December 2020. Following the UK’s exit from the European Union, the Museum was not eligible to apply directly for new awards after this

date. With the UK rejoining the Horizon programme in September 2023, we are now able to directly apply for this funding again and have submitted our first grant proposal in 2023-24.

Inflation increases in energy and other costs are managed as a whole or individual basis as appropriate. The Museum purchases energy via The Energy Consortium and in 2022-23 forward contracts provided protection from price increases. However, we were not able to fully protect ourselves from energy price rises in 2023-24 and saw a large increase in utility bills. We are implementing a programme of energy saving measures to reduce carbon output and costs, including a new Combined Heat and Power system at South Kensington, which was due for completion in 2023-24, but will now be completed in early 2024-25.

Whilst inflation is forecast to decrease further in 2024 and stabilise at a lower rate, the compound effect of the higher rates of inflation experienced over the last two years remains and may lead to further cost pressures in key service contracts and staff costs. The ongoing volume of construction projects, particularly at South Kensington, may also hinder our ability to grow our self-generated income.

The continuing conflict in Ukraine and Russian financial sanctions does not directly expose the Museum to any specific financial risks.

Details of key strategic risks and mitigating actions are provided as part of the Governance Statement on page 36.

Reserves policy

As part of the annual planning and budget setting process the Trustees review and approve the level of readily available reserves (i.e. those funds that are not restricted or tied up as fixed assets), particularly the unrestricted General Reserve, appropriate to the scale, complexity and risk profile of the Museum. This takes into consideration the funding base which includes under the funding agreement with DCMS which covers the period 2022-23 to 2024-25 and self-generated trading income, scientific grant income and sponsorship, which can be variable.

The level of reserves was set to provide a comfort level for shortfalls in income and to underpin cash flow and budgetary risks arising from, in particular, capital expenditure projects. Taking an overall view of the annual operational expenditure and level of comfort required the Trustees approved at their Board meeting in February 2024 a minimum level of unrestricted general fund of £6m. At 31 March 2024 the general fund amounted to £0.6m more than the minimum at £6.6m.

Trustees also designate funds for specific projects and activities. Designations currently include funds to underpin investment in the Urban Nature Project, critical and strategic investment in estate and IT infrastructure, public space and gallery development and for scientific research which have been derived over a number of years from income from scientific activities exceeding an annual target.

Investment powers and policy

The Museum's investment powers are established in its Framework Agreement with DCMS. This states that the Museum may not invest Grant-in-Aid income but that the Museum is free to invest non-Grant income in line with the relevant Charity Commission guidance on investments.

The Museum invests cash balances in accordance with its Investment Policy. The Policy addresses management of liquidity, credit, interest rate, procedural and foreign currency risk and the stated aim of the Policy is to achieve a balance between income and growth with moderate to low risk. Investments are currently held in mixed portfolio funds to achieve this aim.

Payment of creditors

The Museum observes the principles of the Better Payment Practice Code in ensuring that creditors should be paid within the terms of credit. The Museum policy is that creditors are paid within 30 days of invoice date unless separate arrangements have been contractually agreed.

Fundraising Regulation

The Natural History Museum Trustees oversee a range of fundraising activities which support the vital work of the Museum in a long-term and sustainable manner and in line with our mission and values. No professional agents are used for fundraising directly to the public and members of staff engaged in fundraising activities are subject to cross-Museum policies alongside departmental procedures, standards and guidelines. A Donor Stewardship Matrix is in place to ensure our supporters are communicated with appropriately and carefully, and all staff receive ongoing training to ensure they act in accordance with the highest legal, ethical and professional standards. This includes safeguarding people from unreasonable intrusion on their privacy and undue pressure to donate. The Museum has also signed up to receiving suppressions under the Fundraising Preference Service.

The Trustees receive progress reports throughout the year to review and oversee all aspects of fundraising as part of their statutory responsibilities. The Museum has a number of feedback mechanisms in place for the public as detailed on its website, and responds to all questions, complaints and comments in a timely and transparent way. No fundraising complaints have been received by the Museum in 2023-24 (2023: nil).

The Museum is registered with the Fundraising Regulator, pays its annual levy, and reviews all relevant working practices to ensure full compliance with the regulator's Fundraising Promise and the Code of Fundraising Practice on an ongoing basis.

Sustainability

The Museum is committed to reaching net zero carbon as fast as we can and in 2020-21 we launched our [Sustainable by Nature Plan](#) which sets out how this will be achieved by 2035.

When we launched our Sustainable by Nature plan, we committed to reach net zero by 2035 and to make sure all new projects and buildings have sustainability embedded from the beginning. Within our grounds transformation project at South Kensington, the Urban Nature Project and our plans for the NHM Science and Digitisation Centre near Reading, specific sustainability KPIs in climate change mitigation, resource efficiency, wellbeing, pollution control and responsible procurement, have been set across the design, construction and operation of the projects, to ensure a consistent approach to sustainability from concept through to operation.

Achievements and activities in 2023-24

During 2023-24 the South Kensington site had no operational Combined Heat and Power (CHP) unit due to major works being undertaken in our energy centre. This meant that the site needed to import all electricity from the grid and use its gas boilers for providing heat for a second year in a row. Consequently, we have continued to see lower than normal gas emissions and increased electricity emissions. Overall, our carbon emissions reduced by approximately 200 tonnes in comparison to the previous year. We saw reductions in both gas and electricity consumption, with gas showing the greatest reduction; likely due to no heat provision to the V&A whilst pipework repairs were undertaken but also because of energy conservation measures such as improvements to our Building Management System.

In respect of travel related emissions, business travel (categorized as Scope 3) reduced this year, with fewer flights taken overall in comparison to 2022-23. Domestic flights increased to 10, 8 of which were to and from Belfast. The Museum also runs a small fleet of vehicles, which are predominantly used for fieldwork and the transportation of our national collections. In all instances our staff are encouraged to use public transport where possible and practicable. In the year ahead, the Museum will be re-tendering for this contract and it is our intention to allow for infrastructure improvements and EV charging points aligning with the

Greening Government Commitments. We re-established the Bicycle User Group and re-launched Dr Bike in South Kensington with free bike checks being offered to support staff choosing this method of travel.

In terms of waste, the Museum's direct waste impacts normally include waste generated by on-site catering facilities, office-based activities, scientific laboratories and imaging suites, development, production and de-installation of exhibitions. The Museum provides recycling facilities for many office materials, electrical equipment, scrap metal and food waste. Indirect waste impacts normally include waste generated by visitors, contractors and suppliers. Visitor waste and recycling facilities are available in the internal public picnic areas and at entrance and exit points to the Museum. Waste production has reduced by almost 50 tonnes this year in comparison to the previous year and remains below pre-pandemic levels. Green waste is lower than normal due to South Kensington grounds being under construction and increases in the future are expected to be minimal with improved on-site composting. Our catering provider has also introduced a food waste reduction program and unsold food is being sold at discounted prices via Too Good to Go.

We continue to seek more opportunities to reduce waste. Furniture is reused internally via our intranet and space and logistics teams and Museum Freecycle is also used on occasion. However, we currently do not track this data. We have also started to explore lab equipment reuse schemes and are looking at how we can capture reuse data for reporting in the future. Of the remaining waste, the recycling rate for 2023-24 was 40% and we are currently not on track to meet the Green Government Commitment of 70% by 2025. This year we established a zero-waste community and held a recycling showcase at South Kensington to raise awareness on recycling for staff and next year, we plan on reviewing our waste reporting methodologies to see if more accurate data can be collated.

Water consumption has reduced by 10% in comparison to the previous year and we remain well within our reduction pathway, achieving a 38% reduction in comparison to our 2017-18 baseline. Surveys undertaken during the year resulted in remedial actions to rectify the water loss from various calorifiers, storage tanks, booster pumps, heat exchangers, sinks and toilet facilities.

Sustainable procurement is championed by the Procurement and the Sustainability Teams who work collaboratively across the Museum, providing advice and support and incorporating sustainability within tenders as appropriate, and are working to put criteria in place that address higher environmental and social risks. The Museum has committed to including sustainability criteria within all procurements above a value of £25k. This could be as simple as requiring ISO 14001, or a similar form of environmental management system, to specific sustainability requirements and assessment criteria. This year a sustainable procurement audit was undertaken and plans to address action items raised will be developed in 2024-25.

The Museum has also teamed up with 22 organisations in South Kensington as part of an initiative known as South Ken Zen+. A core workstream of this network is in sustainable procurement and one objective, to be completed in 2024-25, is a collaborative effort to create a supply chain charter / supplier code of conduct that unites us in our ambitions and supplier expectations.

This year we have begun developing a Landscape Management Plan for our South Kensington site. This includes management and maintenance of the hard and soft landscape elements (including planting and geology features) and will set out best practice ecological management guidelines to maximise opportunities for nature to thrive. We have committed to achieving a 20% Biodiversity Net Gain at our new facility in Reading and have included nature-based solutions within the design, such as an integrated sustainable drainage system, to support climate mitigation and adaptation.

Task Force on Climate-Related Financial Disclosures (TCFD)

The Natural History Museum has reported on climate-related financial disclosures consistent with HM Treasury's Task Force on Climate-Related Financial Disclosures (TCFD) aligned disclosure application guidance, which interprets and adapts the framework for the UK public sector. The Museum has therefore complied with the TCFD recommendations and disclosures around both Governance (recommended disclosures (a) and (b)) and Metrics and Targets (recommended disclosures (b)). This is in line with the central government's TCFD-aligned disclosure implementation timetable for Phase 1. The Museum plans to provide recommended disclosures for Risk Management in future reporting periods in line with the central government implementation timetable.

TCFD Governance (a) – Boards Oversight of climate related issues

The creation of a resilient and sustainable organisation is a key strategic objective. As such, climate-related issues and strategies are addressed by the same governance processes, disclosure controls and procedures used for financial and risk management processes.

The Board of Trustees are legally responsible for the management of the Museum and approve the Museum's Strategic Plans and Financial Budget. The Director provides a report advising on material matters including sustainability and climate-related issues. The Board are also supported by the Audit and Risk Committee in their responsibilities on risk, control and governance, financial reporting and assurance including climate-related areas.

At Executive level, the Executive Board is responsible for delivering and reviewing the Museum's strategic priorities in addressing the planetary emergency and reporting upward to the Board of Trustees. It sets the annual budget and approves major expenditure on programmes and projects and oversees the implementation of the Museum's Annual Operating Plan. The Plan sets out the Museum's activities against our five strategic objectives, including the creation of a resilient and sustainable organisation. Progress is tracked via key strategic risks and tangible metrics to measure delivery and success. Specifically, around environmental risks, it includes the Museum's Carbon Score, denoting the direct greenhouse gas emissions (Scopes 1 and 2) from our estate and operations. The plan is reviewed with all relevant lead colleagues at Operating Plan Quarterly Reviews, chaired by the Director.

The Management Board ensures the operational performance of each function across the Museum and oversees the implementation of the Museum's Sustainable by Nature Plan. As reported above, this is considered quarterly. Climate risk and adaptation will be a key focus in 2024-25.

The Head of Sustainability is responsible for the delivery of the Museum's Sustainable by Nature Plan, the management of the Museum's Environmental Management System (EMS), certified to ISO 14001, and supporting teams across the Museum in embedding sustainability in all that we do.

The Head of Sustainability is based within the Estates, Projects and Masterplanning department and reports directly into the Director of Estates, Projects and Masterplanning which is an Executive Board level position.

As part of our EMS, the Museum determines the external and internal issues that are relevant to our purpose and that affect our ability to achieve our vision and sustainability commitments. Such issues include environmental conditions being affected by or capable of affecting the Museum, including climate and nature related issues. Identifying environmental risks and opportunities is also a key aspect of this process and together they help inform future strategy. The Health, Safety and Environment (HSE) Committee have oversight of the Museum's EMS

and meet quarterly to review performance, discuss any risks and issues and agree actions as needed.

Key updates on the EMS are then reported to Management Board via the quarterly sustainability report. The Sustainability Team also communicate sustainability performance and climate-related issues via Museum wide presentations, Museum notices and team briefings.

TCFD Governance (b) – Management’s role in assessing and managing climate related issues

The Natural History Museum has reported on climate-related financial disclosures consistent with HM Treasury’s TCFD relevant guidance, which interprets and adapts the framework for the UK public sector. We have complied with the TCFD recommendations and disclosures around both Governance, in line with the central government’s TCFD-aligned disclosure implementation timetable for Phase 1. The Museum plans to provide recommended disclosures for Risk Management in future reporting periods in line with the government’s implementation timetable.

The Head of Sustainability is responsible for the delivery of the Museum’s Sustainable by Nature Plan, the management of the Museum’s Environmental Management System (EMS), certified to ISO 14001, and supporting teams across the Museum in embedding sustainability in all that we do. The Head of Sustainability reports directly into the Director of Estates, Projects and Masterplanning at Executive Board level.

As part of our Environment Management Strategy, the Museum determines key factors that affect our ability to deliver our vision and sustainability commitments. These include environmental conditions, climate and nature related issues. Identifying both risks and opportunities around these factors is a key aspect of that process, helping us inform future strategy. The Strategy is overseen by the Health, Safety and Environment Committee that meets quarterly to review performance, key risks and actions to keep us on track. The Museum’s Management Board receives a quarterly sustainability report and presentations are regularly made more widely.

TCFD Metrics and Targets (b) – Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.

The Museum aligns its reporting with the Government Sustainability Reporting guidance and the Government Green Commitments, utilising the GHG Protocol methodology and the DESNZ GHG conversion factors. The sustainability performance indicators are provided in Appendix 2 on page 28.

The Museum will adopt the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations and guidance for identifying, assessing and reporting our nature related dependencies, impacts, risks and opportunities from 2024-25.

Collections Management

Nature and Scope of the collections

The Natural History Museum traces its origins back to 1753 and the formation of the British Museum and the founding collection of Sir Hans Sloane. The intention was to create a universal collection of natural, cultural, and literary objects ‘not only for the inspection and entertainment of the learned and curious but also for the general use and benefit of the public’. In 1881 the natural history collections were re-located from Bloomsbury to the current site in South Kensington into Alfred Waterhouse’s ‘Cathedral of Nature’. 140 years later our collections are stored within 10 buildings across three sites, including the Natural History Museum at Tring.

The Museum houses one of the most important collection of natural history objects in the world. The Earth and Life Science collections cover virtually all groups of animals, plants, rocks, meteorites, minerals, and fossils and has more type specimens than any other natural history collection. These collections are complemented by the collections of the Museum's Library and Archives which is the world's largest collection of natural history literature, original primary material, and art, ranging from 1469 to the present day. In total the Museum's collection is estimated to contain 76 million items or lots (groups of items). Given the nature of the material in the collection can vary from microbes and space dust to dinosaurs and whales and includes material such as parasites associated with their hosts, water, and sediment samples there can never be a definitive answer of the number of items the Museum holds.

The collection is actively added to annually through new collecting, donation, exchange, and purchase. During 2023-24, the Museum received 247 different donations consisting of approximately 61,581 items or lots (which will contain multiple items). Of these, 347 items were acquired through 8 exchanges (where duplicate material is sent to another museum or herbarium in return for duplicate material from that organisation being sent to the Museum). The Museum spent £0.363m on 8 purchases comprising 930 items. A further 87,529 items or lots were added to the collection through staff collecting, undertaken as part of grant-funded research activities and collaborative fieldwork opportunities. No items were donated in lieu of tax (through the available government schemes).

