

SCIENCE MUSEUM GROUP

Annual Report and Accounts 2013–2014

Science Museum
Museum of Science and Industry, Manchester
National Railway Museum in York and Shildon
National Media Museum
SCMG Enterprises Ltd

Science Museum Group

Annual Report and Accounts 2013–2014

Report and Accounts presented to Parliament pursuant to Section 9(8) of the Museums and Galleries Act 1992

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Science Museum Group (SMG) members:
(Formerly known as National Museum of Science & Industry)

Science Museum

Museum of Science and Industry, Manchester

National Railway Museum in York and Shildon

National Media Museum

SCMG Enterprises Ltd

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1. About the Science Museum Group

Science Museum Group purpose and objectives

The Science Museum Group (SMG) is devoted to the history and contemporary practice of science, medicine, technology, industry and media. Its collections form an enduring record of scientific, technological and medical change since the 18th century. They are the largest, most comprehensive and most significant in their field anywhere in the world. SMG incorporates the Science Museum, the Science Museum Library and the Wellcome Collections of the History of Medicine in South Kensington; the Museum of Science & Industry (MOSI) in Manchester; the National Railway Museum (NRM) in York and in Shildon; and the National Media Museum (NMeM) in Bradford. Collections stores are located at Wroughton, Swindon; Blythe House in West Kensington and Brunel Avenue in Salford.

As defined in the 1983 National Heritage Act, SMG's charitable objectives are to:

- Care for, preserve and add to the objects in its collections
- Secure that the objects are exhibited to the public
- Secure that the objects are available to persons seeking to inspect them in connection with study or research and
- Generally promote the public's enjoyment and understanding of science and technology and of the development of those subjects, both by means of the Board's collections and by such other means as they consider appropriate

Taking due regard of the Charity Commission's general guidance on public benefit, the Trustees of SMG have agreed that the mission of SMG is to engage people in a dialogue about the history, present and future of human ingenuity in the fields of science, technology, medicine, transport and media. We will achieve this by aspiring to the highest international museum standards in the care and presentation of collections, programming, learning and advocacy for our subject areas. This informs all decision-making, future planning and the setting of strategic objectives.

Our strategic objectives across the Group are to:

- Aspire to the highest international museum standards in the care and preservation of collections, scholarship, programming, learning and advocacy for our subject areas
- Strengthen our core narratives and deliver dynamic gallery displays
- Implement clear audience strategies that focus on providing life-enhancing experiences
- Extend our reach nationally and internationally
- Make optimum use of our estate
- Be an organisation that is extrovert, entrepreneurial, efficient and dedicated to the development of great people

These objectives underpin all of SMG's work and the specific objectives and activities implemented at each of our Museums.

Science Museum Group history

The Science Museum has its origins in the South Kensington Museum set up soon after the Great Exhibition of 1851. The Museum of Science & Industry opened in 1969 as the North Western Museum of Science and was registered as a charity in 1987. The National Railway Museum, which opened in 1975, was established as a result of the transfer of the British Transport Commission's railway collection to the Board of Trustees of the Science Museum. The National Railway

Museum at Shildon was opened in 2004 in partnership with Sedgfield Borough Council. The National Media Museum was established in 1983 as the National Museum of Photography, Film & Television, with the support of Bradford City Council. The Science Museum collections store at Wroughton, a former Second World War airfield, was made available to the Museum by the Ministry of Defence in 1979.

Science Museum Group legal status

SMG was managed directly by Government until 1984, when the Board of Trustees of the Science Museum was established under the National Heritage Act 1983. Thereafter, the Museum ceased to operate as part of a Government department. SMG now has the status of a non-departmental public body (NDPB), operating within the public sector but at arm's length from its sponsor department, the Department for Culture, Media and Sport (DCMS). These accounts fulfil the requirements of the 1983 Act and the Museums and Galleries Act 1992. SMG is an exempt charity under the Second Schedule of the Charities Act 1993 with DCMS acting as its principal regulator for charity law purposes and is recognised as charitable by HM Revenue & Customs. SMG has a wholly

owned subsidiary trading company, SCMG Enterprises Ltd (company registration no. 2196149), set up in 1988 and operating across all SMG Museums. Bradford Film Ltd is a company limited by guarantee whose sole member is SCMG Enterprises Ltd. MOSI was the public-facing name of the Greater Manchester Museum of Science & Industry Trust (GMMOSIT); the charity was a private company limited by guarantee, a DCMS sponsored body and an NDPB. The assets and undertakings of GMMOSIT were transferred to SMG on 31 January 2012. The assets and undertakings of MOSI Enterprises Ltd, the wholly owned subsidiary of GMMOSIT, were transferred to SCMG Enterprises Ltd on 31 March 2012.

Framework for operation

DCMS agreed a Management Statement and Financial Memorandum with the Museum in 2002-03; continuing receipt of the Grant is dependent upon the Museum's compliance. This sets out DCMS policy and financial requirements which include the relevant provisions of Managing Public Money and such other guidance as the Treasury, Cabinet Office or DCMS have issued. It also describes the delegated powers and limits. A Funding Agreement between DCMS and SMG defines the commitments by each party periodically and can be found on the DCMS website.

From 2012-13, SMG has taken on responsibility for distributing Grant in Aid to the National Coal Mining Museum for England (NCMME). This arrangement is governed by a Management Statement and Memorandum agreed between SMG and NCMME. NCMME retains its own Board of Trustees and continues to publish its own annual report of its activities, together with its audited annual accounts no later than 31 December each year. NCMME is not considered a subsidiary undertaking for the purposes of group accounting and SMG does not exercise any control over, nor does it have any responsibility for, the operations of NCMME.

Museum addresses

Science Museum

Exhibition Road
London
SW7 2DD

National Railway Museum

Leeman Road
York
YO26 4XJ

National Media Museum

Pictureville
Bradford
BD1 1NQ

Museum of Science & Industry

Liverpool Road
Castlefield
Manchester
M3 5BG

National Railway Museum at Shildon

Shildon
County Durham
DL4 1PQ

Company addresses

Entity	Registered number	Charity registration	Registered office
SCMG Enterprises Ltd	2196149	–	
Greater Manchester Museum of Science & Industry Trust	02067804	518412	Science Museum Exhibition Road London SW7 2DD
MOSI Enterprises Ltd	02965671	–	
Bradford Film Ltd (a company limited by guarantee)	3309258	–	

List of SMG advisers

	SMG	SCMG Enterprises Ltd Bradford Film Ltd
Auditors	Comptroller and Auditor General National Audit Office 157-197 Buckingham Palace Road London SW1W 9SP	Grant Thornton UK LLP Grant Thornton House Melton Street London NW1 2EP
Bankers	Barclays Bank plc Floor 27 1 Churchill Place London E14 5HP	Barclays Bank plc Floor 27 1 Churchill Place London E14 5HP
Solicitors	Farrer & Co. 66 Lincoln's Inn Fields London WC2A 3LH	CMS Cameron McKenna LLP Mitre House 160 Aldersgate Street London EC1A 4DD
		Farrer & Co. 66 Lincoln's Inn Fields London WC2A 3LH

2. Review of 2013-14 and plans for the future

Science Museum

Objectives

The Science Museum's mission is to make sense of the science that shapes our lives. This commitment drives everything we do. Through our world-class collections of historical objects, galleries, interactive experiences and our learning programmes we aim to be the leading international museum championing the understanding, enjoyment and prestige of science in modern society.

Last year we set out our Strategic Ambitions for the next decade, including a commitment to focus on the urgent choices faced by society and the fundamental science and technology that underpin them. Our core themes of work are:

- Climate science and sustainability
- The history and future of medicine
- Informatics and the science of data
- Understanding the universe

Audiences

The Science Museum is a favourite with families – this year 51% of our visitors came in family groups. A record-breaking number of visitors came in education groups, making up 13% of the audience. Adults visiting independently made up 36% of the audience, saying they came to see interesting and important objects from the past and to explore topical science issues, amongst other things. For many visitors to the capital the Museum is a must-visit destination, with 42% of general admission visitors from overseas and 20% outside of London and the Southeast. Digitally the Science Museum's reach is global, with 43% of website traffic coming from outside the UK.

Achievements

This year there were 3.34 million visits to the Museum. This is the highest total since current records began and included the busiest ever February half-term with nearly 150,000 visits in nine days and almost 20,000 in just one day.

The Museum received a number of awards including: three awards for last year's *Web Lab* exhibition, one of which was the People's Voice Award for Best Visual Design at the Webby Awards; Silver in the Visit England Access for All Awards for work to improve access; Gold for the desks and maps designed to support visitor giving at the DBA Design Effectiveness Awards; and an Innovation award from the Chartered Institute of Building for the Hemcrete Museum Store.

With a real-terms reduction in Grant in Aid of 30% between 2010 and 2015 across the Group, a major focus this year has been the management of these cuts. This is being achieved through both savings and increasing income from other sources. Various new initiatives to increase self-generated income have been implemented at the Museum during the year, including the introduction of green screens and new simulator attractions as well as developing existing sources of commercial income. This has been supported by a change to the structure of visitor-facing teams on the Museum floor to enable a clear differentiation between visitor services and commercial experiences. Other areas where efficiencies have been realised include the Library & Archives service. Work is also underway to reduce back-office costs further across the Group.

Exhibitions, galleries and events

New exhibitions and displays in 2013-14 included:

- Media Space opened in September. These dedicated photography and art galleries showcase the National Media Museum's photographic collections. The inaugural exhibition *Only in England: Photographs by Tony Ray-Jones and Martin Parr* – 'brilliantly conceived and expertly executed' (Metro) – exceeded visitor targets with 44,000 visitors and attracted a new adult audience with 27% visiting the Museum for the first time. Alongside the exhibition, the Virgin Media Studio showed the *Universal Everything & You* installation – an experimental and innovative digital installation that invited visitor participation through a specially created app.
- *3D: printing the future* opened in October with extensive news coverage. The *Antenna* feature exhibition displayed 600 3D printed objects showing the explosion of creativity from 3D printing, cutting through the hype and highlighting the real innovations. The exhibition includes advanced aeroplane and car parts, medical implants and devices, artwork and even plastic figurines from 3D scans of Science Museum visitors.
- *Collider* opened in November to five star reviews; 'A sublime exhibition' read the front page of the *Independent*. The immersive exhibition blended theatre, video and sound art, and provided a behind-the-scenes look at the famous CERN particle physics laboratory. This exhibition supports the Museum's strategic theme of understanding the universe and is the first in an ambitious new series of annual, large scale, ticketed special exhibitions. By the end of the year 42,000 people had visited, well exceeding visitor targets.
- *Mind Maps: Stories from Psychology* opened in December. 'Superbly curated' said the *Huffington Post*. The exhibition traced significant moments in the history of the nerves and mind, from 1780 to the present. Each is explored through scientific and technical advances and the controversies that they generated, drawing heavily on the Museum's rich medical collections.
- The Museum aims to keep visitors up to date with the latest contemporary science. There were ten new Topic Zone exhibits in the science news gallery, *Antenna*, regular updates in the *Who am I?* gallery and over 200 *Antenna* science news blogs on the website.
- The Museum also marked significant milestones with objects from the collections and beyond, including the computer used by Sir Tim Berners-Lee to write his proposal for the World Wide Web – marking the 25th anniversary of the web.

The exhibition programme is complemented by a festival and events programme:

- New exhibitions *Only in England*, *Universal Everything & You* and *Collider* all had a programme of associated events. The exhibition launch events for *Collider* featured Nobel laureate Peter Higgs, Stephen Hawking, physicist Nima Arkani-Hamed, novelist Ian McEwan, CERN Director-General Rolf Heuer and Chancellor of the Exchequer George Osborne who gave a keynote speech recognising the contribution of British scientists (many of them gathered in the Museum) to worldwide scientific collaboration.
- In *Antenna Live*: there were six 'meet the scientists'-style event series in the contemporary science gallery. There was also a series of 3D printing events in the summer ahead of the *3D: printing the future* exhibition and the theme was continued at February half term. In total 28,000 people attended *Antenna Live* events.
- As part of the Live Science programme five groups of researchers came to the Museum to show visitors the process of science at first hand and to use the data collected from visitors to further their research.
- The Dana Centre's contemporary events programme complemented *3D: printing the future*, *Mind Maps*, *Who am I?* and *Atmosphere* exhibitions and galleries as well as broader contemporary science themes. In total 1800 people took part in these events.
- In June we celebrated the Medical Research Council's centenary with findings from 11 research groups curated into an immersive experience called *The Life Game*. In late autumn the Robot SafariEU festival took place over five days. In partnership with European Union National Institutes for Culture (EUNIC), it brought together 13 biomimetic robots from seven countries across Europe and was attended by over 6500 visitors. Marking International Women's Day the Beyond Earth festival included talks, demos and workshops with women scientists and engineers who develop and use the latest technology to explore the vast expanse of space.
- The Museum's new show, *Science Museum Live: The Energy Show*, ran throughout the summer holidays with total audiences of 13,000. The Museum also hosted a number of other performances, including *Cabinet of Curiosities*, *X&Y*, *Going Dark*, *Centrally Heated Knickers* and *Kraftwerk Uncovered*.
- The Science Museum contemporary art programme, now in its 19th year, explores artists' perspectives on the past, present and future of science and technology. Alongside commissions for new art works as part of major exhibitions, we also commissioned a new work of fiction as the Museum's 2013 *Atmosphere* commission – *Shackleton's Man Goes South* by Tony White.

Learning

As part of our Strategic Ambitions, we are seeking to inspire and inform audiences, and increase science literacy. We aim to be the national and international centre of excellence for informal science learning. This year we welcomed a record-breaking 442,000 visitors in education groups, of which 341,000 were school pupils. In total there were 795,000 instances of people taking part in on-site facilitated learning activities at the Museum. This was achieved with the programme of events and activities throughout the year which included:

- 399,000 visitors watching Explainer-led shows and demonstrations.
- 45,000 visitors participating in family events at weekends and during holidays.
- 39,000 students and teachers watching shows, storytelling and drama sessions designed for school audiences.
- The monthly adult evening Lates programme was attended by 45,000 people. The programme included a recording of Radio 4's *'The Infinite Monkey Cage'* in front of a live audience at the 'science of comedy' themed Lates; engineers flying in from CERN to talk about designing and running the Large Hadron Collider at the 'particle physics' themed Lates; and the February theme of bio-medicine delivered in collaboration with the Francis Crick Institute and attended by nearly 7000 people.
- 6500 Girl Guides attending their annual event, this year held at the Science Museum, which included an exclusive Friday Lates, a Science Night and the launch of a new Science Museum challenge badge.
- Professor Peter Higgs taking part in a Q&A with 400 sixth-form physics students as part of the opening programme for *Collider*.

The Museum also extends its impact through off-site science learning activities, with 124,000 instances of people watching and taking part in shows, workshops, training events etc. This figure includes a number of partnership outreach projects enabling the Museum to engage disadvantaged young people, who would not normally come to the Museum:

- We completed the first year of the Building Bridges Project, which aims to raise science literacy. Delivered in partnership with the BG Group, the project works with students, their teachers and families from schools in disadvantaged London areas.
- We continued to develop our relationship with the Prince's Trust and have so far run workshops with 30 schools across the country, reaching 5000 students, as part of the partnership to engage disadvantaged young people with science, technology, engineering and maths.
- In addition we have developed a number of other partnerships including one with Kids Company.

We have spread our expertise in science research and communication through partnership projects, enabling us to extend our impact in the education, heritage and science sectors:

- Enterprising Science was launched in July. This is a five-year partnership between the Science Museum, King's College London and BP, bringing together expertise, research and experience in informal science learning. The aim of the project is ultimately to improve post-16 participation in science at all levels and our approach is to build science capital through increased science discourse between secondary school teachers, young people, their families and museums and science centres. The project will develop, test and disseminate new tools and techniques to engage more young people in secondary schools with science, and raise awareness of the value of science skills in any career. Over the course of the project we aim to directly interact with 2000 teachers nationwide with the potential to reach 400,000 students. Papers and conferences will be used to disseminate findings.
- The Science Museum has been partnering *SS Great Britain Trust* in Bristol in the Arts Council's strategic Museums and Schools Programme, funded by DfE for three years. The aim of the programme is to increase the number of high quality educational visits by schools to local museums, in ten regional areas where participation in cultural learning activities is low. *Full Steam Ahead*, an educational game developed by *SS Great Britain Trust* with support from the Science Museum's Learning team has won a TIGA Games Industry Award.
- The Climate Science Outreach Project concluded this year. The team worked with 83 schools and four partner museums and science centres, reaching 3200 students and their teachers by the end of the three years. In this final year of the project (2013-14) students focused on devising, planning and delivering fun, engaging activities on the subject of climate change.
- All Our Stories, a project funded by the Arts and Humanities Research Council (AHRC) enabled us to work with researchers from University College London and Leicester University to support communities in exploring the Museum's collections, with an aim of gaining new perspectives on them. This resulted in tours at Lates and a co-created case in the flagship gallery, *Who am I?*

In addition to these partnership projects, the Museum has supported teachers and scientists through a number of events. We hosted Teach First's STEM Education Conference aimed at inspiring high-calibre STEM graduates to go into a teaching career; delivered Teacher Lates, introducing teachers to the Museum and our resources; delivered science engagement training for over 120 scientists including delegates from the Royal Society and the Royal College of Pathologists; and trained early-career climate scientists from Imperial College and University Colleges of Wales to deliver talks about their research to audiences at the Museum.

We strive to be the most accessible and inclusive museum in the UK. The Museum gained Silver in the Visit England Access for All Awards which recognised the work across the Museum in improving access from policy to practice. This included deaf-led tours, awareness training of floor staff, programmes for specific disabilities and all the excellent improvements within the fabric of the building. This year we also started the Early Birds programme to attract a new audience to the Museum – families who have children on the autistic spectrum.

Collections

We continually seek to extend access to the collections. This year, in partnership with Touch Press, we released the *Journeys of Invention* iPad app featuring over 80 extraordinary objects from the Science Museum's extensive collections.

The Museum continued to develop its collections in support of its programmes. Notable additions to the collections included a copper radiofrequency cavity used in the Large Electron Positron accelerator, made by CERN in Geneva, Switzerland, 1988–89; a wooden chest used by Major Scott Thomson, of the Royal Army Medical Corps, believed to have transported the world's penicillin supplies to north Africa during the Second World War; a 2000–09 eRanger ambulance based on a motorbike and sidecar, used to transport expectant mothers to hospitals in Sierra Leone, Liberia, southern Ethiopia, Kenya, Malawi and Uganda; a 1995 Simon mobile communicator by IBM with BellSouth – the first device to bring many of the key components of the smartphone together; and the Bierrum International Ltd contracts archive, c. 1927–80.

The Hemcrete store completed at Wroughton in 2012 won the Best Workplace New Build category of the Greenbuild Awards, the Sustainability category of the Museum + Heritage Awards and an Innovation Award from the Chartered Institute of Building. This building provides highly stable conditions in which to preserve objects, without reliance on energy-intensive air conditioning. The audit of controlled drugs held in the collections, taking place over the last two years, was completed with the return to South Kensington of around 400 items from the Royal Pharmaceutical Society. Conservation work this year included the large Rugby tuning coil which was completely dismantled, conserved and rebuilt in the under-construction *Information Age* gallery whilst access was still available.

Research and publications

The Museum has a renewed focus on research so as to ensure the authenticity, integrity and originality of our work. This continued in 2013–14 with:

- The new Science Museum Group Journal, a peer-reviewed open-access e-journal, launched in March. It will include scholarly articles by both internal and external authors whose work touches on the collections, practice and concerns of SMG and the wider international science museum community.
- Nine doctoral students commenced their research in October as part of the Group's Collaborative Doctoral Partnership; recruitment is already under way for a further seven to start in 2014–15. Their research relates to future programming across the SMG Museums.
- The closure of the Science Museum Library, located on the Imperial College campus, in February has paved the way for a new Science Museum research centre that will open in 2015. The centre will provide a world-class environment for academic research and a greater connection between researchers and the Museum's objects and its Library & Archives collections.
- A variety of research events were run, several of which were AHRC funded, including the third and final PHoSTEM workshop (with speakers from 14 academic institutions), and the research seminar *Whose Medical History is it Anyway?* to support the development of the medical galleries. Curatorial, learning and collections staff also contributed to external conferences and events including convening and contributing to fourteen sessions of the European Collaborative for Science Industry and Technology Exhibitions (ECSITE) Annual Conference in Gothenburg.

Across the year, more than 30 lectures and papers were given by Science Museum staff. Two terms' worth of successful internal research seminars were also delivered, featuring presentations by collaborative students and by staff. There were 27 publications across the Collections and Research departments, including: Robert Bud's 'Life, DNA and the model' in *British Journal for the History of Science*; David Rooney's 'Visualization, decentralisation and metropolitan improvement: "Light-and-Air" and London County Council photographs, 1899–1908' in *Urban History*; and Tilly Blyth's 'Computing for the masses? Constructing a British culture of computing in the home: reflections on the history of computing' in *IFIP Advances in Information and Communication Technology*. Tim Boon, Alison Hess and doctoral student James Fenner also published reflections on collaborative the doctoral programme in a special volume of the *Historical Geography Research Series*.

Sponsors, donors and volunteers

We are enormously grateful to the sponsors, donors and volunteers whose support has made possible a whole range of initiatives across the Museum this year. In these challenging economic times with reductions in our public funding, this support is, and will continue to be, critical. These are just some of the things they have enabled us to accomplish:

Collider

Collider: step inside the world's greatest experiment opened in November and we are very grateful to all of our Collider funders for enabling the Museum to achieve its vision. *Collider's* funders – the Science and Technology Facilities Council (STFC), Winton Capital Management, the Embassy of Switzerland in the UK, Advanced Oncotherapy plc, National Instruments, The Ogden Trust, and exhibition Patrons and benefactors – were able to benefit from association with the first of our culturally sophisticated temporary exhibitions, a successful PR campaign that picked up a large volume of positive coverage, and high-profile networking opportunities afforded by their support of the Museum. Winton Capital said of the partnership: 'Winton was delighted to work alongside the Science Museum and sponsor *Collider*, which has brought one of the most important scientific achievements of the 21st century to life by making it accessible to thousands of people.'

Beyond Earth festival

In March 2014, thanks to support from the Biogen Idec Foundation, the Museum created the three-day Beyond Earth festival to celebrate International Women's Day, celebrating women scientists and engineers who develop and use the latest technology to explore the vast expanse of space. This funding award represents the first time that the Biogen Idec Foundation has contributed funding outside the United States, demonstrating the Museum has an international reputation of trust.

