

# SCIENCE MUSEUM GROUP

Annual Report and Accounts 2014–2015

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 2014–2015

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

Ordered by the House of Commons to be printed 16 July 2015

HC 193

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**

© Science Museum Group 2015

The text of this document (this excludes, where present, the Royal Arms and all departmental and agency logos) may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not in a misleading context

The material must be acknowledged as Science Museum Group copyright and the document title specified. Where third party material has been identified, permission from the respective copyright holder must be sought.

Any enquiries regarding this publication should be sent to us at [freedomofinformation@sciencemuseum.ac.uk](mailto:freedomofinformation@sciencemuseum.ac.uk)

You can download this publication from [www.sciencemuseumgroup.ac.uk](http://www.sciencemuseumgroup.ac.uk).

Print ISBN 9781474122214

Web ISBN 9781474122221

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office

ID 18061517

07/15

Printed on paper containing 75% recycled fibre content minimum

# Contents

<b>1 About the Science Museum Group</b>	<b>5</b>
<b>2 Review of 2014-15 and plans for the future</b>	<b>9</b>
Science Museum	9
Museum of Science & Industry	15
National Railway Museum	19
National Media Museum	23
Science Museum Group-wide activity	27
Performance	31
<b>3 Financial review</b>	<b>32</b>
<b>4 Remuneration report</b>	<b>34</b>
<b>5 Sustainability report</b>	<b>38</b>
<b>6 Statement of Board of Trustees' and Director's responsibilities</b>	<b>41</b>
<b>7 Governance statement</b>	<b>42</b>
<b>8 The certificate and report of the Comptroller and Auditor General to the Houses of Parliament</b>	<b>50</b>
<b>9 Annual accounts 2014-15</b>	<b>51</b>



# 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 (MSI) 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, Wiltshire; Blythe House in West Kensington, London; 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 (GMMSIT); the charity was a private company limited by guarantee, a DCMS-sponsored body and an NDPB. The assets and undertakings of GMMSIT were transferred to SMG on 31 January 2012. The assets and undertakings of MOSI Enterprises Ltd, the wholly owned subsidiary of GMMSIT, were transferred to SCMG Enterprises Ltd on 31 March 2012.

## Framework for operation

Continuing receipt of Grant in Aid from DCMS is dependent upon SMG's compliance with the DCMS/SMG Management Agreement 2012–2015. 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
<b>SCMG Enterprises Ltd</b>	2196149	–	Science Museum Exhibition Road London SW7 2DD
<b>Bradford Film Ltd</b> (a company limited by guarantee)	3309258	–	London SW7 2DD

## 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  Trowers & Hamlins LLP 3 Bunhill Row London EC1Y 8YZ	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 2014–15 and plans for the future

### Science Museum (SM)

#### 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.

In 2012 we set out our Strategic Ambitions for the period 2012–22, which include a commitment to focus on the urgent choices faced by society and the fundamental science and technology that underpin them. Our core themes are:

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

#### Audiences

The Science Museum remains a favourite with families, although the volume and proportion of adults visiting independently is increasing. This year 49% of our visits were made in family groups and 39% as independent adults. There were 452,000 visitors in education groups, making up 14% of all visits. Overseas visitors are very important to the museum, accounting for almost half of all the visits made (47%).

#### Achievements

This year there were 3.34 million visits to the Museum. In 2014–15 we matched the previous year's record-breaking visit numbers with 3.35 million visits. Awards this year included the Society for the History of Technology's 2014 Dibner Award for Excellence in Museum Exhibits for *Collider: Step Inside the World's Greatest Experiment*.

Significant milestones have been achieved against our Strategic Ambitions this year, including the opening of the *Information Age* gallery by Her Majesty The Queen, and the start of our new touring exhibitions programme with the opening of *Collider* at the Palais de la découverte in Paris under the title *Le Grand Collisionneur – LHC*.

With the continuation of Grant in Aid cuts (a 30% real-terms decrease between 2010 and 2015), ongoing strategic financial management has been a focus for the year. New initiatives to test commercial business models have been successful and will be further developed in the coming year; e.g. a pop-up retail outlet at the Bluewater shopping centre in Dartford for Christmas shoppers was a commercial initiative that also gave the opportunity to widen awareness of the Science Museum brand. The introduction of alfresco eating in the Deep Blue restaurant has seen a rise in income. The museum has been successful in applying for voted loan funding under a new DCMS pilot scheme. This funding will enable the development of new interactive galleries and a new conference centre over the coming years, both initiatives with the potential to generate sustainable commercial income.

Changes in ways of working have delivered operational savings from exhibition delivery and collections research. Back-of-house departmental restructures in all areas have added further savings.

## Exhibitions, galleries and events

A significant step in the realisation of our Masterplan was achieved this year with the launch of our biggest and most ambitious gallery to date – *Information Age: Six Networks That Changed Our World*. The opening on 24 October by Her Majesty The Queen, accompanied by the Duke of Edinburgh, received worldwide coverage as the Queen sent her first 'tweet'. The gallery displays more than 200 years of innovation in communication and information technologies and features over 800 objects from our world-class collections, many of which have never been on public display.

New exhibitions and displays in 2014–15 included:

- *Unlocking Lovelock: Scientist, Inventor, Maverick*, which opened in April, featuring the previously unseen archive of James Lovelock acquired by the Science Museum. The exhibition gave a unique insight into one of Britain's most important living scientist and inventors, Professor James Lovelock, who is best known for his Gaia hypothesis but is also a prolific inventor, author and independent scientist.
- *The Rubbish Collection*, which opened in June. This was a unique two-part exhibition with acclaimed artist Joshua Sofaer, examining what one month of Science Museum rubbish looked like and the value of what we throw away in relation to what we keep. With a focus on sustainability and reuse, *The Rubbish Collection* formed part of the Climate Changing programme.
- *Open for Business*, which opened in August at the Science Museum as part of its eight-venue tour, including all four SMG museums. A major touring photographic exhibition presented by Multistory and Magnum photos in collaborative partnership with the Science Museum Group, it told the story of contemporary British manufacturing and industry through the lens of nine of the world's greatest photographers.
- *Engineer Your Future*, opened in December by HRH The Prince of Wales, which aims to inspire young people to think about careers in engineering. Visitors' problem-solving skills are put to the test, and they are able to explore engineering through objects, videos and large-scale, high-quality interactive games and digital experiences that bring to life the skills engineers use every day.
- *Churchill's Scientists*, opened in January by Randolph Churchill. Timed to mark the 50th anniversary of Churchill's death, the exhibition examines Churchill's passion for science, its role in Britain winning the war against the Nazis under Churchill's leadership, and its development into world-leading discoveries in the post-war period.
- *Cravings: Can Your Food Control You?*, opened in February by Professor Dame Sally Davies, Chief Medical Officer for England, which explores through personal stories, fascinating objects and cutting-edge science and technology how food affects your body, brain and eating habits. Visitors to the exhibition in the museum and

online can take part in an experiment to help chef Heston Blumenthal and food scientist Charles Spence from Oxford University find out more about how our senses can affect how we enjoy our food.

- Keeping visitors regularly up to date with the latest contemporary science. This year there were 37 outputs including the Cravings exhibition, 11 Topic Zone updates, 3 refreshes of the update case in the *Who Am I?* gallery, daily news blogs and numerous events (highlighted below).
- A number of anniversaries marked through anniversary displays, which this year included Dame Louisa Aldrich-Blake, Britain's first female surgeon, and Luke Howard, a 19th-century amateur meteorologist, 'the man who named the clouds'.

Exhibitions in Media Space this year included:

- *The Exponential Horn: In Search of Perfect Sound*, which opened in the Media Space Studio in May. A full-size reconstruction of the gigantic 'Denman horn', the UK's largest ever audio loudspeaker, formed the centrepiece of a new art installation by Aleksander Kolkowski. The exhibition explored and celebrated the artefact and its history through newly created sounds, music and the spoken word.
- *Joan Fontcuberta: Stranger Than Fiction*, which opened in July. This eye-opening collection of photographs and artefacts opened to strong reviews and is the first major UK exhibition by award-winning Catalan artist Joan Fontcuberta, who subtly questions the use of the photographic image as evidence by combining visually compelling and mischievous narratives with an acute, deadpan humour.
- *Make Life Worth Living: Nick Hedges' Photographs for Shelter 1968–72*, which opened in October in the Media Space Studio, presenting a collection of powerful and moving works by documentary photographer Nick Hedges, commissioned in 1968 by the housing and homelessness charity Shelter. These photographs expose the poor housing conditions and poverty being endured by people across Britain. One hundred black-and-white photographs were exhibited for the first time, following a 40-year restriction to protect the anonymity of the subjects.
- *Drawn by Light: The Royal Photographic Society Collection*, which opened in December, bringing together over 200 extraordinary highlights from the collection of the world's oldest surviving photographic society, by some of the greatest names in photography. Objects on display included some of the earliest known photographic images, dating back to the 1820s.
- *Revelations: Experiments in Photography*, which opened in March, looking at the influence of early scientific photography on modern and contemporary art and featuring some of the rarest images from the pioneers of photography.

As part of our strategy to raise the profile of the museum and its collections we commenced our new touring exhibitions programme this year. Touring exhibitions in 2014–15 were:

- *Collider: Step Inside the World's Greatest Experiment*, which began the international leg of its sold-out, five-venue world tour by opening at the Palais de la découverte in Paris in October under the title *Le Grand Collisionneur – LHC*.
- *Only in England*, our Media Space exhibition, which began its five-venue tour at the Walker Art Gallery in Liverpool in February.

The exhibition and gallery developments were complemented by a festival and events programme:

- Events based on the new *Information Age* gallery included *Information Age: Evolution or Revolution?*, a debate in the IMAX Theatre chaired by Tom Standage, with Hermann Hauser; a three-day international conference in November, *Interpreting the Information Age: New Avenues for Research and Display*, attended by over 100 delegates; the November Lates, themed around *Information Age* and including a performance showcasing Rafael Lozano-Hemmer's art commission for the gallery, *Fiducial Voice Beacons*. In addition, regular *Information Age* events run by the Learning team included *Code Builder* exploring computer coding, *Tune Up, Tune In*, which looked at broadcast technology and the electromagnetic spectrum, *Science Nights*, new drama characters, object handling, audio-described tours, BSL live events and storytelling.
- New exhibitions including *Unlocking Lovelock*, *The Rubbish Collection*, *Engineer Your Future* and Media Space shows were accompanied by a programme of associated events. For example, alongside *The Exponential Horn* in Media Space there was a wide-ranging programme of events and audio demonstrations, featuring live broadcasts, sound art and archive radio footage. The *Unlocking Lovelock* exhibition was accompanied by Roger Highfield in conversation with James Lovelock, and an engineering-themed Lates was inspired by the opening of *Engineer Your Future*.
- Antenna Live featured five mini-series of 'meet the scientists'-style events in the contemporary science gallery. In total 22,000 people attended these events, including 4500 visitors who engaged with the Bionic Handling Assistant – a flexible arm modelled on an elephant's trunk – presented by the team from FESTO.
- The final season of the Dana Centre's contemporary events programme concluded in December. Events varied from an ambitious night of large-scale real science experiments to demonstrations of augmented-reality artworks and discussions on the future of drugs – 654 adults took part over 14 events. The Dana Centre closed in December and will reopen in autumn 2015 as the new Science Museum Library and Research Centre, whilst

dialogue events on the ethical and policy issues raised by contemporary science will continue in the main museum.

- As part of the Live Science programme, seven groups of scientists in residence came to the museum to show visitors the process of science at first hand and to use data collected from visitors to further their research. For example, researchers used eye-tracking software to test how long people maintain eye contact.
- To complement our exhibition *3D: Printing the Future*, the Make. Hack. Do. festival during May half term provided over 3000 visitors with an opportunity to explore and play with electronics, robotics, computer coding and even musical fruit. Inventors, innovators and makers demonstrated wearable electronics, 3D printing and robots that can draw. In March visitors to the bio-ethics festival *You Have Been Upgraded: Exploring the Boundaries of Human Enhancement* encountered the latest research in biotechnology and explored the surprising ways these advances could transform and enhance their lives.
- *Science Museum Live: The Energy Show* returned to the Science Museum for Easter. The show then went on a four-month national tour to 34 theatres around the country, before returning to the museum for the summer holidays. In total 48,000 people attended.
- The IMAX auditorium has also been used this year to deliver a variety of events, including full-length evening feature films such as *The Imitation Game*; a special screening of *Particle Fever*, joined by director Mark Levinson and star Monica Dunford, to mark the end of the *Collider* exhibition; and an exclusive live discussion – *The Mathematical Secrets of The Simpsons and Futurama* – with Al Jean and David X Cohen joined by Simon Singh, author of *The Simpsons* and *Their Mathematical Secrets*.

## Learning

As part of our Strategic Ambitions we seek to inspire and inform audiences, and increase science literacy. We aim to be the national and international centre of excellence for informal science learning.

- We welcomed 452,000 visitors in booked education groups to the Science Museum. Of these, 372,000 were school pupils and 100,000 of them took part in a staff-led activity.
- Across weekends and holidays 362,000 family visitors took part in shows, workshops and costumed character sessions.
- In total there were 738,000 instances of visitors engaging with learning activities at the museum.
- The monthly evening Lates programme for adults had another record-breaking year, attended by 45,000 people. The programme included the launch of the museum's You Have Been Upgraded festival, a Brazilian-themed evening at which we hosted the Brazilian Ambassador, and an evening with the Government Chief Scientific Adviser, Professor Sir Mark Walport.
- The museum also extends its impact through off-site science learning activities, this year with 109,000 people watching shows, workshops and training events. Of these, 17,000 were schoolchildren at overseas venues.

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:

- During British Science Week, the British Science Association held its flagship event in the IMAX Theatre, in partnership with Kids Company and the Explainer team. Over 400 children attended shows and visited *Launchpad* before the museum opened to the public.
- In December we confirmed our involvement with the Google Field Trip project, and will host ten schools for a 'Day at the Museum' in June 2015. The schools selected to take part are from the museum's partner boroughs, and are schools that do not routinely visit us. The aim is to inspire the next generation of scientists.
- We have continued to build on our relationship with the Prince's Trust as part of the partnership to engage disadvantaged young people with Science, Technology, Engineering and Mathematics ('STEM'). This year 600 students have been reached through our workshops held at four schools in London that run 'xl clubs'.
- The museum collaborated with the Royal Borough of Kensington and Chelsea's Nour festival for another year. This year the Learning team offered object-handling sessions in the museum as well as sessions at community centres to reach out to local audiences.
- We have continued working with The Urban Academy, part of Kids Company. The academy is a post-16 educational and life skills academy, specifically designed to meet the needs of young people who reject, or have been rejected from, other educational facilities because

of their complex needs. The Science Museum worked with the young people to engage with our collections, curate an exhibition featured as part of a Lates event, and trained them in presentation skills.

The Science Museum has a strong reputation for working with universities and other museums and organisations on national programmes. We constantly strive to learn more about how to engage more people with the objects and stories that our museums hold:

- Building Bridges is a three-year project funded by the BG Group that aims to raise students' science literacy and engagement with STEM subjects by offering them a range of inspiring and exciting activities. We completed the second year of the project with a successful family day which included activities led by scientists from the Francis Crick Institute, STEMNET and Imperial College. Over the past year the team has worked with 600 students and their families in our partner boroughs and selected schools in Reading to raise students' science literacy and engagement with STEM subjects. The project is now due to be extended for a further two years until 2017.
- Enterprising Science is a £2.4 million five-year partnership between the Science Museum, King's College London (KCL) and BP. The project is focused on leading research from KCL on 'science capital' and aims to gain further understanding about why some young people become disengaged with science, and to further research how museum experiences, among other factors, can engage and connect young people and families with science. SMG plays a leading role in the project by developing and disseminating the most effective ways of using museums and science centres as resources for students, teachers and families to help increase their science capital and raise awareness of the value of science skills in any career.
- Museums and Schools is a project funded by the Department for Education and Arts Council England that partners national museums with smaller regional museums. The Science Museum and SS Great Britain Trust in Bristol have formed a partnership with the aim of increasing the number of high-quality educational visits to local museums by schools where participation in cultural learning activities is low.
- We are working on national projects through the Association of Science and Discovery Centres and UK Space Agency to celebrate the launch of British astronaut Tim Peake into space.
- We have hosted many international delegates who visit us to find out more about our work, including guests from Singapore, Denmark and China.

We strive to be the most accessible and inclusive museum in the UK. This year we have continued to provide deaf-led tours as well as our renowned SIGNtific programme of shows and workshops using BSL and dual interpreters. The Early Birds programme, for families who have children on the autistic spectrum, has continued to be extremely popular and we have launched a programme of audio-interpreted events for the visually impaired and blind to attract a new audience to the museum. Staff training and improvements to the fabric of the building continue to increase the overall visit quality. We share our success with others within the sector by hosting events such as the Kids in Museums conference, at which we spoke about our programming for specific audience needs.