To document and manage these collections the Museum uses three digital collections documentation systems. EMu is the collections management system used to manage Earth and Life Science Collections. ALMA is the primary collections management system for Library and Calm is the primary system for Museum Archives and Records.

In the last financial year, the Museum has continued to work with SER Group who were appointed in 2022/23 as the Museum's new Collections Management System (CMS) supplier (the RECODE programme). The 7-year contract will result in a new CMS in 2025 and a continuous improvement plan to 2029.

Collections Policies, Collections Care and Accreditation

Collections care and security is closely monitored and overseen by the Audit and Risk Committee as well as the Board of Trustees. There has been an additional focus on collections care in the last year through detailed internal assessments, peer review, enhanced in-year collections audits and reporting. This will remain an enhanced area of priority for the Museum including through the creation of a new Non-Executive Collections Committee.

Collections Policy

The Museum has a comprehensive series of policies covering all aspects of the collections and their management. They set the tone and framework for ensuring that the institution acts legally and ethically whilst aspiring to the highest professional standards. The Policies were approved by Trustees in February 2019; a plan has been agreed with Trustees for the delivery of revisions during 2024-25 delivery was delayed due to volume of work. The current policy framework is available on the Governance pages of the Museum's website: <https://www.nhm.ac.uk/about-us/governance.html>

Accreditation

The Museum is recognised by The National Archives as a place of deposit under the Public Record Act for the records it creates. The Museum is a Registered Archive under the National Archives Accreditation Scheme and was awarded Accredited Status on 26 March 2018. A full reapplication for Archive Service Accreditation

was submitted on 13 March 2024. The Museum was last reaccredited by the Arts Council (who manage the Museum Accreditation Scheme) in October 2015.

Collections care

The Museum aims to maintain its collections in the best environmental conditions possible to aid long term preservation. These are guided for collections in storage and display by the Museum's Collections Storage Infrastructure Project (CSIP) environmental standards (2020). These standards comply as far as possible with BS EN 16973:2018 Conservation of Cultural Heritage – Specification, location, construction and modification of buildings or rooms intended for the storage or use of heritage collections; BS EN 16790:2016 Conservation of Cultural Heritage – Integrated Pest Management (IPM) for protection of cultural heritage and BS 4971:2017 Conservation and Care of Archive Collections. The Museum's Protecting the Collections Board prioritise small, targeted interventions to increase the longevity and stability of the building fabric in areas containing collections. The Board also commission pieces of work to understand the full extent of problems. Projects prioritised by the Board focus on heating, ventilation and air condition systems, water ingress, solar gain, and security.

Access to the Collections

Increasing access to the collections whether physically or virtually is one of the highest priorities for the Museum. Over 27,000 specimens are on public display in our galleries. There are over 5.8m specimen records from our Earth and Life Science collections and 824,801 index lots indicating the presence of a species in the collection publicly available on data.nhm.ac.uk along with other datasets. This includes 3D scans, images, and audio recordings as well as other structured data in tables and the Join the Dots dataset comprising 2,868 records that provide a high-level summary of all the Natural History Museum's collection. The latest news about our digital collections programme can be found at www.nhm.ac.uk/digitalcollections or @NHM_Digitise on X (formerly Twitter). Over 5 million pages of content are available via the library's discovery layer and in the Biodiversity Heritage Library www.biodiversitylibrary.org.

As well as a public visitor attraction the Museum is home to a large, diverse scientific research centre that houses one of the largest and diverse scientific teams of its kind. At its heart is our collections which are a significant resource for the development of humankind's knowledge of the natural world. The wide scope of the collection in scientific, geographical, and historical terms, means that the Museum's collection has unique international value and importance. Our collections inspire and facilitate scientific discovery globally through our analytical facilities, digital access, research lending and in person visits by many hundreds of scientific visitors from around the world. There have been 2,332 scientific visitors during 2023-24. During the last financial year, the Museum dispatched 542 research loans, comprising 44,328 individual specimens from the Earth Sciences and Life Sciences collections. A further 209 requests were facilitated for digital images instead of a physical loan, representing 1,924 individual specimens. Physical loans for the purpose of research are not made to individuals from the Library and Archive Collections.

Human Remains

The Museum holds a licence from the Human Tissue Authority (HTA). The HTA has a statutory function to ensure compliance with relevant legislation, codes of practice and directions and conduct inspections of licenced establishments to examine the suitability of premises, practices and procedures, governance arrangements and to meet staff working under the authority of the licence. The Museum was last inspected in 2023 and the report is publicly available on their website:

<https://www.hta.gov.uk/professional/establishments/natural-history-museum-london>

Immunity from Seizure

The Museum received Approved Status for immunity from seizure purposes on 9th April 2014. During the financial year 2023-24 no loans were made to the Museum which required immunity. Information for items currently proposed for immunity from seizure is published on the Museum's website:

<https://www.nhm.ac.uk/about-us/governance/immunity-from-seizure.html>

Lord Tony Hall of Birkenhead
Chair of the Board of Trustees

Dr Douglas Gurr
Director and Accounting Officer

24 July 2024

Appendix 1

Performance indicator information, including those indicators listed in the Funding Agreement

Performance indicator	2024 Outturn	2023 Outturn	2022 Outturn	2021 Outturn	2020 Outturn
Number of days open^[4]	363	361	312	85	349
Visitors					
Total number of visitors (South Kensington and Tring) (k) ^[1]	5,957	5,302	2,469	302	5,304
Number of child visitors (k) ^{[1][2]}	1,800	1,667	788	94	1,252
Number of over 60s visitors (k) ^[2]	361	368	203	15	437
Number of UK visitors from lower socio-economic groups (NS-SEC Groups 5-8) aged 16 and over (k) ^[2]	546	325	244	53	198
% of visitors who thought the Museum was excellent / good ^[2]	94	93	90	94	99
Digital					
Number of unique website visits (m) ^[1]	18.9	17.1	17.3	15.3	14.3
Learning					
Facilitated and self-directed visits by visitors under 18 years old and in formal education (k) ^{[1][3]}	232.2	187.7	40.4	-	259.9
The number of instances where visitors under 18 years old have participated in on-site activities (k) ^{[1][3]}	205.5	156.1	55.3	10.5	269.5
Science					
Number of peer reviewed research publications	780	739	494	878	511
Value of major research grants won (£m total value to the Museum)	6.9	5.3	3.0	5.0	6.8
Number of visitor days for visiting researchers	4,624	6,342	3,041	77	12,901
Number of UK loan venues ^[1]	196	223	209	201	97
Number of enquiries to Science Group	1,616	1,516	1,199	4,991	7,061
Income generation					
Gross income from admissions (£m) ^[5]	6.90	3.04	3.84	0.21	2.85
Net income/(loss) from trading activities (£m) ^[1]	17.7	15.6	10.3	-1.4	9.6
Fundraising income (£m)	9.4	9.2	6.4	3.0	6.9
Charitable giving					
Total income from charitable giving (£m) ^[1]	11.4	9.8	6.7	2.8	8.7
Charitable giving as a % of Grant-in-Aid ^[1]	17	15	11	5	19

[1] DCMS key and additional performance indicators from the Management Agreement.

[2] In 2020-21 a new approach to surveying had to be taken as the methodology of sampling previously followed was not possible in a COVID-19 environment. Therefore, numbers are not directly comparable to previous years.

[3] Due to lockdown and social distancing requirements in 2020-21 there were no formal education visits onsite and the offer of onsite activities was reduced.

[4] The number of days open for the year ended in 2019-20 has been restated to 349 (originally reported as 363). In 2022-23, the Museum was closed for an additional day for the funeral of HRH Queen Elizabeth.

Appendix 2

Sustainability performance indicators

Performance Indicator	Measure / Unit	2018 Baseline	2022	2023	2024
Visitor numbers	Thousands	4,713	2,469	5,302	5,957
Greenhouse Gas Emissions	Scope 1 (tn CO _{2e})	10,197	10,854	4,745	4,468
	Scope 2 (tn CO _{2e})	3,009	1,539	2,849	2,914
	Total^[1]	11,831	12,393	7,594	7,382
	Consumption per m ² (kg CO _{2e} /m ²) ^[1]	96	90	55	54
	Scope 3 Travel (tn CO _{2e})	Unavailable	78	585	308
Related Energy Consumption	Gas Consumption (MWh)	55,370	58,532	25,993	24,398
	Electricity Consumption (MWh)	16,422	18,216	15,148	14,613
	Total (MWh)	71,792	76,749	41,141	39,010
	Total Energy consumption per m ² GIA (kWh/m ²)	521.93	557.97	299.10	283.61
Air travel (Domestic)^[2]	Domestic flights (thousand km)	Unavailable	-	4	6
	Domestic flights (tn CO _{2e})	Unavailable	-	1	1
Air travel (International)^[2]	Short Haul Economy (thousand km)	Unavailable	Unavailable	345	126
	Short Haul Premium Economy (thousand km)	Unavailable	Unavailable	5	1
	Short Haul Premium Business (thousand km)	Unavailable	Unavailable	2	-
	International ^[3] Economy (thousand km)	Unavailable	Unavailable	210	255
	International ^[3] Premium Economy (thousand km)	Unavailable	Unavailable	-	4
	International ^[3] Business (thousand km)	Unavailable	Unavailable	-	1
	Long Haul Economy (thousand km)	Unavailable	Unavailable	3,395	2,088
	Long Haul Premium Economy (thousand km)	Unavailable	Unavailable	16	66
	Long Haul Business (thousand km)	Unavailable	Unavailable	15	-
	Total International (thousand km)	Unavailable	849	3,988	2,541
	International flights (tn CO _{2e})	Unavailable	66	464	294
Related Expenditure	Expenditure on energy (£'000)	Unavailable	3,227	2,704	4,702
	Expenditure on business travel (£'000)	Unavailable	126	473	246
Waste disposal	Hazardous Waste (tonnes)	10	8	3	3
	Landfill (tonnes)	19	-	-	-
	Recycled (tonnes)	112	108	114	100
	ICT waste (tonnes)	1	2	2	1
	Composted / Anaerobic digestion (tonnes)	18	21	43	25
	Incinerated with energy recovery (tonnes)	-	-	-	-
	Incinerated without energy recovery (tonnes)	297	132	201	187
	Total^[4] (tonnes)	457	271	363	316
	Waste Consumption per head (kg/visitor)	0.10	0.11	0.07	0.05

Performance Indicator	Measure / Unit	2018 Baseline	2022	2023	2024
Expenditure on waste disposal	Hazardous (£'000)	9	11	11	7
	Landfill (£'000)	2	-	-	-
	Recycled (£'000)	15	9	9	17
	ICT waste (£'000)	-	-	-	-
	Composted / Anaerobic digestion (£'000)	2	4	5	5
	Incinerated with energy recovery (£'000)	-	-	-	-
	Incinerated without energy recovery (£'000)	61	19	36	19
	Total (£'000)	89	43	61	48
Total water consumption	m ³ [5]	98,606	58,372	68,266	61,188
	Expenditure (£'000)	150	112	116	214
	Total Water Consumption per m ² GIA (m ³ /m ²)	0.72	0.42	0.50	0.44
Total paper consumption	A4 reams	3,357	2,383	248	369
	A3 reams	122	30	18	22
	Expenditure (£'000)	9	7	3	9

[1] The figures for the total and consumption per m² previously erroneously included Scope 3 emissions. The prior year figures have been corrected to reflect this

[2] These are new reporting requirements in 2022-23 and 2023-24 and so not all comparative data is available.

[3] International here represents flights to and from non-UK locations.

[4] Baseline waste tonnage has been changed to exclude project waste to make it comparable to other years. Project waste from estate infrastructure works has not yet been accounted for this year and excluded from previous years' figures.

[5] Total water consumption in 2022-23 has been restated

Report on the Remuneration of Senior Management

The senior management of the Museum are considered to be the Director and the Chief Operating Officer (from September 2023), previously the Executive Director of Finance and Corporate Services (to August 2023), with whom responsibility and delegated authority for the management of the Museum rests. The wider Executive Board which includes other senior staff operates under the leadership of the Director of the Museum, who is appointed by the Board of Trustees, and who, as the Accounting Officer, is responsible to Parliament, reflects the functional operation of the Museum.

The Trustees receive no remuneration.

Service contracts

Senior staff appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

The senior staff of the Museum hold appointments which are open-ended with a notice period of either three or six months. Termination payments are in accordance with contractual terms. During the year 2023-2024 there were no compensation or severance payments to senior management.

Remuneration Committee

The Board of Trustees has established a Remuneration Committee to support it in undertaking its responsibilities for overseeing the performance and remuneration of the Museum Director, and to consider the annual pay award for all staff.

The membership of the Remuneration Committee for 2023-24 comprised:

Sir Patrick Vallance

Professor Dame Janet Thornton DBE FRS

Dame Frances Cairncross DBE FRSE

The Director and the Director of Human Resources attend any meetings which review senior staff remuneration except for discussion concerning their own pay and performance.

Policy on the remuneration of senior managers for current and future financial year

Senior staff remuneration is dependent on affordability, delivery and performance, and when determining salary levels, a number of factors are taken into account:

- the projected budget for the annual staff settlement;
- salary levels internally and in the market place (through salary surveys);
- job size and whether this has changed over the period (through formal evaluation, where applicable);
- the performance and contribution of the individual over the period, assessed through performance appraisal; and
- issues of retention.

For the Director, objectives are set and agreed with the Chair of Trustees based on the Museum's annual operating plan which aligns to the delivery of the Museum Strategy. At the end of the year the Chair of Trustees assesses and rates the Director's performance against these objectives for consideration by the Remuneration Committee and assessment of pay award including an annual performance award which is up to 15% of salary. For 2023-24, as for 2022-23, the Director asked not to be considered for a performance award and no payment has been made. No other senior staff are eligible for a performance award.

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the senior management of the Museum.

Remuneration

	Salary		Benefits in kind		Pension Benefits ¹		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	£000	£000	£000	£000	£000	£000	£000	£000
Dr Douglas Gurr <i>Museum Director, Accounting Officer</i>	185-190	180-185	6.0	5.7	-	-	190-195	185-190
Neil Greenwood <i>Executive Director of Finance and Corporate Services (until 31 August 2023)</i>	55-60 (FYE 135-140)	130-135	-	-	- ²	(1)	55-60 ²	130-135
Helen Whitehouse <i>Chief Operating Officer (from 11 September 2023)</i>	65-70 (FYE 120-125)	-	-	-	-	-	65-70	-

The above information has been subject to audit. The above table includes the salaries for employees who joined or left part way through the year, as well as their Full Year Equivalent (FYE) salary.

Salary

'Salary' includes gross salary; and any allowance to the extent that it is subject to UK taxation. This presentation is based on payments made by the Museum and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. The Museum Director has use of the Lodge on the Museum's South Kensington site for accommodation. The costs of utility services provided to the Lodge are met by the Museum Director.