Antenna featuring: 3D: printing the future

The *Antenna* gallery is the home of contemporary science, exploring the latest news in science, technology, medicine, the environment and innovation from every angle. For our supporters, it is the perfect place to position themselves as thought leaders and create a dialogue on a range of topics. This year's feature exhibition – *3D: printing the future* – was funded by Airbus Group, Renishaw plc, the Engineering and Physical Sciences Research Council and the University of Nottingham. These organisations all work in different areas of this industry, but are all focused on pushing the capabilities of the technology and getting people of all ages excited by the future opportunities.

Topic Zones

Topic Zones showcase excellence in current science research and development by exhibiting single objects and allowing visitors to share their views on the issues they raise. One of the objects on display was the bioMASON brick grown from bacteria. This invention was the 2013 winner of the Postcode Lottery Green Challenge Award and the display was funded by the players of the People's Postcode Lottery.

Corporate Membership

In 2014 we relaunched the Corporate Membership programme, enabling new and existing members to build an exclusive relationship with the Science Museum. Corporate Membership is an engaging way for companies to enhance and demonstrate their commitment to science, technology, engineering and maths. In recognition of the generous support they provide, Corporate Members receive a host of valuable benefits for their employees and clients, including enriching experiences in an entertaining and educational environment.

Corporate Membership provides a vital source of income that supports everything we do at the Museum, and we are enormously grateful for the continued involvement of our members. This year we were delighted to welcome Citadel and Real Time Club on board as new members, joining the roster of extraordinarily committed companies that are already enjoying the best the Science Museum has to offer as Corporate Members.

Science Museum Patrons programme

The Science Museum's Patrons programme has grown significantly this year, with many new individual donors choosing to support the Museum by becoming Patrons. Our Patrons are our closest supporters and the unrestricted donations they give annually help in all areas of the Museum's work, from learning programmes through to work conserving and interpreting the collections.

Development events

The Development department held over 45 events in 2013–14, welcoming more than 3000 people into the Museum. These included visits to collections and storage sites; talks and receptions with leading scientists; events to introduce new funders to the Museum and to thank and acknowledge our current funders; receptions to celebrate major gallery and exhibition openings; and finally the most prestigious event of the year, the Director's Annual Dinner. In May, Fields medallist Cédric Villani was guest speaker at the 2013 Annual Dinner, where 400 guests listened to him speak about his work at the Henri Poincaré Institute in Paris.

Visitor giving

Donations from visitors go from strength to strength, with £2.1 million in donations raised this financial year.

Volunteering

This year we celebrated recruiting our 200th volunteer at the Science Museum. Together volunteers donated over 32,000 hours of their time. Delroy Joseph, one of our Ambassadors, was highly commended at the London Volunteers in Museums Awards for 'developing in a role' and several of our other volunteers were nominated. There has been noticeable growth within volunteering at Blythe House, particularly with the photo studio volunteers. The team give over 50 hours a week helping to improve access to the photography and images collection. The recent volunteer satisfaction survey indicated our volunteers are very happy with the way we engage and involve them.

Future plans and challenges

Achieving financial sustainability in a difficult economic climate continues to represent the principal challenge for the Science Museum and the Group as a whole. A savings goal has been identified and approved, with specific targets assigned to each strategic area of activity. Plans to deliver the first 25% of these savings are underway. During 2014-15, detailed plans will be developed and implemented to secure the remaining 75% of the savings required by April 2015. Achieving this target will be hugely challenging and managing any further reduction in Grant in Aid would have a major impact on our capacity to deliver public programmes.

The programme of major exhibitions continues with the opening of *Cosmonauts* in 2014-15. This landmark exhibition will tell for the first time in the UK, the remarkable story of Russian scientific and technological ingenuity that kick-started the Space Age. Our ambitions to tour these major exhibitions both within the Group and internationally will be realised this year, when *Collider* travels to MOSI and a number of international venues.

Significant development and fundraising work has taken place on Masterplan projects, including the *Information Age* gallery and new mathematics and medical galleries. *Information Age* will open in October 2014 with its associated learning programme and digital resources. This £15.6 million gallery will be the world's foremost celebration of information and communication technologies over the last 200 years. The gallery will occupy 2500m² and be the largest exhibition space in the Museum.

The new research centre is planned to open for autumn 2015, and we will continue to extend the number of schools and teachers we work with in order to achieve our target to be visited by two-thirds of schools in London by 2018.

Museum of Science & Industry

Objectives

The Museum of Science & Industry (MOSI) tells the story of where science met industry and the modern world began whilst telegraphing Manchester as a 21st century city of science. The Museum sits on one of the nation's most historic industrial heritage sites. Covering 7.5 acres and including five listed buildings, this small corner of Manchester is one of the key places in the UK, and therefore in the world, where the Industrial Revolution began. On MOSI's site are some of the city's finest 19th century warehouses – including the first railway warehouse – and it is home to the world's oldest surviving passenger railway station. This means we can explore the beginning of the modern world in the place where it happened, adding emotional depth and impact to the visitor experience. Our ambition is for MOSI to realise its potential as an internationally significant museum with a strong Manchester personality.

Vision: To be internationally recognised for our creative exploration of how science, innovation and industry created and sustain modern society.

Mission: To explore where science met industry and the modern world began, and to understand the impact that Manchester science, technology, and innovation continue to have on all our lives.

This year our objectives were to:

- Agree the ten-year Masterplan for the development of the site aligned to the central narrative
- Develop an unrivalled and inspiring science and industry collection that supports the MOSI narrative and SMG collections research ambitions
- Deliver a vibrant cultural programme that connects with visitors
- Ensure day-to-day business functions support the cultural programme and meet visitor needs
- Be extrovert and build stronger external relations with stakeholders and collaborators
- Fully integrate MOSI with SMG

Audiences

In 2013-14, 66% of those visiting the Museum came as a family group, with a significant proportion visiting regularly – reporting they came to see interesting objects, because it is fun and free, and presents an opportunity for the whole family to spend time together. Adults visiting independently made up 26% of the overall visitor numbers and the remaining 8% of visitors came in educational groups. Among general admissions visitors, 74% come from Greater Manchester and the Northwest region, with a further 16% from elsewhere in the UK and 10% from overseas.

Achievements

A major success this year was the Wellcome Collection exhibition, *Brains – The Mind as Matter*, visited by 100,000 people. This is more than double the original target, and a clear indication that Manchester has an appetite for high-quality, challenging and beautiful science exhibitions aimed at independent adult audiences. Through the exhibition MOSI succeeded in its objective of drawing new adult audiences to the Museum. In this 30th birthday year on its current site, there were 669,000 visits to the Museum.

MOSI's importance in the contemporary science debate was recognised with a number of high profile visits. The Government Chief Scientific Adviser, Sir Mark Walport, spoke at the Museum in January 2014, in the first of a series of public lectures across the country, stressing the need for action on climate change. Minister for Energy, Michael Fallon MP, visited in June for a roundtable discussion on the future energy strategy for the region with energy providers and thought leaders. At the end of the year, Chancellor George Osborne visited the Museum and announced financial support to enable the Museum to take the first steps towards creating a brand-new bespoke temporary exhibition facility, meeting the increasing public demand for science in the Northwest.

Since joining the Group MOSI has sought to realise its potential as an internationally significant museum with a strong Manchester personality. However, this ambition has had to be managed against the backdrop of ongoing reductions in the Group's Grant in Aid. A major focus this year has therefore been to identify areas where costs can be reduced, particularly through integration with Group-wide functions and sharing of expertise. One significant example of this is the decision to rationalise collections storage and to relocate collection items not on public display to the Group's shared storage facility in Wroughton, Swindon. This will realise savings by exiting from commercial leasehold property.

Exhibitions, galleries and events

New exhibitions and displays this year included:

- *Creating the Illusion: Animation in the North West* opened in June and explored the development of animation in the Northwest.
- *Brains – The Mind as Matter* opened in July and was the first of a new strand of programming aimed at attracting a culturally engaged, independent adult audience. This Wellcome Collection exhibition explores what humans have done to brains in the name of medical intervention, scientific enquiry, cultural meaning and technological change. It is the first major collaboration between MOSI and the Wellcome Collection, and attracted 100,000 visitors, double the anticipated numbers. This was accompanied by an adult events programme as part of the Manchester Science Festival.
- *Ice Lab: New Architecture and Science in Antarctica* opened in October as part of the Manchester Science Festival. Organised by the British Council and curated by The Arts Catalyst, it presents some of the most innovative and progressive examples of contemporary architecture in Antarctica. The exhibition attracted almost 50,000 visitors and the run was extended owing to popular demand.
- *Everyday Relics* opened in November. The first of a series of Artists-in-Residence, Lucy and Barney Heywood (Stand and Stare Collective) chose 'everyday' objects from the Handling Collection and brought their stories to life through oral history archives and moving images, accessed through their *Theatre Jukebox*.
- *Wellcome Images Awards* opened in March and shows the winning entries of the Wellcome Image Awards 2014. The awards were established in 1997 to raise the profile of contemporary biomedical image collections and to recognise and celebrate the work of research scientists, photographers and illustrators working in the field.
- A number of small-scale capital projects were undertaken to improve the visitor welcome. The front gates were redesigned, providing a new 'picture window', opening up the site to view from the street. A new front desk and improvements to the entrance area, along with refurbishments to the café and shop were implemented. A light-touch approach to refreshing the *Revolution Manchester* gallery and the Historic Station Building improved two of the most visited parts in the Museum.

The contemporary science, festivals and public events programme included:

- A new model for holiday programming that connects families with an overarching theme and visitors with learning programmes across the whole site. Themes included All Aboard, Made in Manchester and the return of Steam, Sweat and Sewers, for the February half-term festival. This half term 53,600 people visited and there were 39,000 instances of participation in learning activities, double the figure for last year's programme.
- In August the Museum held its second Mini Maker Faire as part of a summer programme of events called Made in Manchester. Hobbyists, inventors, hackers, crafters and more showed off their creations. Art collective Mid Conversation also created an interactive installation, inspired by the 19th century Jacquard loom's links with modern technology, to launch the event.
- Manchester Science Festival (MSF) is MOSI's signature contemporary science event in the year. Produced by MOSI, MSF brings stakeholders together from across the city and beyond, and leads the creative exploration of science in Manchester. The festival has seen significant growth each year, from an audience of 50,000 in its inaugural year to nearly 90,000 people this year – an increase of 7% on the year before. This year the Museum was the hub for over 150 events created by 48 organisations. Events took place over 11 days, inspired by science, technology, engineering and maths in venues throughout Greater Manchester. The 2012 MSF won Large Tourism Event of the Year at the 2013 Manchester Tourism Awards.
- MOSI's second citizen science project, #Hookedonmusic launched at the 2013 Manchester Science Festival. Created with computational musicologist John Ashley Burgoyne and his team at the University of Amsterdam and Utrecht University, this mass experiment will see thousands of people join in a game to help scientists understand our musical memory. The researchers hope that findings from #Hookedonmusic could aid future research into Alzheimer's disease, as the experiment could help scientists devise ways to trigger memories and provide therapeutic benefits.
- The monthly Saturday Science event has successfully brought local researchers into the Museum to engage a family audience with cutting-edge research. Topics have included robots, star gazing, comet hunting, coding and more.

Learning

This year MOSI welcomed 54,000 visitors to the Museum in education groups to explore the site, story and collections. Of these visitors 37,000 were from schools. In total there were 248,000 instances of visitors engaging with learning activities at the Museum, including live engine demonstrations, working mill machinery, family learning programmes and contemporary science events. Learning activity this year included:

- A new Explainer team were recruited to deliver an innovative learning programme to all audiences.
- Phase 1 of the new schools programme launched in January. This programme is for primary schools and features brand-new science shows such as Forces and Flight, Pablo Fanque's Circus of Dreams and Inventors Wanted, all performed in a new show space – Warehouse for the World, which provides a stimulating new environment for learning.

- MOSI is working in partnership with Imperial War Museum North and Manchester Museum to deliver If: Volunteering for Wellbeing; a unique volunteer training and placement programme that socially isolated residents from across Greater Manchester. During this three-year project 225 people will participate in the programme, gaining accredited qualifications and actively volunteering in cultural venues across the city.
- MOSI manages the Greater Manchester STEMNET contract, which features a Schools STEM Advisory Network and STEM Ambassadors Programme for Greater Manchester. The Museum now coordinates over 1200 STEM Ambassador volunteers from across the region and events this year have included the Museum's first Raspberry Jam and iTech – an event for National Science and Engineering week that brought Key Stage 3 students and Ambassadors together to explore cutting-edge digital technologies. The team have coordinated a series of 'STEMNetworking Live' events, providing an open arena for education and industry, academia to share ideas and offer mutual support.
- New resources for students studying ESOL (English for speakers of other languages) launched this year. They are available online with the aim of opening up the collections and Museum to more groups.

Collections, research and publications

Integration with SMG has been a priority during the year. Records for the object and archive collections became part of the joint databases for the Group in March 2014, enabling internal users to search across all four Museums' collections for the first time. Significant progress has been made on standardising procedures and processes and improved management of hazards. A project has commenced to take advantage of shared storage facilities as part of the Group. Items currently in rented storage in Greater Manchester are being redistributed, with larger objects relocated to SMG's facility in Wroughton and smaller pieces to MOSI's on-site stores.

The Museum has continued to add to its collections, in particular focusing on cycling, the subject of a forthcoming exhibition. Highlights included a c.1960s bicycle, hand built by James Harrison in Moss Side, Manchester, for a local racing cyclist and a c.1996 bicycle used as a child's hire bicycle at the National Cycling Centre (Manchester Velodrome). In other areas of collecting highlights include late 20th century patterned textile samples, rollers and printing blocks illustrating Manchester's once-thriving textiles exports to west Africa; a 2009 Hexrotor surveillance drone, developed by the University of Manchester, representing innovations in aerospace, military and law enforcement technologies; props and costumes used in the Channel 4 TV series *Shameless*, filmed in Manchester and exported globally, representing both the creative industries and popular perceptions of post industrial society; and the archive of photographer Trevor Wainwright, commercial photographer, 1954–76 showing how business marketing and advertising changed during the period.

After 19 years at MOSI, the Mark XIV Spitfire aircraft, which was used for aerial reconnaissance, has been returned to the RAF Museum, Hendon for an exhibition on aerial photography – Britain from Above. Since 1995 the plane has been prominently displayed in the Museum's Air & Space Hall. The departure of the Spitfire presents an opportunity to rearrange other exhibits towards the objective of providing a coherent narrative in the gallery.

A new focus on research began this year with the commencement of a Collaborative Doctoral Award as part of SMG's AHRC-funded Collaborative Doctoral Awards programme. This first studentship, in partnership with the Centre for the History of Science, Technology and Medicine at the University of Manchester, is investigating the changing uses and perception of Liverpool Road station from 1820 to 1980 and particularly its underappreciated function as a goods station. Funding has been secured for a second PhD based on the electricity collections in the archive. Other research activity has included conference papers and a contribution to the first issue of the SMG e-journal.

Sponsors, donors and volunteers

We are very grateful to the sponsors, funders, donors and volunteers whose support has made possible a wide range of projects and initiatives across the Museum this year. In these challenging economic times with reductions in our public funding, this support is, and will continue to be, critical. Below are just some of the things they have enabled us to accomplish.

Manchester Science Festival 2013

Manchester Science Festival is the Museum's flagship cultural event. Fundraising for the 2013 edition of the festival was more successful than at any point in its six-year history, securing nearly £250,000 from a range of supporters. This was partly a result of the appointment of a headline sponsor for the first time. Founding festival sponsor Siemens took on this title as part of a two-year sponsorship deal which also included the creation of a bespoke new pop-up science learning space entitled Pi: Platform for Investigation. Electricity North West joined Waters Corporation and the University of Salford as Major Sponsors. Other new festival supporters included Manchester City Council, Alstom and Wellcome Trust, whose generous People Award enabled the delivery of a programme of adult events inspired by the Wellcome Collection exhibition *Brains: The Mind as Matter*. Other funders included The Granada Foundation, Ernest Cook Trust and the Zochonis Charitable Trust.

Volunteers

This year MOSI had 136 registered volunteers. Their huge contribution covers a range of key activities such as assisting with railway operations, printing, cataloguing, customer service, stewarding public programme events and conservation. MOSI is undergoing a review of how its volunteers are recruited and managed, to ensure that the Museum is at the forefront of volunteer practice within the cultural sector.

Future plans and challenges

Along with the rest of the Group, MOSI will be delivering a programme of savings and activity to generate income in the coming years in order to contribute to the financial sustainability of the Group. In particular MOSI will progress the decant of collection items in storage to the Group's shared storage facility at Wroughton, Swindon.

In the coming year, the Museum will commence its Masterplan. There are six Masterplan priorities under Phase 1. These include creation of a new temporary exhibition gallery, redevelopment of the public realm and re-interpretation and development of the Historic Station building. This will be followed by projects to deliver major new galleries on Modern Manchester and contemporary science, as well as world-class interactive galleries.

Network Rail's preferred alignment of the Ordsall Chord – a key part of its Northern Hub project to improve the rail infrastructure in the region – will have an impact on the Museum's historic site. Negotiations with Network Rail to safeguard the heritage of the site have taken place during the year and on 8 May 2014 the Museum reached a legally binding agreement with Network Rail that mitigates for harm done to the Museum by the Ordsall Chord. On reaching this agreement, the Museum dropped its objection to the Ordsall Chord, which is pending under the Transport and Works Act. If the order to build the chord is made by the Secretary of State for Transport, MOSI will receive the agreed settlement. If the order is not made, no settlement is due to the Museum. The Secretary of State for Transport is expected to make his decision in late autumn. The Museum has commissioned architects to help plan for how its site might operate if it is cut off from the main line.

In partnership with the Science Museum, the *Collider* and *3D: printing the future* exhibitions will come to MOSI. This is part of a broader strategy to share public programming across SMG and specifically to increase contemporary science programming at MOSI.

National Railway Museum

Objectives

The National Railway Museum comprises a main museum in York and a second museum, Locomotion, in Shildon, County Durham. During the course of the year a strategic review was carried out and a new vision agreed which focuses on the narrative that can be told through the Museum's exhibitions, displays and programming.

Vision: The NRM is the prime showcase in the world for the huge impact railways and their technology have had in the past and will have in the future on the people, the economy, the society and the environment of Britain and the wider world.

This is supported by the following objectives:

- Maintain our collection and increase research and scholarship based on our collection
- Produce an engaging and informative public programme, according to our five-year plan, which engages new audience segments with our overall narrative of the railways
- Progress our Masterplan
- Create an efficient and effective organisation and focus on opportunities to raise additional income

Paul Kirkman was confirmed as Director of the Museum on 12 July 2013, following a one-year secondment from DCMS.

Audiences

The Museum in York continues to appeal successfully to family groups, which made up 50% of visitors. Adults visiting independently accounted for 46% of visitors, whilst some 4% came in education groups. The Museum is a particular attraction for railway enthusiasts and their families, who this year made up 30% of general admissions visitors, particularly drawn by the Mallard 75 celebrations. However, the majority of visitors are not specifically railway enthusiasts. Most adults visiting independently are attracted by the history presented and the significance of the Museum as a destination within York. Families are drawn, amongst other things, by the opportunity for children to learn. The Museum remains a key part of York tourism, with 51% of general admissions visitors coming from outside the Yorkshire and Humber region (including 8% who are from overseas).

Achievements

This year was a record-breaking year for visit numbers. There were 926,000 visits to the Museum in York – the highest since current records began – and 296,000 to Locomotion smashing all previous records with 86,000 more than the next busiest year. During the Great Gathering in York 244,000 visited over 32 days and 120,000 came to the Great Goodbye at Locomotion over nine days as part of the Mallard 75 celebrations. The NRM was named winner of the John Coiley Award, as part of the Heritage Railway Association's Annual Awards 2013, to acknowledge and celebrate the international cooperation and achievement of the transatlantic partners in the movement of Dominion of Canada and Dwight D Eisenhower to take part in Mallard 75. Also received this year was the Good Place to Come award by the Children's Society following an audit from local young people with disabilities.

The Museum's capacity to continue to deliver such successful events and achieve such great visitor numbers is dependent on effective financial management, given the ongoing reductions in public funding. The Museum has a specific savings target to achieve by April 2015 and during 2013-14 has implemented a significant restructuring of the senior management team as the first stage in achieving this.

Exhibitions, galleries and events

This year exhibitions included:

- *It's Quicker By Rail: Speed and Railway Advertising* opened in July as part of the Museum's Mallard 75 celebrations. The exhibition used posters, models of high-speed locomotives from throughout railway history and speed recorders from the collection to tell the story of the railways' relationship to speed.
- *Landscape Photographer of the Year: Lines in the Landscape* opened in November. Produced in partnership with the Landscape Photographer of the Year Award and Network Rail, the exhibition explores the UK's railway landscapes through the eyes of those who were behind the camera.
- *Movable Feast*, a small exhibition on railway catering, opened in May in the Museum's research facility, Search Engine.
- For the fourth time, Locomotion hosted *Rail Art 2013*, the annual exhibition of the Guild of Railway Artists.

During 2013 and 2014 we marked the 75th anniversary of Mallard's world steam speed record with the Mallard 75 series of commemorative events. This included spectacular opportunities to see the world's fastest locomotive united with its five surviving sister A4 locomotives, including two temporarily repatriated from Canada and the USA. At NRM, all six first came together for the Great Gathering from 3 to 17 July. The Great Gathering was attended by HRH, The Prince of Wales as Patron of the Mallard 75 celebrations and there was a sell-out gala dinner, special early viewing photo opportunities, and cab access for 44,000 people made possible by 70 volunteers. It was the busiest fortnight in the Museum's history. As a countdown to the celebrations the Mallard 75 logo was projected onto York's Clifford Tower in April.

Taking place between 26 October and 3 November, the second gathering of all six A4s opened with 75 ex-footplate crew from the 1960s and 1980s – when *Mallard* was last in steam. It also included four evening openings for *Locos* in a Different Light, part of Illuminating York. Teams of students experimented with lighting effects to bring the iconic Gresley designed locomotives to life. Overall the autumn gathering attracted 106,000 visitors.

The final gathering of all six A4s took place at Locomotion. An incredible 120,000 visitors attended the Great Goodbye over nine days in February. The event was the biggest event in Shildon in almost 40 years. The conclusion to the Mallard 75 celebrations was a gala dinner with a performance of *Steamsong*, a new multimedia opera by John Kefala-Kerr.

Alongside the regular programme of themed holiday and weekend events, other significant events at Locomotion included:

- The Annual Steam Gala at Shildon took place over two days in September, with 9000 visitors attending. The star attraction was the newly restored locomotive LMS Jubilee Class 5699 *Galatea*, along with other locomotives from the West Coast Main Line.
- Steam Speed and Streaks took place from 29 March to 14 April and included the A4 Dominion of Canada on display alongside Duchess of Hamilton.
- The Museum celebrated the Northeast's vital role in the development of the modern railway with a week-long event in June as part of the Festival of the North East.