### Collections

The museum continued to develop its collections in support of its programmes. Notable additions to the collections included:

- Archive of Sir Patrick Moore, the television star who died in 2012. It includes planetary observation drawings, telescopes, book manuscripts and *The Sky at Night* scripts from his career in astronomy and popularisation spanning much of the 20th century.
- Eurostar 3000 telecommunications satellite, 2000, made by EADS Astrium Ltd and now on display in *Information Age*.
- Running blade for above-knee amputee, c. 2012, made by Otto Bock Healthcare. The blade, for recreational athletes, incorporates cutting-edge technology that was previously the preserve of Paralympic athletes.
- Mobile phone base station antenna disguised as a saguaro cactus, 2013–14, manufactured by Larson Camouflage LLC, Arizona, USA and now on display in *Information Age*.
- Ear lobe arterialised blood collector, c. 2005, developed by Thais Russomano, Brazil, and designed for taking blood samples in space. The technology should lead to cheaper and quicker forms of blood testing.
- Electronic tide modelling machine, 1960–2007, invented and constructed by Shizuo Ishiguro at the National Institute of Oceanography, Southampton.

The main collections storage project this year has been the Museum of Science & Industry's move from its leased Salford warehouse to storage locations at Wroughton and the museum's Liverpool Road site. Conservation treatments have been completed on a wide variety of materials including a large terrestrial globe for the *Information Age* gallery and prosthetic limbs for medicine exhibitions.

The University of Bath opened its new research park, The Hive, at SMG's storage site in Wroughton this year. The Hive focuses on assessing the performance of sustainable building materials and helps inform the construction industry. Research at the University of Bath has already benefited the museum with the building of our award-winning Hemcrete Museum Store in 2012.

### Research and publications

Research is integral to all our work at the museum, ensuring its authenticity, integrity and originality. Alongside ongoing research to inform our galleries, exhibitions and learning programmes the following projects were also delivered this year:

- The second issue of the *Science Museum Group Journal* was published in October 2014. This peer-reviewed open-access e-journal is a new voice in discussions worldwide about science, its history, material culture, communication and presentation in museums, with 780 subscribers and more than 7500 readers.
- Work commenced on building the Science Museum Library and Research Centre based in the Dana Centre and due to open in autumn 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 and archive collections.
- The museum continues to partner with academic institutions in supporting MSc and PhD students. In addition to nine doctoral students starting research in 2013, a further seven doctoral students started in 2014 as part of the Group's Collaborative Doctoral Partnership. Their research relates to future programming across the SMG museums. In collaboration with UCL the museum has successfully run a second year of its Masters option entitled Curating the History of Science, taught to 12 students by museum staff as part of the science, technology and society MSc.
- A variety of research events were run at the Museum this year, including BBC2: Origins; Influence; Audiences: A 50th Anniversary Conference in conjunction with the Institute of Historical Research, Westminster University, BBC History & Heritage and NMeM; the three-day conference Interpreting the Information Age: New Avenues for Research and Display in association with the opening of the *Information Age* gallery; the European Association of Museums of the History of Medical Sciences conference in conjunction with the Royal College of Surgeons and the Wellcome Collection; a workshop exploring the independent research organisations' role in the Arts & Humanities Research Council (AHRC)-led research funding scheme Connected Communities; and two of three workshops as part of the AHRC-funded project Music, Noise and Silence: Building Engagement in the Culture of Science and Music.
- Curatorial, learning and collections staff also contributed to external conferences and events including the ECSITE Annual Conference in The Hague and spoke on topics drawing on our expertise with developing online educational games, delivering dialogue events and creating citizen science projects. This also provided us with the opportunity to talk about our recent success with *Collider*.
- Dr Robert Bud commenced an 18-month AHRC-funded leadership fellowship, An Old Keyword in a New Civilisation: Applied Science Between the Wars.

- Two AHRC projects in which Research and Public History staff have been co-investigators drew to a close in this year – *How Should Decisions About Heritage Be Made?* (Helen Graham, University of Leeds) and *Pararchive: Open Access Community Storytelling and the Digital Archive* (Simon Pople, University of Leeds).
- Alison Hess commenced work as co-investigator in *Who Cares? Interventions in 'Unloved' Museum Collections*, an AHRC-funded Early Career Researcher project under the Care for the Future theme.

Across the year, more than 30 lectures and papers were given by Science Museum staff. Three terms' worth of successful internal research seminars were also delivered, featuring presentations by collaborative students and by staff, as well as two special events – one featuring the Cambridge University/National Maritime Museum Longitude project, and the other an 'in conversation' with Dr Charlotte Sleight of the University of Kent. There were more than 20 publications across collections and research departments, including Ben Russell's book *James Watt: Making the World Anew* and, among peer-reviewed papers, Tim Boon's "'The televising of science is a process of television": establishing *Horizon, 1962–1967*' in the *British Journal for the History of Science*, David Rooney's 'The political economy of congestion: road pricing and the neoliberal project, 1952–2003' in *Twentieth Century British History*, and Robert Bud's "'Applied science" in nineteenth-century Britain: public discourse and the creation of meaning, 1817–1876' in *History and Technology*.

## Future plans and challenges

Over the next three years the Science Museum is delivering some of its most ambitious programming of recent times. Next in our revitalised major exhibitions programme comes the ground-breaking *Cosmonauts*, and work will continue on future exhibitions *Wounded*, *Robots and Science of India*. We are also entering a key phase for the museum's Masterplan, which will see one-third of our floor space repurposed or upgraded by the end of 2019. The centrepieces of this are a new suite of medicine galleries and expanded interactive galleries. The museum's Library and Research Centre opens in autumn 2015, providing a world-class environment for academic research. Also in 2015 will be the opening of the Clockmakers' Museum in its new home followed by the new *Mathematics* gallery in 2016. Our national and international partnerships will see the touring exhibitions programme expand and we will establish ourselves with partners as a key platform for science engagement.

## Museum of Science and Industry (MSI)

### Objectives

In 2014–15 the Museum’s mission and vision were –

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

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

In support of this our objectives were to:

- Progress the Masterplan for our site
- Develop a vibrant cultural programme that connects our audiences with our collections, story and contemporary science
- Develop an unrivalled and inspiring science and industry collection that supports the MSI narrative and SMG collections research ambitions
- Be extrovert and build stronger external relations with stakeholders and collaborators

Sally MacDonald started as Director of MSI on 1 September 2014. The museum reviewed its vision during the course of the year and established a new mission and vision statement which has informed future planning.

**Mission:** To inspire all our visitors, including future scientists and inventors, with the story of how ideas can change the world, from the industrial revolution to today and beyond.

**Vision:** To be a world-leading, inspirational museum about the potential of science and industry to change our lives.

### Audiences

In 2014–15, 56% of those visiting the museum came as part of a family group, with a significant proportion visiting more than once a year. Adults visiting independently made up 35% of the overall visitor numbers and the remaining 10% of visitors came in educational groups. It has been very gratifying to see a large increase in the proportion of visitors saying they were coming to see or do something specific – a mix of both permanent galleries and temporary offers such as *Collider*, *3D: Printing the Future* and *Pedal Power*. The museum has also increased the proportion of visitors from outside the region, although the majority (66%) are still from the Northwest.

### Achievements

This year we received 680,000 visits, 2% up against last year. The importance of the Museum’s role in Manchester as a 21st-century city of science has been recognised several times this year. The Chancellor of the Exchequer, George Osborne, visited the museum in July to announce his ambition to create a northern ‘supercity’ to rival London as a global hub. Then, in December, the official launch of the European City of Science 2016 was held at the museum, where the Chancellor announced plans to prioritise science investment in the Northwest and committed £3 million of investment to help create a new special exhibition gallery at the museum. The new exhibition space will further enhance the city’s reputation for cutting-edge science. On 25 March we heard that the Wellcome Trust will support the new exhibition gallery with an award of £1.8 million, which means that we now have over 90% of the funding. This is a great vote of confidence in our work.

Since joining the Group, the museum 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. This has been a year of consolidation of operating budgets, with all back-of-house departments merging with the Group, enabling operational and financial efficiencies. Enhancements to the main entrance area, shop and café have seen significant improvements to the visitor welcome and a significant uplift in commercial revenues.

## Exhibitions, galleries and events

New exhibitions and displays this year included:

- *Collider: Step Inside the World's Greatest Experiment*, which opened in May after its highly successful run at the Science Museum. The opening included a specially commissioned dance piece by the Northern Ballet School, a performance of part of the 'LHC symphony' played by Manchester Camerata, and *Collisions – conversations with several scientists including Jeff Forshaw, Professor of Particle Physics at the University of Manchester and a popular science author.* Almost 16,000 visitors came to the exhibition, 33% ahead of the original target.
- *Open for Business*, a major photographic touring exhibition, which opened at the museum in May as part of its eight-venue tour including all four SMG museums. Presented by Multistory and Magnum photos in partnership with the Science Museum Group, it told the story of contemporary British manufacturing and industry – including Manchester businesses – through the lens of nine of the world's greatest photographers.
- *Pedal Power*, which opened in July with over 1700 visitors attending the opening day, and featured the original bike ridden to Olympic glory by Victoria Pendleton at the London 2012 Olympics. It included historic and contemporary bicycles, medals and other cycling memorabilia, multimedia and inspiring stories from British cycling to bring to life a sport that has helped put Manchester on the global map. Visitors could take part in an interactive cycling challenge staged against the virtual backdrop of Manchester's internationally renowned velodrome.
- *3D: Printing the Future*, which opened in October as part of the Manchester Science Festival. Drawing on the blueprint offered by the Science Museum exhibition, and with largely new content highlighting Manchester-based examples, it examines how artists, designers, scientists and innovators are using this cutting-edge technology to turn the ordinary into the extraordinary and revolutionise the fields of design, medicine and engineering.
- Marcus Coates's *The Sounds of Others: A Biophonic Line*, which opened for the Manchester Science Festival in October. Coates is the first selected artist for the Lovelock Art Commission presented by Cape Farewell, and his installation used custom-built software to explore the sounds of animals and reveal unimagined connections between species.
- *The Innovation Race: Manchester's Makers Join the First World War*, which opened in March and focused on the First World War through the eyes of Manchester's factory workers and eminent manufacturers and scientists. Drawing on the museum's extensive and largely unseen paper archive centred on Manchester engineer Sebastian Z de Ferranti, the exhibition forms the museum's contribution to the commemoration of the First World

War and in particular to the 2015 centenary of the establishment of the Ministry of Munitions.

- *Wellcome Image Awards 2015*, which opened in March featuring 20 stunning winning images. The awards celebrate the best in science imaging talent, from detailed microscopy and clinical photography to illustration.

The contemporary science, festivals and public events programme included:

- A series of events during the *Collider* exhibition run, including a comic lecture by Robin Ince – the Sony Gold Award-winning comedian and science enthusiast from Radio 4's *Infinite Monkey Cage* – and a Lates event with dance performances, conversations and maker activities.
- The new model for holiday programming continuing with the theme of Power during the Easter holidays. There were demonstrations, shows and workshops, including a new event on the theme of the First World War and female 'munitionettes'. The May half-term holiday focused on contemporary science with events themed around the Museum's citizen science project #HookedOnMusic. Imagine It, Make It, Move It was this year's summer theme, bringing stories of invention and creativity to life and including the third Mini Maker Faire. During the Christmas holiday visitors were invited to explore the science and wonder of light, and Steam, Sweat and Sewers returned for February half term.
- As part of the Asia Triennial – the largest show of Chinese contemporary art ever to be shown in the UK – the Museum taking part in the multi-site exhibition *Harmonious Society*. We displayed artworks including *Solar* by Luxury Logico, an artificial sun created from recycled Greater Manchester streetlamps.
- Manchester Science Festival (MSF), MSI's signature contemporary science event in the year. Produced by MSI, MSF brings together stakeholders from across the city and beyond, and leads the creative exploration of science in Manchester, putting science at the heart of culture in Manchester. The Festival has seen significant growth each year, from an audience of 50,000 on its debut to nearly 100,000 people this year – an increase of 10% on the year before. This year the museum was the Festival's hub; over 120 events, installations and experiences, taking place in 45 venues across Greater Manchester over 11 days, aimed to creatively engage people and encourage them to think differently about science, technology, engineering and maths.
- The #HookedOnMusic online game, launched in May as part of the #HookedOnMusic citizen science project, which explores the science of what makes music catchy. The results of the game, which has 175,000 users from over 199 different countries, were announced at the Manchester Science Festival. Scientists are analysing the data to publish a first paper in early summer, which will lead to a new iteration of the game for players to contribute to the next phase of the research.

- MSI's first series of seasonal Lates for its growing adult audience, with themes based on *Collider*, #HookedOnMusic and Sexology in partnership with the Wellcome Trust. Audiences have grown from 200 to 500 per event in a year.

### Learning

This year the museum welcomed 65,000 visitors in booked education groups to explore the site, story and collections. Of these 43,000 were school pupils, and many more visitors engaged 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:

- Pi Platform for Investigation, which launched this year. This bespoke structure provides an inspiring platform for scientists, engineers and artists to connect with visitors about contemporary science and research. Twelve events took place monthly, including 1000 people attending Pi: Nuclear run by students from Nuclear FiRST (from the universities of Manchester, Sheffield, Lancaster, Leeds and Liverpool). Pi also had a home during Manchester Science Festival providing existing partners with a new way to engage creatively with Festival-goers.
- A new science-focused schools offer targeted at primary schools, launched at the end of last year and featuring four new shows. Work has taken place this year to promote the offer to teachers, and our new immersive show and workshop spaces are enabling the new offer to flourish and welcome more young people to the museum. There has been a 21% increase in booked education visits since the programme launched.
- Circuit City, a new show for schools and families. Focusing on electricity, this interactive show features some of history's most bizarre electrical creations.
- Operating the largest STEMNET contract in England, with over 1000 STEM Ambassador volunteers working in secondary schools across Greater Manchester. Through the contract the museum has a relationship with 90% of secondary schools in Greater Manchester and there is a growing number of partner events taking place on the museum site, bringing teachers, young people and scientists together. The museum ran three successful STEM networking events, including one inspired by the Collider exhibition that encouraged teachers to use the exhibition and STEM Ambassadors as a resource with their students. The museum was also delighted to have two winners from Greater Manchester at the national STEMNET Awards – one selected from 28,000 volunteers nationwide – putting a spotlight on work by teachers and STEM Ambassadors in this region.
- MSI working in partnership with Imperial War Museum North and Manchester Museum to deliver If: Volunteering for Wellbeing, a unique volunteer training and placement programme which targets 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.
- Celebrated astronaut Chris Hadfield taking part in a live outside broadcast from the museum for Radio 5 Live. In front of an invited audience made up of 60 local Year 10 school students, teachers and selected media, Chris talked about his life in space.

### Collections, research and publications

- The museum has continued to add to its collections, in particular focusing on its historic Liverpool Road station site, supporting current doctoral research, and cycling, with new acquisitions resulting from the *Pedal Power* exhibition. Highlights include:
  - Granada sign, 1962. The glowing red sign on Granada TV's Quay Street building was a Manchester icon from 1962 to 2010, marking the first purpose-built television studios in the UK.
  - Design portfolio, 1924–37. Jean Elizabeth Gregson's portfolio of coursework from the Manchester School of Art illuminates the career path of women in the male-dominated textile design industry.
  - Ergometer, 1960s. Used at a 'human performance laboratory' at Salford University, this machine helped British cyclists prepare for the 1968 Mexico Olympics.
  - Hard hat, 1990s, worn at the opening of Manchester's velodrome. The construction of the National Cycling Centre spearheaded the ambitious regeneration of east Manchester.
  - Plans of Liverpool Road station, 1860s. Three drawings that illustrate how the museum's historic site continued to evolve through the 19th century, revealing previously unknown detail.
- A major project to take advantage of cost-effective shared storage facilities as part of the Group was undertaken this year, with 5600 objects relocated from rented storage in Greater Manchester during the one-year project. Larger objects were moved to SMG's facility in Wroughton and smaller ones to MSI's on-site stores. The project has allowed the museum to take a full inventory, adding over 3500 previously unrecorded objects to the Group's collections database.
- The renewed focus on research continued this year with the start of the museum's second Collaborative Doctoral Award as part of SMG's AHRC-funded Collaborative Doctoral Awards programme. Co-supervised with the University of Leeds, the PhD draws on the Electricity Council and Ferranti archive collections and explores the rise of megavolt electricity in 20th-century Britain.
- Findings from research by the museum's first PhD student are being used to develop the narrative for the Historic Station Building project. The student and her academic supervisor led two fully booked tours of the site and local area as part of the Manchester Science Festival.
- Staff research activity continues to grow slowly, and this year included delivering papers to conferences and seminars in Manchester and Aberdeen.