Fair pay

Reporting bodies are required to disclose the relationship between remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The remuneration of the highest-paid director in the financial year 2023-24 was £190,000-£195,000 (2023: £185,000-£190,000). This compares to the following:

	Salary (£)		As a multiple of highest-paid director	
	2024	2023	2024	2023
Upper quartile	45,809	42,982	4.2	4.4
Median salary	37,230	35,798	5.2	5.2
Lower quartile	31,779	30,577	6.1	6.1
	Total pay and benefits (£)		As a multiple of highest-paid director	
	2024	2023	2024	2023
Upper quartile	47,042	43,982	4.1	4.3
Median salary	38,230	36,798	5.0	5.1

1 The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual. The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

2 Accrued pension benefits for senior management of the Museum are not included in this table for 2023-24 due to an exceptional delay in the calculation of these figures following the application of the public service pension remedy.

	Salary (£)		As a multiple of highest-paid director	
	2024	2023	2024	2023
Lower quartile	32,779	31,577	5.9	5.9

The highest paid director's salary and taxable benefits band increased by 3% due to the Museum-wide pay award. The average employee's salary increased by 5%, and no bonuses were paid to any employee. In 2023-24, no employees received remuneration in excess of the highest paid director (2023: none). Remuneration ranged from £23,117– £195,000 per annum (2023: £21,564-£190,000 per annum). The prior year multiples have restated to separate out salary and total pay and benefits. The ratios of median and upper and lower quartile pay have not materially changed in line with expectation following the Museum-wide pay award. The 2023 comparatives for the multiples have been restated.

Total remuneration includes salary, non-consolidated performance-related pay, benefits in kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions. In both 2023-24 and 2022-23, no employees received remuneration in excess of the highest-paid director.

The above information has been subject to audit.

Pension benefits

Accrued pension benefits for senior management of the Museum was previously disclosed in 2022-23. Accrued pension benefits for directors have not been disclosed in 2023-24 due to an exceptional delay in the calculation of these figures following the application of the public service pension remedy.

For the majority of staff who joined the Museum prior to the 1 April 2017, pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015, Museum staff would have been in one of five defined benefit schemes; either a final salary scheme (**classic**, **premium** or **classic plus**); or a whole career scheme (**nuvos** or **alpha**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus**, **nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. From 1 April 2015 new entrants were entered by default into the **alpha scheme** unless they have reserved rights, from previous Civil Service employment, to remain in one of the other schemes. All employees continue to have the option for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**Civil Service Pension Partnership Account**).

From 1 April 2019 employee contributions within PSCPS continued to be salary-related and ranged between 4.6% and 8.05% of pensionable earnings for **classic**, **premium**, **classic plus**, **nuvos** and **alpha** members. Increases to employee contributions will apply from 1 April 2019. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In **alpha** pension accrual is similar to **nuvos** but the accrual rate is 2.32% of pensionable earnings. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a defined contribution scheme. The employer makes a basic contribution as a percentage of pensionable earnings. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary.

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. The pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**. The pension age for **alpha** is the later of either the members State Pension Age (SPA), or age 65.

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk³

From 1 April 2017, all new employees, who are not eligible for one of the Civil Service Pension schemes, are auto-enrolled into the NHM defined contribution Pension Scheme. The minimum employee contribution is 4% of salary and, subject to that contribution being made, the Museum makes a contribution of 8% of salary. If an employee chooses to contribute more than 4%, the Museum will match up to a further 2%. Further details can be found at <http://avivapensiondocuments.co.uk/NaturalHistoryMuseum>

Cash Equivalent Transfer Values (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation or contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2024. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

Other information

None of the Directors held any other positions or had any business interests which represented a conflict of interest in connection with their position at the Museum.

The Trustees of the Natural History Museum are not remunerated. Expenses paid are disclosed in note 7 to the financial statements.

³ Any members affected by the Public Service Pensions Remedy were reported in the 2015 scheme for the period between 1 April 2015 and 31 March 2022 in 2022-23, but are reported in the legacy scheme for the same period in 2023-24.

Reporting of Civil Service and other compensation schemes – exit packages

Exit package cost band	2024			2023		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	9	-	9	-	12	12
£10,000 – £25,000	-	1	1	-	4	4
£25,000 – £50,000	-	2	2	-	1	1
£50,000 – £100,000	-	-	-	-	1	1
£100,000 – £150,000	-	-	-	-	-	-
Total number of exit packages	9	3	12	-	18	18
Total resource cost (£)	16,691	101,060	117,751	-	201,687	201,687

The above information has been subject to audit.

Redundancy and other departure costs have arisen mainly as a result of expiring fixed term contracts and some restructuring within the Museum. There were no special severance payments in the year (2023: none).

Where employees are members of the Civil Service Pension Scheme redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table. Where employees are not members of the Civil Service Pension scheme (all joiners since April 2017) costs are statutory, contractual and in line with relevant Museum policies. These costs are absorbed by the Museum.

Lord Tony Hall of Birkenhead
Chair of the Board of Trustees

Dr Douglas Gurr
Director and Accounting Officer

24 July 2024

Statement of Trustees' and Director's Responsibilities

Under Sections 9(4) and (5) of the Museums and Galleries Act 1992 the Secretary of State for Culture, Media & Sport with the consent of HM Treasury has directed the Natural History Museum to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and show a true and fair view of the Museum's financial activities during the year and of its financial position at the end of the year.

In preparing the Museum's accounts the Director as Accounting Officer and the Trustees are required to:

- have regard for the Government Financial Reporting Manual;
- observe the Accounts Direction issued by the Secretary of State*, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards and statements of recommended practice have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Museum will continue in operation.

The Accounting Officer for DCMS has designated the Director as Accounting Officer for the Museum. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records and for the safeguarding of the Museum's assets, are set out in Managing Public Money, issued by the Treasury. The Museum is also working towards meeting the Government Functional Standards.

The Trustees and Accounting Officer confirm that, as far as they are aware, there is no relevant audit information of which the external auditors are unaware. The Trustees and Accounting Officer have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the external auditors are aware of that information.

The Trustees and Accounting Officer confirm that the annual report and accounts as a whole is fair, balanced and understandable, and take personal responsibility for the annual report and accounts and the judgements required for determining that they are fair, balanced and understandable.

Lord Tony Hall of Birkenhead
Chair of the Board of Trustees

Dr Douglas Gurr
Director and Accounting Officer

24 July 2024

* A copy of which is available from the Executive Director of Finance and Corporate Services, The Natural History Museum, Cromwell Road, London SW7 5BD

Governance Statement

The Governance Framework

The Museum is governed by a Board of twelve Trustees who are appointed by the Prime Minister (8), the Secretary of State for Culture, Media and Sport on recommendation by the Royal Society (1) or co-opted by the Board of Trustees themselves (3). Those appointed by the Prime Minister are appointed by open competition in accordance with the requirements of the Governance Code on Public Appointments (Appendix B) including the appointment of an Independent Assessor to aid the Nominations Committee. Co-opted Trustees are also appointed by open competition, unless the Board is able to demonstrate it is in the best interest of the Museum not to do so.

The Board meets generally four times a year. In addition, strategy days are arranged with at least one taking place annually. The Board receives reports on a regular basis covering key performance indicators, financial performance, Science and Public Engagement activities, Audit and Risk Committee, health and safety, and an annual report on security (physical and information). In addition, the Board approves the annual budget and future financial plan, the strategic plan and receives, and approves, major strategies and projects where appropriate.

In 2020 the Board approved a new Museum strategy to 2031, which sets clear strategic objectives and this is supported by an annual operating plan. Progress against the plan is reported to the Board throughout the year.

During the year 2023-24 the following served as Trustees:

	Attendance at Board Meeting	Attendance at Audit and Risk Committee	Attendance at Remuneration Committee	Attendance at Infrastructure Committee	Attendance at Science Advisory Committee
	(max 4)	(max 4)	(max 1)	(max 4)	(max 2)
Sir Patrick Vallance KCB FRS <i>(Resigned 5 July 2024; Chair of the Board of Trustees; Member of the Remuneration Committee; Member of the Audit and Risk Committee; Member of the Infrastructure Committee; Member of the Science Advisory Committee)</i>	4/4	4/4	1/1	3/4	2/2
Harris Bokhari OBE <i>(Retired 24 May 2024; Chair of the Audit and Risk Committee)</i>	4/4	4/4	-	-	-
Dame Frances Cairncross DBE FRSE FRS <i>(Member of the Audit and Risk Committee; Member of the Science Advisory Committee)</i>	3/4	-	1/1	-	-
David Craig <i>(Appointed 15 October 2023)</i>	2/2	-	-	-	-
Professor Dame Jane Francis DCMG FRS <i>(Member of the Audit and Risk Committee; Member of the Science Advisory Committee)</i>	4/4	3/4	-	-	1/2
Lord Tony Hall of Birkenhead <i>(Appointed 15 October 2023; appointed Chair 10 July 2024)</i>	2/2	-	-	-	-

	Attendance at Board Meeting	Attendance at Audit and Risk Committee	Attendance at Remuneration Committee	Attendance at Infrastructure Committee	Attendance at Science Advisory Committee
	(max 4)	(max 4)	(max 1)	(max 4)	(max 2)
Shahpur Kabraji <i>(Appointed 26 June 2023; Member of the Audit and Risk Committee)</i>	3/3	2/2	-	-	-
Professor Yadvinder Malhi CBE FRS <i>(Chair of the Scientific Advisory Committee, Member of the Infrastructure Committee)</i>	3/4	-	-	2/4	2/2
Robert Noel <i>(Chair of the Infrastructure Committee; Member of the Audit and Risk Committee)</i>	4/4	1/1	-	4/4	-
Mark Read	3/4	-	-	-	-
Dr Sarah Thomas <i>(Member of the Infrastructure Committee; Member of the Science Advisory Committee)</i>	4/4	-	-	4/4	2/2
Professor Dame Janet Thornton DBE FRS <i>(Retired 31 March 2024; Member of the Remuneration Committee)</i>	3/4	-	1/1	-	-

Colin Hudson and Luke Fairless serve as independent members of the Audit and Risk Committee and respectively both attended four (of four) meetings during 2023-24.

Trustees are initially appointed for a four-year period and may be appointed to serve a second four-year term before standing down. Sir Patrick Vallance served as the Chair of Trustees for the year 2023-24. Following his resignation on the 5 July 2024, Lord Tony Hall of Birkenhead became acting Chair and was subsequently appointed Chair of the Board of Trustees at an extraordinary meeting on the 10 July 2024. The Board of Trustees also granted Sir Patrick Vallance a leave of absence from his role as co-opted Trustee and to hold his position open for an initial period of two years.

All Trustees attend an induction and training course and are issued with documents relating to the Museum's corporate governance framework.

There are four regular formal sub-committees of the Board of Trustees as follows:

- The **Audit and Risk Committee** generally meets four times a year to receive reports on risk management, including on the management of specific major risks, on any internal control issues from the Risk and Assurance unit, on matters arising from external audits, to review progress on the implementation of recommendations, to review the annual accounts and recommend their approval to the Board of Trustees, and also receives a sample of audit reports. The Committee received and reviewed reports during the year on the Environmental Management System, sustainable procurement, emergency planning and received presentations on the management of key risks such as fraud and IT operational resilience. The Committee also reviewed and signed off refreshed risk management and counter fraud policies. The Chair of the Audit and Risk Committee reports any matters arising directly to the Board.
- The **Remuneration Committee** generally meets once a year to consider pay proposals.
- The **Infrastructure Committee** provides support to the Board of Trustees regarding stewardship of the Museum's real estate including the development of a long-term property strategy and developing and overseeing delivery of a masterplan. During the year the Committee met four times and received reports on the NHM Science and Digitisation Centre (NHM Unlocked), the collections storage programme and

protecting the collections, the development of the masterplan and public space plan, the Urban Nature Project, and the Energy Centre.

- In addition, there is a **Science Advisory Committee** which provides advice on the Museum's scientific activities. This met twice during 2023-24.

In addition, a Collections Committee has been created which will first meet in 2024-25. The Board carries out an externally facilitated review of its performance and effectiveness every three years with an internal self-assessment carried out in intervening years. The last review was carried out during 2023-24 which concluded that the Board operated effectively, with a plan developed for the implementation of recommendations.

Compliance with the Corporate Governance Code

The Museum is a non-departmental public body and a statutory charity. It is mindful of the Corporate Governance Code for central government departments and Trustees are content that the Museum complies where appropriate.

Scope of responsibility in respect of internal control

It is a responsibility of The Board of Trustees and the Accounting Officer to ensure that the Natural History Museum has a sound system of internal control that:

- supports the achievement of the aims and objectives of the Natural History Museum; and
- safeguards the assets and public funds for which the Accounting Officer is personally responsible in accordance with the responsibilities assigned in Managing Public Money and specifically in the Framework Agreement between the Museum and DCMS.

In practice the Trustees normally delegate responsibility to the Accounting Officer for the day-to-day management of all operational activities, which support the system of internal control.

The Executive Board is responsible for the day-to-day operation of the Museum, under the leadership of the Director. It formulates and monitors the strategic plan, approves policies and procedures, and has collective responsibility for delivering programmes and projects across all Museum activities. The Executive Board is supported by a Management Board consisting of senior managers from across the Museum.

The purpose of the system of internal control

The system of internal control is designed to manage, rather than eliminate, risks to the achievement of aims and objectives; it can therefore only provide reasonable rather than absolute assurance of effectiveness. It is based on an annual process designed to identify the principal risks, to evaluate the nature and extent of the risks, and to manage them efficiently, effectively and economically.

The risk management, risk profile, capacity to handle risk and the risk environment

The Museum has a risk management policy, comprehensive guidance on risk management and a robust risk assessment methodology which have been widely disseminated and implemented. The policy sets out the Museum's attitude to risk, and responsibilities including those of the Trustees, the Director, the Risk and Assurance Manager, line managers and staff, and the Executive Board which has overall responsibility for risk management during the year.

Specifically, the Executive Board has responsibility for:

- developing and monitoring the implementation of the risk management strategy; and
- assessing, reviewing and monitoring the key inherently significant and emerging risks to the achievement of aims and objectives.

A risk profile highlighting the key risks is prepared annually by the Executive Board, taking account of a risk universe based on a comprehensive view of the activities undertaken by the Museum over both the short and long term. The risk universe is updated annually at the start of the financial year and as new or emerging risks are identified. Risks which have the highest scores are treated as the major risks for the coming year. This is reviewed and endorsed by the Audit and Risk Committee and the Board of Trustees.

At the detailed level, responsibility for each key risk is allocated to managers as risk owners, who are required to report quarterly to the Executive Board and selectively to the Audit and Risk Committee on the progress of action taken to manage these risks using a Board Assurance Framework which includes reporting on the risk mitigation processes in place and progress, and future plans to ameliorate risk. The Director also reports progress in managing the risks to the Audit and Risk Committee, and significant changes and developments in the risk profile including new risks are reported to both them and the Board of Trustees.

The Board of Trustees, executive directors and managers are responsible for assessing risk appetite, using a framework of key documents including the Financial Regulations, Collections Management Policies, the Procurement Policy, the Staff Handbook and Health and Safety guidelines. The risk appetite is generally regarded as low particularly where this relates to statutory and legal obligations. The appetite for a given risk may, however, differ from a low category, for example for commercial activities where we may accept a higher risk appetite, recognising that there is a risk of failure.

The most significant key strategic risks strategic facing the Museum for 2024-25 are listed below.