In York a programme of holiday events and activities for families took place, including themes of the role of animals on the railways and speed. February half-term saw 35,000 visitors take part in Train for the Tracks. Families were given the chance to experience s typical railway jobs such as being an engineer and building track, signalling and being a station announcer. We also worked in partnership with the British Transport Police and Network Rail, who had their staff and vehicles on site.

Learning

Learning has continued to focus on developing activities to help explain the science and engineering behind some of the collection. A total of 39,000 people visited in education groups and the on-site Explainer team facilitated 238,000 instances of visitors engaging with the collection through talks, tours and collections access activities. Research on our visitors shows that more children are now motivated to come to the Museum for the learning opportunities on offer.

At Locomotion a new events programme was launched in January, offering opportunities and events based on the STEM agenda. During the course of the year 28,000 visitors came in education groups and there were 63,000 instances of visitors engaging with onsite activities and events.

Accessibility is an important priority for the Museum. This year NRM teamed up with the charity MIND to provide tours and workshops in Station Hall for members. We also welcomed a young boy and his family over the June half-term who requested a visit to the NRM via the Make a Wish Foundation which grants wishes for children with long-term illness. The Learning team was awarded the Good Place to Come award by the Children's Society following an audit from local young people with disabilities and the Museum was cited as an excellent example of a safe place to visit for young people with disabilities.

NRM once again hosted National Science and Engineering Week activities in March. A Key Stage 3 technology tournament was followed by three Discovery Days aimed at Key Stage 2. STEM-themed interactive demonstrations were delivered with support from over 20 providers from across Yorkshire. In total 1700 school children took part in activities delivered over the four days. The NRM also held a weekend of family activities exploring science and engineering, attended by 6300 people. Savage Skills demonstrated forces in action with breath taking mountain bike stunts, whilst Platform 4 Theatre, our own science shows and hands on activities explored the forces and physics behind these tricks.

Collections

One of the NRM's most significant archives, the records of Robert Stephenson & Co. was recognised by UNESCO as being of major national importance. Other archival work included volunteers from the Bluebell Railway completing a catalogue of the recently acquired Reg Curl collection of engineering drawings of locomotives.

Work to clear the Foundry Lane store was completed this year. Over the course of the project 7000 objects were moved to the SMG store at Wroughton, with every object catalogued and photographed before dispatch. Virtual access to material previously inaccessible to the public has now been made possible including the Permanent Way and Uniform collections. The Museum put on display 300 previously unseen objects and the ongoing rationalisation programme identified 295 objects that have been withdrawn from the National Collection.

Acquisition highlights included London & South Western Railway dining car no.72, built in 1907, used as an ambulance carriage and acquired to house the NRM's First World War exhibition; 22 contemporary railway posters in French and Flemish, advertising Eurostar in Belgium, each with a humorous take on Britain and the British way of life; a Midland Railway poster advertising Blackpool, about 1895, now one of the NRM's earliest pictorial posters; publicity material from the pressure group, Bring Back British Rail, 2013, campaigning for the re-nationalisation of Britain's railways; and Hackworth family papers, including letters from Robert Stephenson and Joseph Pease and a drawing of a St Petersburg Railway engine built in New Shildon in 1836.

Conservation and restoration work this year included restoration of the external fabric of Borough Market Junction signal box, once known as Britain's busiest signal box, to display condition. Staff and volunteers at Locomotion started cosmetic restoration of the Great Western Railway Siphon G milk van. The restoration of the tender for the Great Northern Railway 'Stirling Single' locomotive, and of Taff Vale Railway locomotive no. 28, were both close to completion. A contract with Riley & Son (E), Bury, to complete the restoration to mainline operation of Flying Scotsman, was signed in October and work started immediately. A4s Dominion of Canada and Dwight D Eisenhower received cosmetic restoration in time for the Mallard 75 programme of events, the former made possible by the support of 24 volunteers.

Research activity included the delivery of a joint conference with the National Archives in September, Railways Change Lives, and the Museum took part in the national Explore Your Archives campaign with a seminar on the history of ambulance trains, selected as a flagship event by the National Archives. NRM supports research students and this year, as part of the SMG Collaborative Doctoral Awards programme, a doctoral student started research into food miles and the transition from rail to road-based food distribution in the UK. The second University of York art history MA student also started a project with the Museum as a volunteer. MA students from the Leicester University museum studies course worked with Museum curatorial staff to research collection items that help tell the story of the impact of railways on Leicester and Leicestershire. Findings will be used to inform the interpretation plan for the proposed Grand Central Railway Museum at Leicester North.

Sponsors, donors and corporate patrons

We are very grateful to the sponsors, funders, donors, Corporate Partners, volunteers and Patrons for their support this year. In these challenging economic times with reductions in our public funding, this support is, and will continue to be, critical. Below are just some of the things they have enabled us to accomplish.

Mallard 75

Just under £500,000 was raised to enable the Museum to bring *Mallard's* surviving A4 locomotive sisters together. The gathering of the A4s attracted support from a diverse range of donors. We were delighted that HRH The Prince of Wales, Patron of *Mallard 75*, visited the Museum on 22 July and was able to meet some of our donors who included:

- Explorail, the Canadian Railway Museum in Quebec, Canada and the National Railroad Museum in Green Bay, Wisconsin, USA for loaning us *Dominion of Canada* and *Dwight D Eisenhower*
- ACL, Peel Ports, Ceres, Moveright International and TTX for their in-kind support of the transport of the engines and also the Canadian National Railway
- T&R Williamsons, Life Environmental and the Gresley Society for their support of the restoration of the A4s
- James Cameron, Jeremy Hosking and Prem Lachman
- The Great Gathering and Goodbye sponsor Hornby plc
- Eversholt Rail
- The 239 supporters who made a gift to help us with our *Mallard* celebrations

Corporate Partners and Patrons

There has been increased interest in our Corporate Partners and Patrons' programmes, aided by the substantial media coverage generated throughout the year. The Patrons' programme doubled in membership, increasing income by 75% over the year.

Volunteers

It was an exceptional year for volunteering at the Museum. Over the summer, 100 of our 360 strong team provided 5000 hours of support at the Mallard 75 event in York. The launch of the Allan Jackson Project, a home based role where volunteers transcribe information from digitised index cards, means that our volunteering brand now extends further than ever, with volunteers from as far a field as Australia taking part. In addition to this we have played an increasingly influential role in the development of volunteering across York, with our Volunteer Officer now sitting as a trustee for the local volunteer centre. We continue to build strong partnerships with the local and national communities, with major volunteer projects taking place with York University, the Signalling Record Society and York's Volunteering Partnership. One of our volunteers, Rob Tibbits, accepted a British Empire Medal for voluntary service to the Museum, which he received in the New Year Honours list. In total, volunteers provided 36,500 hours during the year. At Locomotion over 80 volunteers gave 9500 hours of their time during the year. They worked in a range of roles across the Museum including in the workshop, on the railway operation, cleaning vehicles in the collection each week, opening up vehicle cabs for visitors to access and helping with guided tours.

Future plans and challenges

Alongside the rest of the Group, financial sustainability remains a key challenge. We will therefore continue to deliver a programme of savings and income activity in the coming years, building on the restructure that took place during the year.

Following the development of a new vision and associated objectives, we are focusing on interpretation of our collections to tell the stories of the railways and their impact, and the passenger and worker experience. In support of this we will be developing a research strategy driven by our collections which will underpin our public programme. Our learning offer will also be revised to align better with the overall public programme and the new National Curriculum, including STEM content relating to practical technological problem-solving. Next year we will begin the first stage in our Masterplan with commercial developments in the South Yard. The miniature railway will be extended, providing an enhanced visitor offer, and we hope to bring the Yorkshire Wheel back to the Museum. Feasibility and costing work will be carried out for future stages of the Masterplan.

National Media Museum

Objectives

This year the Museum carried out a re-visioning process to ensure its long-term sustainability. The revised mission is to explore the science, technology and art of the still and moving image, and its impact on our lives. Our vision is to be a dynamic and inclusive museum, internationally recognised for its world-class collections and for using them in engaging, meaningful and inspiring ways.

To achieve this, our objectives are:

- To develop and implement our plans for future financial sustainability
- To care for, develop and share our collections and set new standards
- That every visitor will have a consistent cultural experience, and engage with a physical or virtual environment of the highest quality
- To change perceptions and practice through participation, community engagement and partnerships, to enrich our work and our visitor offer
- That learning will be part of everything that we do, with a focus on science and technology, drawing inspiration from our collections
- That targeted, effective external communications will raise our profile and reputation in all media
- To develop our staff to ensure they deliver to their full potential and in turn provide the best experience for our visitors, stakeholders and partners

Audience

The Museum has two broad audiences: those who visit primarily for the galleries and exhibitions and those who visit mainly for the full-length film programme. This year 82% of all our visitors came for the former, whilst 18% came for the latter. Family groups visiting the galleries accounted for 52%, while 24% were independent adults visiting the galleries and 5% were in educational groups visiting the galleries. Independent adults visiting the galleries reported that they came to see interesting objects and learn, as well as being attracted by a fun and free day out. The Museum as a whole is an important attraction and resource for communities in Yorkshire and the Humber, with 81% of general admissions visitors coming from the region.

Achievements

After a challenging year the Museum recorded visitor figures of 479,000, 3% down on last year's total. The cause of this decrease is almost entirely down to the lack of suitable full length IMAX titles in the original film format. Year on year this audience has fallen by 44% and visits to our Pictureville and Cubby Broccoli cinemas were also down by 8% on the previous year. Meanwhile general visitors, who attended the Museum rather than its cinema offer, increased, with 365,000 enjoying the galleries and exhibitions, 26,000 more than last year.

The threat of closure was raised during 2013-14 and the resultant Select Committee inquiry demonstrated the huge public support for the Museum, and recognised its economic and social impact in Bradford. Work is currently underway to develop plans that will enable the Science Museum Group to maintain a presence in Bradford whilst significantly reducing the operating costs to put the Museum on a more sustainable footing for the future.

Exhibitions, galleries and events

This year's programme of exhibitions and gallery developments included:

- Mediatheque opened in July. Yorkshire's first BFI Mediatheque brings together the highlights of the BFI National Collection of Film and TV with a selection from the Yorkshire Film Archive and some favourites from the Museum's TV Heaven collection. Visitors can view over 2500 titles from film and television, from the late 19th century to the present day.
- *The 30th Birthday Collection Favourites* exhibition opened in June with favourites from the Museum's collection, selected by the public, schools and community groups. Objects chosen included the Gerry Anderson puppets Scott Tracy from Thunderbirds and Captain Scarlet, and a set from Aardman Animation's Wallace and Gromit film *The Wrong Trousers*.
- *Moving Stories: Children's Books from Page to Screen* was opened in July by Gruffalo illustrator Axel Scheffler. The Museum's major summer family exhibition, developed in partnership with Seven Stories, the National Centre for Children's Books, explored the art of adapting children's books into film and television. Featuring classics such as *The Borrowers* and *Snow White* as well as more modern favourites such as *Howl's Moving Castle* and *The Gruffalo*, the exhibition showed original artwork and manuscripts from the books as well as props and costumes from the screen adaptations they inspired. It was accompanied over the school holidays with a programme of activities, events and film screenings.

- *The Doctor Who and Me* exhibition opened in November. Marking 50 years since the first broadcast the exhibition explored the nature of 'Whovians' and their relationship with the programme, and displayed the amazing collections of a number of super-fans.
- *Copper Horses*, by Chris Harrison, also opened in November, exploring the photographer's complex relationship with his factory-working father. Harrison is the current NMeM Bradford Fellow in Photography, and the exhibition showed new work developed and produced during his fellowship.
- *Only in England: Photographs by Tony Ray-Jones and Martin Parr* opened at the Museum in March, following its launch as an inaugural exhibition in the new Media Space at the Science Museum. Media Space showcases the National Media Museum's collections and exhibitions on a London stage before transferring them to Bradford. *Only in England* presented a selection, chosen by Martin Parr, from the Museum's extensive archive of work by Tony Ray-Jones and also developed the Museum's collection through the acquisition of work from Martin Parr's *The Non-Conformists* series.
- At the end of January the Museum hosted the national launch of *Open for Business*, a project to examine the largely untold story of British manufacturing and industry. The Museum worked with Multistory and the Magnum agency to commission nine world-renowned Magnum photographers to document and record manufacturing industries in nine British cities including Bradford. The exhibition will tour to eight other venues, including the NRM, Science Museum and MOSI.
- The digital artwork *Forms*, by Memo Akten and Quayola – commissioned for the NMeM exhibition *In the Blink of an Eye* in summer 2012 – has been awarded the highest prize in the Computer/Film/Animation/VFX category at the international festival of digital art, *Ars Electronica*. This installation shows abstracted forms of the human body in movement, based on footage of athletes in different events, and was commissioned as part of the Cultural Olympiad in Yorkshire.

Highlights from this year's film programme included:

- The 19th Bradford International Film Festival (BIFF) in April 2013 launched to a capacity crowd of VIPs and film-lovers with a preview of the new Michael Winterbottom film *The Look of Love*, a major UK production starring Steve Coogan. The recipient of the Lifetime Achievement Award was Sir Tom Courtenay, who shared memories of his career in front of a packed auditorium. Two screenings of *A Bradford Film-Maker – C H Wood*, using material from the Yorkshire Film Archive, played to full houses of local audiences.
- As part of the Festival, the Museum runs the Annual Widescreen Weekend, celebrating the rare widescreen formats shown in the Museum's Pictureville Cinema, one of only three venues in the world that still has the equipment to show these formats. Attracting devotees from all over the globe, the 2013 festival included two classic musicals, *The Sound of Music* (1965) and *Hello Dolly* (1969), both in 70mm, as well as the European premiere of the digitally remastered *Cinerama Holiday* (1955).
- The 20th Bradford International Film Festival in March 2014 included retrospectives of the work of British director Sally Potter (*Ginger & Rosa*, *Orlando*) and Japanese director Yoshitaro Nomura (*Zero Focus*, *The Castle of Sand*) and a performance by the electronic music group *Metamono* accompanied by screenings of the scientific films of Charles Urban (whose archive is held by NMeM). The recipient of the Lifetime Achievement Award was Emmy-winning actor Brian Cox. The Annual Widescreen Weekend included Professor Sir Christopher Frayling presenting an illustrated talk on the widescreen aesthetics of Sergio Leone.
- The Co-operative Film Festival took place in July. The Co-op has been holding a film festival for young film-makers at the Museum for the last 20 years. The festival is a non-competitive and not-for-profit youth initiative aimed at encouraging young people to co-operate, develop creativity and express themselves, potentially stimulating a career in the film and media industry from an early age.
- The 20th Bradford Animation Festival (BAF) took place in November. Its programme included masterclasses and screentalks from Adam Elliot, Lee Hardcastle, Dave McKean, Michaela Pavlátová and Double Negative, and screening of the 108 films competing for one of the coveted Osgood Awards. The 2013 BAF Game was the ninth year for the event and the line-up included games animators, producers and games creators who discussed the art and craft of some of the industry's biggest titles including *Dishonored* and *Tomb Raider*.

A revitalised café reopened in May with extended hours to tie in with the film screening schedule across the Museum's three cinemas.

Alongside the exhibitions and film programme ran a programme of events including:

- As part of the city-wide celebration of 100 years of Indian cinema and accompanying the Museum's exhibition, *Bollywood Icons: 100 Years of Indian Cinema*, which opened in March 2013, outreach activities included looking at the impact of Bollywood on newly arrived South Asian communities in Bradford during the 1950s and 1960s; production of a documentary film exploring and celebrating how generations of Bradford people have viewed and enjoyed Bollywood film; a civic reception and on-stage interview with Bollywood star Jackie Shroff, delivered in partnership with *Asian Express* newspaper and BBC Asian Network; May half-term family activities; and the season ended with a production of Bizet's *Carmen*, in Bollywood style, in Bradford's City Park in front of 3000 spectators and shown live on BBC Three.
- The Museum celebrated its 30th birthday in June with a weekend of activities attended by almost 6000 people, including many new visitors. Events included a performance by the Punk Science team in front of thousands of spectators gathered in Bradford's City Park for the annual Bradford Festival.
- In November the Museum was the Yorkshire host for the BBC's *Children in Need* broadcast with over 2000 visits to the Museum over the course of the event.

Learning

This year the Learning team continued its focus on engaging visitors with the science and technology of the collections, including new workshops developed and delivered during the Bradford Science Festival. The Museum has sought to promote its learning offer to schools, working closely with teachers from across the region. In total there were 26,000 visits in booked education groups and 101,000 instances of people taking part in learning activities offered by the Museum. With changes to the National Curriculum later in 2014, the Museum has been developing new learning programmes that will include a strong STEM focus.

The work of the Museum's Learning team was recognised with a 2013 Community Award for Commitment to Family Learning, from Bradford Council Family Learning Service. This recognised the Museum's support of the national agenda, links to the community and the council's family learning service. Learning activities this year included:

- Two new interactive science shows were launched – *Lights! Camera! Action!* looking at the science of light and photography, and *Reel to Real*, a new interactive show aimed at families and educational visitors telling the story of the National Media Museum, film, photography and television and highlighting the collections and galleries. The seasonal science show *Science of Winter* ran for five days to sell out education and family groups.
- The Museum has continued its focus on developing strong STEM activities for the family programme during holiday periods. This has been successful with, for example, an increase of 7000 instances of people taking part in activities at the museum during the Bollywood-themed May half-term compared to 2012. Family holiday activities included learning about motors and circuits whilst building electronic toys as part of the *Doctor Who* half-term programme; exploring the science and technology behind the *Skylander* game as part of the *Skylander*-themed half term; and over 330 Explainer-led workshops, stories and 'making' activities as part of the children's-book-themed summer programme.
- Students from five local secondary schools took part in the Museum's Schools Photography Competition to capture what they thought the future of Bradford looked like in one photo.

Collections, research and publications

In recognition of the importance of making more of the National Media Collection available online, the Museum embarked on a major digitisation project this year, covering the digitisation of discrete groups of work from the Daily Herald Archive, Royal Photographic Society and other parts of the National Photography Collection. Approximately 25,000 digital images were prepared and selected groups will be posted online from next year.

Acquisition highlights this year included a BOLEX Multomatic Super 8 projector, 1969–72, which allowed automatic changing and uninterrupted projection of up to six films; an Indian cinema poster for the movie *Ra.One*, 2011, starring Bollywood superstar Shah Rukh Khan; a strip of film of the Corbett-Fitzsimmons fight of 1897 – which contains five frames of the first feature-length documentary film; the archive of acclaimed photographer Lewis Morley, including photographs and papers relating to the iconic Christine Keeler shoot; a SABA Jim Nature TV, 1994, designed by the famous and innovative French designer Philippe Starck, using biodegradable and recycled materials.

The Museum has continued to build its programme of research. As part of SMG's Collaborative Doctoral Awards scheme a student started work this year on 'The Media of the First World War' in partnership with Durham University. A further award was made through the latest round of the scheme, for a studentship, in partnership with the University of York, looking at 'Magic Lantern Culture in Britain 1850-1920'. The Museum is a partner in two doctoral training consortia: the Northern Bridge Doctoral Training Partnership, led by the University of Newcastle, and The White Rose College of the Arts & Humanities led by the University of York. Between 2014 and 2019 the Museum will offer a number of placements for doctoral students to support their research and skills development.

Publications this year included *Only in England: Photographs by Tony-Ray Jones*, edited by Greg Hobson, Curator of Photographs, and produced to accompany the first Media Space exhibition.

Sponsors, donors and volunteers

We are enormously grateful to the sponsors, donors and volunteers whose support has made possible a whole range of initiatives across the Museum this year. In these challenging economic times with reductions in our public funding, this support is, and will continue to be, critical. Below are just some of the things they enabled us to deliver.

Bradford International Film Festival 2013

Virgin Media was title sponsor of BIFF for year two of a three-year deal to run to 2014. As well as lead sponsorship from Virgin Media, the 19th edition of the festival also received funding from the British Film Institute's Festivals Fund, Bradford Metropolitan District Council and the Boris Karloff Foundation. The festival sponsors included Leeds Metropolitan University/Northern Film School, Black Sheep Brewery, Jurys Inn and Northern Rail.

Bradford Animation Festival 2013

Bradford College was Principal Sponsor of BA for the second of three years in 2013 – the festival's 20th anniversary year. The college has been a lead sponsor of the festival for seven years, and this loyal and sustained support has helped BAF to grow to become one of the most respected animation and gaming festivals in Europe. BAF 2013 was also supported by the British Film Institute through its Festivals Fund programme, and local partners Jury's Inn and JCT600.

Members

The Museum is grateful to its 656 members for their passionate and loyal support.

Volunteers

This year the Museum had 56 registered volunteers, contributing 3974 hours of their time. Their huge contribution covers a range of key activities including supporting the acquisition of the Impressions Gallery collection, cataloguing the Daily Herald Archive and Royal Photographic Society collection, supporting film discussion events and stewarding at the Museums annual festivals.

Future plans and challenges

The Museum has significant challenges ahead in order to manage the reduction in public funding and ensure its long-term future. The priority in the coming year is to put the Museum on a financially stable footing. We will begin working with a new commercial partner to run the cinema operation, and staff will have been moved out of the existing staff offices, enabling the Museum to relinquish a commercial lease. We will develop our plans for how the Museum will operate at a significantly reduced cost and implement the changes required to realise this.

Science Museum Group-wide activities

Estate development

At the Science Museum the redecoration programme has continued, including refurbishment of the stair coverings on two of the main staircases and over 60m² of flooring. Metering of energy consumption has been upgraded to facilitate future savings projects, and the LED lighting project has continued into the Energy Hall. A new photovoltaic station has been put on the roof and can produce 22kW of electricity at maximum output.

At NRM works have been undertaken to repair the roof of Station Hall to ensure critical items in the collection continue to be fully protected. The fire system for the site has also been refurbished. Following the energy audit at the Museum last year, a number of initiatives have been put in place, including the installation of metering throughout the site, which will facilitate future energy saving projects.

At NMeM 75 staff were being relocated at the end of the year into newly refurbished office space in the main Museum, enabling the exit of the lease of Princes House in 2014–15. A project has been undertaken to rebuild the software controlling the plant providing environment control for the IMAX projector room. This project, which also involved upgrading the controls, has created energy savings of around £5000 per annum.

At the Group's collection store in Wroughton work has been undertaken on the electrical supply system to improve cabling infrastructure and system robustness in order to reduce downtime. The main entrance and security buildings have been refurbished to improve business access and safety.