- Conservation activity focused on the *Pedal Power* exhibition, with several bicycles conserved and cleaned in preparation. The storage relocation project was used to lever benefits across the site including significant progress in tackling hazardous materials in collections.

## Future plans and challenges

Over the next three years the museum begins the ambitious transformation of its historic site. The inaugural project, a new exhibition gallery, opens in 2018 as a home for contemporary science exhibitions. The first of these will be *The Body Electric*, a collaboration with the Wellcome Collection and the Teylers Museum in Haarlem. Prior to that, *Graphene* (summer 2016) will be the headline exhibition during Manchester's tenure as European City of Science and is followed by *Robots* (2017). At the same time, our physical site will be brought to life: outdoor spaces will be revitalised to help visitors make sense of our stories and we will initiate the first of our major new galleries that connect past with present, scientific theory with real-world application.

The physical development of our site is impacted on by a number of projects taking place outside the museum. The Ordsall Chord rail link, to connect Piccadilly and Victoria stations, has been given the go-ahead, disconnecting the museum from the main line. In response the museum is developing plans to launch a brand-new steam train ride experience. This will ensure that this hugely important and much coveted attraction remains very much at the heart of the museum's offer to the thousands of visitors it welcomes each year. Another significant project is the redevelopment of land previously owned by ITV, and we are working closely with the architects to ensure alignment with our own ambitious Masterplan.

## National Railway Museum (NRM)

### Objectives

The National Railway Museum comprises a main museum in York and a second museum, Locomotion, in Shildon, County Durham.

Vision and mission: 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, economy, society and environment of Britain and the wider world.

The museum's objectives in 2014-15 were to:

- 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

### Audiences

After a record-breaking number of visits for the A4s Reunion in 2013–14 as part of the Mallard 75 celebrations, it is pleasing to see that the total visit number for 2014–15 returned to the volumes seen prior to the Reunion (rather than dropping below, which was feared, visitors having 'done' the museum the year before). It is also very encouraging to see an actual increase in the volume of visits from the key target audience of nostalgia-seekers.

### Achievements

This year 727,000 people visited the NRM in York and 167,000 visited our site in Shildon. These numbers are lower than the previous year, which broke records for both sites with the Mallard 75 celebrations. The museum continues to be recognised for its excellence with a number of awards. We won joint second place in the Vitalise survey 2014, which recognises the best tourism attractions in the country for accessibility. We won a further seven awards for the Mallard 75 project, including the Herbert Crow Memorial Award 2014 in recognition of its transport knowledge-enhancing achievements. We won 'Visitor Experience of the Year' in the Visit York Tourism Awards 2014 and 'Tourism Event of the Year' in the White Rose Awards 2014. This year we also celebrated the tenth anniversary of NRM Shildon with a celebratory lunch for those involved in the original development as well as local partners and stakeholders.

The museum has continued to deliver savings throughout 2014–15, and to fund future delivery of events and new galleries. This has seen changes and restructuring in all departments, which has made the public programme and Masterplan central to all departments. The expansion of the commercial quarter in the Great Hall has increased income and the ongoing success of the Visitor Giving programme for donations has aided a secure financial position.

### Exhibitions and galleries

This year exhibitions included:

- *Open for Business* in the NRM Art Gallery in May as part of its eight-venue tour including all four SMG museums. This exhibition tells the story of contemporary British manufacturing and industry through the lens of nine Magnum photographers. The project included working with photographer Mark Power to record train manufacture by Bombardier and an 'in conversation' event with the photographer in front of an invited audience from the railway industry.
- *Churchill's Final Journey*, which opened in January to mark the 50th anniversary of Sir Winston Churchill's state funeral, and displayed restored locomotive *Winston Churchill*, the baggage van that carried Churchill's coffin and Pullman carriage *Lydia*. The train arrived in the museum via a live shunt to the accompaniment of Yorkshire Voices choir singing music from the funeral.
- *Playing Trains*, which opened in March. Aimed at an under-7s audience, the exhibition explores the fascination young children have with trains and railways through an interactive and immersive space. Children's book illustrator Sam Usher worked with the designers on the project.
- The latest of a number of exhibitions organised by local community groups and volunteers at Shildon. The First World War display, opened in August 2014 and developed by the Friends of the National Railway Museum North East, used archive materials and objects given by the local community, including the Shildon Works service book, to produce a small display linked to national activity around the centenary of the start of the conflict.
- *India in Steam*, the major exhibition at Shildon for 2014. This display of black-and-white photos by Ray Price chronicled his travels in India during the 1980s.

## Events

Themed holiday programmes continued this year. Big Fun with Little Trains returned to York once again over May half term, with 33,000 visitors over the nine days enjoying a variety of layouts and rides. New additions included an Explainer-led K'NEX Challenge. Our summer holiday theme was A Different Class of Travel, with more carriages open to show a variety of styles and eras. A talk using streamed images allowed visitors to see inside Queen Elizabeth's Saloon. Santa's Steam Adventure ran for the fourth year this Christmas, while February half term was themed around Paddington Bear, linked to our collection via the topic of journeys.

- A Trainspotting season ran from September to March this year. The programme included an art commission, spotter stories, children's trail and programme of talks from our curators. The opening was accompanied by an evening 'Shed Bash' event, including exclusive cab access, the opportunity to share spotter stories and the showing of a film of Ian McMillan reading a specially written poem.
- Music on Rails was the NRM's first day-long music festival, held in September, with a main stage in Station Hall and music on the move – acoustic sets on a train.
- In line with the museum's aim to connect more with the contemporary railway industry, Clare Moriarty, Director General Rail, Department for Transport, and Professor Mark Casson from Reading University gave public talks at the NRM on their thoughts on the future of the rail industry, as part of NRM's involvement in the York Festival of Ideas in June. Also as part of the festival, the history and development of railway signalling was demonstrated in a series of activities under the festival's Order and Chaos theme.
- Locos in a Different Light took place over four days in October and November. Students of theatre lighting design from across the country tested their ideas by creatively lighting up some of NRM's iconic locomotives as part of the city-wide Illuminating York festival.
- The event programme at Shildon this year comprised 55 large events, including the Spring Steam Gala that celebrated the Great Northern Railway and was attended by 4000 people. The Autumn Steam Gala celebrated Locomotion's tenth birthday, and was attended by 5760 visitors over the weekend. The museum hosted a Winter Gala event over Valentine's weekend with guest locomotive J72 No. 69023 *Joem*, which featured in the TV series of *The Railway Children*, in steam for the event. This was displayed alongside our other *Railway Children* locomotives, GWT No. 5775 and Stirling Single No. 1, for February half term. Many of these events are hosted in partnership with local groups, including the now-regular Shildon Model Railway Club exhibition weekends and the Northern Counties Caravanners Rally, as well as new events Stand To! toy soldier show, the November Toy Fair and a programme of Second World War activities during

November, developed in partnership with Aycliffe & District Bus Preservation Society.

- Locomotion worked with Durham County Council's Arts Development Team on a multimedia resource which explored the making of *Steamsong*, which was commissioned for the Mallard 75 celebration.

## Learning

The museum's Learning programme continued to focus on developing activities to help explain the science and engineering behind some of the collection. In York 40,000 people visited in booked education groups and 35,000 of these were school pupils. The on-site Explainer team facilitated 381,000 instances of visitors engaging with the collection through workshops, talks, tours and collections access activities.

At Shildon the new events programme, launched last year, offered opportunities based on the STEM agenda. During the course of the year 5000 visitors came in booked education groups, of which 4000 were school pupils. There were 25,000 instances of visitors engaging with on-site activities and events.

Highlights of this year's learning programme included:

- NRM York launching its learning programme aimed at the new National Curriculum. New sessions include Stephenson's *Rocket* and Punch and Judy's Seaside Adventure for Key Stage 1, and Designed for Speed and Train for the Tracks for Key Stage 2.
- Six days of STEM-based activities delivered as part of British Science Week in March. Working with the Rotary Club, we hosted 136 Key Stage 3 children in a day of engineering challenges. During three discovery days 21 schools and 1279 Key Stage 2 students took part in more than 15 workshops. These discovery days were delivered in partnership with other cultural, industrial and academic organisations and provided a variety of fun, hands-on activities for a Key Stage 2 audience.
- A new collaborative partnership with York Theatre Royal, which has created opportunities in York to strengthen and develop the learning programme for the museum. The learning offer for February half term included *Where's Paddington?*, a jointly developed and delivered family story hunt. This marks the beginning of a partnership that will continue to explore how collaborative working with a theatre can provide opportunities, skills and techniques to develop and enhance the future learning programme for schools and families.
- A revised learning programme at Shildon, launched for autumn term 2014, which includes a new activity for Key Stage 1 pupils. We worked with Beamish Museum on a new railway history package with a Northeast local dimension for Key Stage 2 pupils, and a new play area for pre-school children opened in the Welcome Building every week day during school term. The Grand Final of the Great Engineers Schools Challenge was also hosted by the museum.

## Collections

Conservation and restoration work this year included a stunning centrepiece of a 1934 child's bed set designed to look like a steam train complete with a bed in the style of a luxury Wagon-Lit carriage. Donated to the museum by Christopher Oldham in 2012, it was restored in time for our *Playing Trains* exhibition. Additional work included the restoration of two portraits using funds raised at the museum's annual dinner – Hubert Herkomer's 1869 painting of railway manager William Cawkwell, and a large portrait of the LNWR Chairman George Carr Glyn, painted by Sir Francis Grant in 1845. Conservation work at Shildon enabled us to deliver the *Churchill's Final Journey* exhibition through the restoration of the locomotive *Sir Winston Churchill* and the baggage van used for his coffin. We also had 11 lithographs by John Cooke Bourne conserved ready for an exhibition at the Coalbrookdale Gallery, Ironbridge Gorge Museum.

Significant acquisitions included:

- Wooden rails dating from the 1780s, from the Willington 'waggonway' on Tyneside. They form part of the oldest surviving standard-gauge track in the world.
- 1:12 scale model, 1890–1914, of a Great Northern Railway Class 1 Stirling Single locomotive. Made by Barry Wallwork and a fine example of the model-maker's art.
- 'Unbeaten Tracks', 1860–70. Manuscript letters detailing the journeys of a railway engineer, believed to be H Bird, in western and central Europe.
- Leaflets, c. 1964, published by the Soviet Ministry of Transport and collected by ASLEF member James Collin on a trade union visit to the USSR.
- Pair of yellow plastic sandals inscribed 'Merseyrail: more than just a journey'. These were given to women rail passengers attending the 2009 Grand National.
- Public Record Office set of 120 volumes of parliamentary papers on railways (1837–1906). A definitive and comprehensive set with over 70,000 text pages and hundreds of fine lithographic large folding maps, plans and plates, many hand-coloured.

A new volunteer project to catalogue images from the British Railways London Midland Region Stanier House photographic collection began this year, undertaken by a student from Manchester University. Two volunteers also began assisting with an audit of the NRM photographic collections and volunteers have completed a catalogue of over 3600 photographs in a collection created by the British Railways publicity office in York. Our collaborations with specialist societies continued, with the London & North Eastern Railway Society, Caledonian Railway Association, Midland Railway Society and South West Circle among groups assisting with digitising and cataloguing photographic collections.

## Research and publications

The focus on opening up our collection for scholarship and research was reaffirmed by the official relaunch of the Institute of Railway Studies, a successful partnership with the University of York. We also launched a new Railway Studies Forum, which will strengthen academic research for both staff and students. The second NRM library and archives conference, Making the Connection: Railway Records for Family History, was held in September for anyone interested in researching railway records for family history. Two new collaborative PhD students, funded by the AHRC Collaborative Doctoral Programme, commenced their research in the autumn term looking at Home on the Rails: The Design, Fitting and Decoration of Train Interiors in Britain, c. 1920–1955 (a collaboration with the Open University), and Hannah Reeves is undertaking Women and the Railway Family, 1900–1948, in partnership with Keele University. A new MA studentship started with NRM and the University of York is focusing initially on 19th-century photographs.

Publications this year included Anthony Coull's monograph *Sierra Leone Railway Adventure*. Over the year curators have given talks, lectures and interviews to over 2900 people, including museums, Network Rail graduates, rail industry professionals, community groups and businesses.

## Future plans and challenges

During the 40th anniversary year of the site in York we will bring the museum to life through inspiring programming, including a year-long partnership with York Theatre Royal that will revive the overwhelmingly successful production of *The Railway Children*, alongside two other productions. With the return of *Flying Scotsman* timetabled towards the end of the coming year, we will deliver a season of activities with four main components: a long weekend around its inaugural run, a gallery exhibition, a *Flying Scotsman* theatre show and locomotive line-up events.

We will continue our Masterplan developments focusing on the South Yard and opportunities presented by the York Central development. Our aspiration to increase our contemporary relevance will be furthered through an exhibition on modern station architecture and working with partners to deliver a series of high-profile debates.

## National Media Museum (NMeM)

### Objectives

This year work has focused on delivering the vision developed in 2013–14 to ensure the long-term sustainability of the museum – to be a dynamic and inclusive museum, internationally recognised for its world-class collections and for using them in engaging, meaningful and inspiring ways; and to achieve our mission of exploring the science, technology and art of the still and moving image, and its impact on our lives.

To achieve our vision our objectives over the past year were:

- To develop and implement our plans for future financial sustainability
- To care for, develop and share our collections and set new standards
- To ensure 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
- To ensure that learning will be part of everything that we do, with a focus on science and technology, drawing inspiration from our collections
- To use targeted, effective external communications to 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

Further work has been undertaken this year to establish how the science, technology, engineering and maths focus of the museum could be strengthened. It has been agreed that, in future, the museum's narrative will encompass 'light and sound' as well as the 'still and moving image', enabling us to enhance our science content.

### Audience

The museum has seen another drop in its baseline visit number, from just below 500,000 visits to just over 400,000 visits. The cinema-going audience continues to decline, and the museum has lost many visits from 'casual' audiences (audiences easily drawn to other activities and attractions). What is encouraging is the actual increase in the volumes of visits from audiences drawn especially to the museum because of its permanent and temporary offer. Planned improvements to the gallery offer, continuing the strong temporary programme for families, adults and educational groups, and working with Picturehouse to improve the cinema offer should reverse the overall decline.

### Achievements

This year we welcomed 414,000 visitors. This was 14% behind last year. Part of this shortfall was a result of having no full-length IMAX offer because of a lack of available films in non-digital format. This accounted for a loss of 17,000 visitors compared with the previous year. However, general visitors to the museum fell by 16%. Plans are in place to reverse this trend.

Our education group audience increased this year by 26%. Bradford Council approved £1 million of revenue funding over the next three years to aid the museum in the delivery of its new strategy. This investment will support our ambition to become a centre of excellence in engaging young people, particularly from disadvantaged backgrounds, in science, technology, engineering and maths (STEM). Alongside the revenue funding from Bradford Council, the museum will also receive a £1.5 million capital injection from the Science Museum Group. This will enable the delivery of an inspiring interactive gallery that engages young people in the science of light and sound.

It has been a year of change to ensure a financially stable position for the museum. Our estate has been consolidated by moving offices from a commercial leasehold space into the museum. We began a commercial partnership with Picturehouse Cinemas to operate the three-screen cinema, and the introduction of Visitor Giving in the front-of-house operation is seeing increases in donations. We also improved way-finding.

#### Exhibitions, galleries and events

Exhibitions this year included:

- *Landscapes of Le Grand Départ*, opened in June as part of the official 100-day Yorkshire Festival inspired by the start of the Tour de France in Yorkshire. Featuring images from the museum's collections spanning over 150 years of Yorkshire's dramatic and varied landscape and rich architectural heritage, the exhibition drew attention to the landscape forming the backdrop to the start of the Tour.
- *Nature Camera Action! The Secrets of Making Incredible Wildlife Films*, which opened in July. Developed in partnership with the BBC Natural History Unit, this family exhibition showed how film-makers capture sounds and speeds beyond our human senses and featured highlights from the museum's collections as well as cutting-edge camera technology. This was a further development of the museum's relationship with the BBC, whose collection of historic technology we hold, as well as other production companies. Local community groups were also engaged in the project, such as the

Friends of Bracken Hall, a volunteer group helping to maintain a local natural history museum. The exhibition will tour to M Shed in Bristol in 2015.