Strategic Risk Area	Key Mitigations
<p>Public Offer</p> <p>IF there is an inability to deliver the Public Space Programme and present experiences that engage visitors with contemporary content messages THEN this will lead to a reduced visitor experience, lower visitor numbers, lost income, reputational damage and an inability to deliver our mission.</p>	<ul style="list-style-type: none"> ● Public Space Programme Plan and development of gallery proposals ● Temporary Exhibitions Programme to deliver high impact, marketable, attractive propositions for funders and visitors ● Gallery enhancement rolling programme of updates to public spaces. ● Gallery refurbishment of former Hall of Human Biology ● Wayfinding and Signage project
<p>Government Capital Support</p> <p>IF we do not mobilise effectively to spend DCMS capital funds by end 24/25; THEN we will impact our case for future funding in the next spending round and will not have delivered the necessary critical maintenance projects to support our long-term objectives.</p>	<ul style="list-style-type: none"> ● Updates to and meetings with DCMS officials ● Reorganised and resourced Estates / Projects function with opportunity for increased effectiveness / efficiencies. ● Effective programme monitoring of £13.7m funds to be received from DCMS Public Bodies Infrastructure Fund.
<p>NHM Business model</p> <p>IF we fail to expand our self-generated income especially in line with inflationary and other fixed cost pressures; THEN our business model will not be viable, nor will we be able to meet increasing cost base or achieve the ambitions set out in our vision and strategy</p>	<ul style="list-style-type: none"> ● Annual business planning cycle covering 3-year financial planning, including preparation and review of income business plans ● Monthly financial position reviewed by Management Board ● Quarterly review of operating plan with adjustments to financial forecasts as required ● Quarterly review of financial performance by the Audit & Risk Committee and the Board of Trustees ● Innovation Unit created – work underway to monetise science expertise ● Agreement of fundraising priorities

Strategic Risk Area	Key Mitigations
<p>Development income</p> <p>IF NHM profile and activities are not sufficiently attractive and Development activities are unable to increase the prospect pipeline THEN fundraising income will not meet NHM investment ambitions.</p>	<ul style="list-style-type: none"> ● Development of long-term fundraising portfolio aligned to major projects ● New brand development ● Investment in prospect research function and an increased focus on prospect pipeline strategy and monitoring ● Strategy for and schedule of engagement activities for prospects and key stakeholders
<p>Collections care</p> <p>IF we fail to provide a) appropriate storage and storage environment (onsite and offsite) b) relevant expert curatorial staff who understand the collections and are skilled in both collections care and taxonomic groups; THEN we undermine long term preservation, conservation and accessibility, and use of the NHM collections.</p>	<ul style="list-style-type: none"> ● Process to record the environmental conditions for specific collection types and spaces ● Integrated pest management scheme across all museum sites ● Delivery of NHM Unlocked funding approved ● Protecting the Collections Programme to address urgent substandard storage ● Investment in fire protection measures ● Appointment of skilled and collections-focussed staff with ongoing training and monitoring of competencies ● Increased registrar resources in 2023-24 ● Maintain and innovate best practice in collections care and management through policies, procedures, and specific projects
<p>Digitisation</p> <p>IF we fail to raise funding for and deliver large scale databasing and digitisation of collection; THEN this will undermine curation, research competitiveness and importance of collection and the delivery of NHM Unlocked outcomes.</p>	<ul style="list-style-type: none"> ● Centralised programme focused on innovation of hardware and software for digitisation workflow and capacity-building ● Prioritisation processes for digitisation and databasing work ● Infrastructure provides access to specimen information and digital library content via collaborative national and international networks focused on specimen databasing and digitisation, including EU, international & national levels ● Working with other collections-holding organisations, corporate partnerships/ philanthropy to make the case to government for funding
<p>NHM Unlocked</p> <p>IF we do not deliver NHM Unlocked to time, quality, and budget; THEN we will suffer from reputational risk with key stakeholders and financial risk.</p>	<ul style="list-style-type: none"> ● £201m programme funding secured ● Well-developed programme delivery model ● Maintain positive and transparent relationship with DCMS and other government agencies, and work as required to secure approvals ● Fully resourced programme combining external and internal resources

Strategic Risk Area	Key Mitigations
<p>Urban Nature Project</p> <p>IF we do not deliver the Urban Nature Project sufficiently to expected time, quality and budget; THEN we will suffer from reputational risk with key stakeholders, impacted Museum operations and financial risk.</p>	<ul style="list-style-type: none"> ● Monthly reporting to Project board with and finance sub committee ● Reporting to Infrastructure Committee ● Engagement with local government, Transport for London, and other local stakeholders (such as residents) ● Regular reporting to Executive Board ● Fully resourced programme combining external and internal resources ● Maintain good working relationship with main contractor to enable continued progress on site and swift, collaborative problem solving ● Planning for transition to business as usual in 2024 and provisional budget provided.
<p>Physical Asset Condition</p> <p>IF insufficient resources are allocated to track and plan repairs and maintenance activities, these will be prioritised to legal compliance and health and safety works (i.e., what is currently funded); THEN this may result in lower priority being given to other activities or BAU activities being curtailed.</p>	<ul style="list-style-type: none"> ● A new condition survey and asset register will be commissioned to identify total need and highest priority works ● Statutory requirements will be managed by Estates Operations through a combination of CBRE planned and reactive maintenance and third-party statutory inspections. ● Other non-statutory major works to be identified and placed in the Parking Lot to give visibility and allow re-prioritisation by Executive Board.
<p>Recruitment, Retention and Pay</p> <p>IF we cannot keep in line with market rates for salaries or fail to retain talent in an increasingly challenging jobs market; THEN we risk have reduced capacity to deliver robust operations and act with pace to deliver our goals and plans and we risk possible strike action.</p>	<ul style="list-style-type: none"> ● Close working between HR and teams where there are acute challenges ● Pay and reward project in progress ● Focus on internal recruitment to provide pathways for progression and career development ● Embedding consistent and effective appraisal and performance approach ● Regular meetings and open discussions with Trade Union
<p>External scrutiny</p> <p>IF we do not use high judgement and closely monitor rising levels of external scrutiny on complex and potentially divisive topics or partnerships; THEN we may find ourselves on the wrong side of a reputationally damaging external debate.</p>	<ul style="list-style-type: none"> ● Diversity strategy and action plan supported by EDI (Equality, Diversity and Inclusion) Steering Committee ● Detailed due diligence process including Ethics Advisory Panel ● Understanding and Sharing the Collection Principles (ABC approach) ● Close monitoring of press reputation and external landscape.

Strategic Risk Area	Key Mitigations
<p>Digital estate</p> <p>IF major parts of our digital infrastructure or processes fail, or there is inadequate investment; THEN we may suffer business and research impact including inability to meet financial targets, inability to engage audiences, reputational and legal damages, loss of corporate, collection and research data etc.</p>	<ul style="list-style-type: none"> ● Operating plan in place, and focus on essential operations ● Governance and oversight by Technology Governance Board, to prioritise and align major platform technology investments programme. ● Increased understanding and visibility of technical debt and future investment needs
<p>Cyber Security</p> <p>IF major parts of our digital infrastructure or data is sabotaged by cyber-attack; THEN we may suffer business and research impact including an inability to meet financial targets, an inability to engage audiences, reputational and legal damages, loss of corporate, collection and research data etc.</p>	<ul style="list-style-type: none"> ● Dedicated IT security team ● Security strategy and detailed security plan and posture.
<p>Physical Security</p> <p>IF we have a failure in our security services, security planning and/or security infrastructure; THEN we could be unprepared for a major incident and could result in significant and extended business disruption or physical harm.</p>	<ul style="list-style-type: none"> ● Numerous intelligence streams to ensure timely knowledge of upcoming threats. ● Robust contract management with our security systems and manned guarding providers. ● Up to date personnel security policies and processes combined with staff training and education ● Business Continuity processes in place to mitigate failure of contracted services or reduction in resources.

Significant internal control activity during the year

A number of other specific actions have occurred during the year which have strengthened the internal control framework and helped in the managing of the major and inherent risks:

- Continuing investment in Museum-wide security and fire safety infrastructure and further embedding of physical security systems and processes.
- Continuing investment in IT systems resilience.
- Continuing certification to ISO 45001 (health and safety management system), and ISO 14001 (environmental management system).
- Significant work continued on the implementation of the General Data Protection Regulation (GDPR), and information management policies overseen by the Information Management Group.
- Working towards implementing a Counter Fraud, Bribery and Corruption Continuous Improvement Framework.
- Reviewing and updating the high level and detailed fraud, bribery and corruption risk assessments for major projects.
- Online training for staff on health and safety, and information management, including cyber security, fraud and bribery awareness, and counter terrorism is mandated on a continuous basis.
- The membership of the Crisis Management Team and governance was reviewed and revised.
- A review of preparedness of business continuity was carried out and an action plan is in progress.
- Roll out of contract management training across the Museum, starting at foundation level with further training for those in more technical CM roles.

Significant internal control matters arising during the year

There were no significant control matters which occurred during the year.

Risks to data and information

Risks to data and information held by the Museum are managed by individuals responsible as information asset owners. There is a Senior Information Risk Owner (SIRO) responsible for the information risk policy and risk assessment, and for ensuring that the Museum complies with the Cabinet Office protocols it has assessed as being appropriate for the management of information risk.

There were no personal data incidents or breaches during the year which required reporting to the Information Commissioner.

Review of effectiveness

We have responsibility for reviewing the effectiveness of the system of internal control and this review for 2023-24 has been informed by the work of the Museum's Risk and Assurance Unit including the review of the controls in place for effective management of information risk and:

- the programme of audits carried out by the Health and Safety Unit and the Head of Health and Safety's annual report to Trustees and the Audit and Risk Committee;
- the programme of external audits on the environmental management system
- the Annual Security Report to Trustees and the Audit and Risk Committee including information risk management and assurance by the Head of Security and Emergency Planning, and the Chief Information Officer
- the annual collections report from the Head of Registry
- comments made by the external auditors in their management letter.

The Risk and Assurance Unit is responsible for examining and reporting on the adequacy and effectiveness of the risk management, control and governance processes. It takes a risk-based approach to audits and focuses on the major corporate risks to the achievement of the Museum's strategic objectives. It works to Public Sector Internal Audit Standards and an audit and risk strategy to enable the Risk and Assurance Manager to work in a way which will deliver: (a) an overall opinion each year to the Museum Director (Accounting Officer) on the Museum's risk management, control and governance processes to inform and support the preparation of the annual Governance Statement; (b) risk based audit plans that afford suitable priority to the Museum's objectives and risks; and (c) audit recommendations to improve risk management, control and governance.

The Unit currently consists of one full time equivalent and the audit programme was supported by the use of external services provided by KCG.

The audit and risk strategy and annual audit plan are approved by the Audit and Risk Committee. The risk universe is used to inform the plan which is set within a three-year timescale. The annual report on audit activity, which includes the Risk and Assurance Manager's opinion on the adequacy and effectiveness of the risk management, control and governance processes is considered by the Committee. It reviewed and agreed with the report for 2023-24 which concluded that the overall level of assurance was moderate.

Lord Tony Hall of Birkenhead
Chair of the Board of Trustees

Dr. Douglas Gurr
Director and Accounting Officer

24 July 2024

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I certify that I have audited the financial statements of the Natural History Museum for the year ended 31 March 2024 under the Museums and Galleries Act 1992.

The financial statements comprise the Natural History Museum and its Group's:

- Consolidated balance sheets as at 31 March 2024;
- Consolidated and Museum Statement of Financial Activities and Statement of Cash Flows for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the Natural History Museum and its Group's affairs as at 31 March 2024 and their net income after gains and losses on investments for the year then ended; and
- have been properly prepared in accordance with the Museums and Galleries Act 1992 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Natural History Museum and its Group's in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Natural History Museum and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Natural History Museum and its Group'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.

My responsibilities and the responsibilities of the Trustees and the Director as Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Other information

The other information comprises information included in the Annual Report including Trustee's Report but does not include the financial statements and my auditor's certificate and report. The Trustees and Director, as Accounting Officer, are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Report on the Remuneration of Senior Management to be audited has been properly prepared in accordance with Secretary of State directions issued under the Museums and Galleries Act 1992.

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

- the parts of the Annual Report including Trustee's Report subject to audit have been properly prepared in accordance with Secretary of State directions issued under the Museums and Galleries Act 1992; and
- the information given in the Annual Report including Trustee's Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Natural History Museum and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report including Trustee's Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Natural History Museum and its Group's or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Annual Report including Trustee's Report, subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by the Secretary of State directions issues under the Museums and Galleries Act 1992 have not been made or parts of the Report on the Remuneration of Senior Management to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Trustees and Director, as Accounting Officer, for the financial statements

As explained more fully in the Statement of Trustees' and Director's Responsibilities, the Trustees and the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;

- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Natural History Museum from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements, which give a true and fair view, in accordance with the applicable financial reporting framework;
- preparing the Annual Report including Trustee's Report, in accordance with the applicable financial reporting framework; and
- assessing the Natural History Museum and its Group'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 Trustees and the Director as Accounting Officer either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Museums and Galleries Act 1992.

My 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 a certificate that includes my 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

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

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud:

- considered the nature of the sector, control environment and operational performance including the design of the Natural History Museum and its Group's accounting policies.
- Inquired of management, the Natural History Museum head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Natural History Museum and its Group's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Natural History Museum and its Group's controls relating to its compliance with the Museums and Galleries Act 1992, British Museum Act 1963, the Charities Act 2011 and Managing Public Money.
- inquired of management, the Natural History Museum and its Group's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations; and
 - they had knowledge of any actual, suspected, or alleged fraud.
- discussed with the engagement team including significant component audit teams and the relevant internal specialists, including IT auditors and external specialists including land and building valuation experts, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Natural History Museum and its Group's for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override of controls.