A new health and safety management system has been implemented and a new health and safety intranet page created, replacing the current control book. We have also increased the volume of internal health and safety training sessions, reducing reliance on external training provision.

Corporate and collections information

SMG responds to a wide range of enquiries under the Freedom of Information (FOI) Act and Data Protection Act, as well as a large number of enquiries relating to the collections at all sites. In general, FOI requests have focused on our income generating activities, major events and procurement.

Catalogue records for 1000 objects at NRM and around 200 objects from decanting the *Telecommunications* gallery at the Science Museum were audited and upgraded. An audit and storage rationalisation of pharmaceutical drugs and firearms from collections at the Science Museum were also completed. The review of historic loans has continued and a further 140 items have been added to the permanent collections as lenders have been traced and agreed to gift their objects to the Museum. A project to merge the collections of MOSI with those of the rest of SMG was successfully completed, with around 80,000 electronic records migrated into the object and archives management systems. The Science Museum Photographic team produced in excess of 11,000 new reproduction quality digital images during the year. This included the creation of around 3700 images of objects from the Science Museum collections.

This year 1762 objects were made publicly accessible through loans to 30 international venues in 14 countries and 184 venues in the UK. At NRM loans out included three Tom Purvis railway posters to the Sainsbury Centre for Visual Arts, for the exhibition *Masterpieces: Art and East Anglia*; and a number of operative and static steam locomotives travelled to events and exhibitions around the UK. At NMeM, an early cine camera and photographs travelled to the J Paul Getty Museum exhibition in Los Angeles for *A Royal Passion: Queen Victoria and Photography*. From the Science Museum, medical objects travelled to the EYE Film Institute Netherlands, to Fairfax House in York for *Head to Toe: Accessorising the Georgians*; and to Kew Palace for *Glorious Georges: Young George III*. In celebration of 25 years of the World Wide Web Sir Tim Berners-Lee's NeXT cube computer system has been borrowed from CERN in Geneva. At MOSI loans included the Park Green Mill double-dial longcase clock to the Hayward touring exhibition *All That is Solid Melts into Air*.

As part of collections rationalisation an extensive project at NRM and NMeM is ongoing and will see the dispersal of 118 objects in total. During the year a Human Tissue Authority inspection was successfully carried out to ensure that SMG cares for human remains appropriately. Human remains were returned from the collections held by the Science Museum on behalf of the Wellcome Trust; delegations from Hawaii and New Zealand (Maori) were each welcomed and performed repatriation ceremonies at Blythe House.

National and international strategy

International

National and international working is integral to the vision and strategic objectives of SMG and continued to be a priority for the organisation during 2013–14.

Internal systems were put in place to drive forward the delivery of SMG's national and international strategies including forming the SMG National and International Steering Group, developing systems to deliver touring exhibitions including taking *Collider* to MOSI followed by a multi-venue international tour of the exhibition from 2015 to 2017, and putting a framework in place for international shipping.

International partnerships and relationships continued to be key to the development of the public programme which included working with CERN, Switzerland to deliver the *Collider* exhibition, and establishing strong relationships in Russia to develop the forthcoming *Cosmonauts* exhibition.

The Science Museum continued to build relationships with key people and organisations in Brazil, as part of the agreement between the governments of the UK and Brazil and the Science Museum to cooperate on science communication and education. SMG continued to offer professional advice and training to international organisations including managers of Malta's first interactive science centre and a new science centre being developed in Buenos Aires. NRM continued a number of international partnerships including with the Sierra Leone National Railway Museum to safeguard the surviving archival records relating to the Sierra Leone Railway; and as part of NRM's sisterhood agreement with Japanese railway museums, hosted staff from West Japan Railway Company and visited Japan to speak about the Museum's work.

During the year loans were made to 30 international venues in 14 countries, including nine NMeM objects on loan to *A Royal Passion: Queen Victoria and Photography* at the J Paul Getty Museum, Los Angeles.

SMG Museums hosted international work placements, received international visitors and delegations, and made visits to international organisations – enriching the knowledge and skill set of the Group's workforce, the wider sector and ultimately benefiting audiences. Staff also presented at a wide variety of conferences around the world as well as hosting conferences.

SMG used digital technologies to engage with international audiences including developing the *Journeys of Invention* app, which had been downloaded by over 240,000 people, of which 28%, 22% and 12% were from the USA, China and Europe respectively; and reaching the global research community through the Science Museum Group e-Journal.

The Science Museum's Outreach Team continued to deliver science shows internationally including: performing at the Hong Kong Science Alive Festival in conjunction with the British Council and the Dongguan Science Museum in China; reaching over 4000 young people in Gibraltar; and performing to over 2000 people as part of Irish Science Week.

National

This year the Board of Trustees approved an SMG Strategy for National Working to enable the organisation to build on its already strong track record and reputation of working within the UK. The Strategy follows two principles for national working: committing to more joined-up working across SMG sites and strengthening the Group's impact by collaborating with the best national partners.

This year, the Directors of SMG and Tyne & Wear Archives & Museums (TWAM) signed a five-year memorandum of understanding to consolidate, broaden and strengthen SMG's already established relationship with TWAM; the Science Museum signed a statement of mutual intent with Imperial College's Reach Out Lab; NRM continued to collaborate with Leicester City Council and the Great Central Railway on the development of the new Great Central Railway Museum at Leicester North; and the Group as a whole continued to build its links with the Royal Society.

Many of the Museums' cultural programmes are delivered through partnerships with a national dimension and have been highlighted under the activities of each Museum earlier in this report. Research is carried out in partnership with a range of universities and staff work with people and organisations in the UK to develop the public programme, offer professional advice and training, and share information and expertise. Object loans were made to 184 venues across the UK.

Digital activity

In total there were 26 million unique visits to Science Museum Group websites in 2013–14, continuing the upward trend in online visits to the Group's sites.

At the Science Museum we delivered the second phase of site redevelopment with a new 'Visit the Museum' section that adapts to different display devices, including mobile phones and tablets. This provided a step-change in the user experience of the site for the 38% of visitors using a device other than a traditional computer, and included a 'Plan your own visit' tool, enabling users to email a customised visit plan to their mobile phone.

The *Journeys of Invention* app was launched in December with Touch Press, featuring as Editor's Choice on the British and American iTunes App Stores and achieving 240,000 downloads in its first three months. The inside of the Museum has been scanned by Google Maps allowing Android device users to locate and position themselves within their surrounding galleries. We redeveloped our online shop, leading to a 42% increase in sales around the key Christmas period; recorded an 81% annual increase in our number of followers on Twitter; and attracted international media attention with a 3D laser scan of the former shipping gallery, enabling people to view its contents online following its removal.

At MOSI we hosted a sophisticated digital learning game in conjunction with the Wellcome Trust to support the *Brains* exhibition. At NMeM we launched a rolling programme of digitisation of our photography collections and in conjunction with the *Moving Stories* exhibition launched *Words to Pictures* – a browser-based app that allowed visitors to draw their own visualisations of classic children's stories and upload them to an online gallery. In York we had a programme of digital activity around the reunion that saw the Museum more than double its busiest ever day for web traffic and record a 33% overall increase in annual online visits.

Across the group we launched the Science Museum Group Journal, an e-journal online showcasing the Group's research activity; migrated all of our websites to new commercially hosted servers, providing a faster, more resilient base for our digital presence; and released all of our collections data to the public domain, allowing it to be shared and reused by our audiences to increase engagement with our objects. Media Space saw the development of a content and image-rich Tumblr blog to establish the Group as a focus for engaged discussion around photography and other media, as well as the launch of the *1000 Hands* mobile app to support the on-gallery digital installation *Universal Everything & You*.

The Group also made progress in a programme to embed digital activity into the culture of the organisation. A Digital Review Group has been established at Trustee level to provide guidance on digital strategy, combining expertise from leading industry experts with digital stakeholders from the Group. Our annual Learning at Work week in May was held with a digital theme, with over 200 staff from across the Group exploring topics from 'Writing for the Web' to 'Twitter for Beginners', while our annual Senior Management Meeting was themed around the transformative potential of digital technology for our Museums. Our reputation as sector leaders was vividly illustrated when the Association of Leading Visitor Attractions surveyed the digital presences of 50 major visitor destinations, and two of the top three attractions were Science Museum Group museums.

Staff engagement

SMG created several ways of facilitating effective communications with staff members. Regular staff briefings from the Group Director, the Directors of Museums and other senior staff on strategic and topical issues are supplemented by Group-wide and Museum-specific announcements and news on the Group intranet and by e-mail.

There are a number of forums where the Group engages with staff representatives and officials from the trade unions on matters of mutual interest and concern. These forums are used for the usual business of addressing pay and benefits but also for the development of policies and health and safety matters.

The Group operates a performance development process that enables personal objectives to be articulated and fully aligned to wider business goals. The process looks at how results are achieved as well as the results themselves and provides an opportunity to look at the development and support that staff members require to deliver their objectives.

We are continuing to focus on supporting managers and staff members in dealing with change and are increasing the level of support offered in career transition activity. This year we have continued to invest in leadership and management development and have just begun programmes for our new management teams at MOSI and the NMeM. With the expansion of digital activity we have introduced digital learning as a new strand in our staff development.

Sickness absence

The average number of days lost from sickness for each full-time equivalent employee was 6.8 days (2012-13: 6.4 days).

Equality and diversity

It is Group policy that all eligible people should have equal opportunity for employment and advancement on the basis of their ability, qualifications and fitness for the work. There should be no discrimination based on gender, race, religion, age, physical disability or sexual orientation against any eligible person whether in recruitment, training, promotion or in any other way.

The Group works with local communities, schools and education groups to increase access for under-represented groups. Building on our wide experience of STEM-based teaching and learning and our knowledge of working with hard-to-reach audiences, we are introducing apprenticeships to our learning teams to diversify our intake to entry-level roles.

This year we have continued to work with occupational health providers, Ellingham Employment Services, Salford City Council, Access to Work and a range of other specialist advisers to make reasonable adjustments to the workplace for staff and potential recruits with disabilities.

Performance

Performance information is sourced through both internal records and periodic independent visitor surveys. There has been no change in the method of calculation this year compared with previous years.

Performance against DCMS indicators

	SM	MOSI	NRM		NMeM	SMG total
			York	Shildon		
Number of visits to the Museum						
Outturn 2013-14	3,342,000	669,000	926,000	296,000	479,000	5,712,000
Outturn 2012-13	3,084,000	642,000	727,000	203,000	493,000	5,149,000
Number of visits by children under 16						
Outturn 2013-14	1,129,000	257,000	236,000	73,000	143,000	1,838,000
Outturn 2012-13	1,078,000	249,000	223,000	53,000	146,000	1,749,000
Number of overseas visitors						
Outturn 2013-14	1,407,000	64,000	73,000	6,000	10,000	1,559,000
Outturn 2012-13	1,141,000	40,000	49,000	2,000	8,000	1,240,000
Percentage of visitors who would recommend a visit						
Outturn 2013-14	97%	99%	99%	94%	99%	98%
Outturn 2012-13	97%	99%	99%	93%	100%	98%
Number of facilitated and self-directed visits to the museum/gallery by children under 18 in formal education						
Outturn 2013-14	341,000	37,000	29,000	6,000¹	22,000²	436,000
Outturn 2012-13	279,000	41,000	25,000	18,000	30,000	394,000
Number of instances of children under 18 participating in on-site organised activities						
Outturn 2013-14	470,000	120,000	104,000	21,000¹	60,000²	776,000
Outturn 2012-13	439,000	135,000	143,000	31,000	82,000	830,000
Number of unique website visits**						
Outturn 2013-14	20,118,000	617,000	2,679,000		1,516,000	26,460,000
Outturn 2012-13	14,943,000	466,000	2,036,000		1,310,000	20,494,000
Number of UK loan venues						
Outturn 2013-14	83	11	78		12	184
Outturn 2012-13	109	14	83		34	240

1 Changes were made to the recording methodology to align with the rest of the Group. Year-on-year comparisons should not be made.

2 Robots have been excluded from figures wherever possible. SMG total figure additionally includes pan-SMG websites.

SMG-wide performance indicators

	2013-14	2012-13
	£000	£000
Exhibitions admission income (gross income)	466	Nil
Trading income (net profit, excluding sponsorship income)	3,109	2,956
Total charitable giving (including sponsorship income)	14,045	9,824
Ratio of charitable giving to Grant in Aid	35.4%	22.5%

3. Financial Review

Review of financial position

Income and expenditure

The results for the year demonstrate success in our continued strategy to increase self-generated income, both through fundraising and through commercial activities.

Income from grants, legacies and donations (excluding donations of heritage assets) increased by 27%, owing to both support for our capital projects and donations from our visitors. We have implemented a strategy to increase donation income over recent years and this has continued to gain momentum, with donations from our visitors totalling £2.1m compared with £1.6m the previous year.

Our trading subsidiary performed strongly this year, with a number of new commercial initiatives driving an increase in turnover of 6% compared with the previous year: testament to the successful implementation of a clear strategy for growth.

Sponsorship income increased from £1.2m to £4m. Income from sponsors recognised during the year relates principally to the development of our *Information Age* gallery, which will open in the autumn of 2014. Lottery income of £2.3m (2012–2013: £0.7m) also related to *Information Age*.

Incoming resources from charitable activities was £5.4m compared with £2m the previous year. The principal component of this was compensation received in relation to the termination of a lease, the proceeds of which will be invested in the development of a new library and research centre. Admission income to our exhibitions *Collider* and *Only in England* was also included in this figure. Together, these exhibitions generated income of £0.5m during the year (2012–2013: £nil) and demonstrated the success of another new strand of activity which attracted diverse audiences whilst also generating income for the Group.

Grant in Aid allocated to SMG fell by 3.3% compared with 2012–2013.

During the year a grant of £3.5m (2012–2013: £11.5m) was made to the Science Museum Foundation for the furtherance of the charitable objects of SMG.

Excluding this grant, total resources expended were £77.0m (2012–2013: £77.4m), the result of a continued downward pressure on operating expenditure. This was achieved without any significant adverse impact on exhibition and gallery development: we have improved the experience of our visitors, whilst continuing to care for and learn more about our collections. However, it is

becoming increasingly challenging to reduce costs without compromising our public offer and we continue to keep the scale and range of our activities under review given the uncertainty over future levels of public funding.

Balance sheet

The net book value of tangible assets increased by £40m, from £324m at 31 March 2013 to £364m at 31 March 2014, following a full independent revaluation of our land and property. At the year-end work was still progressing on our major new gallery, *Information Age*, accounting for the significant increase of £3.9m in the value of assets under the course of construction.

Stock levels were 11% higher than in March 2013, principally reflecting growth in a business segment relating to sales of high-value model locomotives.

The value of trade debtors was £1.9m compared with £3.1m in March 2013. Last year there was £1.5m outstanding against a single significant sponsorship contract, which was received during the year. The reduction in the value of trade debtors is offset by an increase in accrued income, which relates principally to one-off compensation on termination of a lease, due but not yet paid at the year-end.

Creditors and deferred income fell from £18.9m to £11.9m, this swing attributable largely to the grant payable to the Science Museum Foundation included as a creditor at 31 March 2013. There was a corresponding reduction in cash and investment balances, which fell from £18.5m to £10.8m, reflecting the payment of this grant during the year.

Pensions liability fell from £3.3m to £2.9m. Following the acquisition of MOSI, SMG became an admitting body of the Greater Manchester Pension Fund, a defined benefit scheme. Details are given in note 6.2.7 to the accounts.

Group reserves increased by £43.5m, which was largely attributable to the revaluation of land and buildings. There was an increase in funds designated for specific future projects, from £3.7m to £5.9m at the balance sheet date. This increase related principally to funds designated for the creation of a new library and research centre at the Science Museum. Other movements included the deficit on the MOSI pension fund, which reduced from £3.2m to £2.9m following a full revaluation during the year.

Financial policies

Creditor policy

The Museum operates a 30-days payment policy where no payment terms have been specifically agreed. Using a sampling method, 68% of payments were made within this policy during 2012–2013 (2012–2013: 76%). No allowance has been made within these statistics for disputed invoices.

Investment policy

The Trustees are empowered to invest by the Trustees Act 2000. Taking into account both best return, short-term availability and security, SMG ensures that all funds identified as surplus to working capital are reviewed daily and invested on short- to medium-term facilities to maintain their value over time. Until longer-term surplus cash can be identified, investment of a more permanent nature is not planned; the position is reviewed on a periodic basis.

Reserves policy

The Trustees seek to maintain unrestricted general funds not committed or invested in tangible fixed assets at a level equivalent to three months' worth of non-contractual income. This level of reserves is held as a safeguard against unpredictable income streams, which may be vulnerable to the wider economic climate, including retail income, visitor donations and, increasingly, government Grant in Aid. The Trustees agreed at their meeting in March 2014 that £1.5m was an appropriate level of reserves to hold in this respect, taking account of the level of operating contingency included in the 2014-15 budget. The value of reserves at 31 March 2014 was £1.5m.

The Trustees review the reserves policy each year and make changes where appropriate to reflect likely funding requirements or known risks.

Designated funds are unrestricted income funds held for specific future projects of high strategic value. The Museum Improvement Fund represents the aggregate value of designated funds held for such projects, which include major capital works as well as exhibitions, research and educational projects. The majority of projects for which funds are held in the Museum Improvement Fund will be undertaken during the coming financial year. A designated fund is also held for collections purchases that may arise in the coming year.

Immunity from seizure

SMG has approved status under Part 6, Section 136 of the Tribunals, Courts and Enforcement Act 2007. This took effect from 9 November 2009, and was granted by the Secretary of State for Culture, Media and Sport. Part 6 of the Act confers protection on objects loaned from abroad for temporary public exhibitions, provided the conditions set out in the Act are met. To date, SMG exhibitions have not included any protected items.

4. Remuneration Report

Membership

The membership of the Remuneration Committee comprised:

Mr Christopher Swinson OBE (Chair for 2013-14)
 Lady Chisholm
 Dr Douglas Gurr
 Dr Gill Samuels (appointed chair from 2014-15)

The SMG Director, Mr Ian Blatchford, and Director of Human Resources, Ms Adele McAllister, were in attendance at the meeting which reviewed senior staff pay (excluding discussion concerning their own pay and performance).

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

The Remuneration Committee reviews salaries of all

of the Museums' senior managers whose jobs are of a certain size (as determined by formal job evaluation) and of SCMG Enterprises Ltd senior staff.

When determining salary levels generally, a number of factors are taken into account:

- The projected budget for the annual staff settlement
- Salary levels internally and in the marketplace (through salary surveys)
- Job size and whether this has changed over the period (through formal evaluation, where applicable)
- Government guidance
- The individual manager's performance over the year

Performance-related pay for senior managers

At the beginning of the year, senior managers are set objectives based on the Museums' business plans. At the end of the year they are assessed by the Director, Chief Operating Officer or Group Executive member on the extent to which they have achieved their objectives and their performance is rated accordingly. The Chairman of the Board of Trustees assesses and rates the Director's performance. All ratings are then reviewed by the Remuneration Committee. All of senior managers' pay depends on performance being delivered, this being deemed the most effective way of achieving the business plans. Members of the Group Executive are eligible to be considered for a discretionary bonus within a range from 0 to 15% and information is disclosed for bonuses paid during the year.

When determining the salary increase for each individual, the performance and contribution of the individual over the period (through performance appraisal) forms the major component together with any impact from changes in job scope and external factors.

Policy on contractual terms

Senior staff are permanent employees of either SMG or SCMG Enterprises Ltd. Notice periods for senior employees are between three and six months, for the Director, six months. Termination payments are in accordance with Museum or SCMG Enterprises Ltd contractual terms.

During the year payments of £60,169 (2012-13: £36,731) were made to DCMS in respect of Paul Kirkman who, until his appointment to SMG on 1 September 2013, was seconded from DCMS to SMG to act as Director of NRM following the resignation of Steve Davies.

The amount paid in regard of remuneration of Ian Blatchford was £148,837, including a bonus payment of £15,955 (2012-13: £148,742, including a bonus of £18,200) and the employer's pension contributions were £32,281 (2012-13: £31,722).

All Museum employees, except those working at MOSI, are members of the Principal Civil Service Pension Scheme with associated redundancy and early retirement conditions. Civil Service pension details are given in notes to the accounts at 6.2.4. Museum staff working at MOSI are members of the Greater Manchester Pension Fund, for which SMG is an admitting body. All SCMG Enterprises Ltd staff may participate in a group personal pension scheme, currently provided by Aviva, as opposed to being auto-enrolled in a stakeholder pension. In the event of redundancy they will be entitled to payments as defined under the Employment Rights Act 1996 unless individual contracts define other terms.

The members of the Board of Trustees of the Science Museum, who hold overall responsibility for SMG, are not remunerated. Expenses paid are disclosed in note 6.1.4 to the Annual Accounts.

Median remunerations

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. The midpoint for the banded remuneration of the highest-paid director in SMG in the financial year 2013-14 was £147,500 (2012-13: £147,500). This was 7.5 times (2012-13: 7.4 times) the median remuneration of the workforce, which was £19,789 (2012-13: £19,984).

In 2013-14 no employees received remuneration in excess of the highest-paid director. Remuneration ranged from banded midpoint of £12,500 to £147,500 (2012-13: £12,500 to £147,500) on a full-year basis.

Total remuneration includes salary, non-consolidated performance-related pay, and benefits in kind. It does not include employer pension contributions and the cash-equivalent transfer value of pensions.

Remuneration table

	Salary		Bonus payments		Benefits in kind		Pension benefits ¹		Single total figure of remuneration	
	2013-14	2012-13 £000	2013-14	2012-13 £000	2013-14	2012-13 (nearest £100)	2013-14	2012-13 (£000)	2013-14	2012-13 (£000)
Ian Blatchford Director	130-135	130-135	15-20	15-20	-	-	27	26	175-180	175-180
Alexandra Burch Director of Learning	75-80	70-75	-	-	-	-	26	145	100-105	215-220
Jane Ellis Director of Finance (appointed 03.09.2012)	90-95	50-55 [FYE: 85-90]	-	-	-	-	41	56	130-135	105-110
Sue Fisher Director of Development	120-125	115-120	15-20	-	700	10,000	7	7	145-150	145-150
Jean Franczyk Director of MOSI	100-105	95-100	-	-	-	-	22	57	125-130	155-160
Roger Highfield Director of External Affairs	80-85 [FT, FYE 100-105]	75-80 [FT, FYE 95-100]	-	-	-	-	31	29	110-115	105-110
Paul Kirkman Director of NRM (seconded from DCMS to 31.08.13, appointed to SMG 01.09.2013)	55-60 [FYE: 95-100]	25-30 [FYE: 65-70]	-	-	-	-	74	-	125-130	25-30
Karen Livingstone Director of Masterplan and Estate	75-80	35-40 [FYE: 75-80]	-	-	-	-	17	98	95-100	130-135
Heather Mayfield Deputy Director, Science Museum including NMeM	90-95	85-90	-	-	-	-	6	26	95-100	115-120
Adele McAllister Director of Human Resources	85-90	85-90	-	-	-	-	14	36	100-105	120-125
Judith McNicol Change Director (appointed 01.09.2013)	35-40 [FT, FYE 85-90]	-	-	-	-	-	3	-	35-40	-
Jonathan Newby Chief Operating Officer	115-120	110-115	10-15	15-20	700	600	8	8	135-140	130-135
Jo Quinton-Tulloch Director of NMeM (appointed 20.09.2012)	80-85	35-40 [FYE 65-70]	-	-	-	-	128	43	210-215	75-80

1 The value of pension benefits is calculated as 20 times the real increase in pension plus the real increase in any lump-sum payment due, less contributions made by the member.