- In September a partnership with a local performing arts company, Freedom Studios, to mount an exhibition as part of the national BOLD Festival, using photography, audio and even a pop-up opera in the foyer to explore the ageing process.
- *Joan Fontcuberta: Stranger Than Fiction*, which opened in November following its launch at the Science Museum Media Space. This was the first major UK exhibition of Fontcuberta's work and featured six documentary narratives that mix fact with fiction and science with art. Over 43,000 people visited.
- *Drawn by Light: The Royal Photographic Society Collection*, which opened in March following its opening run in Media Space in London. This new look at the museum's outstanding Royal Photographic Society (RPS) collection features some of the most famous names in the history of photography, and explores how photography has shaped our perception of the world. Its launch was accompanied with a one-day festival of photography activities for families and keen amateur photographers, including a competition, in partnership with the RPS. The exhibition will tour to the Reiss-Engelhorn Museum in Mannheim, Germany, in 2017.

Film programme activity this year included:

- A new commercial partnership with Picturehouse Cinemas. From 31 October Picturehouse took over operation of the museum's three cinema screens, with the aim of delivering a high-quality, financially sustainable cinema offer that reflects the needs of the museum's current audiences and develops new ones. One of the first fruits of the partnership was the premier of a new documentary on the life and work of David Hockney attended by the director, Randall Wright, and members of the Bradford-born painter's family.
- The 20th edition of the Bradford International Film Festival, which included a screen talk by Aardman co-founder Peter Lord; retrospectives of the work of British director Sally Potter (*Ginger and 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 21st Bradford Animation Festival in November, featuring films, competition screenings and a programme of high-profile guests from the animation, games and digital effects industries. The six-day event was attended by 9500 people. The BAF Family Day proved very popular with screening of a sing-along *Frozen*. Audiences were introduced to different types of animation and warmed up their voices in a pre-screening introduction led by the Explainers.
- Five science-fiction films screened throughout October in partnership with the Bradford Science Festival and the BFI Sci-Fi season, including *Metropolis* with a live musical accompaniment. Continuing the partnership with the University of Bradford's Peace Studies department, we hosted the fifth edition of the Media and Conflict Interchange. A series of film screenings was followed by short talks and Q&As which explored the interplay between media and conflict.
- Tour de Cinema, a partnership with Sheffield Showroom Cinema as part of a region-wide festival of arts and culture based around the start of the Tour de France in Yorkshire. This programme of feature and archive films toured to 12 outdoor locations and 20 community and village hall venues before arriving back at the museum. The programme included *Velorama*, a new film commissioned for the Tour from artist Daisy Asquith.
- Bradford International Film Summit 2015, where delegates from leading film and television industry institutions from around the world gathered for a series of seminars, events and screenings to discuss film and TV production and education, all set against the backdrop of the UNESCO City of Film. NMeM hosted the gala opening night and events throughout the summit.
- The Cine North project expanding into Cumbria, with support from Film Hub North and the BFI Neighbourhood fund. The project recruited 14 rural and community cinema venues in the region, as well as four new Yorkshire venues. In 2014–15 the project has delivered over 300 screenings to audiences of approximately 12,000 in rural or hard-to-reach areas. Of the titles screened, 80% were British or specialised film, increasing the breadth and depth of film knowledge in the audience.

Events this year included:

- Over 2000 visitors joining Children's BBC presenter Naomi Wilkinson on the first day of the summer holidays for a variety of activities based around our summer family exhibition *Nature Camera Action!*, including animal handling with creepies, crawlies and furrries. A STEM-focused programme of learning activities was delivered throughout the summer, and concluded with children's television presenter Andy Day giving two sold-out performances of his interactive show, and revealing the secrets of special effects with our Explainer team in our *Experience TV* gallery.
- Continuing our programme of STEM-related holiday activities targeted at families. The spring half-term programme included science workshops and shows for families including the new Wireless Workshop. October half term was programmed around *Horrible Histories*. Delivered in partnership with Scholastic, it explored the photography of the Vile Victorians. Christmas activity explored the theme *Wired Winter Wonderland*. For February half term we partnered with Aardman to celebrate the launch of the new *Shaun the Sheep Movie*. Regular cinema screenings were enhanced with a live mass-participation animation show before every

screening of the movie. Other activities included STEM workshops, storyboarding and model-making.

### Learning

In September 2014 a full review of the learning offer provided to education groups was carried out. A strong and rich new bank of learning programmes were created to support the museum's mission and develop a strong STEM focus to the offer. As part of this offer, a brand-new science show focusing on light and how light travels was developed, linked to the collections, as well as two new workshops: Science of Sound and Wireless Workshop.

In total there were 33,000 visits in education groups – a 26% increase on last year – indicating the appeal of our new programmes and success of our promotion of the new learning offer to schools. Of these 26,000 were school pupils. There were 106,000 instances of people engaging in learning activities offered by the museum.

Learning activities this year included:

- The museum hosting, for the first time, the annual party for participants in the Born in Bradford project, a unique long-term research study of children's health working with 14,000 families in the local area. The party included fun games and activities to promote healthy living and wellbeing. The museum also hosted the local launch of the BBC's Ten Pieces project that aims to engage young people with classical music.
- The Science Museum's Punk Science team visiting the museum in August to deliver their Intergalactic Supermassive Space Show, wowing our audiences with their entertaining performances.
- Let's Get Digital, the theme of this year's Bradford Science Festival in October. Activities included the schools programme on *Nature Camera Action!*, the Wireless Workshop and a family day offering a glimpse into the world of robotics. We also launched our own Lates programme aimed at a young adult audience. The first Lates event took an eclectic look at 'digital' and how we create it, make it and use it and included a show (courtesy of Punk Science) and collaborations with our new partners from across the city.
- The museum hosting the first Bradford District STEM network meeting. We took a pivotal role in initiating and coordinating the meeting, which attracted representatives from local and national organisations including the University of Bradford, STEMNET, Bradford College and Bradford Council. Following the success of this event the museum hosted the first Bradford District Networking Event, inviting teachers to the museum to take part in demonstrations, hands-on sessions and a presentation led by STEM learning providers from across the region.
- Following the first event held as part of the Bradford Science Festival, our second Lates on the theme of Deception, Lies and Illusion. We worked with local and national partners to showcase a programme of exclusive

events inspired by the exhibition *Joan Fontcuberta: Stranger Than Fiction*.

- As part of British Science Week, the museum partnering with the University of Bradford's STEM Centre to co-host a programme of activities across both sites for school groups between the ages of 7 and 14, on the theme of light.

### Collections

This year the museum created 1600 new catalogue records for photographs from the collection, including work by Roger Fenton, Frank Meadow Sutcliffe, Samuel Bourne and Horace Nicholls. Soon to be published online, these photographs will for the first time be available for viewing by researchers and photography-lovers around the world.

Notable acquisitions included:

- Giclée-printed portrait of Tricia Wylie, fishing industry worker in Scotland, photographed by Paul Duke between 2009 and 2012. One of a selection of prints by the Scottish photographer from his series *At Sea* documenting the fishing communities of the Moray Firth.
- Photograph titled *Rachel Weisz, 1993*. Silver gelatin hand-printed and toned with selenium. One of 104 prints acquired by the museum from the estate of Irish photographer Bob Carlos Clarke.
- Polyfoto proof sheet. Introduced in 1933, Polyfoto was a commercial portrait studio system that produced distinctive photographs – 48 different poses, each little bigger than a postage stamp.
- Colortron 99 enlarger, 1965. Designed for professional use, this enlarger was one of the first to use electronic exposure control to simplify the process of colour printing.
- Shirley Beljon studio equipment, late 20th century. Shirley Beljon was a well-known photographer in the 1970s and 1980s, specialising in fashion photography and portraiture. This is a complete set of her studio equipment.

### Research and publications

The Archives 2.0: Saving the Past, Anticipating the Future conference took place at the museum in November. Over 100 delegates and guest speakers attended this major international conference supported by the University of Leeds and the Royal Photographic Society. Archives 2.0 featured an international range of speakers and looked at the strategic acquisition and management of visual archives by cultural institutions.

Through the SMG Collaborative Doctoral Partnership programme a new doctoral student started work on a project in partnership with the University of York that will catalogue and bring new understanding to our collections of magic lantern slides and equipment. A second doctoral project will start in autumn 2015, exploring the Museum's Daily Herald Archive of press photography, in partnership with De Montfort University.

## Future plans and challenges

The investments announced in 2014 by Bradford Council and SMG mark a significant milestone in the Strategic Ambitions of the museum. In 2015 we will open a newly upgraded digital IMAX screen which will allow Picturehouse to programme major blockbuster titles aimed at a younger audience while, at the same time, allowing a much wider range of educational content to be screened for schools. Significant investment from Bradford City Council allows us to play a much bigger role in the education of young people from the district and beyond, positioning us as a centre of excellence for engaging disadvantaged young people in STEM. Our forthcoming interactive gallery – due to open in 2016–17 and our first new permanent gallery since *Life Online* in 2012 – will engage young people in the science of light and sound, and seek to replicate the success of *Launchpad* at the Science Museum. These plans will improve the visitor experience, and connect us with the city and the people of Bradford and the region.

Highlights of the programme in the coming year include the Festival of Light running from July to November as part of UNESCO's International Year of Light. *Light Fantastic: Adventures in the Science of Light* will combine displays from the collections, specially commissioned artists' pieces and community workshops with artists in residence, while *Revelations: Experiments in Photography* (opening in November 2015) will trace the relationship between experimental photography and artistic practice through the 19th and 20th centuries.

## Science Museum Group-wide activities

### Our supporters

We are enormously grateful to all of our sponsors and donors, whose support has made a wide range of initiatives possible this year. Despite our challenging financial circumstances, the support we have received from the corporate sector, individuals and trusts and foundations is vital in enabling us to continue with our ambitious plans. Here are a few highlights.

#### Sponsorship and donations

At the Science Museum we were able to announce our largest ever individual philanthropic donation of £5 million towards the redevelopment of the *Mathematics* gallery. The *Information Age* gallery that opened in October attracted a prestigious group of funders including BT, HLF, Google, ARM, Bloomberg Philanthropies, Garfield Weston Foundation and Wolfson Foundation. The Wellcome Trust has agreed in principle to award the Science Museum up to £10 million towards our new medicine galleries. NRM launched the *Churchill's Final Journey* exhibition with support from the Friends of the National Railway Museum. The Trainspotting season was supported by East Coast Mainline and Arts Council England, and *Playing Trains* was sponsored by Hornby. The Manchester Science Festival continues to grow with increased visitors, reach and programme, and this year secured investment from Siemens as headline sponsor. The Chancellor of the Exchequer, George Osborne, confirmed that MSI will receive £3 million towards the development of a temporary exhibition gallery, in addition to the £800,000 already awarded.

#### Corporate Membership

Our Corporate Partner programmes continue to grow, and we have enjoyed significant success this year through renewals and new business, particularly at NRM. This support enables us to care for our collections and run a varied programme of events and exhibitions for our visitors.

#### Patrons

The Science Museum Patrons programme continued to grow, with a further 20% in new business and 17% increasing their support. We continued to organise a series of exclusive events, including a trip to CERN for a tour around the Large Hadron Collider. NRM now has 47 patrons, an increase of 15% on last year.

#### Events

The opening of *Information Age* by Her Majesty The Queen in October was attended by 500 guests. Robert Dijkgraaf, Director and Leon Levy Professor at the Institute for Advanced Study, Princeton, was the guest speaker at the Science Museum's annual dinner in May. NRM launched our Futures Forum:

Thought Leadership series, where senior rail industry figures met to review and discuss some of the challenging issues currently facing the rail sector.

#### Visitor Giving

Our visitors across each of the Group's museums continue to astound us with their generosity. From the 5.3 million visitors who came through our doors, we have received over £2 million in support of our work. This year we were delighted to launch our Visitor Giving campaign at the National Media Museum.

### Volunteers

We will develop the volunteer programme across the Group over the coming year. A Volunteer Development Manager has been appointed to facilitate and increase volunteer involvement, standardise policies and practices, provide support to our Volunteer Coordinators and ensure that the Group is recognised as a great place to volunteer. Looking back over this year volunteers contributed the following:

- At the Science Museum we have over 150 active volunteers across 20 roles. Activity has included facilitation of our exhibition *The Rubbish Collection*, supporting delivery of the third year of the Building Bridges project and the expansion of volunteer involvement into family learning activities during school holidays. The most notable success of this year has been the introduction of object handling in our new *Information Age* gallery. This is the first of its kind, developed in collaboration with volunteers and led by volunteers on gallery. We have already had over 2000 visitors participate in object handling during weekends, school holidays and our adults-only Lates events.
- At NRM in York volunteers gave 34,000 hours of their time, 4000 of which came from home-based volunteers as far afield as Australia and America. The volunteer programme expanded further this year through the provision of tours and our partnership with York Theatre Royal. We also worked in partnership with voluntary-sector organisations to set the strategic direction for volunteering within our sector and have built strong partnerships locally. A number of our volunteers were recognised for their contributions this year: David Thomas was awarded the British Empire Medal for his outstanding voluntary contribution to the museum; Gordon Reed won the *RailStaff* Lifetime Achievement Award, in recognition of volunteering and professional dedication to the railways; and Laurence Fryer-Taylor won the Higher York Student Volunteering Award.
- At NRM Shildon 96 volunteers are actively involved at the museum in roles including tour guides, rail operations, workshop, education assistants, gardening, cleaning collection vehicles and operating our model railway display. During 2014–15 training opportunities for volunteers have been developed, with formal training

sessions now running regularly on areas such as guided tours and cab access skills. Rail operations volunteers also hold monthly mutual improvement classes during the winter season, sharing knowledge and skills in a range of areas.

- At MSI comprehensive volunteer data has been collected since October: 123 volunteers have supported the museum, either through regular volunteering or for specific events such as the Manchester Science Festival and Mini Maker Faire. These volunteers have contributed 4212 hours since October. MSI also manages the STEMNET contract for Greater Manchester and 849 STEM Ambassador volunteers supported activity during the year.
- At NMeM there were 42 registered volunteers, contributing approximately 5000 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 and Royal Photographic Society collections, supporting film discussion events and stewarding at the museum's annual festivals.

## Estate development

The creation of a single national Estates function supporting the entire Group Estate, under the leadership of a Head of Group Estates, has progressed with increased collaboration across the Group. This includes the addition of national technical and project roles to support the local teams and our stakeholders. This approach has allowed enhanced support for the Masterplan projects that are delivering significant investment across our estate. A restructure of the MSI Technical Services team means that for the first time the Estates team supporting this site is now also reporting to the national Estates team.

Each site has a Masterplan, and the delivery of estates projects against these plans allows us not only to invest in the visitor experience but also in the infrastructure that supports these areas and the wider buildings, such as the new lift and plant supporting the *Information Age* gallery at the Science Museum. We continue to review our portfolio to ensure it is delivering best value by vacating under-used buildings. This process has led to us vacating office accommodation adjoining NMeM (Princes House) and an MSI collection storage facility in Salford (Brunel Avenue). This year has also seen us progress to the point of sale on the Post Office Building adjoining the Science Museum in Kensington; the sale will release capital funds to the museum for investment in the site's Masterplan including infrastructure such as lifts and toilets. The sale will also facilitate relocation of over 100 workstations and the Patrons' centre, and will open up new areas not previously occupied by SMG at ground and basement levels for redevelopment to the public realm.

The Group Health and Safety Advisory Team has also been consolidated into a single national team for the first time

and in conjunction we have reviewed the management structure of health and safety committees. We have reissued guidance on a range of health and safety topics such as contractor management and risk assessments. Our reporting mechanisms have been enhanced and we continue to hold ISO 18001 certification against our Group Health and Safety Management System.

Providing safe, secure and compliant buildings remains at the centre of our approach, and we have made investment via a number of capital projects, as well as contributing to other Group and Masterplan projects. Estates-led projects included upgrades of the fire alarm and security systems at all SMG museums and repair of failing structure at Wroughton.

Investment and replacement of elements of our building systems has contributed to a significant improvement in the management of our utility consumption, yielding overall reductions in energy use and emissions across the Group – an especially challenging task given the magnitude of project activity taking place.

Estates represents a significant portion of the Group's expenditure. We continue to review our approach and have successfully reduced expenditure this year. We also continue to seek out commercial opportunities from our estate; Wroughton, in particular, has yielded a number of fruitful tenancy arrangements with one runway hire alone producing c. £300,000 of revenue this year. We have also been granted permission to enter into a tenancy arrangement at Wroughton which will see a solar array being constructed on site with an output sufficient to support 12,000 homes; this will yield another regular income stream from the estate.

## Corporate and Collections Information

The Science Museum Group 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. This year we received 630 general enquiries and nearly 60 FOI requests focusing on income-generating activities, cost cutting, procurement, major events and high-profile projects.