I obtained an understanding of the Natural History Museum and its Group's framework of authority and other legal and regulatory frameworks in which the Natural History Museum and its Group operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Natural History Museum and its Group's. The key laws and regulations I considered in this context included, the Museums and Galleries Act 1992, British Museum Act 1963, the Charities Act 2011, Managing Public Money, employment law, tax and pensions legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board of Trustees and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments, assessing whether the judgements on estimates are indicative of potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I addressed the risk of fraud in revenue recognition by assessing the recognition of grants, donations, membership, admissions, legacies and contract income in line with the accounting framework, evaluating the recognition points around the year end.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal IT audit specialists external land and building valuation experts and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I 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 I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

Date 25 July 2024

National Audit Office, 157-197 Buckingham Palace Road, Victoria, London SW1W 9SP

Consolidated Statement of Financial Activities for the year ended 31 March 2024

	Notes	Unrestricted Funds		Restricted Funds £000	Permanent Endowment Funds £000	Total Funds 2024 £000	Unrestricted Funds		Restricted Funds £000	Permanent Endowment Funds £000	Total Funds 2023 £000
		Designated £000	General £000				Designated £000	General £000			
Income and endowments from											
Donations and legacies											
Grant-in-Aid	3	-	68,588	-	-	68,588	-	65,888	-	-	65,888
National lottery		-	-	1,867	-	1,867	-	-	601	-	601
Donations		-	3,954	5,286	-	9,240	-	3,737	5,131	-	8,868
Donations in kind		-	-	259	-	259	-	-	373	-	373
Charitable activities											
Admissions and memberships		-	8,365	-	-	8,365	-	4,230	-	-	4,230
Scientific and other grants		-	-	10,414	-	10,414	-	-	6,290	-	6,290
Other trading activities											
Trading activities	4	-	26,159	-	-	26,159	-	23,961	-	-	23,961
Sponsorship	4	-	3,039	-	-	3,039	-	2,698	-	-	2,698
Shared services		4,350	82	-	-	4,432	2,228	35	-	-	2,263
Other income	5	82	941	-	-	1,023	-	1,218	80	-	1,298
Investments	5	62	1,943	135	-	2,140	160	314	29	-	503
Total income		4,494	113,071	17,961	-	135,526	2,388	102,081	12,504	-	116,973
Expenditure on											
Raising funds											
Costs of generating voluntary income	7	691	2,708	161	-	3,560	570	2,384	115	-	3,069
Trading activities	7	4,529	15,341	-	-	19,870	2,431	12,819	-	-	15,250
Charitable activities											
Public Engagement	7	6,520	36,265	2,357	-	45,142	5,907	31,569	2,114	-	39,590
Scientific curation and research	7	8,179	32,759	13,157	-	54,095	7,201	31,069	8,436	-	46,706
Other											
Loss on disposal of fixed assets	7	29	(29)	12	-	12	10	-	-	-	10
Total expenditure		19,948	87,044	15,687	-	122,679	16,119	77,841	10,665	-	104,625

	Notes	Unrestricted Funds			Permanent Endowment Funds £000	Restricted Funds £000	Unrestricted Funds		Permanent Endowment Funds £000	Total Funds 2023 £000
		Designated £000	General £000	Restricted Funds £000			Designated £000	General £000		
Net (expenditure)/income before gains and losses on investments	11	(15,454)	26,027	2,274	-	1,839	(13,731)	24,240	-	12,348
Net (losses)/gains on investments		89	-	96	422	(50)	(92)	-	(151)	(293)
Net (expenditure)/income after gains and losses on investments		(15,365)	26,027	2,370	422	1,789	(13,823)	24,240	(151)	12,055
Transfers										
Gross transfers between funds	20	21,200	(24,547)	3,397	(50)	4,297	19,795	(24,092)	-	-
Net (expenditure)/income before other recognised gains and losses		5,835	1,480	5,767	372	6,086	5,972	148	(151)	12,055
Other recognised gains/(losses)										
Gains/(losses) on indexation and revaluation of fixed assets for charity's own use	8	(31,015)	-	9,185	-	7,783	22,289	-	-	30,072
Gain/(loss) on foreign exchange		-	(155)	-	-	-	-	122	-	122
Net movement in funds		(25,180)	1,325	14,952	372	13,869	28,261	270	(151)	42,249
Reconciliation of funds										
Total funds brought forward		597,374	5,270	114,945	4,352	101,076	569,113	5,000	4,503	679,692
Total funds carried forward	20	572,194	6,595	129,897	4,724	114,945	597,374	5,270	4,352	721,941

All operations of the Museum continued throughout both periods and no operations were acquired or discontinued in either period.

All recognised gains and losses are included in these accounts and the Museum has no recognised gains or losses other than the above.

The notes on pages 52 to 78 form part of these accounts.

Consolidated and Museum Balance Sheets as at 31 March 2024

		Group	Group	Museum	Museum
		2024	2023	2024	2023
		£000	£000	£000	£000
Fixed assets	Note				
Tangible assets	8	660,367	666,356	659,797	665,607
Intangible assets	9	1,479	366	1,479	366
Heritage assets	10	8,674	8,290	8,674	8,290
Investments	11	10,067	6,154	3,530	300
Total fixed assets		680,587	681,166	673,480	674,563
Current assets					
Stock	13	1,606	1,393	232	206
Debtors	14	19,586	12,540	30,251	22,720
Cash at bank and in hand	15	42,374	48,515	25,327	32,312
Total current assets		63,566	62,448	55,810	55,238
Liabilities					
Creditors: amounts falling due within one year	17	(28,086)	(21,602)	(20,536)	(14,370)
Net current assets		35,480	40,846	35,274	40,868
Total assets less current liabilities		716,067	722,012	708,754	715,431
Creditors: amounts falling due after more than one year	18	(2,600)	-	(2,600)	-
Provision for liabilities and charges	23	(57)	(71)	(57)	(71)
Net assets		713,410	721,941	706,097	715,360
The funds of the charity					
Permanent endowment funds	20	4,724	4,352	-	-
Restricted funds					
Restricted income funds		71,684	65,917	70,281	64,869
Restricted revaluation reserve		58,213	49,028	58,213	49,028
Total restricted funds	20	129,897	114,945	128,494	113,897
Unrestricted funds					
Designated funds		230,470	224,635	229,064	223,006
Designated revaluation reserve		341,724	372,739	341,724	372,739
General funds	20	6,595	5,270	6,815	5,718
Total unrestricted funds		578,789	602,644	577,603	601,463
Total charity funds	20	713,410	721,941	706,097	715,360

The notes on pages 52 to 78 form part of these accounts.

Lord Tony Hall of Birkenhead
Chair of the Board of Trustees

Dr. Douglas Gurr
Director and Accounting Officer

24 July 2024

Consolidated and Museum Statement of Cash Flows for the year ending 31 March 2024

		Group	Restated Group	Museum	Restated Museum
		2024	2023	2024	2023
	Note	£000	£000	£000	£000
Cash flows from operating activities:					
Net cash provided by operating activities	22	24,531	24,323	24,143	15,697
Cash flows from investing activities:					
Interest income received	5	1,838	314	1,499	250
Investment income received	5	302	189	110	-
Purchase of tangible fixed assets	8	(34,831)	(16,023)	(34,832)	(16,018)
Purchase of intangible fixed assets	9	-	(69)	-	(69)
Purchase of heritage assets	10	(350)	(24)	(350)	(24)
Purchase of investments	11	(76)	(5,437)	-	-
Disposal of investments	11	-	5,437	-	-
Net cash used in investing activities		(33,117)	(15,613)	(33,573)	(15,861)
Cash flows from financing activities:					
Loan received from DCMS	18	2,600	-	2,600	-
Net cash used in financing activities		2,600	-	2,600	-
Net increase / (decrease) in cash and cash equivalents	15	(5,986)	8,710	(6,830)	(164)
Cash and cash equivalents at the beginning of the year		48,515	39,683	32,312	32,354
Change in cash and cash equivalents due to exchange rate movements		(155)	122	(155)	122
Cash and cash equivalents at the end of the year		42,374	48,515	25,327	32,312

The notes on pages 52 to 78 form part of these accounts.

Notes to the Financial Statements

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified for the inclusion of certain fixed assets at their value to the business by reference to current costs and of investments at market value. The accounts are prepared with regard to the requirements of the Government Financial Reporting Manual, and are compliant with the Financial Reporting Standard Applicable in the UK and Republic of Ireland issued by the Financial Reporting Council (FRS 102) (effective 1 January 2019), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), and applicable accounting standards as modified by the Accounts Direction given by the Secretary of State for Culture, Media and Sport (DCMS), with the approval of H.M. Treasury in accordance with the Museums and Galleries Act 1992.

Consolidated accounts have been prepared for the Museum which include the results of the Natural History Museum charity, its wholly-owned subsidiary company The Natural History Museum Trading Company Ltd (company number 02909192), and the results of the trust funds administered by the Natural History Museum known as the Benevolent Fund and the Special Funds. They do not include accounts for the International Friends of the Natural History Museum London which is a fundraising organisation based in the USA, nor do they include The Natural History Museum Foundation which is based in the UK, both of which are run by separate and independent trustee bodies which the Museum does not control.

The address of its registered office is the Natural History Museum, Cromwell Road, London, SW7 5BD.

The financial statements are prepared in sterling, which is the functional currency of the Museum. Monetary amounts in these financial statements are rounded to the nearest thousand.

The Natural History Museum is a public benefit entity.

Going concern status

The accounts have been prepared on the going concern basis. Under Section 3 of the British Museum Act 1963, the Museum has a statutory responsibility for keeping its collections and making them available for inspection by the public, and the Trustees and Accounting Officer have assumed in making the going concern assessment that sufficient Government funding support will continue to be made available to fulfil this responsibility. Financial projections show the Museum is able to meet its liabilities as they fall due for the foreseeable future and assurance has been provided that the Museum is able to continue operating for beyond 12 months from the date of signing.

Incoming resources

All income is accounted net of Value Added Tax.

Grant-in-Aid from the Department for Culture, Media, and Sport (DCMS) is recognised in the Statement of Financial Activities on receipt within Unrestricted Funds. However, within the Statement of Funds (Note 19), Grant-in-Aid income allocated to capital expenditure other than specific projects is transferred from General Funds to Unrestricted Designated Funds. Grant-in-Aid income allocated to acquisitions for the collection is transferred from General Funds to Restricted Funds.

Scientific and other grants that are awarded subject to specific performance conditions, including scientific grants and income from the National Heritage Lottery Fund, are recognised when the performance conditions for their receipt have been met and the income is measurable and probable. Where appropriate, income is deferred accordingly. The substance of other contractual conditions attached to scientific grants and the nature of the arrangement with the funder are considered when determining the periods in which income is recognised.

Shared services and sponsorship income is recognised as income when the conditions for its receipt have been met.

Income from donations is recognised when there is evidence of entitlement, receipt is probable and its amount can be reliably measured. Entitlement over donations is considered having been met when cash has been received.

The Museum recognises the income of a charged exhibition in the year(s) in which the exhibition takes place. Income received for an exhibition taking place in a future period is treated as deferred income in the Balance Sheet. Expenditure for the related exhibition is charged in the period in which the goods and services have been received.

Membership income is recognised in the period it is received.

Donations in kind, including donated collections, are recognised when received and valued at their value to the Museum. The contribution of volunteers is excluded from the Statement of Financial Activities as the value of their contribution cannot be reasonably quantified in financial terms.

Income from trading activities predominantly relates to income generated within the Natural History Museum Trading Company Ltd and paid to the Museum under Deed of Covenant annually (see note 12). The accounts of the Company set out the income recognition policies applied.

Expenditure

All expenditure is accounted for on an accruals basis.

Expenditure has been classified according to the main activities of the Museum and aggregates all costs related to each activity. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of resources. Support costs are allocated according to the number of permanent staff directly employed in each activity as an appropriate measure of the use of these resources by activity.

Costs of generating voluntary income include all costs associated with the development of the Museum's non-scientific income and in particular, support the generation of donations, income from trading activities, admissions, membership and sponsorship. Costs purely relating to generating philanthropic fundraising are separately identified in Note 7.

Support costs are those functions that assist the work of the Museum but do not directly undertake charitable activities. Support costs have been allocated between costs of generating voluntary income, public engagement, and scientific curation and research based on headcount.

Significant accounting estimates

In the application of the Museum's accounting policies, the Trustees are required to make judgements, 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.

Amortisation

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.

Depreciation

The annual depreciation charge for tangible fixed assets 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.

Provisions

Provisions are made for early retirement and severance obligations. These provisions require management's best estimate of the costs that will be incurred based on legislative requirements. In addition, the timing of the cash flows and the discount rates used to establish the new present value of the obligations require management's judgement.

Valuation of property, plant and equipment

Property, plant and equipment represents a significant proportion of the Museum's balance sheet and therefore the estimates and assumptions made to determine their carrying value and related depreciation are important to the Museum's reported financial position and total expenditure. Further information can be found in Note 8.

Valuation of heritage assets

Heritage assets are valued in accordance with FRS 102 (Heritage Assets). The Museum accepts donations of heritage assets which require management to make a judgement on the valuation placed on the specimens donated. Further information on heritage assets can be found on the following page and in Note 10.

Fund accounting

The Museum's accounts are a consolidation of a number of individual funds which divide into distinct categories which are defined as follows:

Unrestricted funds general

The General Funds consist of the accumulated surplus or deficit on the Statement of Financial Activities. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the Museum.

Unrestricted funds designated

These funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. They consist mainly of the following:

Special Funds - a collection of funds which have arisen from various legacies and donations, largely held as investments, the income from which is used for scientific purposes.

Capital Projects - expenditure funded from non restricted sources which has been capitalised.

Future Scientific Research - a fund set aside from income derived from the Museum's scientific activities to be used to fund research.

Future Projects - monies set aside to fund agreed projects during the next financial year, not funded out of income expected to be generated in that year.

Restricted funds

These funds are subject to specific restriction imposed by the donor, by the purpose of an appeal or are received for a specific purpose. They consist mainly of the following:

Scientific Grants - grant awards for specific scientific projects.

Sponsored Assets - buildings and collections which have been funded at least in part by sponsorship or donations.

Equipment Reserve - a fund established for replacement of shared services equipment - see note 1 (provision for shared services) and note 22.

Permanent endowment funds

These comprise funds donated on condition that the original funds be held permanently by the Museum, although the constituent assets may change.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation.

Depreciation is provided on all tangible fixed assets (other than land), at rates calculated to write off the cost or valuation, less estimated residual value, on a straight line basis for each asset over its expected useful life as follows:

Freehold buildings – between 5 and 100 years depending on the building.

Plant and machinery – between 5 and 35 years depending on the nature of the asset.

Permanent exhibitions – between 5 and 20 years depending on the exhibition.

Equipment – between 3 and 20 years depending on the nature of the asset

Furniture and fittings – between 4 and 20 years depending on the nature of the asset

Tangible fixed assets are reviewed annually for evidence of impairments of value and, where there is evidence that recoverable value has fallen below carrying value, a calculation of the recoverable value is made. Any excess of the carrying value over the recoverable value is written off, either within depreciation in the Statement of Financial Activities, or to the revaluation reserve to the extent that it relates to a previously revalued asset.

Including assets at their value to the business by reference to current costs is achieved as follows:

Land and buildings are revalued by external professional valuation at least every five years and using professionally supplied indices in the intervening periods.

Exhibitions are not revalued but are stated at historic depreciated cost.

Equipment/furniture and fittings are not revalued but are stated at depreciated value.

Tangible fixed assets with an original cost of under £5,000 are written off in the year of acquisition.

Capital expenditure on permanent exhibitions includes only the cost of materials and externally contracted services. No allocations are made of related internal labour costs.

Intangible Assets

Intangible assets are stated at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the depreciable amount of the assets to their residual values of their estimated useful lives, as follows:

Image rights – 5 years

Software and website – between 3 and 10 years depending on the nature of the asset

Intangible assets with an original cost of under £5,000 are written off in the year of acquisition.

Heritage assets

The Museum's collections which are assets of historical and scientific importance held to advance the Museum's scientific and educational objectives and, through public access, contribute to the nation's culture and education, are recognised as heritage assets in accordance with FRS 102 (Heritage Assets) which requires such assets to be reported in the Balance Sheet where information is available on cost or value.

Prior to the financial year 2001-02 these assets were not capitalised. Reliable cost information is not available and conventional valuation approaches lack sufficient reliability, with the cost of providing such information unaffordable and unmanageable, and deemed to outweigh the benefits to the users. Accordingly these assets are not capitalised in the Balance Sheet, and the Museum has never assigned a financial value to its natural history specimens and collections.