Pension benefits

	Total accrued pension at age 60 31.03.14 (£000)	Real increase in pension at age 60 (£000)	CETV at 31.03.14 or end date (£000)	CETV at 31.03.13 or start date (£000)	Real increase in CETV (£000)
Ian Blatchford Director	35-40	0-2.5	509	457	16
Alexandra Burch Director of Learning	15-20	0-2.5	197	169	12
Jane Ellis Director of Finance (appointed 03.09.2012)	15-20	0-2.5	187	150	21
Jean Franczyk Director of MOSI	10-15	0-2.5	183	148	15
Roger Highfield Director of External Affairs	0-5	0-2.5	61	32	19
Paul Kirkman Director of NRM (seconded from DCMS to 31.08.13 appointed to SMG 01.09.2013)	15-20	2.5-5	243	N/A	49
Karen Livingstone Director of Masterplan and Estate	15-20	0-2.5	318	273	9
Heather Mayfield Deputy Director of Science Museum including NMeM	35-40	0-2.5	818	759	3
Adele McAllister Director of Human Resources	15-20	0-2.5	332	287	12
Jo Quinton-Tulloch Director of NMeM (appointed 20.09.2012)	25-30	5-7.5	361	256	85

The tables above have been subject to audit. The pension benefits table includes only those staff who were members of the PCSPS pension scheme. The staff included in the remuneration report constitute those managers delivering policy and direction for SMG.

Remuneration table (continued)

Comparative figures for past members who did not serve on the Group Executive in the year to 31.03.2014

	Executive role end date	2012-13	
		Remuneration and full-year equivalent (FYE) (£000)	Benefits in kind (nearest £100)
Anne Caine Director of Finance	31.07.2012	25-30 [FYE 80-85]	-
Steve Davies Director of Change Management	02.11.2012	60-65 [FYE 105-110]	500
Colin Philpott Director of NMeM	30.04.2012	110-115 [FYE, excluding redundancy 95-100]	-

Remuneration information

'Remuneration' includes gross salary, performance pay or bonuses, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, and any other allowance to the extent that it is subject to UK taxation.

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue & Customs as a taxable emolument.

Single total figure of remuneration

The remuneration report for 2013-14 includes a single total figure of remuneration, which is a different way of presenting the remuneration of each individual for the year. The salary, bonus payments and benefits in kind elements are unchanged. However, for members of defined benefit pension schemes, the amount of pension benefits for the year which contributes to the single total figure is calculated in a new way, similar to the method used to derive pension values for tax purposes. The value of pension benefits is calculated as 20 times the real increase in pension (i.e. excluding increases owing to inflation or any increase or decrease owing to a transfer of pension rights), plus the real increase in any lump sum payment due, less contributions made by the member.

Cash-equivalent transfer values

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 his/her former scheme. The pension figures shown relate to the benefits that individuals have 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 individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of his/her purchasing additional pension benefits at his/her own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries 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 drawn.

Real increase in CETV

The real increase in CETV reflects the increase effectively funded by the employer. It takes account of the increase in accrued pension that is due to inflation, 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.



Mr Christopher Swinson OBE
Trustee, Chair of Audit Committee

1 July 2014



Mr Ian Blatchford
Accounting Officer and Director

1 July 2014

5. Sustainability Report

Summary of performance

We have invested in improving our building management systems over the year, which has resulted in more accurate control of heating, air-conditioning and lighting systems. These enhancements have had positive results in managing overall consumption and energy costs. Specific efficiency initiatives included:

- Installing 22 kW of new solar panels on the Science Museum's Energy Hall roof, expected to generate approximately 500,000 kWh of electricity for the Museum over their lifetime
- Reducing heating levels at the NRM from 20 to 18°C to align with the object conservation requirements of the wider Group and to reduce energy consumption
- Fitting variable-speed pumps and fans in the air handling plant in the NMeM to reduce the energy needed to circulate air around the building
- Investing in light-emitting diode (LED) lighting for the Brains exhibition at MOSI, reducing electricity demands

Greenhouse gas emissions

		2014	2013	2012
Non-financial indicators (tCO ₂ e)	Total gross emissions	201410,695	12,564	11,332
	Scope 3 business travel gross emissions	207	N/A	999
Related energy consumption (see individual metrics)	Electricity – non-renewable (kWh)	14,793,942	15,227,504	13,825,627
	Electricity – combined heat and power (CHP) (kWh)	73,112	1,092,914	1,243,025
	Gas (kWh)	14,096,566	20,559,572	18,238,574
	Oil (litres)	19,636	28,102	31,989
	Biomass – wood pellets (tonnes)	50	54	62
Financial indicators (£000)	Expenditure on energy	1,869	1,993	2,595
	CRC expenditure	128	142	117
	Expenditure on business travel	440	447	451

Performance

The main factor in the lower levels of consumption, particularly of gas, was a mild winter.

Planned usage of the CHP unit is during the winter months, but because of the mild conditions the plant was utilised well below forecast levels, resulting in a significant drop in consumption.

Investment in new building management systems, metering equipment and recording tools across the group has also helped to reduce overall consumption, despite increased visitor activity.

Direct and indirect impacts

The main direct impacts from SMG come through electricity and gas consumption. Energy efficiency measures have been implemented to review systems, replace inefficient equipment and to increase staff engagement.

Business travel emissions remain low overall, but the Group continues to make improvements in managing and reporting on staff business travel through a group-wide booking system. We encourage visitors to reach our sites using public transport and our websites feature journey planners and public transport status reports.

Waste

	Non-financial indicators (tonnes)			Financial indicators (£000)		
	2014	2013	2012	2014	2013	2012
Total waste	823.0	724.2	1,052.0	108.5	99.8	90.6
Hazardous (including waste electric and electronic equipment)	1.4	3.8	3.5	1.7	3.8	3.6
Non-hazardous						
Landfill	56.2	93.6	229.5	8.8	8.3	22.0
Energy from waste	291.1	253.6	222.2	45.4	39.2	39.0
Mixed recycling	399.1	292.4	398.9	48.2	38.2	25.4
Wood recycling	25.3	30.6	32.3	2.7	3.2	4.0
Metal recycling	12.2	18.7	14.3	0.9	0.8	1.0
Glass recycling	37.6	31.5	151.5	0.8	0.6	–

Performance

In London and MOSI all waste is now diverted away from landfill to either recycling or energy-from-waste schemes.

New waste contracts and procedures have been implemented at all sites, including processes and plant that make the segregation and disposal of waste more efficient.

Direct and indirect impacts

Catering and visitor activity have the biggest direct impact on the volume of rubbish produced, followed by office and exhibition activities.

We encourage all our suppliers and contractors to minimise the production of waste and to recycle where possible.

Finite resources

			2014	2013	2012
Non-financial indicators (see individual resource for metrics)	Water including locomotive operations	m ³	77,225	69,303	73,488
	Coal – locomotive operations	tonnes	70	85	177
	Non-fuel oils	litres	1,195	1,095	965
	Diesel – rail operations	litres	23,500	N/A	N/A
Financial indicators (£000)	Water supply including locomotive operations		94.6	120.0	86.0
	Coal – locomotive operations		14.7	15.0	31.0
	Lubricating oil – locomotive operations		3.2	1.6	2.0
	Diesel – rail operations		17.7	n/a	n/a

Performance

Potable water is metered at all sites and varies with visitor levels.

The Group's remaining resources are mainly lubricating oils for locomotives, simulators and other mechanical plant. Training is in place to maximise fuel conservation, and to embed good practice in servicing and disposing of these materials. The NRM introduced new part-biofuel diesel into the operation of the locomotives this year, reducing reliance on fossil fuels.

Direct and indirect impacts

The operation of plant, visitor facilities and heritage vehicles is the main direct impact on finite resource consumption across the Group. Where possible, automated systems are installed to minimise the volumes consumed. Procurement of materials evaluates the provenance of the supply, particularly in respect of the coal used in the locomotives at NRM.

Our contracts and tender systems now ask for environmental statements and policy as a matter of course, and sustainability best practice forms part of the scoring of their applications.

Biodiversity enhancement

Biodiversity continues to be assessed and improved across the much of the estate, and we have pursued a number of initiatives to understand more about the biodiversity on our sites. These include species-specific work, such as the bat surveys at MOSI before refurbishment commenced at the front gate, and landscape-scale improvements that support and enhance the development of our sites, for example the partnership at Wroughton with the Marlborough Downs Nature Improvement Area.

Performance

We have worked closely with the farm tenant at the Wroughton site to use sheep grazing to improve the management of two County Wildlife Sites and bring them into favourable conditions. We have also planted three hectares of nectar-rich flowers to support declining bee populations and implemented the reversion of 180 acres of arable land to meadow, in order to begin establishing a diverse chalk grassland before the planned installation of solar panels.

Direct and indirect impacts

We work with suppliers to ensure that appropriate certificated products, such as Forest Stewardship Council (FSC) approved timber, are chosen above others, and have a list of excluded chemicals and materials known to have impacts on ecosystems that are not to be used in the Group's premises.

Sustainable procurement

Our evaluation criteria for procurement include sustainability and we publish tender instructions plus a response document for suppliers to complete in which we outline our sustainability requirements for the contract.

Performance and impacts

A range of contracts were entered into in 2013-14. Within these, new sustainability, engagement and partnership working clauses increased the ability of SMG to work with our suppliers to reduce our impacts.

New contracts enable us to monitor CO₂ emissions using the new travel management system. Further work is being undertaken to procure 'green taxi' services at our main sites.

Strategy for the future

We will become more efficient in our operations, reducing waste and improving recycling, lowering energy consumption and aim to enhance biodiversity where sites are suitable for doing so.

Key initiatives for the year ahead include:

- Assessment of the estate for capacity to generate electricity from renewables
- Install sub-meters to the main gas boilers at NMeM to show the energy consumption profile of the boilers
- Install low-energy light fittings and smart controls in one of our main collection stores at Wroughton

In addition to these specific actions, we will continue to improve the operation of our waste streams. We will review our existing energy policy, and establish a new one, which will sit alongside our existing sustainable development policy; and we will continue to evaluate our systems and processes with the aim of obtaining ISO 14001, the international standard for environmental performance, in the future.

6. Statement of Board of Trustees' and Director's Responsibilities

Under Sections 9(4) and (5) of the Museums and Galleries Act 1992, the Board of Trustees is required to prepare a statement of accounts on an accruals basis in the form and on the basis determined by the Secretary of State for the Department for Culture, Media and Sport with the consent of the Treasury. The accounts are prepared to show a true and fair view of SMG's financial activities during the year and of its financial position at the end of the year.

In preparing the Museum's accounts the Trustees are required to:

- 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 judgments and estimates that are reasonably prudent
- State whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements
- Prepare the financial statements on the going-concern basis, unless it is inappropriate to presume that SMG will continue in operation

As far as the Board of Trustees and the Accounting Officer are aware there is no relevant audit information of which the entity's auditors are unaware. The Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

The Accounting Officer for the Department for Culture, Media and Sport has designated the Director as the Accounting Officer for SMG. 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 safeguarding SMG's assets are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum, issued by the Treasury and published in Managing Public Money.



Mr Christopher Swinson OBE
Trustee, Chair of Audit Committee

1 July 2014



Mr Ian Blatchford
Accounting Officer and Director

1 July 2014

* A copy of which is available from the Accounting Officer, Science Museum, London SW7 2DD

7. Governance Statement

7.1. The governance framework

The Board of Trustees of the Science Museum (Board of Trustees) is responsible for the whole of the Science Museum Group (SMG). The Trustees, who may number between 12 and 20, are appointed by and responsible to the Prime Minister through the Department for Culture Media and Sport (DCMS). The Director of SMG, as Chief Executive Officer, is responsible to the Board of Trustees and, as Accounting Officer, is accountable to DCMS for compliance with the Management Statement and Financial Memorandum. Within the framework of their statutory duties as stated under the National Heritage Act 1983, the role of the Trustees is to establish SMG's policy, review performance and endorse appointments to key management positions. Their primary activity is to assist the Chairman in meeting the Board's overall responsibilities, in accordance with the policies of the Secretary of State, and in compliance with charity law. Trustees offer guidance and expertise to the Chairman on setting and implementing SMG strategy.

The recruitment of Trustees takes place in accordance with the procedures defined by DCMS and the Office of the Commissioner for Public Appointments. Descriptions of the roles required are advertised, interviews conducted and recommendations made to DCMS for appointment by the Prime Minister in accordance with the National Heritage Act 1983. No new appointments were made in 2013-14.

When new Trustees are appointed, officers of SMG provide both general briefings about the Museums and the role of the Board of Trustees within a charity and non-departmental public body context and specific information about particular areas of interest. This is done through documents and meetings. The SMG Directorate has responsibility for coordinating secretarial functions for the main Board and oversight of governance arrangements and management of Board committees.

To help support a diverse and complex organisation, the Board has chosen to delegate some of its activities to a number of advisory boards and committees, each with a defined remit and terms of reference. The current structure is briefly summarised in the table below:

Committee	Hierarchy	Remit
Board of Trustees	Board	Determine all matters requiring Board approval
Audit Committee	Board sub-committee	Provide assurance on risk, control and governance
Remuneration Committee	Board sub-committee	Advise Board of Trustees on remuneration of Director and senior executives
Finance and Strategy Committee	Board sub-committee	Advise Board of Trustees on all financial matters and make financial decisions within its delegated limits
Chairman's Committee	Board advisory group	Facilitate effective decision-making on all matters relating to the management of SMG
Masterplan Advisory Board	Finance and Strategy Committee advisory group	Provide advice to the Finance and Strategy Committee on the Group's capital development plans
Science Museum Advisory Board	Board advisory group	Advise SMG Director and Board of Trustees on the cultural offer
National Railway Museum Advisory Board	Board advisory group	Advise local Director and Board of Trustees on the cultural offer
National Media Museum Advisory Board	Board advisory group	Advise local Director and Board of Trustees on the cultural offer
Museum of Science & Industry Advisory Board	Board advisory group	Advise local Director and Board of Trustees on the cultural offer
Collections and Research Trustee Sub-Committee	Board advisory group	Advise Board of Trustees on all aspects of collections and research
Railway Heritage Designation Advisory Board	Board advisory group	Advise Board of Trustees on the designation of railway heritage assets
SCMG Enterprises Ltd	Board of Directors of trading subsidiary	Make decisions regarding commercial operations and monitor progress against budget

Trustees who served during the year and their attendance at meetings of the Board of Trustees and its sub-committees are shown in the table below.

A full list of membership of sub-committees and advisory boards can be found in section 7.8 below.

	Term	Date of current appointment	Expiry of appointment	Attendance			
				Board ¹	Audit	Rem.	F&S
<i>Chairman</i>							
Dr Douglas Gurr (as chair)	1	01.07.10	30.06.14	5/5		2/2	
<i>Members</i>							
Lady Chisholm	2	14.01.11	13.01.15	5/5	4/4	2/2	
Mr Howard Covington	2	07.04.12	06.04.16	3/5			
Professor Dame Athene Donald DBE	1	01.08.11	31.07.15	4/5			
Lord Faulkner of Worcester	1	05.01.11	04.01.15	5/5	3/4		
Mr Andreas J Goss	1	01.08.11	31.07.15	4/5			3/4
Lord Grade of Yarmouth CBE	1	01.08.11	31.07.15	3/5			
Professor Ludmilla Jordanova	1	01.08.11	31.07.15	5/5			
Mr Simon Linnett	1	05.01.11	04.01.15	4/5			4/4
Professor Averil Macdonald	2	07.04.12	06.04.16	4/5			
Professor Sir Howard Newby CBE	2	14.01.11	13.01.15	3/5			
Dr Gill Samuels CBE	2	07.04.12	06.04.16	2/5		2/2	
Mr James Smith CBE	1	05.01.11	04.01.15	5/5			4/4
Ms Janet Street-Porter	2	07.04.12	04.03.14	2/4			
Mr Christopher Swinson OBE	2	07.04.12	06.04.16	2/5	4/4	2/2	
<i>Also attending</i>							
Mr Peter Fell (Special Adviser)	1	08.03.12	31.01.14	4/4			

¹ An extraordinary meeting was held in September.

7.2. Reports from Board committees

7.2.1. Board of Trustees

Significant issues considered by the Board of Trustees in 2013-14 included:

- Finances, in particular improving SMG's resilience by increasing other income and reducing costs in light of continued cuts to Grant in Aid.
- The press reports in summer 2013 that SMG planned to close one of its northern museums led to both critical coverage but also an outpouring of local support, and an inquiry by the Culture, Media & Sport Select Committee. Trustees were active in addressing these issues and capitalising on the support with national and local stakeholders.
- The development of renewed visions for NRM, NM&M and MOSI, to be realised through the Masterplans and organisational structures that have been agreed for each site. At MOSI the impact of the Ordsall Chord was a major consideration.
- Progress on the Science Museum Masterplan, especially how to raise the significant sums required to realise our aspirations as set out in Science Museum Strategic Ambitions 2012–20, published in November 2012. The move of the Science Museum Library out of Imperial College and concomitant development of an on-site research centre was a significant achievement, and plans for new mathematics and medical galleries were advanced.
- Renewed vigour for digital content and operations across all of SMG through the adoption of a set of digital principles and the establishment of a working group that includes the Chairman and members of the Finance and Strategy Committee.
- Restoration of Flying Scotsman.

7.2.2. Finance and Strategy Committee

In addition to its continuing work to provide the Board with assurance on the financial management and performance of the Group, the Finance and Strategy Committee focused on advising on and monitoring performance against plans to reduce costs in order to manage cuts in Government funding. The committee also established an advisory group, the Masterplan Advisory Board, to provide focused technical and strategic advice on the Group’s capital development plans.

7.2.3. Audit Committee

The Audit Committee kept the management of risks under review throughout the year, particularly with respect to programmes of change and project management. The committee approved the appointment of PricewaterhouseCoopers (PwC) as internal auditors and agreed a suitable programme of work for the period.

Members of internal and external audit attended each meeting of the Audit Committee and their work was considered by the committee.

7.2.4. Remuneration Committee

The Remuneration Committee provided advice to the Board on the remuneration of the Director and senior management team.

7.2.5. Railway Heritage Designation Advisory Board

From 1 April 2013 the Board of Trustees assumed statutory powers – formerly held by the Railway Heritage Committee – to designate certain artefacts and records related to railways as being of significant heritage value. A new sub-committee, the Railway Heritage Designation Advisory Board (RHDAB), was formed to advise the Board on designation and disposal matters. The RHDAB has two Trustee members, one of whom is the Chairman, and includes representatives of a range of stakeholders.

Designation recognises the significance of the items concerned and confers responsibility for their care and maintenance on the owners and recipients. Designated items may not be disposed of without the approval of the SMG Board. The (RHDAB) was established as a sub-committee of the main Board to advise the Trustees on designations and on disposal of designated material. The designation powers cover specific bodies. In 2013 Transport for London, recognising the heritage value of its railway assets, decided voluntarily to come within scope of the powers.

The RHDAB met four times in the year and recommended 40 items for designation, 14 items for disposal and 1 de-designation. Among these have been 7 class designations and 19 items through our voluntary agreement with Transport for London.

7.3. Board effectiveness

Early in 2014 trustees and executives were invited to comment on a paper drawn up by the Chairman that outlined the key elements of SMG governance, including: reference to relevant legislation and policy; roles and responsibilities of certain bodies and individuals; and the operation of the Board and its sub-committees. It took into account the findings of previous board effectiveness reviews. The paper was considered and approved at the Board meeting on 4 March 2014.

7.4. Group Executive

As Accounting Officer, the Director is personally responsible for safeguarding the public funds for which he has charge, for propriety and regularity in the handling of those public funds as guided by Managing Public Money and for the day-to-day operations and management of SMG. The Director of SMG is also Director of the Science Museum and is supported by the Deputy Director of the Science Museum. Each of the other Museums within SMG is headed by a Director or Head of Museum who is directly responsible for collections, the Museum’s cultural programme and for coordinating the overall delivery of the Museum’s goals.

The Group Executive is accountable to the Director of SMG, and is formed by the senior managers, most of whom report directly to the Director of SMG. The Group Executive is responsible for resource allocation, leading strategic management, developing the cultural content and programmes and sustaining SMG values.

Senior managers who served on the Group Executive during the year were:

Ian Blatchford	Karen Livingstone
Alex Burch	Heather Mayfield
Jane Ellis	Adele McAllister
Susan Fisher	Judith McNicol
Jean Franczyk	Jonathan Newby
Roger Highfield	Jo Quinton-Tulloch
Paul Kirkman	

Roles and dates of appointment and resignation, where these occurred during the reporting period, can be found in the remuneration report.

7.5. Risk management framework and risk assessment

The Board of Trustees of the Science Museum and the Board of Directors of SCMG Enterprises Ltd recognise that the effective management of risk and uncertainty is core to their ability to achieve their objectives. The Board of Trustees (advised by the Audit Committee) sets the risk appetite and risk management standards for the Group, as well as reviewing the major risks. In general, the Board of Trustees has a low appetite for risk and the system of internal controls is structured accordingly.

The Accounting Officer is responsible for managing risk and ensuring an effective system of internal control is in place. The Accounting Officer places assurance on the work of the Corporate Risk Group, an executive committee that meets regularly to review the risk environment, monitor changes in the corporate risk profile, identify emerging risks and report on these areas to the Director, the Group Executive and the Audit Committee.

The Board of Trustees places assurance on reports from the Chairs of the Audit Committee and the Finance and Strategy Committees and the Director concerning matters affecting internal control. The minutes of all sub-committees are distributed to Trustees.