Throughout the year the Science Museum Photographic team created more than 14,000 digital images providing coverage of press/PR events throughout the year, alongside image research and editing. Of these, around 4100 are images of objects from the Science Museum collections.

Work continues on auditing objects and upgrading our catalogue. At NRM approximately 2000 objects were audited and upgraded. At NMeM around 8000 records have been added as part of an ongoing project to make collections digitally accessible, in particular historic photograph collections. More than 8000 records from MSI have been prepared for online digital access. At

the Science Museum 750 objects were audited from the Materia Medica, Computing and Nuclear Physics collections.

As part of the ongoing commitment to collections management and rationalisation of SMG collections approximately 650 items have been considered for disposal and dispersal this year. Some items are to be transferred to other collections, and duplicate material is to transfer to Learning teams for handling collections. Items to be disposed of are mainly hazardous materials such as chemicals. One item of human remains held by the Science Museum on behalf of the Wellcome Trust was repatriated to the Tasmanian Aboriginal Centre in Hobart.

SMG objects were made publicly accessible this year through the loan of about 2500 objects to 156 different venues in the UK and 149 objects to 25 international venues. International loans included anatomical models to the M van Museum, Leuven, Belgium, and chairs to the Hong Kong Heritage Museum for its exhibition *The Extraordinary in the Ordinary*. Objects from the Royal Photographic Society Collection at the National Media Museum were loaned to an Alvin Langdon Coburn retrospective at Fundación Mapfre, Madrid and to the *Captain Linnaeus Tripe* exhibition at the National Gallery of Art, Washington DC. More contemporary photographs by Nick Hedges are on loan to an exhibition at the Museo Nacional Centro de Arte Reina Sofía, Madrid.

## National and international working

National and international working is integral to the vision and strategic objectives of the Science Museum Group and continued to be a priority for the organisation during 2014–15. Much of our national and international activity is mentioned elsewhere in this report, so the following examples are given to highlight the range and reach of our work outside SMG sites.

The 2014–15 year saw us launch our touring programme with exhibitions opening in the UK and overseas. In October 2014 *Collider* opened at the Palais de la découverte in Paris, and by the end of March 2015 it had already been seen by 216,700 people. *Only in England* opened at the Walker Art Gallery in Liverpool in February 2015 and had been seen by 27,400 people in its first six weeks. We also toured *The Energy Show* to 34 theatres in the UK.

Much of our national and international work is achieved by our Learning teams, and 2014–15 activity included:

- The Science Museum’s Outreach team travelling extensively in the UK and overseas, delivering shows and workshops to schools, community groups, museums and festivals, reaching a total of 109,000 people of which 17,000 were at international venues.

- Partner projects such as the Museums and Schools Project with SS Great Britain in Bristol, Building Bridges, Enterprising Science and working with the Association of Science and Discovery Centres and UK Space Agency to celebrate the launch of British astronaut Tim Peake’s space mission.

Collaborating with experts in different organisations continued to be key to the development of the public programme. Internationally:

- We have formed strong relationships with key stakeholders for the Science Museum’s forthcoming *Cosmonauts* exhibition, including with a range of Russian museums, the UK and Russian governments at senior levels and other important organisations such as Roscosmos.
- For *Joan Fontcuberta: Stranger Than Fiction* (shown at the Science Museum and NMeM) we collaborated with the Museu Nacional d’Art de Catalunya, Barcelona.

In the UK:

- We delivered *Engineer Your Future* with support from the National Grid, ABB, BT, the Department for Business, Innovation and Skills, EDF Energy, IBM, Mott MacDonald and Network Rail, with additional support from EngineeringUK and the Royal Academy of Engineering.
- Building on the success of collaborating with the Wellcome Collection on the *Brains* exhibition at MSI in 2012, we strengthened our relationship by signing a Memorandum of Understanding in May 2014. This commits the Wellcome Collection and MSI to collaborate on a programme of mutually beneficial activity over the next five years. Since then MSI has opened the *Wellcome Image Awards* in March 2015, and MSI’s adult evening event *Let’s Talk About Sex*, in March 2015, was part of the Wellcome Collection’s Sexology Season.

Hosting international visitors and interns at our sites, making overseas visits and speaking at conferences are important ways of enriching the knowledge and skill set of our workforce and the wider sector, as well as benefiting our audiences. During the year:

- SMG sites hosted representatives from over 40 different organisations in Asia, Australia, Europe and North and South America.
- SMG staff represented the organisation at around ten conferences in Asia, Europe and North America, including the Director speaking at the Intermuseum Conference, Moscow.
- We hosted a number of international conferences, including the European Association of Museums of the History of Medical Sciences at the Science Museum (co-hosted with the Royal College of Surgeons and the Wellcome Collection) and the Science Capital Seminar featuring a range of international speakers.
- We welcomed people from other organisations to spend time at our sites – e.g. a representative from the Finnish Museum of Photography spent two months at NMeM.

SMG uses digital technologies to engage with international audiences and a particular triumph this year was having 175,000 users from 199 countries – including Brazil, Romania, Sudan and Fiji – take part in our citizen science project #HookedOnMusic.

We furthered our relationships with different areas of Government, with international agendas including contributing to the GREAT Festival of Creativity in Istanbul in May 2014. We continued to strengthen links with key organisations such as the Royal Society and the BBC.

The Science Museum continued to build relationships with key people and organisations in Brazil. In May 2014 Science Museum staff presented at the 13th International Public Communication of Science and Technology Conference in Salvador. July 2014 saw nearly 4000 visitors attending the Science Museum's Brazil Lates, delivered with Braziliarty, which promotes Brazilian arts and culture abroad. Prior to the event we held a reception for supporters of our work with Brazil, including Minister Roberto Jaguaribe, the Brazil Ambassador to the UK.

## Digital activity

In total there were 10.8 million visits to SMG websites in 2014–15, continuing the upward trend in online visits to the Group's sites (figures for 2014–15 based on Google Analytics methodology).

We appointed a new Digital Director at the end of this year, who will be guiding the development of a new digital strategy next year.

This year at the Science Museum we delivered Phase 2 of MMX, our new web platform that provides a 'gearbox' to place our collections-related content at the heart of our website. MMX is the start of a step change in how we manage object-related content online. Phase 1 brought together content from our collections and archive databases, along with images and content from our legacy microsites, into one searchable place on our main website for the first time. This year we delivered Phase 2 in association with the opening of the new *Information Age* gallery. This enabled us to highlight the gallery's 800-plus objects and link them seamlessly to the many online stories and biographies created for the gallery, with additional audio and video content.

We also delivered three apps associated with *Information Age*. These included task-based digital activity that supports school groups, a mobile application that enables visitors who are blind or partially sighted to navigate around the gallery, and a third app that forms part of Rafael Lozano-Hemmer's *Fiducial Voice Beacons* art installation in the gallery, allowing visitors to interact with the piece. The highly regarded online game *Transmission* was also launched – available on our website, on mobile platforms and seeded on major international gaming portals – built around the effect network shapes

have on communication. It was downloaded 30,000 times in its first three months. In association with the *Engineer Your Future* gallery the *Rugged Rovers* game was launched, where the object is to design a vehicle that can navigate farthest across a tricky alien landscape. In its first month 40,000 people had downloaded the game. The museum's Twitter account broke the 450,000 barrier and the museum started testing a new Wi-Fi login page and iBeacon technology, developed with Purple Seven, so we may better serve our visitors.

At MSI the innovative online citizen science project #HookedOnMusic – to investigate the secret of catchy songs, with the University of Amsterdam – garnered an extraordinary response, recruiting 175,000 players across 199 countries. At NRM the Trainspotting season and *Churchill's Final Journey* display were augmented by extended web presences for both. These microsites allowed deeper engagement with the subject matter and provided a way to tell the stories behind it. Work also took place on the development of a mobile-friendly version of the website which will be launched next year.

At NMeM we have developed the website to reflect the new film partnership with Picturehouse Cinemas. We worked closely with Aardman Animation to deliver a very successful Shaun the Sheep-themed half term with specially crafted video and online content. This year we opened up our online archive to the Pararchive: Open Access Community Storytelling and Digital Archive research projects, which will develop a new open digital resource where anyone can search and collect online sources and combine them with their own media. We also made available online unseen photos from the Daily Herald Archive of Winston Churchill to mark the 50th anniversary of his death. For the exhibition *Nature Camera Action!* we asked visitors to upload their own wildlife photos onto Flickr and 500 were then added to screens on gallery.

## Staff engagement

The Science Museum Group continues to operate various 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 SMG intranet and by e-mail.

There are a number of forums where SMG 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.

SMG 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 continue to focus on supporting managers and staff members in dealing with change and have increased the level of support offered in career transition activity. This year we have continued to invest in leadership and management development and have focused on NRM and Enterprises management teams and developing team leaders' skills in our retail and visitor experience teams.

### **Sickness absence**

The average number of days lost from sickness for each full-time equivalent employee was 5.6 days (2013–14 6.8 days).

### **Equality and diversity**

It is SMG 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.

SMG works with local communities, schools and education groups to increase access for under-represented groups.

This year we have continued to work with occupational health providers, 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.

### Performance against DCMS indicators

	SM	MOSI	NRM		NMeM	SMG total <sup>1</sup>
			York	Shildon		
Number of visits to the museum						
<b>Outturn 2014–15</b>	<b>3,348,000</b>	<b>680,000</b>	<b>727,000</b>	<b>167,000</b>	<b>414,000</b>	<b>5,337,000</b>
Outturn 2013–14	3,342,000	669,000	926,000	296,000	479,000	5,712,000
Number of visits by children under 16						
<b>Outturn 2014–15</b>	<b>1,100,000</b>	<b>232,000</b>	<b>195,000</b>	<b>45,000</b>	<b>125,000</b>	<b>1,696,000</b>
Outturn 2013–14	1,129,000	257,000	236,000	73,000	143,000	1,838,000
Number of overseas visitors						
<b>Outturn 2014–15</b>	<b>1,577,000</b>	<b>81,000</b>	<b>84,000</b>	<b>4,000</b>	<b>14,000</b>	<b>1,760,000</b>
Outturn 2013–14	1,407,000	64,000	73,000	6,000	10,000	1,559,000
Percentage of visitors who would recommend a visit						
<b>Outturn 2014–15</b>	<b>96%</b>	<b>98%</b>	<b>98%</b>	<b>94%</b>	<b>98%</b>	<b>97%</b>
Outturn 2013–14	97%	99%	99%	94%	99%	98%
Number of facilitated and self-directed visits to the museum/gallery by children under 18 in formal education						
<b>Outturn 2014–15</b>	<b>372,000</b>	<b>43,000</b>	<b>35,000</b>	<b>4,000<sup>2</sup></b>	<b>26,000</b>	<b>480,000</b>
Outturn 2013–14	341,000	37,000	29,000	6,000	22,000	436,000
Number of instances of children under 18 participating in on-site organised activities						
<b>Outturn 2014–15</b>	<b>435,000</b>	<b>125,000</b>	<b>152,000</b>	<b>14,000<sup>2</sup></b>	<b>65,000</b>	<b>792,000</b>
Outturn 2013–14	470,000	120,000	104,000	21,000	60,000	776,000
Number of unique website visits <sup>3</sup>						
<b>Outturn 2014–15</b>	<b>8,343,000</b>	<b>630,000</b>	<b>1,118,000</b>		<b>707,000</b>	<b>10,799,000</b>
Outturn 2013–14	7,269,000	617,000	1,559,000		875,000	10,320,000
Number of UK loan venues						
<b>Outturn 2014–15</b>	<b>104</b>	<b>4</b>	<b>97</b>		<b>8</b>	<b>213</b>
Outturn 2013–14	83	11	78		12	184

<sup>1</sup> Any discrepancy in totals is as a result of rounding.

### SMG-wide performance indicators

	2014–15	2013–14
	£000	£000
Exhibitions admission income (gross income)	264	466
Trading income (net profit, excluding sponsorship income)	2,465	3,109
Total charitable giving (including sponsorship income)	11,391	14,045
Ratio of charitable giving to Grant in Aid	28.5%	35.4%

## 3. Financial Review

### Review of financial position

#### Income and expenditure

The results for the year demonstrate continued success in generating sponsorship and charitable income for major projects – although this inevitably fluctuates year-on-year – together with an ability to sustain underlying levels of unrestricted self-generated income, particularly through individual donations.

Income from donations and other self-generated income continue to be vital to SMG's financial sustainability as Grant-in-Aid continues to reduce year-on-year. Whilst two new projects totalling £1.0m were funded through additional allocations of Grant-in-Aid during 2014–15, core resource Grant in Aid allocated to SMG fell by 2.5% compared with 2013–14.

Donations from individuals increased by 5%, from £2.4m to £2.5m. Legacy giving also increased substantially, due to two very generous bequests to the National Railway Museum received during the year. Income from grants fell to £2.4m (2013–14: £3.7m) owing to an exceptional grant of £2m received last year from the Science Museum Foundation to support work on masterplan development including *Media Space*, which opened in 2013.

SMG has had continued success in generating income from commercial sponsorship and recognised £3.1m of sponsorship income this year, principally related to our new permanent gallery, *Information Age*, which opened in October 2014. Sponsorship was also received for a range of other activities, including the annual Manchester Science Festival and the programme of contemporary science exhibitions. Whilst the level of sponsorship income recognised was lower than last year (2013–14: £4.0m), this is principally due to the phasing of major projects. The postponement of the major exhibition, *Cosmonauts*, was a significant contributory factor, resulting in the deferment of sponsorship income.

Lottery income of £2.6m (2013–2014: £2.3m) related principally to *Information Age*. The Heritage Lottery Fund has also generously supported the development of two very different exhibitions relating to the First World War, one at the National Railway Museum and one at the Science Museum.

Trading subsidiary activities have focused on new business development during the year, much of which has yet to be implemented and is not therefore reflected in the results. Following an exceptionally strong year in 2013–14, when retail activities were boosted by the success of the *Great Gathering* at the National Railway Museum, 2014–15 has seen a reduction in turnover of 2.5%.

Other incoming resources from charitable activities totalled £2.3m compared with £5.4m the previous year. This is due to an exceptional receipt of £2.5m in 2013–14,

being compensation on early termination of a lease.

During the year a grant of £1.7m (2013–2014: £3.5m) was made to the Science Museum Foundation for the furtherance of the charitable objects of SMG.

Excluding this grant, total resources expended were £76.0m (2013–2014: £77.0m), the result of a continued downward pressure on operating expenditure. This was achieved without any significant adverse impact on exhibition and gallery development: SMG has improved the experience of visitors, whilst continuing to care for and learn more about the collection. However, it is becoming increasingly challenging to reduce costs without compromising the public offer and SMG continues to keep the scale and range of its activities under review given the uncertainty over future levels of public funding.

#### Balance sheet

The net book value of tangible assets increased by £9.8m, from £364m at 31 March 2014 to £374m at 31 March 2015, reflecting a revaluation of fixed assets based on indices at the balance sheet date, offset by the extent to which depreciation exceeded capital additions in the year. The opening of *Information Age* during the year accounted for the transfer of £8.3m out of assets under construction to be reflected in the appropriate asset categories.

Stock levels were consistent with those recorded at 31 March 2014, reflecting the consistent nature of retail activities throughout the year.

The value of debtors fell from £7.2m to £5.5m at 31 March 2015, relating principally to higher levels of accrued income last year because of a one-off compensation payment on termination of a lease, which was due but not yet paid at 31 March 2014.

Creditors and deferred income fell from £11.9m to £9.0m, this reduction attributable largely to the residual grant of £2m payable to the Science Museum Foundation and included as a creditor at 31 March 2014. There was a corresponding reduction in cash and investment balances, which fell from £10.8m to £8.7m.

Pension liability increased from £2.9m to £4.3m. Following the acquisition of the Museum of Science and Industry in 2012, 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 £7.3m, reflecting the upward revaluation of fixed assets offset by the increased pension liability and the planned use of designated reserves 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 2014–15 (2013–14 68%). 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 2015 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 2015-16 budget. The value of reserves at 31 March 2015 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 was granted by the Secretary of State for Culture, Media and Sport on 9 November 2009. Part 6 of the Act confers protection on objects loaned from abroad for temporary public exhibitions, provided the conditions set out in section 134 of the Act are met when the objects enter the UK. If the conditions of this legislation are met, a court cannot make an order to seize an object that has been loaned from abroad for an exhibition, except where required to under EU law or the UK's international obligations.

The Museum provides information regarding immunity from seizure on the Science Museum website: [www.sciencemuseum.org.uk/about\\_us/smg/corporate/immunity\\_from\\_seizure.aspx](http://www.sciencemuseum.org.uk/about_us/smg/corporate/immunity_from_seizure.aspx)

This year the Science Museum was pleased to collaborate on projects with key cultural partners in Russia including The State Museum and Exhibition Centre, Rosizo.