Since 1 April 2001 collections acquisitions in excess of the capitalisation threshold of £5,000 have been capitalised at cost or valuation at the time of the acquisition value, and treated as non depreciable heritage assets in the Balance Sheet. Heritage Assets are deemed non depreciable because of their indefinite lives and high residual value, hence the Trustees do not consider that depreciation would be material. Valuations are performed during the year of acquisition by internal curatorial experts based on their expert knowledge and, where appropriate, with reference to recent sales of similar objects. The cost or valuation is not subject to revaluation because such information can not be obtained at a cost commensurate with the benefit to users of the financial statements. Capitalised heritage assets are not depreciated because they are deemed to have indefinite lives, but are subject to impairment reviews where damage or deterioration is reported.

Investments

Investments are stated at market value. Valuations are kept up to date such that when investments are sold there is no accounting gain or loss arising. As a result the Statement of Financial Activities only includes those unrealised gains and losses arising from the revaluation of the investment portfolio at year end.

Market value is taken to be the middle market price ruling at the balance sheet date.

Investment properties comprise the residential properties at Tring. These were previously classified as tangible fixed assets in 2022-23. These are valued at fair value as at the balance sheet date by independent revaluers. Unrealised gains or losses arising from revaluation is included in the Statement of Financial Activities.

Financial instruments

The Museum 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.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held on short term deposits with banks.

Loans

Loans received are initially measured at the amount received, with the carrying amount adjusted for any interest accrued or repayments made in the year.

Stocks

Stocks are stated at the lower of cost price or net realisable value and consist of goods for resale and work in progress.

Leases

The Museum has no finance leases. Costs in relation to operating leases are charged to the Statement of Financial Activities over the life of the lease. Forward liabilities are disclosed in note 18.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the balance sheet date. Transactions in foreign currencies are recorded at the rate at the time of the transaction. All exchange differences are taken to the Statement of Financial Activities.

Provisions

Provisions are measured at the best estimate of their settlement amount at the balance sheet date.

Taxation

The charitable activities of the Museum are exempt from corporation tax. Profits from trading activities within the trading subsidiary are subject to corporation tax to the extent that they are not paid to the Museum under Deed of Covenant. The Museum and its subsidiaries are registered for Value Added Tax and have agreed a scheme for recovery of certain proportions of VAT on expenditure.

Pension costs

The operating costs of providing retirement benefits are recognised in the accounting periods in which the benefits are earned by the employees, and the related costs and changes in value of the assets and liabilities are recognised in the accounting period in which they arise.

Prior to April 2017 staff of the Museum were employed under the same conditions of service as civil servants to whom the conditions of the Superannuation Acts 1965 and 1972 and subsequent amendments apply. Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), which is unfunded, and within which the Natural History Museum is unable to identify its share of the underlying assets/liabilities. Although the scheme is a defined benefit scheme, liability for the payment of future benefits is a charge to the PCSPS. The Museum, and other bodies covered by the PCSPS, meet the cost of the pension

cover provided for the staff they employ by payment of charges calculated on an accruing basis. There is a separate scheme statement for the PCSPS as a whole.

The Museum is required to meet the cost of benefits beyond the normal PCSPS benefits in respect of employees who retire early. The Museum provides in full for this cost when the early retirement has been announced and is binding on the Museum.

From 1 April 2017 the majority of new entrants will join the Natural History Museum Pension Scheme which is a defined contribution scheme.

Shared services

During 2023-2024 the Museum supplied electricity and heating to the Victoria and Albert Museum. The Museum also supplied electricity to the Science Museum. The costs of these supplies are recharged on a not-for-profit basis. Each type of supply is accounted for separately and is ring-fenced within the accounts. The funds accumulated for the replacement of the facilities are shown as restricted funds titled Equipment Reserve.

Contributions to and releases from the Equipment Reserve are shown in the Statement of Financial Activities, Restricted Funds and note 22.

2 Summary of results for the Natural History Museum only

	2024	2023
	£000	£000
Income and endowments		
Grant-in-Aid (note 3)	68,588	65,888
National lottery	1,867	601
Donations	9,165	8,868
Donations in kind	259	373
Trading activities	1,495	1,403
Shared services	4,432	2,263
Other income	1,133	1,298
Bank interest	1,499	250
Admissions and memberships	8,365	4,230
Scientific and other grants	10,414	6,290
Payment under Deed of Covenant from the Natural History Museum Trading Company	9,781	9,679
	116,998	101,143
Expenditure		
Costs of generating voluntary income	3,560	3,069
Fundraising trading: costs of goods sold and other costs	4,877	2,603
Public engagement	45,141	39,590
Scientific curation and research	53,896	46,558
Recharge to the Natural History Museum Trading Company	(3,211)	(2,994)
Loss on disposal of fixed assets	12	10
	104,275	88,836
Net (expenditure)/income before other recognised gains/(losses)	12,723	12,307
Gains/(losses) on foreign exchange	(155)	122
Gains on revaluation of fixed assets	(21,830)	30,071
Net movement in funds	(9,262)	42,500

3 Grant-in-Aid

	2024	2023
	£000	£000
DCMS		
Resource Grant-in-Aid	44,417	43,392
Additional Coronavirus Support	-	3,100
Capital Grant-in-Aid:		
Baseline	2,393	2,346
NHM Science and Digitisation Centre	5,710	6,350
Public Bodies Infrastructure Fund	16,068	10,700
	68,588	65,888
	68,588	65,888
General Funds	68,588	65,888
	68,588	65,888

Grant-in-Aid income credited to General Funds is available for running costs, capital improvements and collection purchases.

For the purposes of consolidated budgeting and monitoring by DCMS during the year, reflecting HM Treasury guidance, a baseline budget of £4,250k for the Museum's operational non-capital research spend is transferred to Capital Grant-in-Aid, thereby reflecting baseline budget totals of £6,643k for Capital Grant-in-Aid and £39,495k for Resource Grant-in-Aid.

4 Trading activities income

	2024	2023
	£000	£000
Brand Management	574	482
Retail	12,338	11,124
Catering and Functions	6,919	6,455
Touring Exhibitions	1,525	2,642
Consultancy	3,190	1,737
Other	1,613	1,521
	26,159	23,961

This reconciles to the Trading Company income in note 12 as follows:

Trading subsidiary turnover	27,703	25,256
Commercial sponsorship	(3,039)	(2,698)
Add: Other trading activities income (Museum income)	1,495	1,403
	26,159	23,961

5 Investments and other income

	2024	2023
	£000	£000
Income from UK equities	192	189
Bank interest	1,838	314
Investment property rentals	110	58
	2,140	561
Other rental income	101	81
Other income	922	1,159
	1,023	1,240

Investment income is shown inclusive of tax credits reclaimed in the year.

6 Net expenditure / income before transfers

	2024	2023
	£000	£000
is stated after crediting:		
Scientific grants from the European Union	1,152	1,921
and after charging:		
Expenditure in respect of scientific grants from the European Union	1,152	1,921
Auditors' remuneration – Museum auditors		
Museum audit	88	68
Auditors' remuneration – subsidiary auditors		
Trading Company audit	34	30
Special Funds and Benevolent Fund audit	3	3
Other services	3	4
Hire of plant and machinery	468	612
Travel, subsistence and hospitality	1,275	1,263
Depreciation	16,538	15,047
Amortisation	445	148
Stock recognised as an expense	6,000	5,346

7 Total resources expended

	Activities undertaken directly £000	Support costs £000	Total 2024 £000	Activities undertaken directly £000	Support costs £000	Total 2023 £000
Costs of generating voluntary income	1,721	1,839	3,560	1,635	1,434	3,069
Trading activities	19,870	-	19,870	15,250	-	15,250
Public Engagement	27,790	17,352	45,142	24,722	14,868	39,590
Scientific curation and research	34,463	19,632	54,095	30,404	16,302	46,706
Loss on disposal of fixed assets	12	-	12	10	-	10
	83,856	38,823	122,679	72,021	32,604	104,625

During the year, grants of £3,881,000 (2023: £736,000) were awarded to institutions within scientific curation and research. Support costs of £297,000 are allocated to grant making (2023: £460,000).

Support costs by activity

2023-2024	Generating voluntary income £000	Public Engagement £000	Scientific £000	Total £000
Management	69	653	739	1,461
Human resources	97	917	1,037	2,051
Estates	542	5,113	5,785	11,440
Finance	68	639	723	1,430
Information technology	347	3,271	3,701	7,319
Governance	7	62	70	139
Depreciation	709	6,697	7,577	14,983
	1,839	17,352	19,632	38,823

2022-2023	Generating voluntary income £000	Public Engagement £000	Scientific £000	Total £000
Management	55	574	629	1,258
Human resources	84	867	951	1,902
Estates	401	4,158	4,559	9,118
Finance	54	561	615	1,230
Information technology	254	2,636	2,890	5,780
Governance	3	34	37	74
Depreciation	583	6,038	6,621	13,242
	1,434	14,868	16,302	32,604

All support costs are allocated according to the number of permanent staff directly employed in each activity as an appropriate measure of the use of these resources by activity. Included in Estates costs in 2023-24 is a rebate on Business Rates of £2,929k from Royal Borough of Kensington and Chelsea and Dacorum Borough Council, following a successful appeal and agreement being reached with the Valuation Office Agency to reduce the 2010 rateable value for our sites at South Kensington and Tring.

Staff costs

	Permanent contracts £000	Other contracts £000	2024 Total £000	2023 Total £000
Salaries and wages	32,225	11,012	43,237	36,274
Superannuation	5,644	1,013	6,657	6,251
National Insurance	3,302	1,050	4,352	3,983
Cost of agency staff	-	2,616	2,616	2,001
	41,171	15,691	56,862	48,509

Included in the above staff costs are redundancy costs of £146,149 (2023: £201,687).

The Museum accounts for exit costs in the year of the individual's departure being agreed. Where employees have been given retirement benefits under the early retirement and severance scheme operated by the Museum, the full provision is made in the year of retirement and released annually to cover payments made to the employee (note 22).

The majority of present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The PCSPS is an unfunded multi-employer defined benefit scheme but the Museum is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2016. Details are available in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservicepensionscheme.org.uk).

The scheme's actuary reviews employer contributions usually every four years following a full scheme valuation. During 2023-24, the rates were in the range 26.6% and 30.3%. The contribution rates are set to meet the cost of the benefits accruing during 2023-24 to be paid when the member retires and not the benefits paid during this period to existing pensioners. Payments of £4,571,000 (2023: £4,653,000) were made during the year. The Natural History Museum is only liable for the contribution it has made directly.

From 1 April 2017, new entrants are enrolled into the Natural History Museum Pension Scheme, a defined contribution scheme with an employer contribution. Payments of £2,087,000 (2023: £1,586,000) were made during the year. The minimum employee contribution is 4% of salary and, subject to that contribution being made, the Museum makes a contribution of 8% of salary. If an employee chooses to contribute more than 4%, the Museum will match up to a further 2%.

Pension costs are allocated to activities on the same basis as those staff costs to which they relate. At 31 March 2024 a balance of £289,000 (2023: £231,000) was due to be paid in relation to the Natural History Museum Pension Scheme.

The Chair and Board of Trustees received no remuneration for their services during the year (2023: nil). Travel and subsistence expenses of £9,457 (2023: £5,942) were reimbursed to 3 (2023: 3) Trustees. Trustees donated £16,771 to the Museum during the year (2023: £439,290), of which £9,771 was restricted to the Children's Gallery (2023: £421,250 restricted to Urban Nature Project).

The following number of employees, including the senior management, received remuneration falling within the ranges below:

	2024	2023
£180,001 - £190,000	1	1
£170,001 - £180,000	-	-
£160,001 - £170,000	-	-
£150,001 - £160,000	-	-
£140,001 - £150,000	-	-
£130,001 - £140,000	1	2
£120,001 - £130,000	4	-
£110,001 - £120,000	3	3
£100,001 - £110,000	3	4
£90,001 - £100,000	6	7
£80,001 - £90,000	12	8
£70,001 - £80,000	19	11
£60,001 - £70,000	40	33

The total pension contributions payable for the employees included above were £1,475,130 (2023: £1,197,711).

No employees received any benefit in kind except as disclosed in the Report on the Remuneration of Senior Management.

The key management personnel comprise the Museum Director, the Chief Operating Officer (from September 2023) and the Executive Director of Finance and Corporate Services (to August 2023). The total employee benefits of the key management personnel of the Museum were £400,002 (2023: £353,262).

The remuneration of key management personnel of the Museum, including details of bonuses and pensions, are disclosed in the Report on the Remuneration of Senior Management.

The average number of employees during the year was 1,000 (2023: 911) organised into the following categories:

	Permanent contracts	Other contracts	2024 Total	2023 Total
Costs of generating voluntary income	25	1	26	23
Trading activities	86	4	90	78
Public Engagement	236	64	300	272
Scientific curation and research	267	155	422	398
Support	133	29	162	140
	747	253	1,000	911

8 Tangible fixed assets

Group	Land & buildings £000	Plant & machinery £000	Assets under construction £000	Permanent exhibitions £000	Furniture & fittings £000	Equipment £000	Total £000
Value							
Balance at 1 April 2023	572,234	112,159	20,824	34,921	13,861	26,816	780,815
Additions	185	868	34,088	-	58	2,053	37,252
Adjustment	-	-	-	(56)	-	-	(56)
Disposals	-	-	-	-	(25)	(3,340)	(3,365)
Revaluation	(55,038)	(33,646)	-	-	-	-	(88,684)
Transfers in/(out)	513	1,314	(3,531)	17	42	87	(1,558)
Transfer to investment property	(3,230)	-	-	-	-	-	(3,230)
Balance at 31 March 2024	514,664	80,695	51,381	34,882	13,936	25,616	721,174
Depreciation							
Balance at 1 April 2023	26,420	26,695	-	31,273	10,419	19,652	114,459
Charge for year	6,818	6,921	-	569	686	1,544	16,538
Disposals	-	-	-	-	(25)	(3,311)	(3,336)
Revaluation	(33,238)	(33,616)	-	-	-	-	(66,854)
Transfers in/(out)	-	-	-	-	-	-	-
Balance at 31 March 2024	-	-	-	31,842	11,080	17,885	60,807
Net Book Value 31 March 2024	514,664	80,695	51,381	3,040	2,856	7,731	660,367
Net Book Value 31 March 2023	545,814	85,454	20,824	3,648	3,442	7,164	666,356

Land and Buildings includes the Natural History Museum at Tring, residential properties at Tring, premises at Wandsworth, London, and the main Museum site at South Kensington. The freehold interest in the South Kensington site was transferred to the Trustees by the Secretary of State for the Environment, Transport and the Regions in August 2001. In accordance with Treasury Guidance all land and building assets are revalued at least quinquennially on a depreciated replacement cost basis and indexed using indices from professional sources in the intervening years. The most recent full valuation was performed by Gerald Eve LLP, Chartered Surveyors, as at 31 March 2024, in accordance with the RICS Valuation- Professional Standards, January 2017 edition and Financial Reporting Standard (FRS) 102.

The valuation of the non-specialised properties was undertaken on an Existing Use Value (EUV) basis. Specialised properties were valued on a Depreciated Replacement Cost (DRC) basis. The classification of residential properties has changed to Investment Properties (note 11). These were therefore valued on a Fair Value basis in line with this change. They have been transferred out of tangible fixed assets as at 31 March 2024. The adjustment to Permanent Exhibitions this year represents a partial refund given on a fixed asset capitalised in the prior year.