The Audit Committee places assurance on the work of the internal auditor. Internal audit services in 2013-14 were principally provided by PricewaterhouseCoopers LLP (PwC), in accordance with Government Internal Audit Standards. The work of the internal audit provider is informed by an analysis of the risk to which the body is exposed, and annual internal audit plans are based on this analysis, which is endorsed by the Audit Committee. The Head of Internal Audit (HIA) provides the Audit Committee with regular reports on internal audit activity, which include the HIA's independent opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement. The HIA's opinion for 2013-14 is given in section 7.5.2 below. Actions arising from all the audits are addressed by the Group Executive and progress is monitored through the Audit Committee.

The Corporate Risk Group monitored the major risks and focused on measures in place to manage them during the year, reporting to the Audit Committee and the Board of Trustees. Risk assessment and management formed an integral part of business planning and project management.

The system of internal control has been in place in SMG throughout the year ended 31 March 2014 and up to the date of approval of the Annual Report and Accounts, in accordance with Treasury guidance. The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability.

In particular, it includes:

- A Group Executive management team, as described above, which met regularly throughout the year to consider the plans and strategic direction of SMG, to review forward cultural activity development against the Corporate Plan and to consider the management of identified and emerging risks
- Regular reports from managers to the Audit Committee, Finance and Strategy Committee and Board of Directors of SCMG Enterprises Ltd or management team (as appropriate) on the steps they are taking to manage risks in their areas of responsibility, including progress on key projects;
- Annual completion of internal control schedules by senior managers to confirm their compliance with SMG's internal control standards;
- Comprehensive budgeting systems, with an annual budget which is reviewed and agreed by the Board of Trustees;
- Regular reviews by the Board of Trustees of progress against the key performance indicators that measure attainment against objectives, and of periodic and annual financial reports that track financial performance against forecasts;
- The Corporate Risk Group, chaired by the Finance Director and reports to the Audit Committee. The Corporate Risk Group is responsible for
 - developing and monitoring the implementation of the Museum's risk strategy
 - maintenance of an organisation-wide risk register, progressing work to develop a consistent evaluation framework
 - encouraging the use of ongoing control and risk self-assessment procedures
 - monitoring changes in the corporate risk profile
 - reporting significant changes to the Director, Group Executive and Audit Committee
- Maintenance of a register of interests for Trustees, Directors of SCMG Enterprises Ltd, sub-committee advisers and senior staff

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the Museum's policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of the Museum's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

7.5.1. Risk profile

The key risk faced by SMG continues to be the uncertainty over future levels of Grant in Aid arising from sustained pressure on public sector expenditure. Action was taken to ensure the budgeting process was conducted to maintain a downward pressure on costs in response to this risk. A comprehensive review of the Group structure and scale of activities was undertaken during the year and a range of areas were identified for radical restructuring in order to achieve the significant savings required to balance the budget in 2015–16. A plan to achieve the savings required has been implemented during the year and internal audit work has been undertaken to provide assurance on effectiveness.

Other areas of risk identified during the year related to the adequacy of disaster recovery plans with respect to the ICT infrastructure, and work is under way to rectify this and ensure the documentation in place is adequate to support effective disaster recovery.

7.5.2. Assessment of risk management framework

The Accounting Officer and Board of Trustees have to maintain a balance between the strength of internal control systems and the cost of their implementation and improvement. This balance is increasingly difficult to manage given the pressure on public sector expenditure. At present, the Accounting Officer and Board of Trustees consider that the framework of internal controls and risk management is effective, although they acknowledge weaknesses were identified during the year relating to the documentation of disaster recovery plans with respect to ICT infrastructure. This view is supported by the Head of Internal Audit's Annual Report, in an opinion which gave assurance on the adequacy and effectiveness of the Museum's risk management, control and governance processes. Corrective action is being taken to address the control weaknesses identified, and this is being monitored by the Audit Committee.

7.6. Information security

During the year there were no centrally recorded incidents related to protected personal data and a report to the Information Commissioner's Office has not been required.

7.7. Compliance with the Corporate Governance Code

While the Board of Trustees has different responsibilities and is appointed in accordance with the relevant Acts, we confirm SMG's governance processes comply with the intentions of 'Corporate governance in central government departments: Code of good practice 2011'. The Board is well balanced in composition, and supports the Director in leading SMG through strategic direction, monitoring activity and achievement of objectives, and ensuring good governance is in place. The work of the Board is well supported by strong committee management. Regular evaluation by the Board of its effectiveness, including the views of senior staff, ensures that the Board is reviewing its activities and processes to continue to improve its performance. The Trustee register of interests is available for inspection on the SMG website or on application to the SMG Committee Manager at the Science Museum, Exhibition Road, London SW7 2DD.

7.8. Membership of Trustee sub-committees, advisory boards and subsidiary company boards

Full memberships of the Trustee sub-committees, advisory boards and subsidiary company boards are set out below.

Audit Committee

Chair

Mr Christopher Swinson OBE (Trustee)

Members

Lady Chisholm (Trustee)

Lord Faulkner of Worcester (Trustee)

Remuneration Committee

Chair

Mr Christopher Swinson OBE (Trustee)

Members

Lady Chisholm (Trustee)

Dr Douglas Gurr (Trustee)

Dr Gill Samuels CBE (Trustee)

Finance and Strategy Committee

(meets concurrently with Board of Directors of SCMG Enterprises Ltd)

Chair

Mr Howard Covington (Trustee), to 20.09.13

Members

Mr Andreas J Goss (Trustee), from 21.09.13

Mr James Bilefield

Mr Nick Kirkbride

Mr Simon J Linnett (Trustee)

Dr Martin Scott

Mr James Smith CBE (Trustee)

Chairman's Committee

Chair

Dr Douglas Gurr (Trustee)

Members

Mr Howard Covington (Trustee)

Mr Andreas J Goss (Trustee) from 21.09.13

Mr Ian Blatchford

Mr Jonathan Newby

Science Museum Advisory Board

Chair

Dr Gill Samuels CBE (Trustee)

Members

Ms Jane Atkinson

Dr Sarah Caddick

Professor Dame Athene Donald DBE (Trustee)

Dr Marcus du Sautoy

Mr Malcolm Garrett

Dr Lucie Green

Sir Tim Hunt

Professor Ludmilla Jordanova (Trustee), until 09.09.13

Ms Clare Matterson, until 18.04.13

Professor Michael J Reiss

Professor Simon J Schaffer

Professor Molly Stevens, from 27.11.13

Professor Helen Storey MBE, from 13.11.13

Museum of Science & Industry, Manchester, Advisory Board

Chair

Mr James Smith CBE (Trustee)

Members

Professor Colin Bailey

Dr Maria Balshaw

Mr Michael Emmerich

Lord Faulkner of Worcester (Trustee and Observer)

Mr Peter Fell (Vice-Chair), until 28.02.14

Mr Steve Johnson

Sir Richard Leese CBE

Dr Erinma Ochu, from 04.03.14

Mr Robert Owen MBE, until 28.02.14

Ms Sinead Rocks

Dr Gill Samuels CBE (Trustee)

Ms Susan Woodward OBE

National Railway Museum Advisory Board

Chair

Professor Sir Howard Newby CBE (Trustee)

Members

Mr Philip Benham, from 10.05.13
Mrs Gillian Cruddas MBE, until 31.10.13
Lord Faulkner of Worcester (Trustee and Observer)
Mr Christopher Garnett OBE
Mr Bryan Gray CBE
Mr Brian Greenwood
Professor Ludmilla Jordanova, from 11.09.13
Mr Simon Linnett (Trustee)
Mr Darren Richardson, from 17.05.13
Mr Adrian Shooter CBE
Mr Anton Valk
Mr Philip Verster
Mr William Woolley

National Media Museum Advisory Board

Chair

Lord Grade of Yarmouth CBE (Trustee)

Members

Mr Pierre Brahm
Professor Brian Cantor, from 01.10.13
Lady Chisholm (Trustee)
Mr Philippe Garner
Mr Matt Locke
Ms Zahida Manzoor CBE
Mr Roger Mosey, until 29.05.13
Dr Annette Nabavi
Mr Simon Norfolk, until 01.11.13
Mr Tony Reeves
Ms Carolyn Reynolds
Ms Gillian Reynolds MBE

Masterplan Advisory Board

Chair

Mr Steve McGuckin

Member

Mr Nick Kirkbride

Collections and Research Trustee Sub-Committee

Chair

Professor Ludmilla Jordanova (Trustee)

Members

Mr Philippe Garner
Dr Jeff Hughes
Professor Sir Howard Newby CBE (Trustee)

Railway Heritage Designation Advisory Board

Chair

Lord Faulkner of Worcester (Trustee)

Members

Mrs Helen Ashby OBE, until 15.02.14
Mr Christopher Austin OBE
Dr David Brown
Mr Ian Brown CBE
Lady Chisholm (Trustee)
Ms Louise Innes
Dr David Jenkins
Mr Paul Kirkman, from 16.02.14
Professor Sir Howard Newby CBE (Trustee)
Mr Peter Ovenstone
Mr Jonathan Pepler
Mr Andy Savage
Mr Jerry Swift

Company Information

SCMG Enterprises Ltd

Directors

Mr Howard Covington (Chair)

Secretary

Mr James Bilefield

Mr Ian Blatchford

Mr Andreas J Goss

Mr Jonathan Newby

Mr Christopher Weller, until 13.06.13

Ms Jane Ellis

Bradford Film Ltd

(a company limited by guarantee)

Directors

Ms Heather Mayfield

Mr Jonathan Newby

Secretary

Ms Jane Ellis

Greater Manchester Museum of Science & Industry
Trust was dissolved on 18.03.14.

MOSI Enterprises Ltd was dissolved on 18.03.14.



Mr Christopher Swinson OBE
Trustee, Chair of Audit Committee

1 July 2014



Mr Ian Blatchford
Accounting Officer and Director

1 July 2014

8. Certificate and report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the Board of Trustees of the Science Museum for the year ended 31 March 2014 under the Museums and Galleries Act 1992. The financial statements comprise: the Consolidated Statement of Financial Activities, the Consolidated and Museum Balance Sheets, the Consolidated Cash Flow and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Board of Trustees, Director and auditor

As explained more fully in the Statement of Board of Trustees' and Director's responsibilities, the Trustees and the Director as Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Museums and Galleries Act 1992. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Board of Trustees of the Science Museum and the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board of Trustees of the Science Museum; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in About the Science Museum Group, Review of 2013–14 and plans for the future, Financial review, Remuneration Report, Sustainability report, Statement of Board of Trustees' and Director's responsibilities, and Governance Statement to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the incoming resources and resources expended 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.

Opinion on regularity

In my opinion, in all material respects 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.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the group's and of the Board of Trustees of the Science Museum's affairs as at 31 March 2014 and of its incoming resources and application of resources for the year then ended; and
- the financial statements have been properly prepared in accordance with the Museums and Galleries Act 1992 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the remuneration report to be audited has been properly prepared in accordance with Secretary of State directions under the Museums and Galleries Act 1992; and
- the information given in the Staff engagement, Sickness absence, Equality and diversity, Financial review (excluding Immunity from seizure), Sustainability report, The Governance Framework, Membership of Trustee Sub-Committees, Advisory Boards and subsidiary company boards, and Group Executive sections of the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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 or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse, Comptroller and Auditor General
National Audit Office, 157–197 Buckingham Palace Road,
Victoria, London SW1W 9SP

Date 9 July 2014

9 Annual Accounts 2013-14

Science Museum Group

Consolidated Statement of Financial Activities for the year ended 31 March 2014

	Notes	2014 Unrestricted funds £000	2014 Restricted funds £000	2014 Endowment funds £000	2014 Total £000	2013 Total £000
Incoming resources						
Incoming resources from generated funds						
Voluntary income						
Grant in Aid for SMG	2	39,560	125	–	39,685	41,003
Grant in Aid for NCMME		–	2,562	–	2,562	2,657
Grants, legacies and donations	3	4,536	3,105	–	7,641	8,313
Lottery income		–	2,318	–	2,318	739
Activities for generating funds						
Income from commercial activities	7	16,947	–	–	16,947	15,986
Sponsorship		342	3,684	–	4,026	1,221
Rental income from operating leases		655	50	–	705	645
Investment income	5	43	–	1	44	173
Incoming resources from charitable activities						
Other income	4	5,357	–	–	5,357	2,031
Total incoming resources		67,440	11,844	1	79,285	72,768
Resources expended						
Costs of generating funds						
Costs of generating voluntary income		2,205	77	–	2,282	2,426
Commercial costs (charitable trading: costs of goods sold and other)		14,397	151	–	14,548	13,544
Charitable activities						
Care for and research into collections		12,709	5,899	–	18,608	19,379
Science education and communication		20,132	8,943	–	29,075	29,466
Visitor services		9,874	2,089	–	11,963	12,214
Grants awarded		3,477	–	–	3,477	11,460
Governance costs		523	–	–	523	459
Total resources expended	6.1	63,317	17,159	–	80,476	88,948
Net (outgoing)/incoming resources before other recognised gains and losses		4,123	(5,315)	1	(1,191)	(16,180)
Transfers between reserves	17	42	(42)	–	–	–
Other recognised gains/losses						
Revaluation Reserve surplus		49,174	(4,829)	–	44,345	–
Actuarial gain/(loss) on defined benefit pension scheme	6.2.7	390	–	–	390	(703)
Net movement in funds		53,729	(10,186)	1	43,544	(16,883)
RECONCILIATION OF FUNDS						
Fund balances brought forward at 01.04.2013		31,949	311,685	76	343,710	360,593
Fund balances carried forward at 31.03.2014		85,678	301,499	77	387,254	343,710

The notes on page 53 to 75 form part of these accounts.

Science Museum Group Balance Sheets as at 31 March 2014

	Notes	Consolidated Balance Sheet		Museum Balance Sheet	
		2014 £000	2013 £000	2014 £000	2013 £000
Fixed assets					
Tangible assets	8	364,383	324,058	361,060	319,100
Heritage assets	9	19,351	18,672	19,351	18,672
Investments	7.1	-	-	411	552
		383,734	342,730	380,822	338,324
Current assets					
Stock		1,058	951	-	-
Debtors	10	7,243	4,943	10,713	7,940
Short term deposits		6,800	13,000	6,800	13,000
Cash		3,983	5,549	(17)	670
		19,084	24,443	17,496	21,610
Creditors: amounts falling due within one year	11.1	[11,883]	[18,913]	[8,130]	[14,083]
Net current assets		7,201	5,530	9,366	7,527
Total assets less current liabilities		390,935	348,260	390,188	345,851
Creditors: amounts falling due after one year	11.2	[273]	[413]	[183]	[233]
Provisions for liabilities and charges	15	[522]	[861]	[522]	[861]
Net assets excluding pension liability		390,140	346,986	389,483	344,757
Pensions liability	6.2.7	[2,886]	[3,276]	[2,886]	[3,276]
		387,254	343,710	386,597	341,481
Represented by:					
Restricted funds					
Sponsorship, Grants and Donations Reserve		1,336	1,530	1,336	1,530
Capital Reserves		178,765	178,132	177,904	177,120
Revaluation Reserve		121,398	132,023	121,398	132,023
	17.1	301,499	311,685	300,638	310,673
Unrestricted funds					
Designated funds					
Museum Improvement Fund		5,924	3,727	5,924	3,727
Collection Purchases Fund		218	173	218	173
Capital Reserves		26,279	24,095	26,279	24,095
Revaluation Reserve		54,677	5,748	54,596	4,193
	17.2	87,098	33,743	87,017	32,188
Deficit on MOSI defined benefit pension scheme	6.2.7	[2,886]	[3,276]	[2,886]	[3,276]
General funds		1,466	1,482	1,751	1,820
Total income funds		85,678	31,949	85,882	30,732
Endowment funds		77	76	77	76
Total Funds		387,254	343,710	386,597	341,481

Approved by the Board of Trustees and authorised for issue.



Mr Christopher Swinson OBE
Trustee, Chair of Audit Committee

1 July 2014



Mr Ian Blatchford
Accounting Officer and Director

1 July 2014

The notes on page 53 to 75 form part of these accounts.

Science Museum Group Consolidated Cash Flow for the year to 31 March 2014

	Notes	2014 £000	2013 £000
Net cash inflow from operating activities	18.1	2,113	4,576
Returns on investments and servicing of finance	18.2	21	179
Capital expenditure	18.2	(9,810)	(5,701)
Management of liquid resources	18.2	6,200	(1,440)
Financing	18.2	(90)	(82)
(Decrease)/increase in cash		(1,566)	(2,468)
Reconciliation of net cash flow to movement of net funds			
(Decrease)/increase in cash in period		(1,566)	(2,468)
Increase/(decrease) in liquid resources		(6,200)	1,440
Decrease in debt and lease financing	18.3	90	82
Change in net fund resulting from cash flow	18.3	(7,676)	(946)
Net funds as at 1 April		18,279	19,225
Net funds as at 31 March	18.3	10,603	18,279

The notes on page 53 to 75 form part of these accounts.

Notes to the consolidated account for the year ended 31 March 2014

1 Statement of accounting policies

1.1 Accounting convention

The accounts have been prepared under a historic cost convention as modified by the revaluation of certain fixed assets, and comply with the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice 2005 (SORP), applicable accounting standards and Financial Reporting Manual (FReM) for 2013-14 as issued by HM Treasury. The accounting policies contained in the FReM follow UK generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector. The accounts follow the Accounts Direction issued by the Department for Culture, Media and Sport in a form directed by the Secretary of State.

Consolidated accounts have been prepared which include the Museum and its subsidiary company, SCMG Enterprises Ltd. The consolidation is on a line-by-line basis with the recharges between the Museum and the trading subsidiaries eliminated from the Statement of Financial Activities. Amounts owed and owing between the entities have been eliminated from the consolidated balance sheet.

1.2 Incoming resources

Grant in Aid from the Department for Culture, Media and Sport is taken to the Statement of Financial Activities in the year in which it is received. Except where it has been allocated for a specific purpose, it is disclosed as unrestricted income.

Grant income, sponsorship and donation income, including Lottery income, is recognised as income when the conditions for its receipt have been met (notes 2, 3, 4, 5).

The Museum recognises the costs and 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 exhibition income and costs treated as deferred exhibition costs and included in deferred income and prepayments respectively on the Balance Sheet.

All other income is accounted for on a receivable basis.

1.3 Expenditure

Expenditure is classified under the principal categories of charitable and other expenditure rather than the type of expense, in order to provide more useful information to users of financial statements. An analysis of resources expended is set out in note 6.1.1.

Costs of generating voluntary income include fundraising and publicity costs incurred in seeking voluntary contributions to the Museum.

Charitable expenditure comprises direct expenditure, including direct staff costs attributable to the activity, and, where costs cannot be directly attributed, an allocation of indirect costs on a basis consistent with use of the resources as set out in note 6.1.2. The costs of publicising the Museum are included in the cost category Science education and communication.

Governance costs are the costs associated with the governance arrangements and the strategic management of the charity's activities. These costs include internal and external audit, legal advice for Trustees and costs associated with constitutional and statutory requirements.

1.4 Fixed assets valuation and depreciation

Fixed assets are defined as assets costing £5,000 or more with a useful life of greater than one year.

All property assets are subject to quinquennial valuations in accordance with the RICS Appraisal and Valuation Manual, supplemented by interim professional valuations. As part of the revaluation process asset lives are evaluated and re-estimated, the restated expected useful life is then applied to the original historic cost, and to any previous revaluation movements for the purposes of calculating depreciation.

The difference between current cost and historic cost depreciation is taken to the Revaluation Reserve.

Galleries and exhibitions are not revalued but the lives of these assets are reviewed annually to reflect their true value. For other asset categories, where the assets have short useful lives or low values, SMG adopts a depreciated historic cost basis as a proxy for fair value. A fixed asset impairment review is undertaken annually.

Land, investment property and assets under construction are not depreciated. For other categories depreciation is provided at rates calculated to write off the cost or valuation of each asset evenly over its expected useful life. A full year of depreciation is charged in the year of capitalisation and none in the year of disposal.

Asset category	Expected useful life (years)
Freehold, leasehold and residential buildings	10–50
Plant and machinery	5–25
Galleries and exhibitions	5–15
Information technology and audio-visual equipment	3–10
Fixtures and fittings	3–10

1.5 Investment property

Investment property is accounted for under the fair value model prescribed by SSAP 19.

1.6 Heritage assets

Heritage assets acquired since April 2001 are reported in the balance sheet at cost. Donated assets with an estimated value greater than £5,000 are reported at an internally generated valuation for which reliance is placed on the professional knowledge and expertise of the Museum's in-house curatorial staff.

For the collections that existed at March 2001, the Board of Trustees is of the opinion that valuation information cannot be obtained at a cost commensurate with the benefits to users of the financial statements so a valuation approach is not practicable and SMG has adopted a non- recognition approach.

Expenditure which is required to preserve or prevent further deterioration of individual collection items is recognised in the Statement of Financial Activities when it is incurred. Purchases of items at a price less than £5,000 for the collection are charged to the Statement of Financial Activities in the year of acquisition.

An overview of the scope of the SMG collections is set out at note 9.5.

Heritage assets are not subject to depreciation or revaluation.

1.7 Stock

Stock is stated at the lower of cost and net realisable value and comprises goods for resale.

1.8 Leases

Costs relating to operating leases are charged to the Statement of Financial Activities over the life of the lease.

1.9 Pensions

Present and past employees are covered by the provisions of the Principal Civil Service Pension contributory and unfunded scheme. Although the scheme is a defined-benefit scheme, liability for payment of future benefits is a charge to the PCSPS. The SMG and other bodies covered by the PCSPS meet the cost of 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. Pension contributions are paid at rates determined from time to time by the Government Actuary and advised by the Treasury.

On its acquisition of Greater Manchester Museum of Science and Industry Trust on 1 February 2012 SMG became an admitted body of the Greater Manchester Pension Fund which is a defined benefit scheme. The expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the Statement of Financial Activities so as to spread the cost over the service lives of the employees in the scheme, in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

The pension costs are assessed on the advice of a professional qualified actuary using the projected unit method. The scheme is funded in advance by contributions from its members, including the company and its employees at rates assessed by the scheme actuary in regular funding reviews.

Pension scheme assets are valued at market value at the balance sheet date. The pension scheme deficit relating to MOSI employees is recognised in full on the Balance Sheet.

SCMG Enterprises Ltd operates a defined contribution pension scheme, the assets of which are held separately in an independently administered fund. Contributions are charged to the Statement of Financial Activities as they become payable, in accordance with the rules of the scheme.

1.10 Early Retirement Scheme

The Museum operates an Early Retirement and Severance Scheme, which gives retirement benefits on redundancy terms to certain qualifying employees. These benefits conform to the rules of the Principal Civil Service Pension Scheme. The Museum pays annual compensation payments to those employees retired under the Early Retirement and Severance Scheme.