Exhibitions including works for which protection under the legislation was sought during 2014-15 are as follows:

#### **Viktor Popkov**

22 May – 18 June 2014

The Science Museum in partnership with the Filatov Family Art Foundation hosted this exhibition at Somerset House, Strand, London WC2R 1 LA  
99 objects

#### **Primrose: Early Colour Photography in Russia**

1 August – 19 October 2014

The Science Museum supported the *Primrose* exhibition by providing immunity from seizure for the objects on loan. The exhibition was organised by the Moscow House of Photography and was held at The Photographers' Gallery, 16-18 Ramillies Street, London W1F 7LW  
143 objects

Details of the objects in these exhibitions were published on the web site at least four weeks before the objects were imported into the UK.

Up to 31 March 2015 no enquiries or claims had been received with respect to these objects under section 7 of the Protection of Cultural Objects on Loan (Publication and Provision of Information) Regulations 2008.

## 4. Remuneration Report

### Membership

The membership of the Remuneration Committee during the year is shown in the Governance Statement.

The SMG Director, Mr Ian Blatchford, and Director of Human Resources 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%.

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.

In the year a salary increase was awarded to Ian Blatchford in recognition of performance and in light of comparable salaries in the museums sector; new annual salary £155,250 (£8,750 non-pensionable), previous annual salary £135,000 (all pensionable).

The amount paid in regard of remuneration of Ian Blatchford was £143,438, including a bonus of £Nil (2013–14: £148,837, including a bonus of £15,955) and the employer's pension contributions were £33,969 (2013–14: £32,281).

### 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.

All Museum employees, except those working at MSI, 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 6.2.5. Museum staff working at MSI 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 6.1.5 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 2014-15 was £142,500 (2013-14 £147,500). This was 7.13 times (2013-14 7.5 times) the median remuneration of the workforce, which was £20,000 (2013-14 £19,789).

In 2014-15 no employee received remuneration in excess of the highest-paid director. Remuneration ranged from banded midpoint of £12,500 to £142,500 (2013-14: £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.

## Senior directors

This Remuneration Report has been prepared in accordance with the *Government Financial Reporting Manual*, which requires disclosure of information about directors' remuneration, where 'directors' is interpreted to mean those having authority or responsibility for directing or controlling the major activities of SMG. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or sections within the entity.

It is the view of SMG that this requirement encompasses the two posts listed below, whose emoluments and pension details are disclosed. SMG considers that no other key management staff details need to be disclosed under this guidance for 2014-15.

Remuneration	Salary	Bonus payments	Benefits in kind	Pension benefits	Single Total Figure of Remuneration
	£000	£000	nearest £100	£000	£000
<b>Ian Blatchford, Director</b>					
2014-15	140-145 <sup>[1]</sup>	- <sup>[1]</sup>	-	64 <sup>[2]</sup>	205-210
2013-14	130-135	15-20	-	27 <sup>[2]</sup>	175-180
<b>Jonathan Newby, Chief Operating Officer</b>					
2014-15	115-120	15-20	800	8 <sup>[3]</sup>	140-145
2013-14	115-120	10-15	700	8 <sup>[3]</sup>	135-140

[1] Reflects salary increase with effect from December 2014

[2] Calculated as 20 times the real increase in pension plus the real increase in any lump-sum payment due, less member contributions

[3] Non PCSPS employee, the figure is the employer's contributions in the year

Pension benefits (PCSPS scheme members only)	Total accrued pension and related lump sum at pensionable age 31.03.15	Real increase in pension and related lump sum at pensionable age	CETV at 31.03.15	CETV at 31.03.14	Real increase in CETV
	£000	£000	£000	£000	£000
Ian Blatchford	40-45	0-2.5	584	509	42

The staff included in the remuneration report constitute those managers delivering policy and direction for SMG. The tables above have been subject to audit.

## 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 2014–15 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.



Dame Mary Archer  
Chairman of the Board of Trustees

1 July 2015



Mr Ian Blatchford  
Accounting Officer and Director

1 July 2015

## 5. Sustainability Report

### Summary of performance

We have continued to invest in improving the performance of our estate over the year, and through careful materials choices and targeted reuse and recycling programmes have helped reduce our impacts on the environment. Furthermore we embarked on an ambitious project, *The Rubbish Collection*, to engage the public with waste issues in collaboration with artist Joshua Sofaer. Sustainability initiatives implemented over the last year have included:

- Installing solar hot water systems on the offices and engineering building at Wroughton, which will provide free hot water during the summer months and reduce our yearly gas consumption.
- Replacement of old, energy-hungry exhibition lamps in London with new 24W LED spotlights, decreasing energy consumption.
- Improvements to the *Information Age* gallery such as double-glazed windows, controllable air fans operated now through the building management system and the use of case-specific air-conditioning, rather than conditioning the whole gallery space, reducing the overall energy consumption of the exhibition.
- Information and Communications Technology (ICT) continued to migrate servers from energy-hungry heat-producing units, to virtual storage solutions such as 'the cloud'. This has reduced the onsite energy consumption of our ICT systems and has been a particular success at the National Media Museum, where 14 physical servers have been migrated to being run on a virtual environment supported by only 3 servers.
- A 40MW solar array at the Wroughton site being granted consent by the Secretary of State for Department for Communities and Local Government. Whilst not directly reducing SMG's consumption the array will put 4 times the electricity consumed by the Group back into the national grid.
- A new lift at the Science Museum has an energy recovery system on the brakes, reducing the electricity consumption of this essential piece of hardware.
- Our catering outlets have had many successes including: being awarded Sustainable Restaurant Association accreditation once again, in MSI improved lighting with low energy fittings has been installed and a focus on food provenance has raised the quantities of locally sourced products from 6% on average in 2012/13, to 50% in London and 40% in the northern outlets for this year.

### Greenhouse gas emissions

		2015	2014	2013
<b>Non-financial indicators</b> (tCO <sub>2</sub> e)	Total gross emissions	10,059	10,695	12,564
	Scope 3 business travel gross emissions	266	207	N/A
<b>Related energy consumption</b> (see individual metrics)	Electricity – non-renewable (kWh)	13,934,670	14,793,942	15,227,504
	Electricity – combined heat and power (CHP) (kWh)	626,063	73,112	1,092,914
	Gas (kWh)	13,938,548	14,096,566	20,559,572
	Oil (litres)	22,637	19,636	28,102
	Biomass – wood pellets (tonnes)	47	50	54
<b>Financial indicators</b> (£000)	Expenditure on energy	1,760	1,869	1,993
	CRC expenditure	161	128	142
	Expenditure on business travel	618	440	447

#### Performance

The CHP in London was once again operational this year, having been out of service in 2013-14, this has reduced demand for grid-sourced electricity at the Science Museum.

Business travel emissions have slightly increased, a consequence of both additional activity within the sites and the significant improvements that have been made in managing and reporting on staff business travel through a Group-wide booking system.

Investment in new lighting systems across SMG is reducing consumption in this area, in particular use of LEDs in gallery lighting in London and Manchester and high-bay overhead lamps at Wroughton.

#### Direct and indirect impacts

The main direct impacts from SMG come through electricity and gas consumption.

Thus the biggest influence on consumption relates to heating, cooling and lighting in visitor areas and climate-controlled galleries.

Where possible travel in site vehicles is minimised and low-emission vehicles are specified when appropriate.

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)		
	2015	2014	2013	2015	2014	2013
Total waste	1,116.1	823.0	724.2	89.3	108.5	99.8
Hazardous (including waste electric and electronic equipment)	0.7	1.4	3.8	0.5	1.7	3.8
Non-hazardous						
Landfill	85.5	56.2	93.6	7.6	8.8	8.3
Energy from waste	376.3	291.1	253.6	48.5	45.4	39.2
Mixed recycling	578.7	399.1	292.4	26.8	48.2	38.2
Wood recycling	33.9	25.3	30.6	3.6	2.7	3.2
Metal recycling	16.6	12.2	18.7	0.9	0.9	0.8
Glass recycling	24.3	37.6	31.5	1.3	0.8	0.6

### Performance

We have continued building on the work done over the last two years with increased separation at each site to improve the quantities and types of recycling undertaken.

The innovative Rubbish Collection exhibition brought waste generated by the Science Museum to the attention of our visitors, helping them make choices about the products they choose and the disposal options available. It has also helped the Science Museum understand its waste streams, product travel and ongoing challenges.

### 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

			2015	2014	2013
<b>Non-financial indicators</b> (see individual resource for metrics)	Water including locomotive operations	(m <sup>3</sup> )	82,087	77,225	69,303
	Coal – locomotive operations	(tonnes)	45	70	85
	Non-fuel oils	(litres)	2,375	1,195	1,095
	Diesel – rail operations	(litres)	13,056	23,500	n/a
<b>Financial indicators (£000)</b>	Water supply including locomotive operations		96.4	94.6	120.0
	Coal – locomotive operations		11.4	14.7	15.0
	Lubricating oil – locomotive operations		4.2	3.2	1.6
	Diesel – rail operations		8.3	17.7	n/a

### Performance

Potable water is metered at all sites and varies with visitor levels and use of the steam engines and locomotives at NRM and MSI.

SMG's consumption of lubricating oils for locomotives, simulators and other mechanical plant is one area where understanding and monitoring can be improved.

NRM continues to use part-biofuel diesel in the operation of locomotives helping to reduce reliance on fossil fuels.

### Direct and indirect impacts

The operation of site vehicles, visitor experiences 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.

## Biodiversity enhancement

Biodiversity at SMG varies greatly from site to site, with the urban locations playing a smaller part in the wider Group picture, but remains a key objective within our sustainability policy. Wroughton is at the forefront of biodiversity management in SMG, with many initiatives now fully established and developing into a 'business as usual' approach to managing our land-holdings.

### Performance

The biodiversity projects established in 2013-14 have begun to mature and will begin to show improvements as time progresses and new surveys are undertaken. Biodiversity changes at this scale are slow and measured. This year key focus areas for the Estates team has been good land management in partnership with our farm tenant and grounds contractors, including increasing composting of green waste for re-use on the site and improving the quality of young and mature trees. Emerging projects such as the Wroughton solar array have increased our understanding of the biodiversity at this site through extensive ecological surveying and a robust enhancement plan to provide increased habitats for key species.

### 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 on SMG'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 2014-15. Within these, new sustainability, engagement and partnership working clauses increased the ability of SMG to work with suppliers to reduce our impacts.

New contracts enable us to monitor CO<sub>2</sub> 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 build on our successes in reducing waste and improving recycling, lowering energy consumption and enhancing biodiversity, and continue to engage with our visitors on the impacts and opportunities SMG has in this area of our work.

Key initiatives for the year ahead include:

- Developing the potential of the estates for energy generation
- Understanding the fabric of the buildings and the impacts on energy efficiency
- Reducing food and packaging (including cutlery) waste and increasing composting for cafés

In addition to these specific actions, improvements in our cafés will concentrate on providing unsold usable food to the charity sector and working with the award-winning BioBean to turn coffee grounds into biofuel. We will continue to improve our systems and processes with the aim of obtaining ISO 14001, the international standard for environmental performance.

## 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.

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.

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.



**Dame Mary Archer**  
Chairman of the Board of Trustees

1 July 2015



**Mr Ian Blatchford**  
Accounting Officer and Director

1 July 2015

\* 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 Agreement. 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. Dame Mary Archer was appointed Chairman of SMG from 1 January 2015.

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 structure that operated in 2014–15 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
(discontinued from July 2014, dissolved 04.03.15)	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 sub-committee	Advise SMG Director and Board of Trustees on the cultural offer
Museum of Science & Industry Advisory Board	Board sub-committee	Advise local Director and Board of Trustees on the cultural offer
National Railway Museum Advisory Board	Board sub-committee	Advise local Director and Board of Trustees on the cultural offer
National Media Museum Advisory Board	Board sub-committee	Advise local Director and Board of Trustees on the cultural offer
Collections and Research Trustee Sub-Committee	Board sub-committee	Advise Board of Trustees on all aspects of collections and research
Railway Heritage Designation Advisory Board	Board sub-committee	Make recommendations to the Board of Trustees on the designation of railway heritage artefacts and archives
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 at the end of this report.

	Term	Date of current appointment	Expiry of appointment	Attendance			
				Board <sup>1</sup>	Audit	Rem.	F&S
<i>Chairman</i>							
Dr Douglas Gurr (as chair)	1	01.07.10	26.06.14	1/1		1/1	
Dr Gill Samuels CBD (as chair)	1	07.07.14	31.12.14	2/3			
Dame Mary Archer DBE (as chair)	1	01.01.15	31.12.18	1/1			
<i>Members</i>							
Lady Chisholm	2	14.01.11	13.01.15	3/4	3/3	1/2	
Mr Howard Covington	2	07.04.12	06.04.16	4/5		1/2	
Professor Dame Athene Donald DBE	1	01.08.11	31.07.15	3/5			
Lord Faulkner of Worcester	2	05.01.15	04.01.19	5/5	3/4		
Mr Andreas J Goss	1	01.08.11	31.07.15	2/5			4/4
Lord Grade of Yarmouth CBE	1	01.08.11	31.07.15	2/5			
Professor Ludmilla Jordanova	1	01.08.11	31.07.15	5/5			
Mr Simon Linnett	2	05.01.15	04.01.19	5/5			4/4
Professor Averil Macdonald	2	07.04.12	06.04.16	5/5			
Professor Sir Howard Newby CBE	2	14.01.11	13.01.15	3/4			
Dr Gill Samuels CBE	2	07.04.12	06.04.16	2/2		2/2	
Mr James Smith CBE	1	05.01.11	04.01.15	4/4			3/3
Mr Chris Swinson OBE	2	07.04.12	11.01.15	1/4	3/3		

<sup>1</sup> An extraordinary meeting was held in July 2014.

## 7.2. Reports from Board committees

### 7.2.1. Board of Trustees

Significant issues considered by the Board of Trustees in 2014–15 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 development and delivery of a major exhibition on Russian space exploration, *Cosmonauts*, which presented significant logistical challenges against a background of political tensions. The opening was postponed from November 2014 and is anticipated in autumn 2015.
- Issues relating to property and estates, including the sale by SMG of the Post Office Building, the potential sale of Blythe House by DCMS, and the installation of a large solar power facility at Wroughton.
- Progress on the Science Museum Masterplan: *Information Age* opened in November 2014 and substantial progress was made on development and fundraising for new galleries on medicine and maths, and on planning and construction for a new interactive gallery and the new Research Centre.

- Realising the potential of SMG's museums in the north of England, individually and collectively, and especially in the context of the 'northern powerhouse' agenda. At MSI the priorities are a new gallery for special exhibitions and, with resolution of the Ordsall Chord issue, improvements to external spaces. NMeM agreed, and has begun to implement, a renewed vision with increased emphasis on STEM and engagement with local stakeholders. In York NRM continued to explore the potential for major redevelopment afforded by a possible regeneration scheme.

### 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 received reports from 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 2014 GB Railfreight Ltd, recognising the heritage value of its railway assets, decided voluntarily to come within the scope of the powers alongside Transport for London.

The RHDAB met four times in the year and recommended 25 items for designation, 11 items for disposal and 3 de-designations. Amongst these have been 1 class designation and 3 items through our voluntary agreement with Transport for London and GB Railfreight Ltd.

## 7.3. Board effectiveness

The Board last undertook specific reflection on its operation and performance in March 2014. In 2014–15 Board business was dominated by changes in personnel and the consequent appointment and re-appointment processes. Whilst Board effectiveness was not the primary motive, these changes did call for review of the performance of individuals, the skills and expertise required on the Board, and committee structure and membership. A raft of changes was begun that will be fully implemented in 2015–16.

Changes will take effect in 2015–16 and include the formalisation of a Masterplan and Estates Committee; the dissolution of the Finance and Strategy Committee to be replaced with a new Finance Committee; the creation of a new management board to focus on the activities of the trading subsidiary and changes to the terms of reference of certain advisory boards.

The Board has high standards in terms of the data it expects to receive to support it in discharging its duties. Data relating to the delivery of the SMG's objectives, including financial control and the management of risk, is regularly reviewed by the Board and its committees. The 2014 review of the Board's operation and performance demonstrated that the Trustees agreed that they received an appropriate level of information.