The professional valuations at 31 March 2024 were as follows:

Property	Value 31 March 2024 £000	Basis of Valuation
The Natural History Museum, South Kensington	561,473	Land at market rate for restricted use, buildings at depreciated replacement cost
Natural History Museum at Tring	17,196	Land at market rate for restricted use, buildings at depreciated replacement cost
Residential properties, Tring	3,230	Fair Value
Premises in Wandsworth, London	16,686	Existing use basis and depreciated replacement cost. Freehold purchase 1991.

At 31 March 2024 the valuers were of the opinion that the valuation of the premises in Wandsworth, London at market value for general storage and distribution would be significantly lower than the valuation at existing use value, reflecting specialist adaptations for the storage of Museum collections at the property. The specialist adaptations are not likely to have any value for a prospective purchaser. The valuers have stated their opinion that the market value of the main museum site at South Kensington would be significantly lower than the depreciated replacement cost value reported because of the restrictive covenants contained in the Museum's title. For all other properties, the valuers considered that the difference between market value and the stated value would not be significant. Information on the historic cost of these revalued items is not available.

No revaluation has been applied to fixture and fittings, equipment assets and permanent exhibitions as management consider that there is no material difference between current cost and actual cost. The life of these assets is reviewed annually for impairment to reflect their true value.

2024 2023
£000 £000

The current cost depreciation shown above is charged in the Statement of Financial Activities as follows:

Depreciation included in Total Resources Expended	16,538	15,047
	16,538	15,047

2024 2023
£000 £000

Gains on indexation and revaluation of fixed assets shown above are recognised in the Statement of Financial Activities as follows:

Revaluation value	(88,684)	34,452
Prior year depreciation adjustment arising from revaluation	66,854	(4,381)
	(21,830)	30,071

Museum	Land & buildings £000	Plant & machinery £000	Assets under construction £000	Permanent exhibitions £000	Furniture & fittings £000	Equipment £000	Total £000
Value							
Balance at 1 April 2023	572,234	112,159	20,824	34,920	12,562	26,371	779,070
Additions	185	868	34,088	-	58	2,053	37,252
Adjustment	-	-	-	(56)	-	-	(56)
Disposals	-	-	-	-	(25)	(3,326)	(3,351)
Revaluation	(55,038)	(33,646)	-	-	-	-	(88,684)
Transfers in/(out)	513	1,314	(3,531)	17	42	87	(1,558)
Transfer to investment property	(3,230)	-	-	-	-	-	(3,230)
Balance at 31 March 2024	514,664	80,695	51,381	34,881	12,637	25,185	719,443
Depreciation							
Balance at 1 April 2023	26,420	26,695	-	31,273	9,850	19,225	113,463
Charge for year	6,818	6,921	-	569	520	1,531	16,359
Disposals	-	-	-	-	(25)	(3,297)	(3,322)
Revaluation	(33,238)	(33,616)	-	-	-	-	(66,854)
Transfers in/(out)	-	-	-	-	-	-	-
Balance at 31 March 2024	-	-	-	31,842	10,345	17,459	59,646
Net Book Value 31 March 2024	514,664	80,695	51,381	3,039	2,292	7,726	659,797
Net Book Value 31 March 2023	545,814	85,464	20,824	3,647	2,712	7,146	665,607

9 Intangible assets

Group	Image rights £000	IT software £000	Assets under construction £000	Total £000
Value				
Balance at 1 April 2023	480	2,585	-	3,065
Additions	-	-	-	-
Disposals	-	(6)	-	(6)
Transfers in/(out)	-	1,558	-	1,558
Balance at 31 March 2024	480	4,137	-	4,617
Amortisation				
Balance at 1 April 2023	480	2,219	-	2,699
Charge for year	-	445	-	445
Disposals	-	(6)	-	(6)
Balance at 31 March 2024	480	2,658	-	3,138
Net Book Value 31 March 2024	-	1,479	-	1,479
Net Book Value 31 March 2023	-	366	-	366
Museum				
		IT software £000	Assets under construction £000	Total £000
Value				
Balance at 1 April 2023		2,313	-	2,313
Additions		-	-	-
Disposals		(6)	-	(6)
Transfers in/(out)		1,558	-	1,558
Balance at 31 March 2024		3,865	-	3,865
Amortisation				
Balance at 1 April 2023		1,947	-	1,947
Charge for year		445	-	445
Disposals		(6)	-	(6)
Balance at 31 March 2024		2,386	-	2,386
Net Book Value 31 March 2024		1,479	-	1,479
Net Book Value 31 March 2023		366	-	366

Depreciation and amortisation costs are allocated across SOFA headings as part of the central support cost allocation.

10 Collections assets

	Group	Group	Museum	Museum
	2024	2023	2024	2023
	£000	£000	£000	£000
Net book value at 1 April	8,290	8,120	8,290	8,120
Additions in year	396	170	396	170
Impairment	(12)	-	(12)	-
Net book value at 31 March	8,674	8,290	8,674	8,290

Acquisitions Summary 2019-24

	2019-20	2020-21	2021-22	2022-23	2023-24
	£000	£000	£000	£000	£000
Acquisitions > £5k	40	21	50	24	350
Donations > £5k	144	28	181	146	46
Impairments	-	-	-	-	(12)

During 2023-24 it was discovered that a collections asset that had previously been classified as a donation had in fact been collected by staff internally and therefore should not have been valued. This has resulted in an adjustment to the total collections assets of £12,000.

Heritage assets & Valuation

The Museum's collections, which are assets of historical and scientific importance, are held to advance the Museum's scientific and educational objectives and, through public access, contribute to the nation's culture and education. They are recognised as heritage assets in accordance with FRS102 (Heritage Assets) which requires such assets to be reported in the Balance Sheet where information is available on cost or value. There is no ready commercial market for many scientific natural history specimens, and due to regulation to fight the illegal trade in endangered species some items can have no legitimate financial value. The Museum's approach to valuation is therefore based on the pragmatic adoption of theoretical valuation factors that do not and cannot reflect an items scientific significance.

The Museum's approach to valuation control can be found in the Access and Information Policy available on our website. The total number of collection items which have been capitalised amount to less than 1% of the Museum's total collection. Further information about the nature of the Heritage Assets held is given in the Annual Report.

The accounting policy for heritage assets is given in note 1. The total balance sheet figure for heritage assets does not include items entered into our collection from before 1 April 2001. It also does not include items entered into our collection worth under £5,000 in line with our capitalisation policy. There are also some items in our possession that have not yet been accessioned into our collection as at the Year End, however these are low value items and do not have a material effect on the balance sheet figure.

Nature and scope of the collections

The Natural History Museum traces its origins back to 1753 and the formation of the British Museum and the founding collection of Sir Hans Sloane. The intention was to create a universal collection of natural, cultural, and literary objects 'not only for the inspection and entertainment of the learned and curious but also for the general use and benefit of the public'. In 1881 the natural history collections were re-located from Bloomsbury to the current site in South Kensington into Alfred Waterhouse's 'Cathedral of Nature'. 140 years later our collections are stored within 10 buildings across three sites, including the Natural History Museum at Tring.

The Museum houses one of the most important collections of natural history objects in the world. The Earth and Life Science collections cover virtually all groups of animals, plants, rocks, meteorites, minerals, and fossils and has more type specimens than any other natural history collection. These collections are complemented by the collections of the Museum's Library and Archives which is the world's largest collection of natural history literature, original primary material, and art, ranging from 1469 to the present day. In total the Museum's

collection is estimated to contain 76 million items or lots (groups of items). Given the nature of the material in the collection can vary from microbes and space dust to dinosaurs and whales and includes material such as parasites associated with their hosts, water, and sediment samples there can never be a definitive answer of the number of items the Museum holds.

11 Investments

	Market value at 1 April 2023	Additions	Disposals	Increase / (decrease) in market value	Market value at 31 March 2024
	£000	£000	£000	£000	£000
Group					
CCLA COIF - Charities Ethical Investment Funds	6,154	76	-	607	6,837
	6,154	76	-	607	6,837
Museum					
UK investment in Subsidiary	300	-	-	-	300
	300	-	-	-	300
	Market value at 1 April 2023	Additions	Disposals	Transfer from Fixed Assets	Market value at 31 March 2024
	£000	£000	£000	£000	£000
Investment Properties	-	-	-	3,230	3,230
	-	-	-	3,230	3,230

The Museum has a wholly owned investment of 300,000 fully paid Ordinary Shares of £1 in the Natural History Museum Trading Company Ltd, valued at £300,000 in the Museum balance sheet.

During 2023-24 we reclassified our residential properties at Tring as investment properties, which were previously held as tangible fixed assets. These are held at fair value and were revalued as at 31 March 2024 on this basis by Gerald Eve LLP, Chartered Surveyors, as at 31 March 2024, in accordance with the RICS Valuation- Professional Standards, January 2017 edition and Financial Reporting Standard (FRS) 102.

12 Trading subsidiary

The Museum owns the whole of the issued share capital of The Natural History Museum Trading Company Ltd, a company registered in England and Wales. The Company's principal activities are retailing, catering, venue hire, touring exhibitions, consultancy, image sales, licensing and the organisation of commercial promotions.

Trading Company profits are paid to the Museum annually under Deed of Covenant.

A summary of the results of the subsidiary is shown below:

	Total	Total
	2024	2023
	£000	£000
Income and expenditure		
Turnover	27,703	25,256
Cost of sales	(10,913)	(9,913)
Gross profit	16,790	15,343
Other expenses	(7,291)	(5,728)
Operating profit	9,499	9,615
Interest received	333	64
Amount of payment under Deed of Covenant to the Museum	(9,781)	(9,679)
Profit/(Loss) on ordinary activities before taxation	51	-
Taxation	-	-
Retained in subsidiary	51	-
	2023	2023
	£000	£000
Balance Sheet		
Fixed assets (tangible and intangible)	570	749
Current assets	20,447	20,513
Current liabilities	(20,666)	(20,962)
Net assets	351	300
Share capital and reserves	351	300

13 Stock

	Group	Group	Museum	Museum
	2024	2023	2024	2023
	£000	£000	£000	£000
Finished goods and goods for resale	1,524	1,351	150	164
Work in progress	82	42	82	42
	1,606	1,393	232	206

14 Debtors

	Group	Group	Museum	Museum
	2024	2023	2024	2023
	£000	£000	£000	£000
Trade debtors	8,837	4,924	6,945	1,968
Other debtors	2,516	1,892	2,509	1,892
Amounts due from subsidiary undertaking	-	-	13,357	13,770
Prepayments	1,660	1,762	2,052	1,671
Accrued income	6,573	3,962	5,388	3,419
	19,586	12,540	30,251	22,720

	Group	Group	Museum	Museum
	2024	2023	2024	2023
	£000	£000	£000	£000
Debtors include the following financial instruments:				
Gross trade debtors	8,893	4,980	6,945	1,968
Less: provision for impairment	(56)	(56)	-	-
	8,837	4,924	6,945	1,968
Other debtors	2,516	1,892	2,509	1,892
	11,353	6,816	9,454	3,860

As the Museum receives a substantial part of its income from DCMS, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of similar size. None of the above financial instruments are complex or play a significant medium to long-term role in the financial profile of the Museum. Trade debtors include amounts due to the Museum in foreign currency, mostly US Dollar and Euro, which are not significant to the overall financial risk of the Museum.

The age profile of non-impaired trade debtors is as follows:

	2024	2023
	£000	£000
Not due	7,301	4,342
up to 30 days past due	1,207	278
30-60 days past due	140	99
Over 60 days past due	189	205
	8,837	4,924

15 Cash at bank and in hand

	Group	Group	Museum	Museum
	2024	2023	2024	2023
	£000	£000	£000	£000
Balances held with the Government Banking Service	21,423	18,427	21,423	18,427
Balances held with commercial banks and cash in hand	7,951	27,088	3,904	10,885
Balances held on deposit	13,000	3,000	-	3,000
	42,374	48,515	25,327	32,312

Included in the above are balances in Euros equivalent to £1,938,000 (2023: £4,727,000) and US Dollars equivalent to £873,000 (2023: £1,524,000). These balances do not expose the Museum to any significant exchange rate risk as they are primarily held in connection with grants received from funders where onward payments are to be made in the same currency.

During the year, cash surplus to daily requirements was either deposited with the Government Banking Service or invested short term with leading European financial institutions. Cash must be invested and managed in accordance with the Museum's Investment Policy which was approved by Trustees in February 2023. In the event of financial failure at a financial institution at which the Museum holds term deposits, the Museum would be exposed to the risk of losing the investments.

16 Cash held as under agent relationships

The Museum acts as project lead on a number of consortium grants where cash is received and subsequently paid out to other consortium beneficiaries. These cash funds are not recognised as a Museum asset and do not appear in the Museum's Balance Sheet. During the year the Museum received £2,342,000 to distribute to partners (2023: £1,031,000). During the year £2,271,000 (2023: £1,030,000) was distributed. At 31 March 2024 the Museum held £72,000 (2023: £1,000) to be transferred in future periods.

17 Creditors: amounts falling due within one year

	Group	Group	Museum	Museum
	2024	2023	2024	2023
	£000	£000	£000	£000
Trade creditors	5,452	1,256	5,136	1,043
Other creditors	1,924	1,245	1,287	568
Taxation and social security	1,065	975	1,065	975
Deferred income	8,696	9,958	2,807	4,170
DCMS Loan falling due within one year	74	-	74	-
Accruals	10,875	8,168	10,167	7,614
	28,086	21,602	20,536	14,370

Amounts classified above as trade creditors and other creditors fall within the definition of financial instruments. The Museum does not borrow funds on the money markets and accordingly financial instruments play a more limited role in creating risk than would apply to a non-public sector body of similar size. None of the above financial instruments are complex, play a significant medium to long-term role in the financial profile of the Museum or fall due in more than one year. Trade creditors include amounts due by the Museum in foreign currency, mostly US Dollars and Euros, which are not significant to the overall financial risk of the Museum.

Deferred income	Group	Group	Museum	Museum
	2024	2023	2024	2023
	£000	£000	£000	£000
As at 1 April 2022	9,958	7,590	4,170	3,760
Deferred in current year	27,988	22,025	14,523	9,669
Released in current year	(29,250)	(19,657)	(15,886)	(9,259)
As at 31 March 2023	8,696	9,958	2,807	4,170

Deferred income represents income received on contracts and performance related grants where the work required by the contract or the performance clauses of the grant has not been completed.

18 Creditors: amounts falling due after one year

	Group	Group	Museum	Museum
	2024	2023	2024	2023
	£000	£000	£000	£000
DCMS Loan falling due in less than 5 years	2,600	-	2,600	-
	2,600	-	2,600	-

In September 2023 the Museum received a loan from DCMS totalling £2,600,000 towards the development of a café in the newly developed gardens as part of the Urban Nature Project. The loan is repayable in five instalments over the period April 2025 to April 2029. Interest is being accrued at a fixed rate of 4.87%. Interest is based on the National Loans Fund published rates. Included in the creditor balances (note 17) is accrued interest to date.

19 Commitments under operating leases

The Museum has entered into a series of operating leases for the use of premises and equipment in its operations. The minimum payments due under these contracts within each of the following periods are:

	Land and buildings	Other assets	Total	Total
	£000	£000	2024	2023
			£000	£000
Payments due within one year	-	34	34	34
in second to fifth year	-	84	84	118
over 5 years	-	-	-	-
	-	118	118	152

During the year, payments of £17,000 (2023: £72,000) were made under operating leases.