The total forecast annual compensation payments liability up to normal retiring age in respect of each employee is charged to the Statement of Financial Activities in the year in which the employee takes early retirement. The early retirement provision is recalculated annually, informed by updated information. Funds are released from the provision annually to fund compensation payments made in the year (note 15).

1.11 Taxation

SMG is exempt from corporation tax on its charitable activities under the provisions of the Corporation Tax Act 2010.

For SCMG Enterprises provision is made at current rates of taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the Directors, there is reasonable probability that the liability will not arise in the foreseeable future.

SCMG Enterprises Ltd undertakes to Gift Aid profits, to the extent that the Directors of the subsidiary judge that they do not need to be retained in the business.

1.12 Investments

Funds identified as surplus to working capital in the short- or longer-term are invested to maintain their value over time. The value of the Museum's investment in its trading subsidiary is disclosed at cost.

1.13 Financial instruments

All material business arrangements are reviewed to determine the nature of the financial instruments they contain. Financial assets and liabilities are categorised in accordance with FRS 26 and included in the financial statements in accordance with FRS 25. The nature and extent of the risks associated with the financial instruments are disclosed in accordance with FRS 29.

1.14 Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the time of the transaction and, at year end, balances are restated at the year-end rate. All exchange differences are taken to the Statement of Financial Activities.

1.15 Provisions

Provisions are made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated. Discount rates provided by the Treasury are used in current value calculations for long-term commitments.

1.16 Accounts Direction

A copy of the Accounts Direction issued to the National Museum of Science & Industry by the Department for Culture, Media and Sport may be obtained from the Accounting Officer at the Science Museum, Exhibition Road, London SW7 2DD.

2 Museum Statement of Financial Activities

	2014 £000	2013 £000
Incoming resources		
Grant in Aid for SMG	39,685 [1]	41,003
Grant in Aid for National Coalmining Museum for England	2,562	2,657
Voluntary income (grants, legacies and donations)	7,516	8,313
Lottery income	2,318	739
Activities for generating funds		
Rental income	466	454
Investment income, including Gift Aid from subsidiary	6,791	4,083
Sponsorship	20	87
Incoming resources from charitable activities		
Other operating income	5,357	2,031
Total incoming resources	64,715	59,367
Resources expended		
Costs of generating funds		
Costs of generating voluntary income	2,282	2,426
Charitable activities		
Care for and research into collections	18,608 [2]	19,379
Science education and communication	28,955	29,474
Visitor services	11,963	12,214
Grants awarded	3,477	11,460
Governance costs	523	459
Total resources expended	65,808	75,412
Net (outgoing) / incoming resources before other recognised gains and losses	(1,093)	(16,045)
Other recognised gains / losses		
Revaluation of assets	45,819	-
Actuarial gain / (loss) on defined benefit pension liability	390	(703)
Net movement in funds	45,116	(16,748)
Reconciliation of funds		
Reserves brought forward	341,481	358,229
Reserves carried forward	386,597	341,481

[1] For 2013-14 the capital element of the Grant in aid was £2,486k (2012-13: £2,385k)

[2] Includes a grant of £2,562 (2012-13: £2,657k) to The National Coal Mining Museum for England [NCMME].

3 Voluntary income

	2014 £000	2013 £000
Grant income [excluding Lottery grants]	3,652	2,227
European Union grants	100	2
Corporate donations	446	354
Value of donated goods and services	101	523
Individual donations	2,409	2,206
Patrons' scheme	191	102
Legacies	70	64
	6,969	5,478
Value of donated capital assets and heritage assets	672	2,835
	7,641	8,313

4 Other income

For 2013-14 other income includes a material compensation payment in relation to the termination of a lease; the balance of other income arises from project self-generated income, conference and educational events, locomotive hire and cloakroom fees.

5 Investment income

Consolidated investment income of £44k (2012-13: £173k) arose through interest earned from investing surplus funds.

6 Total resources expended

6.1.1 Analysis by functional purpose

	Direct costs £000	Capital Grant £000	Support costs £000	Depreciation and loss on disposal £000	2014 Total £000	2013 Total £000
Cost of generating funds						
Costs of generating voluntary income	1,716	-	472	94	2,282	2,426
Charitable trading: cost of goods sold and other costs	14,386	-	-	162	14,548	13,544
Charitable activities						
Care for and research into collections	11,187	-	3,857	3,564	18,608	19,379
Science education and communication	17,360	-	4,701	7,014	29,075	29,466
Visitor Services	6,006	-	3,184	2,773	11,963	12,214
Capital Grant payment	-	3,477	-	-	3,477	11,460
Governance costs	203	-	320	-	523	459
	50,858	3,477	12,534	13,607	80,476	88,948

6.1.2 Support cost allocation

	Management [1] £000	Finance [2] £000	Human Resources [3] £000	Information Technology [4] £000	Estates [5] £000	Total £000
Costs of generating voluntary income	51	36	144	241	-	472
Care for and research into the collections	335	238	294	490	2,500	3,857
Science education and communication	516	367	533	785	2,500	4,701
Visitor services	187	133	211	153	2,500	3,184
Governance costs	155	160	-	5	-	320
	1,244	934	1,182	1,674	7,500	12,534

Costs were allocated to each activity on the basis defined below:

- [1] Management – in proportion to the expenditure
- [2] Finance – in proportion to the expenditure with adjustment for internal recharges
- [3] Human Resources – in proportion to the number of full-time equivalent staff
- [4] Information Technology – in proportion to the number PCs/terminals
- [5] Estates – divided equally over the three charitable activities.

6.1.3 Employees (full-time equivalents) analysed by activity

	2014 employment contract	2014 other staff engaged	2014 Total	2013 Total
Care for and research into collections	158	2	160	175
Science education and communication	317	2	319	366
Visitor services	145	2	147	137
Generating voluntary income and sponsorship	46	-	46	34
Fundraising trading	114	3	117	135
Governance costs	6	-	6	6
	786	9	795	853

6.1.4 Governance costs

Governance costs comprise support for Trustee Committee activity and related Governance work, internal and external audit and resources required to produce statutory accounts.

6.1.5 Trustees

The Chairman and Trustees (listed in the Annual Report) received no remuneration for their services, but travel expenses totalling £9,356 were paid to nine Trustees (2012-13: £6,709 paid to eleven Trustees).

6.2 Staff

6.2.1 Staff costs

	Note	2014 £000	2013 £000
Salaries and wages		22,009	22,525
Social Security costs		1,813	1,796
Other pension costs (Museum only)		1,979	2,083
Pension contributions (SCMG Enterprises Ltd)		254	216
Contribution to Greater Manchester Pension Scheme deficit		85	85
Revaluation of Early Retirement provision	15	55	3
Revaluation of Added-years pension provision	15	4	3
Agency staff		773	723
Settlements and compensation payments		67	46
Redundancy payments	6.2.2	990	565
Net staff costs movement on restructuring costs provision	15.2	[351]	607
		27,678	28,652

Included in the above is £352k (2012-13: £ 334k) in respect of staff costs which have been capitalised.

6.2.2 Redundancy payments

	Note	2014 £000	2012 £000
Total cost of compensation and redundancy payments			
Utilisation of Restructuring Provision	15.2	481	245
Costs charged to the SOFA		509	611
		990	856

6.2.3 Analysis of compensation and redundancy packages 2013-14

Exit package cost band	2014			2013		
	Number of compulsory redundancies	Number of other departures agreed	Total exit packages by band cost	Number of compulsory redundancies	Number of other departures agreed	Total exit packages by band cost
Up to £10,000	4	14	18	11	26	37
£10,001 – £25,000	1	22	23	4	8	12
£25,001 – £50,000	–	14	14	2	4	6
£50,001 – £75,000	–	4	4	–	3	3
£75,001 – £100,000	–	1	1	–	2	2
	5	55	60	17	43	60
Cost £000	26	964	990	188	699	887

6.2.4 Employees receiving remuneration over £60,000

£	2014	2013	
60,001 – 65,000	11	9	
65,001 – 70,000	1	2	
70,001 – 75,000	2	2	
75,001 – 80,000	3	3	For nine of these employees total remuneration includes BUPA contributions.
80,001 – 85,000	2	–	
85,001 – 90,000	2	2	Contributions were paid to a defined contribution scheme on behalf of ten employees.
90,001 – 95,000	3	–	
95,001 – 100,000	–	1	
100,001 – 105,000	1	–	For eighteen of the staff included in this table retirement benefits accrued under a defined benefit scheme.
110,001 – 115,000	–	1	
115,001 – 120,000	–	1	
125,001 – 130,000	1	1	
135,001 – 140,000	1	–	
145,001 – 150,000	1	1	
	28	23	

6.2.5 Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. The Principal Civil Service Pension Scheme is an unfunded multi-employer defined benefit scheme but Science Museum Group is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007 (details can be found in the resource accounts of the Cabinet Office: Civil Superannuation www.civilservice.gov.uk/pensions).

From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a final salary scheme (Classic, Premium or Classic Plus) or a whole career scheme (Nuvos). 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 and Nuvos are increased annually in line with Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. 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 from October 2002 worked out as in Premium. In Nuvos a member builds up a pension based on their 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 all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

For 2013-14 employers' contributions of £1,737,643 were payable to PCSPS (2012-13: £1,819,848) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands.

Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement). Cost to SMG in 2013-14 £651 (2012-2013: £635).

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. 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 (in addition to the employer's basic contribution).

None of the contributions due to the partnership pension providers were unpaid at the balance sheet date and none had been prepaid at that date.

6.2.6 The SCMG Enterprises Ltd Pension Scheme

This is a contracted-in group money-purchase scheme with optional contracted-out pensions to which SCMG Enterprises Ltd contributes 7% and the employee 5%. SCMG Enterprises Ltd pension contributions of £235,650 were paid in the year (2012-13: £215,977).

6.2.7 Greater Manchester Pension Fund

SMG is an admitted body of the Greater Manchester Pension Fund ("the fund") which is part of the Local Government Pension Scheme ("the LGPS"); a defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme Regulations it is contracted out of the State Second Pension. The last formal triennial valuation of the fund was carried out at 31 March 2013. The results of this valuation have

been projected forward to 31 March 2014 using approximate methods. Results Schedules were prepared by qualified independent actuaries Hymans Robertson LLP 31 for March 2014. The actuarial calculations are based on individual membership data submitted at 31 March 2014 for the purposes of the formal funding valuation at that date.

The major assumptions used by the actuary were:

	31 March 14	31 March 13
Rate of increase in salaries*	3.90%	4.60%
Rate of increase in pension	2.80%	2.80%
Expected return on assets	5.90%	5.10%
Discount rate	4.30%	4.50%

*Salary increases are assumed to be 1% per annum until 31 March 2015 reverting to the long term assumption thereafter.

The employer's share of the scheme assets

	Fair value at 31 March 2014 £000	% of total plan assets	Expected return on assets at 31 March 2014	Fair value at 31 March 2013 £000	% of total plan assets
Equities	7,494	72%	6.6%	7,110	72%
Bonds	1,770	17%	3.8%	1,679	17%
Property	625	6%	4.8%	494	5%
Cash	520	5%	3.7%	593	6%
Fair value of assets	10,409	100%		9,876	100%

The SMG share of the net pension liability at:

	Monday, 31 March 14 £000	Monday, 31 March 13 £000
Fair value of employer's assets	10,409	9,876
Present value of scheme liabilities	(13,295)	(13,152)
Net pension liability recognised in the balance sheet	(2,886)	(3,276)

	Year to 31 March 2014 £000	2 months to 31 March 2013 £000
--	----------------------------------	--------------------------------------

Amount charged to net incoming / (outgoing) resources

Current service costs	276	245
Past service cost	-	-
Total operating charge	276	245

Amount credited to net finance income under FRS 17

Expected return on scheme assets	506	479
Interest on pension scheme liabilities	(593)	(532)
	(87)	(53)

Total charge to net incoming resources in the Statement of Financial Activities

363 298

Recognised loss in the Statement of Financial Activities

Difference between expected and actual return on scheme assets	(48)	797
Experience gain on scheme liabilities	681	22
Changes to actuarial assumptions	(166)	(1,522)
(Loss) on curtailments	(77)	-
Actuarial gains / (losses)	390	(703)

Movement in scheme obligation during the year to 31 March 2014

	Year to 31 March 2014 £000	Year to 31 March 2013 £000
Opening defined benefit obligation	13,152	11,060
Current service costs	276	245
Interest on scheme liabilities	593	532
Contributions by scheme participants	81	95
Benefits paid	(369)	(280)
Loss on curtailments and settlements	77	–
Actuarial (gains) / losses	(515)	1,500
Closing defined benefit obligation	13,295	13,152

Changes in the fair value of scheme assets during the year ended 31 March 2014

	Year to 31 March 2014 £000	Year to 31 March 2013 £000
Opening fair value of the employer's assets	9,876	8,487
Expected return on assets	506	479
Contributions by members	81	95
Contributions by the employer	363	298
Actuarial (loss) / gain	(48)	797
Benefits paid	(369)	(280)
Fair value of the employer's assets at close of period	10,409	9,876

Projected pension expense for the year to 31 March 2015

	£000	% of pay
Projected current service cost	256	20.9%
Interest on obligation	571	46.5%
Expected return on plan assets	(613)	(49.9%)
Past service cost	–	–
Losses / (gains) in curtailment and settlements	–	–
Total	214	

The estimate of the Employer's contributions in the year to 31 March 2015 will be approximately £274k

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below

	Approximate % increase to the Employer liability	Approximate monetary amount £000
0.5% decrease in Real Discount Rate	10.0%	1,349
1 year increase in member life expectancy	3.0%	399
0.5% increase in the Salary Increase Rate	3.0%	361
0.5% increase in the Pension Increase Rate	7.0%	979

6.3.1 Other direct costs

	2014 Museum £000	2014 SCMG Enterprises £000	2014 Total £000	2013 Total £000
Auditors' remuneration – audit fees	55	33	88	92
Lease rental payments on land and buildings	127	–	127	81
Lease rental payments on equipment	51	2	53	57
Lease rental payments on vehicles	33	–	33	50

7 Trading subsidiaries

7.1 Subsidiary companies

Parent	Subsidiary	Notes
SMG	SCMG Enterprises Ltd	
SCMG Enterprises Ltd	Bradford Film Ltd	dormant
	The National Science Centre Ltd	dormant
	Launchpad Ltd	dormant
	Science Shops Ltd	dormant
SMG	MOSI Enterprises Ltd	dissolved in 2013-14

Carrying value of investments in active trading subsidiaries

	2014 £000	2013 £000
Investment in SCMG Enterprises Ltd	411	411
Investment in MOSI Enterprises Ltd	–	141
	411	552

This investment is held at historic cost.

Operational control of MOSI Enterprises was transferred to SCMG Enterprises on 31.03.2012. The Company was dissolved in the year to 31 March 2014.

7.2 SCMG Enterprises Ltd

The Board of Trustees of the Science Museum owns the single share which is the entire issued share capital of SCMG Enterprises Ltd, a company registered in England and Wales. The company's principal activities are retailing, catering, corporate hire, corporate partnership, temporary exhibitions and interactive production and providing services to the Museum for admissions, public relations, sponsorship and fundraising.

7.2.1 SCMG Enterprises Ltd Profit and Loss Account for the year ended 31 March 2014

		2014 £000	2013 £000
Turnover	[1]	16,908	15,994
Cost of sales		(5,690)	(5,255)
Gross profit		11,218	10,739
Administrative expenses		(18,589)	(17,547)
Rental income		239	191
Other operating income	[1]	13,690	10,572
Operating profit		6,558	3,955
Interest receivable		15	8
Interest payable		(42)	(51)
Profit on ordinary activities		6,531	3,912
Tax on profit on ordinary activities		–	–
Profit for the financial year		6,531	3,912
Gift Aid		(6,478)	(3,899)
Retained (loss) / profit for the financial year		53	13
Unrealised deficit on revaluation of properties		(1,474)	–
Reserves brought forward		1,628	1,615
Reserves carried forward		207	1,628

[1] Other operating income includes Sponsorship income of £3,910k, (2012-13: £1,134k) £9,629k of other operating income is eliminated on consolidation (2012-13: £9,438k)

7.2.2 SCMG Enterprises Limited Balance Sheet

	2014 £000	2013 £000
Tangible fixed assets	3,323	4,958
Stock	1,058	951
Debtors	2,103	2,932
Bank and cash	4,000	4,879
Creditors due within one year	(7,180)	(8,754)
Creditors due after one year	(3,097)	(3,338)
Net assets	<u>207</u>	<u>1,628</u>
Capital and reserves		
Called up share capital	-	-
Revaluation reserve	81	1,555
Profit and loss account	126	73
Shareholder's funds	<u>207</u>	<u>1,628</u>

8 Tangible fixed assets

8.1 Consolidated assets

	Land and buildings £000	Plant & Machinery £000	Galleries and exhibitions £000	Fixtures and fittings £000	Information technology and audio equipment £000	Assets under construction £000	Total £000
Cost or revalued amount as at 31.03.2013	302,693	84,953	23,446	4,022	1,320	4,456	420,890
Transfers from assets under construction	–	17	1,458	5	2	(1,482)	–
Additions	2,171	689	540	613	117	5,456	9,586
Disposals	–	(1,620)	(389)	(47)	(454)	(32)	(2,542)
Elimination of historic depreciation [1]	(43,051)	(16,473)	–	–	–	–	(59,524)
Elimination of cumulative depreciation on revaluation	(10,528)	(9,290)	–	–	–	–	(19,818)
Revaluation	25,773	18,572	–	–	–	–	44,345
Cost or revalued amount as at 31.03.2014	277,058	76,848	25,055	4,593	985	8,398	392,937
Depreciation as at 31.03.2013	48,412	32,341	12,601	2,573	905	–	96,832
Disposals	–	(1,620)	(390)	(47)	(454)	–	(2,511)
Elimination of historic depreciation [1]	(43,051)	(16,473)	–	–	–	–	(59,524)
Charge for year	5,167	4,948	2,914	343	203	–	13,575
Elimination of cumulative depreciation on revaluation	(10,528)	(9,290)	–	–	–	–	(19,818)
Depreciation as at 31.03.2014	–	9,906	15,125	2,869	654	–	28,554
Net book value at 31.03.2014	277,058	66,942	9,930	1,724	331	8,398	364,383
Net book value at 31.03.2013	254,281	52,612	10,845	1,449	415	4,456	324,058

[1] This is a correcting entry in line with FRS 15 Tangible Fixed Assets. In previous years the movement on revaluation was only reflected against the asset cost (or revaluation) and not against cumulative depreciation.

The net book value at 31 March 2014 represents fixed assets for

	Land and buildings £000	Plant & Machinery £000	Galleries and exhibitions £000	Fixtures and fittings £000	Information technology and audio equipment £000	Assets under construction £000	Total £000
Charitable activities	273,187	65,862	9,930	1,204	213	8,398	358,794
Other activities	3,871	1,142	–	458	118	–	5,589
	277,058	66,942	9,930	1,724	331	8,398	364,383

8.2 Museum assets

	Land and buildings £000	Plant & Machinery £000	Galleries and exhibitions £000	Fixtures and fittings £000	Information technology and audio equipment £000	Assets under construction £000	Total £000
Cost or revalued amount as at 31.03.2013	298,842	81,654	23,258	2,185	1,320	4,456	411,715
Transfers from assets under construction	-	17	1,458	5	2	(1,482)	-
Additions during year	2,171	689	540	613	117	5,456	9,586
Disposals	-	(1,620)	(389)	(47)	(454)	(32)	(2,542)
Elimination of historic depreciation	(43,051)	(16,473)	-	-	-	-	(59,524)
Elimination of cumulative depreciation on revaluation	(10,528)	(9,290)	-	-	-	-	(19,818)
Revaluation	27,247	18,572	-	-	-	-	45,819
Cost or revalued amount as at 31.03.2014	274,681	73,549	24,867	2,756	985	8,398	385,236
Depreciation as at 31.03.2013	48,412	30,033	12,413	852	905	-	92,615
Disposals	-	(1,620)	(390)	(47)	(454)	-	(2,511)
Elimination of historic depreciation	(43,051)	(16,473)	-	-	-	-	(59,524)
Charge for the year	5,167	4,787	2,914	343	203	-	13,414
Elimination of cumulative depreciation on revaluation	(10,528)	(9,290)	-	-	-	-	(19,818)
Depreciation at 31.03.2014	-	7,437	14,937	1,148	654	-	24,176
Net book value at 31.03.2014	274,681	66,112	9,930	1,608	331	8,398	361,060
Net book value at 31.03.2013	250,430	51,621	10,845	1,333	415	4,456	319,100

8.3 Land and buildings

	Net book value as at 31.03.2014			Net book value as a 31.03.2013
	Museum assets £000	SCMG Enterprises assets £000	Total £000	Total £000
Freehold land & buildings	254,626	1,374	256,000	229,628
Investment property	-	-	-	2,846
Freehold residential properties	388	-	388	538
Short leasehold*	19,666	1,004	20,670	21,269
	<u>274,680</u>	<u>2,378</u>	<u>277,058</u>	<u>254,281</u>

*Defined as leases with less than 50 years to run at Balance Sheet date.

The Science Museum was transferred from the Secretary of State for the Environment on 10 August 2001. Wroughton Airfield was transferred from the Secretary of State for Defence to the Science Museum on 27 July 1997. The buildings and land relating to the National Railway Museum were transferred from the Secretary of State for the Environment on 1 August 1997. The Royal Naval Air Yard was purchased from the Ministry of Defence on 31 March 2000. When MOSI became part of the Science Museum Group on 31 January 2012 the Manchester estate was transferred at fair value as determined by an external valuation. Blythe House is currently occupied by the British Museum, the Science Museum and the Victoria and Albert Museum. The freehold title is held by the Office of the Deputy Prime Minister, although ministerial responsibility for all museum estate issues has subsequently transferred to the Secretary of State for Culture, Media and Sport. As a longstanding tenant and beneficial user SMG shows a one-third share of the value, as established by Gerald Eve at 31 March 2014, on its balance sheet.

8.4 Revaluation of assets

The full valuation by Chartered Surveyors Gerald Eve LLP as at 31 March 2014 was in accordance with the RICS Appraisal and Valuation Manual. Land and buildings at Science Museum London, Manchester Museum of Science & Industry, National Railway Museum, National Media Museum and Locomotion at Shildon were valued on the basis of depreciated replacement cost. The Science Museum site in Wroughton, and Blythe House are included at existing use valuations. The Concrete Works, an undeveloped site adjacent to the National Railway Museum is owned by SCMG Enterprises Ltd, the site is held at existing use valuation having previously been held as an investment asset; value £1.37m (2012-13: £2.85m).