## 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 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, Director

Alex Burch, Director of Learning (until 16.01.2015)

Jane Ellis, Director of Finance

Susan Fisher, Director of Development

Jean Franczyk, Deputy Director

Roger Highfield, Director of External Affairs

Paul Kirkman, Director of NRM

Karen Livingstone, Director of Masterplan and Estate

Heather Mayfield, Deputy Director Science Museum, including NMeM (until 02.10.2014)

Adele McAllister, Director of Human Resources

Judith McNicol, Change Director

Jonathan Newby, Chief Operating Officer

Tom O'Leary, Director of Learning

Jo Quinton-Tulloch, Director of NMeM

John Stack, Director of Digital, (appointed 16.0.2015)

Sally Macdonald, Director of MSI (appointed 01.09.2014)

## 7.5. Risk management framework and risk assessment

### 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.

The Board of Trustees believes considered risk taking is a necessary feature of the entrepreneurialism that is essential to success; the decision-making approach balances potential consequences against the scale of opportunity. The Board of Trustees' risk appetite varies according to the nature of the risk, but in general SMG takes a moderate approach to 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, identify changes in the corporate risk profile as well as 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 2014-15 were 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 2014-15 is given 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 Group Executive, 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 2015 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 review progress against plans, make operational and policy decisions 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 regular financial reports that track financial performance against forecasts
- A Corporate Risk Group, chaired by the Finance Director and reporting to the Audit Committee responsible for
  - raising the profile of management awareness and accountability for the risks faced by SMG
  - supporting the ongoing development of risk management and implementation of the risk management process
  - acting as a source of advice on risk management to aid embedding of risk management across the organisation
  - reviewing departmental risk registers on a cyclical basis and assessing the need for escalation of those risks
  - identifying emerging risks and reviewing and assessing existing corporate risks and appropriate actions to manage those risks
  - reporting corporate risks and recommended actions to Group Executive (for validation) and to the Audit Committee
  - identifying the need for investment to fund high priority risk response actions
- 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 Group'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 Group'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.

## 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 in accordance with an efficiency plan approved by the Board of Trustees in 2013-14 in order to reduce operating costs and achieve a balanced budget for 2015-16. There remains a significant residual risk around future levels of Grant in Aid and SMG continues to seek ways to both increase self-generated income and reduce expenditure in order to secure longer-term financial sustainability.

Other areas of risk identified during the year through the work of internal audit related to the adequacy of storage for the collections and controls around electronic data management and storage.

In response to the risks relating to collections storage, SMG has made a significant change to its approach to collections management and will henceforth manage the collections of the museums within the Group as one national collection. This change will enable a coherent Group-wide approach to rationalisation of collections management. A comprehensive internal review has been commissioned to identify priorities for improving collections management and storage and this will remain a priority for investment over the coming years.

In response to the risks identified relating to data management and storage, a programme for improving ICT resilience is underway and SMG will be developing a longer term ICT strategy under the direction of a new Head of ICT. To provide additional assurance, penetration testing will be conducted during 2015-16 to ensure personal data continues to be held securely.

## 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 scope for improvement was identified during the year, particularly relating to the storage of collections. This was acknowledged in the opinion of the Head of Internal Audit that whilst improvement was required in specific areas there were no identified major weaknesses in the overall system of internal control. Corrective action is being taken to address the specific 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.



**Dame Mary Archer**  
Chairman of the Board of Trustees

1 July 2015



**Mr Ian Blatchford**  
Accounting Officer and Director

1 July 2015

## 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

#### Chairman Members

Mr Chris Swinson OBE (Trustee), until 11.01.15  
 Lady Chisholm (Trustee), until 13.01.15  
 Lord Faulkner of Worcester (Trustee)

### Remuneration Committee

#### Chairman Members

Dr Gill Samuels CBE (Trustee), until 07.07.14 and from 01.01.15  
 Mr Howard Covington (Trustee), from 08.07.14 to 31.12.14  
 Dame Mary Archer DBE, from 01.01.15  
 Lady Chisholm (Trustee), until 13.01.15  
 Dr Douglas Gurr (Trustee), until 26.06.14  
 Dr Gill Samuels CBE (Trustee), from 08.07.14 to 31.12.14

### Finance and Strategy Committee

*(met concurrently with Board of Directors of SCMG Enterprises Ltd)*

#### Chairman Members

Mr Andreas J Goss (Trustee)  
 Mr James Bilefield  
 Mr Nick Kirkbride  
 Mr Simon J Linnett (Trustee)  
 Dr Martin Scott  
 Mr James Smith CBE (Trustee), until 04.01.15

### Science Museum Advisory Board

#### Chairman Members

Dr Gill Samuels CBE (Trustee), until 04.01.15  
 Mr Howard Covington (Trustee), from 05.01.15  
 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 Michael J Reiss  
 Dr Gill Samuels CBE (Trustee), from 05.01.15  
 Professor Simon J Schaffer  
 Professor Molly Stevens  
 Professor Helen Storey MBE

### Museum of Science & Industry Advisory Board

#### Chairman Members

Mr James Smith CBE (Trustee), until 04.01.15  
 Dr Gill Samuels CBE (Trustee), from 05.01.15  
 Professor Colin Bailey  
 Dr Maria Balshaw  
 Mr Michael Emmerich  
 Lord Faulkner of Worcester (Trustee and Observer)  
 Mr Steve Johnson  
 Sir Richard Leese CBE  
 Dr Erinma Ochu  
 Ms Sinead Rocks  
 Dr Gill Samuels CBE (Trustee), until 04.01.15  
 Ms Susan Woodward OBE

### National Railway Museum Advisory Board

#### Chairman Members

Professor Sir Howard Newby CBE (Trustee), until 13.01.15  
 Mr Simon Linnett (Trustee), from 14.01.15  
 Mr Philip Benham  
 Lord Faulkner of Worcester (Trustee and Observer)  
 Mr Christopher Garnett OBE, until 11.02.15  
 Mr Bryan Gray CBE  
 Mr Brian Greenwood, until 11.02.15  
 Professor Ludmilla Jordanova (Trustee)  
 Mr Simon Linnett (Trustee), until 13.01.15  
 Mr Darren Richardson, until 16.05.14  
 Mr Adrian Shooter CBE  
 Ms Sarah Tanburn, from 18.09.14  
 Mr Anton Valk  
 Mr Philip Verster, until 20.03.15  
 Mr Christian Wolmar, from 03.03.15  
 Mr William Woolley, until 11.02.15

## National Media Museum Advisory Board

### Chairman Members

Lord Grade of Yarmouth CBE (Trustee)  
Mr Pierre Brahm  
Professor Brian Cantor  
Lady Chisholm (Trustee), until 13.01.15  
Mr Philippe Garner  
Ms Suzan Hemingway, from 26.11.14  
Mr Matt Locke  
Professor Averil Macdonald (Trustee), from 01.01.15  
Ms Zahida Manzoor CBE  
Dr Annette Nabavi  
Mr Tony Reeves, until 22.10.14  
Ms Carolyn Reynolds  
Ms Gillian Reynolds MBE

### Collections and Research Trustee Sub-Committee

#### Chairman Members

Professor Ludmilla Jordanova (Trustee)  
Mr Philippe Garner  
Dr Jeff Hughes  
Professor Sir Howard Newby CBE (Trustee), until 13.01.15

## Railway Heritage Designation Advisory Board

### Chairman Members

Lord Faulkner of Worcester (Trustee)  
Mr Mike Ashworth, from 14.06.14  
Mr Christopher Austin OBE  
Dr David Brown  
Mr Ian Brown CBE  
Mr Malcolm Brown, from 14.06.14  
Mr Neil Butters, from 14.06.14  
Lady Chisholm (Trustee), until 13.01.15  
Ms Louise Innes  
Dr David Jenkins  
Professor Sir Howard Newby CBE (Trustee), until 13.01.15  
Mr Peter Ovenstone  
Mr Jonathan Pepler  
Mr Andy Savage  
Ms Vicky Stretch, from 10.10.14  
Mr Jerry Swift, until 24.09.14

## Company information

### SCMG Enterprises Ltd

#### Directors Secretary

Mr Andreas J Goss (Chair)  
Mr James Bilefield  
Mr Ian Blatchford  
Mr Jonathan Newby  
Ms Jane Ellis

### Bradford Film Ltd

*(a company limited by guarantee)*

#### Directors Secretary

Ms Heather Mayfield  
Mr Jonathan Newby  
Ms Jane Ellis

The Chairman's Committee was dissolved on 04.03.15.

## 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 Group for the year ended 31 March 2015 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 Trustees/Board, Accounting Officer and auditor

As explained more fully in the Statement of Board of Trustees' and Directors' 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's 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 the Annual Report 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 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 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 2015 and of its net outgoing resources and resources expended 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 made under the Museums and Galleries Act 1992; and
- the information given in 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.

Sir Amyas C E Morse 9 July 2015

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

## 9 Annual Accounts 2014-15

### Science Museum Group

### Consolidated Statement of Financial Activities for the year ended 31 March 2015

	Notes	2015 Unrestricted funds £000	2015 Restricted funds £000	2015 Endowment funds £000	2015 Total £000	2014 Total £000
<b>Incoming resources</b>						
<b>Incoming resources from generated funds</b>						
Voluntary income						
Grant in Aid for SMG	2	39,774	125	-	39,899	39,685
Grant in Aid for NCMME		-	2,499	-	2,499	2,562
Grants, legacies and donations	3	2,666	2,917	-	5,583	7,641
Lottery income		-	2,566	-	2,566	2,318
Activities for generating funds						
Income from commercial activities	7	16,402	119	-	16,521	16,947
Sponsorship		333	2,744	-	3,077	4,026
Rental income from operating leases		350	50	-	400	705
Investment income	5	20	-	-	20	44
<b>Incoming resources from charitable activities</b>						
Other income	4	2,259	-	-	2,259	5,357
<b>Total incoming resources</b>		<b>61,804</b>	<b>11,020</b>	<b>-</b>	<b>72,824</b>	<b>79,285</b>
<b>Resources expended</b>						
Costs of generating funds						
Costs of generating voluntary income		2,296	76	-	2,372	2,282
Commercial costs (charitable trading: costs of goods sold and other)		14,358	413	-	14,771	14,548
Charitable activities						
Care for and research into collections		13,614	3,660	-	17,274	18,608
Science education and communication		21,790	6,048	-	27,838	29,075
Visitor services		12,323	601	-	12,924	11,963
Grants awarded		1,727	-	-	1,727	3,477
Governance costs		472	-	-	472	523
Total resources expended	6.1	<b>66,580</b>	<b>10,798</b>	<b>-</b>	<b>77,378</b>	<b>80,476</b>
<b>Net (outgoing)/incoming resources before other recognised gains and losses</b>		<b>(4,776)</b>	<b>222</b>	<b>-</b>	<b>(4,554)</b>	<b>(1,191)</b>
<b>Transfers between funds</b>	17	<b>120,211</b>	<b>(120,211)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/losses</b>						
Revaluation Reserve surplus		13,347	-	-	13,347	44,345
Actuarial gain/(loss) on defined benefit pension scheme	6.2.7	(1,462)	-	-	(1,462)	390
<b>Net movement in funds</b>		<b>127,320</b>	<b>(119,989)</b>	<b>-</b>	<b>7,331</b>	<b>43,544</b>
<b>RECONCILIATION OF FUNDS</b>						
Fund balances brought forward at 01.04.2014		85,678	301,499	77	387,254	343,710
Fund balances carried forward at 31.03.2015		<b>212,998</b>	<b>181,510</b>	<b>77</b>	<b>394,585</b>	<b>387,254</b>

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

## Science Museum Group Balance Sheets as at 31 March 2015

	Notes	Consolidated Balance Sheet		Museum Balance Sheet	
		2015 £000	2014 £000	2015 £000	2014 £000
<b>Fixed assets</b>					
Tangible assets	8	374,150	364,383	371,285	361,060
Heritage assets	9	19,593	19,351	19,593	19,351
Investments	7.1	-	-	411	411
		<b>393,743</b>	<b>383,734</b>	<b>391,289</b>	<b>380,822</b>
<b>Current assets</b>					
Stock		1,064	1,058	-	-
Debtors	10	5,456	7,243	8,847	10,713
Short term deposits		-	6,800	-	6,800
Cash		8,681	3,983	5,660	(17)
		<b>15,201</b>	<b>19,084</b>	<b>14,507</b>	<b>17,496</b>
<b>Creditors: amounts falling due within one year</b>	11.1	(9,047)	(11,883)	(6,156)	(8,130)
<b>Net current assets</b>		6,154	7,201	8,351	9,366
<b>Total assets less current liabilities</b>		399,897	390,935	399,640	390,188
<b>Creditors: amounts falling due after one year</b>	11.2	(633)	(273)	(633)	(183)
<b>Provisions for liabilities and charges</b>	15	(353)	(522)	(353)	(522)
<b>Net assets excluding pension liability</b>		398,911	390,140	398,654	389,483
<b>Pensions liability</b>	6.2.7	(4,326)	(2,886)	(4,326)	(2,886)
		<b>394,585</b>	<b>387,254</b>	<b>394,328</b>	<b>386,597</b>
Represented by:					
<b>Restricted funds</b>					
Sponsorship, Grants and Donations Reserve		1,472	1,336	1,472	1,336
Capital Reserves		180,038	178,765	179,590	177,904
Revaluation Reserve		-	121,398	-	121,398
	17.1	<b>181,510</b>	<b>301,499</b>	<b>181,062</b>	<b>300,638</b>
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Museum Improvement Fund		4,420	5,924	4,420	5,924
Collection Purchases Fund		217	218	217	218
Capital Reserves		27,200	26,279	27,200	26,279
Revaluation Reserve		183,987	54,677	183,906	54,596
	17.2	215,824	87,098	215,743	87,017
<b>Deficit on MOSI defined benefit pension scheme</b>	6.2.7	(4,326)	(2,886)	(4,326)	(2,886)
<b>General funds</b>		1,500	1,466	1,772	1,751
<b>Total income funds</b>		<b>212,998</b>	<b>85,678</b>	<b>213,189</b>	<b>85,882</b>
<b>Endowment funds</b>		77	77	77	77
<b>Total Funds</b>		<b>394,585</b>	<b>387,254</b>	<b>394,328</b>	<b>386,597</b>

Approved by the Board of Trustees and authorised for issue.



Dame Mary Archer  
Chairman of the Board of Trustees

1 July 2015



Mr Ian Blatchford  
Accounting Officer and Director

1 July 2015

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

## Science Museum Group Consolidated Cash Flow for the year to 31 March 2015

	Notes	2015 £000	2014 £000
Net cash inflow from operating activities	18.1	7,181	2,113
Returns on investments and servicing of finance	18.2	6	21
Capital expenditure	18.2	(9,690)	(9,810)
Management of liquid resources	18.2	6,800	6,200
Financing	18.2	401	(90)
<b>(Decrease)/increase in cash</b>		<b>4,698</b>	<b>(1,566)</b>
<b>Reconciliation of net cash flow to movement of net funds</b>			
Increase/ (decrease) in cash in period		4,698	(1,566)
(Decrease) in liquid resources		(6,800)	(6,200)
Decrease in debt and lease financing	18.3	99	90
(Increase) in Museum loan [DCMS]		(500)	-
Change in net funds resulting from cash flow	18.3	(2,503)	(7,676)
<b>Net funds as at 1 April</b>		<b>10,603</b>	<b>18,279</b>
<b>Net funds as at 31 March</b>	18.3	<b>8,100</b>	<b>10,603</b>

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

## Notes to the consolidated account for the year ended 31 March 2015

### 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 (FRoM) for 2014-15 as issued by HM Treasury. The accounting policies contained in the FRoM 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	5–28
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 MSI employees is recognised in full on the balance sheet because SMG is able to identify its share of the deficit.

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.

## 2 Museum Statement of Financial Activities

	2015 £000	2014 £000
<b>Incoming resources</b>		
Grant in Aid for SMG	39,899 [1]	39,685
Grant in Aid for National Coalmining Museum for England	2,499	2,562
Voluntary income (grants, legacies and donations)	5,583	7,516
Lottery income	2,566	2,318
<b>Activities for generating funds</b>		
Rental income	307	466
Investment income, including Gift Aid from subsidiary	4,824	6,791
Sponsorship	281	20
<b>Incoming resources from charitable activities</b>		
Other operating income	2,498	5,357
<b>Total incoming resources</b>	<b>58,457</b>	<b>64,715</b>
<b>Resources expended</b>		
<b>Costs of generating funds</b>		
Costs of generating voluntary income	2,376	2,282
<b>Charitable activities</b>		
Care for and research into collections	17,274 [2]	18,608
Science education and communication	27,838	28,955
Visitor services	12,924	11,963
Grants awarded	1,727	3,477
<b>Governance costs</b>	472	523
<b>Total resources expended</b>	<b>62,611</b>	<b>65,808</b>
Net (outgoing) / incoming resources before other recognised gains and losses	(4,154)	(1,093)
Other recognised gains / losses		
Revaluation of assets	13,347	45,819
Actuarial gain / (loss) on defined benefit pension liability	(1,462)	390
<b>Net movement in funds</b>	<b>7,731</b>	<b>45,116</b>
<b>Reconciliation of funds</b>		
Reserves brought forward	386,597	341,481
<b>Reserves carried forward</b>	<b>394,328</b>	<b>386,597</b>

[1] For 2014-15 the capital element of the Grant in aid was £3,387k (2013-14: £2,486k)

[2] Includes a grant of £2,499 (2013-14: £2,562k) to The National Coal Mining Museum for England [NCMME].