20 Statement of Funds

	At						At
	1 April			Gains/	Revaluation/		31 March
	2023	Income	Expenditure	(losses)	indexation	Transfers	2024
	£000	£000	£000	£000	£000	£000	£000
Restricted funds							
Scientific grants	-	10,414	(10,414)	-	-	-	-
Sponsored assets	106,439	5,181	(3,797)	-	9,185	3,673	120,681
Projects/other funds	2,197	1,895	(1,128)	-	-	(464)	2,500
Donations in kind	5,215	259	(212)	(12)	-	15	5,265
Equipment reserve	48	-	-	-	-	-	48
Special Funds	1,046	212	(124)	96	-	173	1,403
	114,945	17,961	(15,675)	84	9,185	3,397	129,897
General funds							
	5,270	113,071	(87,073)	(126)	-	(24,547)	6,595
	5,270	113,071	(87,073)	(126)	-	(24,547)	6,595
Unrestricted funds - designated							
Special Funds	1,183	62	(75)	89	-	(123)	1,136
Projects and other activities	10,846	-	-	-	-	(5,875)	4,971
Shared services	-	4,350	(4,350)	-	-	-	-
Future scientific research	1,655	82	(729)	-	-	615	1,623
Capital projects	583,690	-	(14,765)	(29)	(31,015)	26,583	564,464
	597,374	4,494	(19,919)	60	(31,015)	21,200	572,194
Permanent endowment funds							
	4,352	-	-	422	-	(50)	4,724
	4,352	-	-	422	-	(50)	4,724
Total funds	721,941	135,526	(122,667)	440	(21,830)	-	713,410

The Scientific grants fund represents income and expenditure from grant awards restricted for specific projects.

Restricted sponsored assets funds represent fixed assets, predominantly land and built infrastructure, previously funded by donations and bequests.

Restricted donations in kind funds represent items donated to the Museum, predominantly comprising donations to the Museum's collection (note 10). This includes donations under the Arts Council Acceptance in Lieu scheme.

Designated Special Funds are a collection of 17 funds which have arisen from various legacies and donations to the Museum, and which are consolidated and administered by the Museum, plus the Benevolent Fund. These are designated for work in line with the objectives of the Special Funds Trust and the Benevolent Fund, with due regard to the original aim of the funds.

Shared services funds represent the income and expenditure related to supplying electricity and heating to the V&A and Science Museum. The costs of these supplies are recharged on a not-for-profit basis (note 1).

Designated future scientific research funds are allocated to individual Museum science departments for investment in research projects.

Capital projects designated funds are unrestricted funds formally designated against unrealisable fixed assets such as the Waterhouse Building and the Museum's Collection, representing funds that are not readily available to the Trustees.

Permanent endowment funds represent funds donated to be held as capital. The income generated from these funds is to be applied in accordance with the donor's wishes.

The transfer to sponsored assets reflects an asset brought into use in year which was funded from restricted funds. The use of the asset itself is not restricted.

The transfer from general funds to designated future scientific research funds reflects the decision of the Trustees to fund future scientific research from the Museum's own resources.

The transfer to future projects reflects planned future spend on these projects from unrestricted reserves which has been committed to by trustees.

The transfers between general funds and designated capital projects funds reflect the acquisitions, net of disposals, of those assets which have been funded from the Museum's own resources during the year.

21 Analysis of group net assets between funds

	Designated funds £000	General funds £000	Restricted funds £000	Permanent endowment funds £000	Total £000
Fund balances at 31 March 2024 are represented by					
Tangible and heritage fixed assets	543,950	-	125,091	-	669,041
Intangible assets	1,479	-	-	-	1,479
Investments	5,343	-	-	4,724	10,067
Current assets	22,003	34,729	6,834	-	63,566
Liabilities	(581)	(28,134)	(2,028)	-	(30,743)
Total net assets	572,194	6,595	129,897	4,724	713,410
Unrealised gains included in the above:					
On tangible fixed assets	341,724	-	58,213	-	399,937
Total unrealised gains at 31 March 2024	341,724	-	58,213	-	399,937

22 Net cash from operating activities

	Group	Restated Group	Museum	Restated Museum
	2024	2023	2024	2023
	£000	£000	£000	£000
Net (expenditure)/income before gains and losses	12,847	12,348	12,723	12,307
Donated heritage assets	(46)	(146)	(46)	(146)
Investment income received	(2,140)	(503)	(1,609)	(250)
Depreciation	16,538	15,047	16,359	14,845
Amortisation	445	148	445	147
Loss on disposal of fixed assets	29	10	29	10
Loss on disposal of heritage assets	12	-	12	-
Decrease/(increase) in stock	(213)	(194)	(26)	20
Decrease/(increase) in debtors	(7,046)	(2,621)	(7,531)	(10,168)
Increase/(decrease) in creditors	4,119	232	3,801	(1,070)
Net movement in provisions	(14)	2	(14)	2
Net cash from operating activities	24,531	24,323	24,143	15,697

Group analysis of changes in net debt

	At start of year	Cash-flows	Foreign exchange movements	Other non-cash changes	At end of year
Cash	48,515	(8,660)	(155)	-	39,700
DCMS loan falling due in less than 1 year	-	74	-	-	74
DCMS Loan falling due in less than 5 years	-	2,600	-	-	2,600
Total	48,515	(5,986)	(155)	-	42,374

23 Provision for liabilities and charges

The Museum outsourced the provision of soft maintenance services to Servest Ltd. in 2009. This required a number of employees to be transferred out of the Museum's employment and into the employment of Servest under the Transfer of Undertakings (Protection of Employment) Regulations 2006. These employees had to be enrolled by the new employer into a pension scheme broadly comparable to the Civil Service Pension scheme which they were enrolled in whilst in the Museum's employment. The contract was retendered and awarded to Total Support Services Ltd in July 2016 which under the New Fair Deal Policy triggered the opportunity for the transferred staff to transfer the pension benefits earned in the Servest scheme back into the Civil Service Pension scheme. As the contracting authority the Museum will have a liability to pay any shortfall between the transfer in and transfer out values. The value of the liability will depend on negotiation with the Servest scheme provider and the number of individuals who take up the option to transfer.

The Government Actuary's Department has been engaged to undertake this process on the Museum's behalf, and the value of the liability will depend on negotiation with the Servest scheme provider, the number of individuals who take up the option to transfer and market conditions at the time of transfer. The amount provided in the prior year accounts was the estimate given by the Government Actuary's Department as at 25 October 2022 assuming all eligible members take up the transfer. During the year 2023-24 no members took up the option to transfer and the option expired and therefore the provision was released.

The Museum employs a number of staff on fixed term appointments, the end date of which is usually determined by a funding agreement for the post. Under employment legislation, the Museum is liable to pay redundancy costs on the termination of these appointments unless the appointment is extended or alternative employment is offered. Provision is made for these costs when the contract is within three months of its termination and there is no reasonable certainty that the contract will be extended or replaced.

The equipment reserve provision relates to an excess energy savings pool which is derived from the energy services contracts. The provision is available to be released to the Museum to underpin any shortfall in the energy savings which the contractor is required to deliver each year over the life of the contract. Any balance remaining at the conclusion of the contract is shared equally between the contractor and the Museum.

Detail of these provisions and the movement in year are as follows:

Servest TUPE Provision	Group	Group	Museum	Museum
	2024	2023	2024	2023
	£000	£000	£000	£000
Balance at start of year	13	-	13	-
Addition to provision	-	13	-	13
Release against provision	(13)	-	(13)	-
Balance at end of year	-	13	-	13

Redundancy Provision	Group	Group	Museum	Museum
	2024	2023	2024	2023
	£000	£000	£000	£000
Balance at start of year	12	23	12	23
Addition to provision	11	12	11	12
Payments against provision	(12)	(23)	(12)	(23)
Balance at end of year	11	12	11	12

Equipment Reserve Provision	Group	Group	Museum	Museum
	2024	2023	2024	2023
	£000	£000	£000	£000
Balance at start of year	46	46	46	46
Addition to provision	-	-	-	-
Adjustment to existing provision	-	-	-	-
Balance at end of year	46	46	46	46

Total Provision for liabilities and charges	Group	Group	Museum	Museum
	2024	2023	2024	2023
	£000	£000	£000	£000
Balance at start of year	71	69	71	69
Addition to provision	11	25	11	25
Payments against provision	(25)	(23)	(25)	(23)
Adjustment to existing provision	-	-	-	-
Balance at end of year	57	71	57	71

24 Capital commitments

Outstanding capital commitments at 31 March 2024 amounted to £14,419,000 (2023: £27,248,000).

25 Contingent liability

The Museum has no contingent liabilities to disclose for the year ended 31 March 2024.

26 Commitments under energy services and energy management services contracts

i) On the 19th July 2006 a contract was signed between the Natural History Museum and Vital Energi Utilities Limited for the provision of energy and energy management services at the Natural History Museum and the Victoria and Albert Museum. Under the contract Vital Energi Utilities Limited designed, supplied, installed, and commissioned plant and equipment to provide co-generation of electrical power and heating, and chilling services. They also are responsible for the on going operation and maintenance of the plant and equipment for a 15 year period commencing on 19 December 2006. This contract was due to end in December 2021 and was extended on an interim basis for the supply of services until a new energy system had been installed. Following a competitive tender, a new contract was signed with Vital Energi for the new energy system which completed installation in June 2024.

The accounting treatment for the previous agreement whereby the monthly fee payable to Vital Energi Services Limited is charged to expenditure as it occurs over the life of the contract has been determined in accordance with FRS 102.

In addition there is a separate interface agreement between the Natural History Museum and the Victoria and Albert Museum which governs the relationship between them in relation to the energy services and energy management services contract.

ii) On the 22nd October 2010 a contract was signed between the Natural History Museum and Total Gas Contracts Limited for the provision of energy and energy management services at the Museum's sites at South Kensington, Wandsworth and Tring. Under the contract Total Gas Contracts Limited designed, supplied, installed and commissioned plant and equipment to deliver electrical power, lighting, heating, low temperature hot water, and chilling services. In 2017 the contract was sold by Total Gas Contracts Limited to Cynergis Contracts Limited. All terms within the contract remain the same. Cynergis Contracts Limited were then acquired by Veolia ES Energy Performance (UK) Ltd in January 2017. Veolia ES Energy Performance (UK) Ltd are responsible for the on going operation and maintenance of the plant and equipment for a 15 year period commencing on 31 October 2011. At the end of the contract any equipment that comprises a fixture will automatically transfer to the Museum.

The accounting treatment whereby the monthly fee payable to Veolia ES Energy Performance (UK) Ltd is charged to expenditure as it occurs over the life of the contract has been determined in accordance with FRS102.

Future minimum commitments under the contracts at 31 March 2024 amounted to £1,336,000 (2023: £1,748,000). The prior year comparative has been restated to include the inflationary increases in the contract.

27 Losses and special payments

There were two compensation payments made during the year ended 31 March 2024 totalling £30,000 (2023: Nil). These had the required departmental approval from DCMS. There are no disclosable remote contingent liabilities (2023: nil), no disclosable losses (2023: nil). No gifts were made over the limits prescribed in Managing Public Money (2023: nil) and no material income from fees and charges (2023: nil).

28 Related party transactions

The Natural History Museum is a non-departmental public body of DCMS.

DCMS and its arm's length bodies are regarded as related parties. During the year the Museum has had various material transactions with the Department and with other entities for which the Department is regarded as the parent department. These are as follows:

Grant-in-Aid (note 3) was received from DCMS totalling £68,588,000 (2023: £65,888,000).

At 31 March 2024 there was an outstanding loan balance to DCMS of £2,674,000 (2023: nil) including accrued interest for the year ending 31 March 2024.

Income relating to the supply of power to the Science Museum Group totalled £1,958,000 (2023: £1,264,000). At 31 March 2024, there was a balance of £1,449,000 due from the Science Museum Group in respect of these services (2023: £211,000).

Expenditure relating to licenses and COP event costs from the Science Museum Group totalled £55,000 (2023: £26,000). At 31 March 2024, £54,000 was owed to the Science Museum in respect of these services (2023: nil).

Income relating to the supply of heat and power to the Victoria and Albert Museum totalled £2,299,000 (2023: £1,307,000). At 31 March 2024, there was a balance of £1,926,000 due from the Victoria and Albert Museum in respect of these services (2023: £823,000).

Expenditure relating to security management services and training from the Victoria and Albert Museum totalled £50,000 (2023: £62,000). At 31 March 2024, nil was owed (2023: nil) in respect of these services.

Expenditure relating to the storage and retrieval of library materials at the British Library totalled £28,000 (2023: £35,000).

Professor Yadvinder Malhi is the president of the British Science Association. No payments were made for professional fees (2023: £1,000).

Professor Yadvinder Malhi is the president of the British Ecological Society. No payments were made for Advisory board fees (2023: £1,000).

Dame Frances Cairncross DBE FRSE serves on the Board of Trustees of the Natural History Museum Foundation. Income relating to administrative services totalled £10,000. As at 31 March 2024 there was a balance of £6,000 (2023: £4,900) due from the Trust in respect of these services.

Professor Dame Jane Francis is the chancellor of the University of Leeds. No income was received in year (2023: £7,000) in respect of science grants. Expenditure relating to consultancy totalled £7,000 (2023: nil).

Dr Sarah E Thomas is a board member at the OCLC. Expenditure relating to subscription renewals totalled £4,000 (2023: £4,000).

Sir Patrick Vallance is a fellow at University College London (UCL), and Professor Dame Janet Thornton DBE FRS also holds a joint grant with UCL. Expenditure related to grant funding totalled £115,000 (2023: £110,000). Income of £290,000 (2023: £349,000) was recognised in respect of fees and sample analysis. At 31 March 2024 there was a balance due from UCL in respect of this of £102,000 (2023: £236,000).

Professor Dame Jane Francis is a director at the British Antarctic Survey (NERC). Expenditure for royalties totalled £300 (2023: £4,000). Income of £581,000 (2023: £10,000) from NERC was recognised during the year.

Harris Bokhari OBE is a Trustee of The Royal Parks. Expenditure of £5,000 (2023: £2,000) was recognised in the year.

Harris Bokhari OBE is an Elected Council Member of the National Trust. Expenditure totalling £300 (2023: nil) was recognised in respect of fees. Income of £75,000 (2023: nil) was recognised in respect of venue hire.

Jane Frances is a member of the Palaeontological Association. Expenditure totalling £200 (2023: nil) was recognised in respect of field guides.

Douglas Gurr is Chair of Trustees at The Alan Turing Institute. Expenditure of £200 (2023: nil) was recognised in respect of quarterly off site meetings.

Douglas Gurr, Sir Patrick Vallance, Helen Whitehouse and Mark Read were non-remunerated directors of the Natural History Museum Trading Company, a wholly owned subsidiary of the Natural History Museum.

The remuneration of the key management personnel of the Museum is disclosed in the Report on the Remuneration of Senior Management section of the Annual Report.

29 Post Balance Sheet Events

The annual report and accounts were approved and authorised for issue by the Accounting Officer and Trustees. The authorised date for issue of these accounts is the date on which the accounts are certified by the Comptroller and Auditor General.

On 21 June 2024, the Museum issued completion on new plant and equipment in the energy centre at South Kensington with our suppliers Vital Energi. This is a finance lease and results in a new right of use asset of £7.7m as of this date and a corresponding lease liability.

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