9 Heritage assets

9.1 On-balance-sheet heritage assets

	Acquisitions at historic cost	Donated assets at valuation	Total	Number of on-balance-sheet assets		
	£000	£000	£000	Purchased	Donated	Total
2002-2010	7,615	7,544	15,159	28	34	62
2011	145	36	181	4	2	6
2012	90	16	106	8	2	10
2013	391	2,835	3,226	5	26	31
2014	7	672	679	1	12	13
Balance at 31.03.2014	8,248	11,103	19,351	46	76	122

9.2 Acquisitions policy

Acquisitions are made in accordance with the Collecting Policies agreed for each Museum by the Board of Trustees and may be by purchase or donation. Further details of policies can be found at www.sciencemuseumgroup.ac.uk.

9.3 Collections Management

SMG exists, under the terms of the National Heritage Act 1983 (NHA), to develop, manage and make its collection useful for the public. The Act requires it to preserve, care for and add to the objects in its collection, to exhibit them to the public and to make them available for study and research, and to promote the public's enjoyment and understanding of science and technology and of the development of those subjects.

SMG follows the principle that it will share its collection widely. This objective is mainly delivered through public programmes of displays, events, publications and websites. Objects from the collection are either displayed in its Museums, or made available via loans to third parties, or else they are in store for future use and research.

Storage and care

The collection is displayed and stored according to SMG standards for the prevention of material deterioration; these are based on international standards and current research. Library and archive storage facilities and exhibitions are based upon and informed by the requirements of BS 5454 and the National Archives Standard for Record Repositories.

Collections management and care are regularly reviewed by SMG to ensure adherence to these standards.

SMG will:

- keep all objects in conditions in which they do not deteriorate;
- undertake conservation so that objects may be made accessible to audiences;
- manage hazards in the collection with clear and effective systems to ensure public, staff and object safety.

Documentation

SMG demonstrates its commitment to managing collections effectively as Arts Council England Accredited museums, and by following the SPECTRUM standard and PAS 197:2009, the Code of practice for cultural collections management.

Records proving title or relating to the history of objects in the collections are managed in accordance with the requirements of the Public Records Act and SMG's status as a designated Place of Deposit. Information relating to the history and management of objects in the collection is held within the collections management system. This constitutes the primary record of the collection and is subject to regular review. Information relating to the SMG's Library and Archive collections is held within local management systems. It is made accessible to the public subject to relevant legislation.

SMG will: have secure title to all objects in the collection, hold basic data on every object so that it can be uniquely identified and the collection audited regularly and ensure records relating to objects in the collection are enhanced and made available to audiences.

Further details of policies adopted by SMG in the management of its collections can be found at www.sciencemuseumgroup.ac.uk

9.4 Disposal policy

The Museum occasionally disposes of objects from the collection where the Trustees determine this does not detract from the integrity of the collection.

There is a strong presumption against the disposal of any accessioned items in the Museum's collection except for sound curatorial and/or collections management reasons. The NHA makes provision that accessioned material may be disposed of from the collection provided that the Object:

- is a duplicate of another accessioned object in the collection;
- is unsuitable for the collection and can be disposed of without detriment to the interests of students or other members of the public;
- is transferred to another National Museum;
- has become useless on account of damage, physical deterioration or infestation by destructive organisms.

SMG complies with the NHA and works within the framework of the Museums Association's Code of Ethics for Museums and the requirements of the MLA's Accreditation Standard and therefore it is our policy that:

- disposals will not be made for primarily financial reasons – either to increase income or decrease expenditure
- duplicate or unsuitable objects will be transferred to other National or Accredited museums and galleries;
- where homes in other National or Accredited museums and galleries cannot be found, these objects will be disposed of, by sale or exchange, to other appropriate bodies in the public domain;
- where homes within the public domain cannot be found, these objects will be offered for sale on the open market, either by public auction or private treaty sale through advertisements in appropriate specialist publications (both hard copy and online).

Any monies accrued by virtue of disposal shall be applied by the Board in the acquisition of objects to be added to the collections in accordance with the NHA.

All material that is in such poor condition as to render it unusable will be destroyed to remove risk of contamination or infestation to the permanent collection.

9.5 An overview of the collections

Science Museum

The Science Museum holds the nation's pre-eminent collections in the fields of science, technology, engineering and medicine. The collections have their roots in those of the South Kensington Museum, founded in 1857, augmented by those of the Patent Office Museum, the Special Loan Collection of Scientific Instruments and the Wellcome Trust.

The diverse collections comprise scientific demonstration instruments from leading makers of the 19th century and other historical artefacts often acquired from major collectors, examples of contemporary instrumentation and laboratory science, non-Western astronomy and elementary mathematics. The Industrial Revolution and post-industrial eras are represented by examples of the work of central figures such as James Watt, Henry Maudslay, Richard Arkwright, Marc and Isambard Brunel. The development of mechanical, electrical and electronic communications technologies from the mid 19th century to the present is also fully represented and the Museum holds the Merrion Monotype Collection of hot metal typesetting and the only surviving Fleet Street rotary newspaper press. The development of computing is charted from the Babbage machine, via electromechanical equipment, to early business and home computers and contemporary technologies. Space technologies from the 1960s onward are well represented. The Museum also holds the collection of the Farnborough Museum of the Royal Aircraft Establishment.

Additionally, there are significant holdings of prints, drawings, paintings, printed ephemera, technical drawings, maps, photographs, postal items, sculpture and contemporary art and the Library and Archive collections, comprising important collections of rare books and documents, which span the full history and development of science and technology.

Museum of Science and Industry, Manchester

The Museum was founded in the mid-1960s when Manchester's traditional industries, particularly engineering and textile production, were undergoing major changes. The collections reflect the special industrial, scientific and social character of the Manchester area, primarily from the late eighteenth century to the present day.

The Museum of Science and Industry, Manchester curates its collection in five main areas: energy, industry, science, transport and community history.

National Railway Museum

These collections have evolved over the last 150 years, from the amalgamation of the railway collections of the Science Museum with those of the former railway museum at York and railway items from the British Transport Commission (BTC) Museum of British Transport, Clapham. They have expanded since the opening of the National Railway Museum in 1975, through collecting from the modern railway industry and private individuals.

The National Railway Museum curates its collection in five main subject areas: the origins of railways; the impact of railways on our lives; the impact of railways on our world; the impact of railways on our culture and the science and technology of railways.

National Media Museum

Founded in 1983 as the National Museum of Photography, Film & Television, the National Media Museum inherited collections from its parent institution, the Science Museum.

The collection currently numbers in the region of 3.25 million individual objects. These range from one-off individual donations of ephemeral material such as instruction manuals; to family photographic portraits; to Atari computer game consoles; to the most significant collection of American television receivers in the UK; to the Royal Photographic Society collection, comprising photographs, letters, journals, books and equipment dating back to the very beginnings of photography.

The National Media Museum curates its collection in four main areas: photography (encompassing photographic technology and photographs); cinematography; television (incorporating radio broadcast) and new media (including gaming).

9.6 Collection sub categories

	Estimated number of items as at 31.03.2014	Number capitalised as at 31.03.2014
Science Museum		
Scientific instruments	25,743	12
Commerce and Industry	43,090	16
Medical	18,799	3
Archive and printed books	6,933	3
Art	7,285	3
Coins and medals	902	1
Library and archive collections	700,000	–
National Railway Museum		
Railway origins	5,159	1
Locomotives and rolling stock	20,143	21
Railway life and work	18,066	–
Railway image and sound collections	4,248	–
Railways and culture	2,962,163	1
Library and archive collections	2,820	3
Handling collections	226	–
National Media Museum		
Photographic collections	6,459	25
Printed materials & ephemera	314	–
Cinematography	2,930	2
Photographic technology	11,258	–
Television and New Media	2,263	23
Library and archive collections	3,485,000	–
Museum of Science and Industry, Manchester		
Science	2,851	3
Industry	5,301	5
Transport	1,331	–
Communications	2,840	–
Energy	5,001	–
Community history	7,052	–
	7,348,177	122

9.7 Non-inclusion of heritage assets in the Balance Sheet

In the opinion of the Trustees, reliable information on cost or value is not available for the Museum's collections. This is owing to the lack of information on purchase cost; the lack of comparable market values; the diverse nature of the objects; and the volume of items held.

In the Trustees' opinion, conventional valuation approaches lack sufficient reliability and any valuation is likely to incur significant cost that is likely to be onerous. Even if valuations could be obtained this would not be at a cost commensurate with any benefits to the Museum management, curatorial staff, the public, or users of the financial statements.

For this reason the collections assembled up to the end of the 20th century, large proportions of which were gifted to the Museum at nil cost and are incomparable in nature, are not recognised as assets in the Museum's balance sheet.

Prior to 1 April 2011 The Museum of Science and Industry, Manchester did not recognise heritage assets in the balance sheet. The small number of objects acquired between 2002 and 2011 are of low value and it is not considered a sensible use of resources to attempt to determine their appropriate capital value.

10 Debtors

10.1 Debtors

	Consolidated 2014 £000	Consolidated 2013 £000	Museum 2014 £000	Museum 2013 £000
Trade debtors	1,916	3,131	631	604
Provision for bad debts	(11)	(4)	(8)	(1)
Other debtors	526	129	111	80
Prepayments and accrued income	4,130	1,389	3,723	1,029
Taxation recoverable (VAT)	682	298	682	298
Museum loans to SCMG Enterprises Ltd	–	–	2,298	2,298
Intercompany current account	–	–	3,276	3,632
	7,243	4,943	10,713	7,940

10.2 Analysis of the ageing of the non impaired trade debtors is shown below:

	Trade Debtors £000	Less than 30 days £000	30–60 days old £000	More than 60 days old £000
As at March 2014	1,905	872	220	813
As at March 2013	3,127	1,549	1,187	391

10.3 Credit risk

The Museum's principal exposure to credit risk is primarily attributable to trade debtors. However this risk is not considered significant as major customers are familiar to the Museum. The amounts presented in the Balance Sheet are net of provisions for doubtful receivables estimated by the Museum's management based on prior experience and their assessment of the current economic value.

10.4 Movement in the provision for bad and doubtful debts relating to the trade debtors

	2014 £000	2013 £000
Provision at 1 April 2013	4	9
Charges to the SOFA	–	(11)
Provision released	7	6
Balance as at 31 March 2014	11	4

10.5 Loans to trading subsidiary

Purpose of loan	£000	Interest payable
Future purchase of leasehold interest in the Old Meteorological Building, Exhibition Road	1,005	–
Purchase of land at Leeman Road York	1,293	1% above Bank of England Base rate
	<u>2,298</u>	

Both loans held by the trading subsidiary are repayable on demand and are secured by a floating charge on all of the subsidiary's assets. The Museum has confirmed that it will not call the loans for repayment until at the earliest 30 June 2015, and then subject to the ability of the subsidiary to make repayments.

11. Creditors

11.1 Amounts falling due within one year

	Consolidated 2014 £000	Consolidated 2013 £000	Museum 2014 £000	Museum 2013 £000
Trade creditors	3,625	2,445	3,111	2,068
Other creditors	2,306	8,461	2,287	8,460
Accruals and deferred income	5,382	7,386	2,506	3,255
Taxation and Social Security costs	480	531	226	300
Bank loan	90	90	–	–
	11,883	18,913	8,130	14,083

11.2 Amounts falling due after one year

	Consolidated 2014 £000	Consolidated 2013 £000	Museum 2014 £000	Museum 2013 £000
Bank loan	90	180	–	–
Deferred income – advance rent	183	233	183	233
	273	413	183	233

The advance rent will be recognised as income in instalments of £50,000 per annum over the next four years.

11.3 Bank loan

The amount due in relation to financial liabilities, SCMG Enterprises Ltd borrowing, was:

	Note	2014 £000	2013 £000
Analysis of maturity of debt:			
Within on year of demand	11.1	90	90
Between one and two years	11.2	90	99
Between two and five years		–	81
		180	270

The leasehold interest in the Old Meteorological Building at Exhibition Road, London (net book value at 31 March 2014 £1,004,697) is subject to a mortgage equal to the total amount of the bank loan shown above. The bank loan is at a fixed interest rate.

12 Commitments under operating leases

	Land and buildings £000 2014	Vehicles £000 2014	Equipment £000 2014	Total £000 2014	Land and buildings £000 2013	Vehicles £000 2013	Equipment £000 2013	Total £000 2013
Operating lease which expire:								
Within one year	51	13	51	115	14	17	1	32
in the second to fifth year	65	18	–	83	116	11	51	178
After more than five years	11	–	–	11	11	–	–	11
	127	31	51	209	141	28	52	221

13 Capital commitments

At the balance sheet date outstanding contracted commitments existed for: 'Information Age', a gallery under construction at the Science Museum (£2.3m); completion of Media space (26k); upgrades to fire alarms at NMeM (£80k) and refurbishment of lifts at NRM (£12k).

14 Intra-Government balances

	Debtor balance £000	Creditor balance £000
Balances with central Government bodies	885	883
Balances with local authorities	132	228
Balances with corporations and trading funds	-	-
Balances with NHS bodies	-	-

15 Provisions

15.1 Movements on provisions

	Dilapidations £000	Legal fees £000	Restructuring costs £000	Early retirement £000	Added years pension costs £000	Total £000
Opening balance at 01.04.2013	-	129	607	43	82	861
Utilisation of provision	-	(54)	(481)	(92)	(8)	(635)
Reversal of provision	-	(60)	(38)	-	-	(98)
Additional provision made in the year	167	-	168	55	-	390
Revaluation of Early Retirement provisions			-	-	4	4
Closing balance at 31.03.2014	167	15	256	6	78	522
Liability due within one year	167	15	256	6	8	452
Liability due after one year	-	-	-	-	70	70

15.2 Restructuring costs provision

The balance at 31 March 2014 reflects the best estimate of costs arising from four change programmes being undertaken by the group at the year end as well as costs relating to two tribunal cases in progress at that date.

15.3 Early retirement provision

As the final charge against the provision will be in the year to March 2015 the provision has not been discounted. The amount of the provision anticipates increases of 4.85% per annum in the cost of the compensation payments payable to those ex-employees who have reached the age of 55. In accordance with FRS12 guidance the sum provided is equivalent to the present value of expenditures expected to be required to settle the obligation.

15.4 Added years pension costs provision

In accordance with FRS12 the sum provided is equivalent to the present value of expenditures expected to be required to settle the obligation to pay for the added-years benefits gifted to two ex MOSI employees. The amount of the provision anticipates increases annually by 4.85%. In accordance with Treasury guidance the discount factor applied is 1.8%.

16 Financial instruments

16.1 Liquidity risk

Approximately 50% of SMG's income is provided by Grant in Aid from the Department for Culture, Media and Sport and 26% of SMG's income is from a wide range of commercial activities. As the cash requirements of the Charity are met largely through Grant in Aid, financial instruments have less potential for creating risk than they would in a non-public-sector body of a similar size. The majority of financial instruments relate to contracts to buy non financial items in line with the Charity's purchase and usage requirements and the Charity is therefore exposed to little credit, liquidity or market risk.

The foreign currency risk is negligible as substantially all income and expenditure and material assets and liabilities are denominated in sterling.

16.2 Financial assets by category

	Note	2014 £000	2013 £000
Trade debtors	10.1	1,905	3,127
Other debtors	10.1	526	129
Short term deposits	per balance sheet	6,800	13,000
Cash	per balance sheet	3,983	5,549

The above figures exclude statutory debtors which relate to VAT due from HM Revenue & Customs. None of the financial assets have been subject to impairment other than trade debtors in respect of provision for bad debts.

16.3 Financial liabilities by category

	Note	2014 £000	2013 £000
Trade creditors	11.1	3,625	2,445
Other creditors	11.1	2,306	8,461
Accruals	11.1	5,382	7,386
Bank loan	11.3	180	270

The above figures exclude statutory creditors, which related to Tax and Social Security due to HM Revenue & Customs. With the exception of the bank loan, other liabilities are non-interest bearing.

17 Statement of funds

17.1 Statement of restricted funds

	Sponsorship, Grants and Donations Reserve £000	Collections Purchase Fund £000	Capital Reserves £000	Revaluation Reserve £000	Total restricted funds £000
Opening balances at 01.04.2013	1,530	-	178,132	132,023	311,685
Income	11,122	672	50	-	11,844
Expenditure	(5,795)	-	(5,568)	(5,796)	(17,159)
Gain on revaluation of assets	-	-	-	(4,829)	(4,829)
Transfers:					-
Capitalised project expenditure	(5,488)	-	5,479	-	(9)
Capitalisation of donated fixed assets	-	-	-	-	-
Capitalisation of donated heritage assets	-	(672)	672	-	-
Transfer from/(to) unrestricted funds	(33)	-	-	-	(33)[1]
Closing balances at 31.03.2014	1,336	-	178,765	121,398	301,499

[1] Transfers out of restricted funds related to income incorrectly classified as restricted in prior years.

17.2 Statement of unrestricted funds

	Museum Improvement Reserve	Collections Purchase Fund £000	Capital Reserves £000	Revaluation Reserves £000	Total designated funds before pension liability £000	MOSI pension scheme liability £000	General funds £000	Total unrestricted funds £000
Opening balances at 01.04.2013	3,727	173	24,095	5,748	33,743	(3,276)	1,482	31,949
Income	11,270	3	-	-	11,273	-	56,167	67,440
Expenditure	(5,084)	(51)	(1,930)	(245)	(7,310)	-	(56,007)	(63,317)
Gain on revaluation of assets	-	-	-	49,174	49,174	-	-	49,174
Gain on defined benefit scheme	-	-	-	-	-	390	-	390
Transfers:	-	-	-	-	-	-	-	-
Capitalised project expenditure	(3,989)	-	3,989	-	-	-	-	-
Capitalisation of fixed assets purchases	-	-	109	-	109	-	(109)	-
Capitalisation of heritage assets purchases	-	(7)	7	-	-	-	-	-
Increase Collections Purchase Fund	-	100	-	-	100	-	(100)	-
Fund transfers	-	-	9	-	9	-	33	42 [2]
Closing balance at 31.03.2014	5,924	218	26,279	54,677	87,098	(2,886)	1,466	85,678

[2] A transfer into designated funds arises as expenditure previously charged to General Funds has, in 2013-14, been identified as being justifiably chargeable to Restricted funds.

17.3 Analysis of group net assets between funds

Fund balances at 31 March 2014 are represented by:	Unrestricted funds £000	Restricted funds £000	Endowment fund £000	Total £000
Tangible assets	83,531	280,852	-	364,383
Heritage assets	1,390	17,961	-	19,351
Current assets	15,673	3,334	77	19,084
Current liabilities	(11,418)	(465)	-	(11,883)
Long term creditors	(90)	(183)	-	(273)
Provisions	(522)	-	-	(522)
Pension liability	(2,886)	-	-	(2,886)
Total of net assets	85,678	301,499	77	387,254

18 Cash-flow information

18.1 Reconciliation of net incoming resources to net cash inflow from operating activities

	Note	2014 £000	2013 £000
Net (outgoing) / incoming resources		(1,191)	(16,180)
Investment income	5	(44)	(173)
Interest payable		25	31
Donated fixed asset and heritage assets	9.1	(672)	(2,835)
Release from deferred income		(50)	(50)
Depreciation charge for year	8.1	13,575	14,276
Loss on fixed asset disposal	8.1	–	12
Write off of assets under construction	8.1	32	63
(Increase) in stocks		(107)	(32)
(Increase) / in debtors	[1] 10	(2,169)	(511)
Write off bad debts	10.4	–	8
Increase bad debt provision	10.4	7	(6)
(Decrease) / increase in creditors	[2] 11.1	(6,954)	9,612
Creation of dilapidations provision	15	167	–
Net movement on legal provision	15	(114)	–
Net movement on restructuring costs provision	15	(351)	454
Increase in early retirement pension provision	15	55	3
In year payments to early retirees	15	(92)	(91)
Increase in added years pension provision	15	4	3
In year payments to added-years pensioners	15	(8)	(8)
Net cash inflow from operating activities		<u>2,113</u>	<u>4,576</u>

[1] adjusted for accrual of investment income and inter-company debt (£141k) created by dissolution of MOSIE

[2] excluding bank loans and capital accruals

18.2 Gross cash flows

	Note	2014 £000	2013 £000
Returns on investments and servicing of finance			
Interest received		46	210
Interest paid		(25)	(31)
		<u>21</u>	<u>179</u>
Capital expenditure			
Receipts from sale of tangible fixed assets		–	–
Payments to acquire tangible fixed assets		(9,810)	(5,701)
		<u>(9,810)</u>	<u>(5,701)</u>
Management of liquid resources			
Cash (invested in) / withdrawn from short term investments		6,200	(1,440)
Financing			
Loan repayments		(90)	(74)

18.3 Analysis of changes in net funds

		At 01.04.13 £000	Cash flows £000	At 31.03.2014 £000
Cash at bank and in hand		5,549	(1,566)	3,983
Current asset investments		13,000	(6,200)	6,800
Debt due within one year	11.3	(90)	–	(90)
Debt due after one year		(180)	90	(90)
		<u>18,279</u>	<u>(7,676)</u>	<u>10,603</u>

19 Related-party transactions

The Science Museum Group is an executive non-departmental public body whose parent body is the Department for Culture, Media and Sport (DCMS). DCMS is regarded as a related party. During the year, the Science Museum Group had a number of material transactions in the normal course of business with DCMS and with other entities for which DCMS is regarded as the parent department. This includes the Heritage Lottery Fund, which provided grant funding to the Science Museum Group during the course of the year.

The Director of the Science Museum Group acts as Accounting Officer for the National Coal Mining Museum for England, and the Science Museum Group provided grant funding to that museum during the year.

The Science Museum Group also entered into other material related party transactions during the course of the year with bodies connected to trustees, as follows:

Related party	Nature of relationship	Value of income received during the year £000	Value of expenditure during the year £000	Outstanding balances due from / (due to) at year end £000	Nature of transaction
Science Museum Foundation	Mr Howard Covington and Mr Andreas Goss served as trustees of the related party during the year.		11,460	8,460	Grant funding
The Carbon Trust	Mr James Smith is Chairman of the related party	1			Venue hire
Institute of Physics	Professor Averil Macdonald served as a council member of the related party during the year	12			Venue hire
Imperial College	Mr James Smith is chair of the advisory board of the Grantham Institute as the related party and LSE	2,554	8	2,120	Compensation on termination of lease
University College, London	Dr Gill Samuels served as a council member of the related party during the year	5	2		Academic fees

20 Post balance sheet events

The Annual Report and Accounts 2013-14 were authorised for issue by the Trustees and Accounting Officer on the date they were certified by the Comptroller and Auditor General.

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