## 3 Voluntary income

	2015 £000	2014 £000
Grant income [excluding Lottery grants]	2,386	3,652
European Union grants	-	100
Corporate donations	63	446
Value of donated goods and services	39	101
Individual donations	2,539	2,409
Patrons' scheme	138	191
Legacies	287	70
	5,452	6,969
Value of donated heritage assets	131	672
	5,583	7,641

## 4 Other income

For 2014-15 other income arises from project self-generated income, conference and educational events, locomotive hire and cloakroom fees. (2013-14 included a material compensation payment).

## 5 Investment income

Consolidated investment income of £20k (2013-14 44k) 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 £000	2015 Total £000	2014 Total £000
<b>Cost of generating funds</b>						
Costs of generating voluntary income	1,777	-	466	129	2,372	2,282
Charitable trading: cost of goods sold and other costs	14,313	-	-	458	14,771	14,548
<b>Charitable activities</b>						
Care for and research into collections	10,151	-	3,805	3,318	17,274	18,608
Science education and communication	16,309	-	4,751	6,778	27,838	29,075
Visitor Services	6,693	-	3,179	3,052	12,924	11,963
Grants awarded	-	1,727	-	-	1,727	3,477
<b>Governance costs</b>	175	-	297	-	472	523
	49,418	1,727	12,498	13,735	77,378	80,476

### 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	40	54	111	261	-	466
Care for and research into the collections	230	311	266	529	2,469	3,805
Science education and communication	373	505	556	848	2,469	4,751
Visitor services	150	204	190	165	2,470	3,179
Governance costs	145	147	-	5	-	297
	938	1,221	1,123	1,808	7,408	12,498

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

	2015 employment contract	2015 other staff engaged	2015 Total	2014 Total
Care for and research into collections	156	1	157	160
Science education and communication	326	2	328	319
Visitor services	109	4	113	147
Generating voluntary income and sponsorship	65	1	66	46
Fundraising trading	125	3	128	117
Governance	7	-	7	6
	788	11	799	795

### 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 £5,278 were paid to nine Trustees (2013-14: £9,356 paid to nine Trustees).

## 6.2 Staff

### 6.2.1 Staff costs

	Note	2015 £000	2014 £000
Salaries and wages		22,276	22,009
Social Security costs		1,816	1,813
Other pension costs (Museum only)		1,757	1,979
Pension contributions (SCMG Enterprises Ltd)		294	254
Contribution to Greater Manchester Pension Scheme deficit		-	85
Revaluation of Early Retirement provision		-	55
Revaluation of Added-years pension provision		(12)	4
Agency staff		418	773
Settlements and compensation payments		216	67
Redundancy payments		1,125	990
Utilisation of provision	15.3	(167)	(481)
Reversal of provision	15.3	(89)	(37)
Increase in provision for restructuring costs	15.3	251	167
		<b>27,885</b>	<b>27,678</b>

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

### 6.2.2 Redundancy and compensation payments

	Note	2015 £000	2014 £000
Total cost of compensation and redundancy payments			
Utilisation of Restructuring Provision	15.3	167	481
Costs charged to the SOFA		1,174	509
		<b>1,341</b>	<b>990</b>

### 6.2.3 Analysis of compensation and redundancy packages 2014-15

Exit package cost band	2015			2014		
	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
< £10,000	-	23	23	4	14	18
£10,001 - £25,000	1	11	12	1	22	23
£25,001 - £50,000	-	12	12	-	14	14
£50,001 - £75,000	-	7	7	-	4	4
£75,001 - £100,000	-	-	-	-	1	1
Over £200,001	-	1	1	-	-	-
	<b>1</b>	<b>54</b>	<b>55</b>	<b>5</b>	<b>55</b>	<b>60</b>
Cost £000	20	1,321	1,341	26	964	990

## 6.2.4 Employees receiving remuneration over £60,000

£	2015	2014	
60,001 - 65,000	9	11	
65,001 - 70,000	2	1	
70,001 - 75,000	2	2	
75,001 - 80,000	-	3	For eight of these employees total remuneration includes BUPA contributions.
80,001 - 85,000	1	2	
85,001 - 90,000	3	2	Contributions were paid to a defined contribution scheme on behalf of ten employees.
90,001 - 95,000	1	3	
95,001 - 100,000	2	-	
100,001 - 105,000	1	1	For fifteen of the staff included in this table retirement benefits accrued under a defined benefit scheme.
125,001 - 130,000	-	1	
130,001 - 135,000	1	-	
135,001 - 140,000	1	1	
140,001 - 145,000	2	-	
145,001 - 150,000	-	1	
	25	28	

## 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 2012 (details can be found in the resource accounts of the Cabinet Office: Civil Superannuation [www.civilservice.gov.uk/pensions](http://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 rates between 1.5% and 6.85% of pensionable earnings for classic and between 3.5% and 8.85% 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 2014-15 employers' contributions of £1,452,545 were payable to PCSPS (2013-14 £1,737,643) 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 2014-15 £629 (2013-2014 £651).

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 £293,778 were paid in the year (2013-14 £235,650).

## 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 2015 using approximate methods. Results Schedules were prepared by qualified independent actuaries Hymans Robertson LLP 31 for March 2015. 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 15	31 March 14
Rate of increase in salaries	3.60%	3.90%
Rate of increase in pension	2.40%	2.80%
Expected return on assets	3.20%	5.90%
Discount rate	3.20%	4.30%
Mortality assumptions are identical to those used in the previous accounting period.		

The average life expectancies at age 65 are summarised below:	Males	Females
Current pensioners	21.4 years	24 years
Future pensioners*	24 years	26.6 years

\* Figures assume members aged 45 as at the last formal valuation date

### The employer's share of the scheme assets

	Fair value at 31 March 2015 £000	% of total plan assets	Expected return on assets at 31 March 2015	Fair value at 31 March 2014 £000	% of total plan assets
Equities	8,463	73%		7,494	72%
Bonds	1,971	17%		1,770	17%
Property	696	6%		625	6%
Cash	464	4%		520	5%
Fair value of assets	11,594	100%		10,409	100%

### The SMG share of the net pension liability at:

	31 March 2015 £000	31 March 2014 £000
Fair value of employer's assets	11,594	10,409
Present value of scheme liabilities	(15,920)	(13,295)
Net pension liability recognised in the balance sheet	<b>(4,326)</b>	<b>(2,886)</b>

	Year to 31 March 2015 £000	Year to 31 March 2014 £000
--	----------------------------------	----------------------------------

### Amount charged to net incoming/(outgoing) resources

Current service costs	241	276
Past service cost	-	-
Total operating charge	241	276

### Amount credited to net finance income under FRS 17

Expected return on scheme assets	613	506
Interest on pension scheme liabilities	(571)	(593)
	42	(87)

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

199 363

### Recognised loss in the Statement of Financial Activities

Difference between expected and actual return on scheme assets	593	(48)
Experience gain on scheme liabilities	135	681
Changes to actuarial assumptions	(2,154)	(166)
(Loss)/ gain on curtailments	(36)	(77)
<b>Actuarial (losses) /gains</b>	<b>(1,462)</b>	<b>390</b>

**Movement in scheme obligation during the year to 31 March 2015**

	Year to 31 March 2015 £000	Year to 31 March 2014 £000
Opening defined benefit obligation	13,295	13,152
Current service costs	241	276
Interest on scheme liabilities	571	593
Contributions by scheme participants	73	81
Benefits paid	(351)	( 369)
Losses on curtailments and settlements	36	77
Actuarial losses/ (gains)	2,055	( 515)
Closing defined benefit obligation	15,920	13,295

**Changes in the fair value of scheme assets during the year ended 31 March 2015**

	Year to 31 March 2015 £000	Year to 31 March 2014 £000
Opening fair value of the employer's assets	10,409	9,876
Expected return on assets	613	506
Contributions by members	73	81
Contributions by the employer	257	363
Actuarial gain/(loss)	593	(48)
Benefits paid	(351)	(369)
Fair value of the employer's assets at close of period	11,594	10,409

**Projected pension expense for the year to 31 March 2016**

	£000	% of pay
Projected current service cost	312	26.4%
Interest on obligation	510	43.2%
Expected return on plan assets	(371)	(31.4%)
Past service cost	-	-
Losses / (gains) in curtailment and settlements	-	-
Total	451	38.2%

The estimate of the Employer's contributions in the year to 31 March 2016 will be approximately £263k.

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	11.0%	1,750
1 year increase in member life expectancy	3.0%	478
0.5% increase in the Salary Increase Rate	3.0%	488
0.5% increase in the Pension Increase Rate	8.0%	1,233

**6.3.1 Other direct costs**

	2015 SMG £000	2015 SCMG Enterprises £000	2015 Total £000	2014 Total £000
Auditors' remuneration - audit fees	55	34	89	88
Lease rental payments on land and buildings	93	-	93	127
Lease rental payments on equipment	57	-	57	53
Lease rental payments on vehicles	34	-	34	33

## 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

#### Carrying value of investments in active trading subsidiaries

	2015 £000	2014 £000
Investment in SCMG Enterprises Ltd	411	411
	411	411

This investment is held at historic cost.

### 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 2015

	2015 £000	2014 £000
Turnover	16,605	16,908
Cost of sales	(5,547)	(5,690)
Gross profit	11,058	11,218
Administrative expenses	(18,988)	(18,589)
Rental income	93	239
Other operating income	12,748	13,690
Operating profit	4,911	6,558
Interest receivable	6	15
Interest payable	(33)	(42)
Profit on ordinary activities	4,884	6,531
Gift Aid	(4,871)	(6,478)
Retained (loss) / profit for the financial year	13	53
Unrealised deficit on revaluation of properties	-	(1,474)
Reserves brought forward	207	1,628
Reserves carried forward	220	207

[1] Other operating income includes Sponsorship income of £3,796k, (2013-14 £3,910k) £9,539k of other operating income and administrative expense are eliminated on consolidation (2013-14 £9,629k)

## 7.2.2 SCMG Enterprises Limited Balance Sheet

	2015 £000	2014 £000
Tangible fixed assets	2,865	3,323
Stock	1,064	1,058
Debtors	2,848	2,103
Bank and cash	3,021	4,000
Creditors due within one year	(7,893)	(7,180)
Creditors due after one year	(1,685)	(3,097)
<b>Net assets</b>	<u>220</u>	<u>207</u>
<b>Capital and reserves</b>		
Called up share capital	-	-
Revaluation reserve	81	81
Profit and loss account	139	126
<b>Shareholder's funds</b>	<u>220</u>	<u>207</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 31.03.2014	277,058	76,848	25,055	4,593	985	8,398	392,937
Recategorisation	-	240	5	(6)	(239)	-	-
Transfers from assets under construction	3,797	-	4,216	-	269	(8,282)	-
Additions	3,513	181	3,687	559	319	1,896	10,155
Disposals	(2)	(119)	(3,758)	(9)	(90)	-	(3,978)
Revaluation	11,181	2,166	-	-	-	-	13,347
<b>Cost or revalued amount as at 31.03.2015</b>	<b>295,547</b>	<b>79,316</b>	<b>29,205</b>	<b>5,137</b>	<b>1,244</b>	<b>2,012</b>	<b>412,461</b>
Depreciation as at 31.03.2014	-	9,906	15,125	2,869	654	-	28,554
Recategorisation	-	240	5	(6)	(239)	-	-
Disposals	-	(121)	(3,758)	(9)	(90)	-	(3,978)
Charge for year	5,996	4,200	2,686	582	271	-	13,735
<b>Depreciation as at 31.03.2015</b>	<b>5,996</b>	<b>14,225</b>	<b>14,058</b>	<b>3,436</b>	<b>596</b>	<b>-</b>	<b>38,311</b>
<b>Net book value at 31.03.2015</b>	<b>289,551</b>	<b>65,091</b>	<b>15,147</b>	<b>1,701</b>	<b>648</b>	<b>2,012</b>	<b>374,150</b>
Net book value at 31.03.2014	277,058	66,942	9,930	1,724	331	8,398	364,383

The net book value at 31 March 2015 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	286,258	63,091	15,147	1,403	562	2,012	368,473
Other activities	3,293	2,000	-	298	86	-	5,677
	289,551	65,091	15,147	1,701	648	2,012	374,150

## 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 31.03.2014	274,681	73,549	24,867	2,756	985	8,398	385,236
Recategorisation	-	240	5	(6)	(239)	-	-
Transfers from assets under construction	3,797	-	4,216	-	269	(8,282)	-
Additions during year	3,513	181	3,687	559	319	1,896	10,155
Disposals	(2)	(119)	(3,758)	(9)	(90)	-	(3,978)
Revaluation	11,181	2,166	-	-	-	-	13,347
<b>Cost or revalued amount as at 31.03.2015</b>	<b>293,170</b>	<b>76,017</b>	<b>29,017</b>	<b>3,300</b>	<b>1,244</b>	<b>2,012</b>	<b>404,760</b>
Depreciation as at 31.03.2014	-	7,437	14,937	1,148	654	-	24,176
Recategorisation	-	240	-	-	(240)	-	-
Disposals	-	(121)	(3,758)	(9)	(90)	-	(3,978)
Charge for year	5,987	3,819	2,686	514	271	-	13,277
<b>Depreciation at 31.03.2015</b>	<b>5,987</b>	<b>11,375</b>	<b>13,865</b>	<b>1,653</b>	<b>595</b>	<b>-</b>	<b>33,475</b>
<b>Net book value at 31.03.2015</b>	<b>287,183</b>	<b>64,642</b>	<b>15,152</b>	<b>1,647</b>	<b>649</b>	<b>2,012</b>	<b>371,285</b>
Net book value at 31.03.2014	274,681	66,112	9,930	1,608	331	8,398	361,060

## 8.3 Land and buildings

	Net book value as at 31.03.2015			Total £000
	Museum assets £000	SCMG Enterprises assets £000	Total £000	
Freehold land & buildings	264,785	1,364	266,149	256,000
Freehold residential properties	496	-	496	388
Short leasehold*	21,902	1,004	22,906	20,670
	<b>287,183</b>	<b>2,368</b>	<b>289,551</b>	<b>277,058</b>

\* 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 2015, on its balance sheet.

## 8.4 On-balance-sheet heritage 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, owned by SCMG Enterprises Ltd, is also held at an existing use valuation. A professional desk top review of SMG Estate values was carried out at 31 March 2015.

## 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
2002-2011	7,760	7,580	15,340	32	36	68
2012	90	16	106	8	2	10
2013	391	2,835	3,226	5	26	31
2014	7	672	679	1	12	13
2015	111	131	242	7	6	13
Balance at 31.03.2015	8,359	11,234	19,593	53	82	135

### 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](http://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](http://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 31.03.2015	Number capitalised as at 31.03.2015
<b>Science Museum</b>		
Scientific instruments	25,823	12
Commerce and Industry	43,254	22
Medical	18,842	4
Archive and printed books	7,041	5
Art	7,292	3
Coins and medals	903	1
Library and archive collections	700,000	-
<b>National Railway Museum</b>		
Railway origins	5,166	1
Locomotives and rolling stock	20,300	22
Railway life and work	18,094	-
Railway image and sound collections	4,311	-
Railways and culture	2,962,196	1
Library and archive collections	2,836	3
Handling collections	226	-
<b>National Media Museum</b>		
Photographic collections	6,586	26
Printed materials & ephemera	314	-
Cinematography	2,936	3
Photographic technology	11,315	-
Television and New Media	2,278	23
Library and archive collections	3,485,000	-
<b>Museum of Science and Industry, Manchester</b>		
Science	2,852	3
Industry	5,356	5
Transport	1,348	-
Communications	2,842	-
Energy	5,003	-
Community history	7,062	-
	7,349,176	134

## 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 2015 £000	Consolidated 2014 £000	Museum 2015 £000	Museum 2014 £000
Trade debtors	2,130	1,916	286	631
Provision for bad debts	(20)	(11)	(14)	(8)
Other debtors	208	526	104	111
Prepayments and accrued income	1,852	4,130	945	3,723
Taxation recoverable (VAT)	1,286	682	1,286	682
Museum loans to SCMG Enterprises Ltd	-	-	2,298	2,298
Intercompany current account	-	-	3,942	3,276
	<b>5,456</b>	<b>7,243</b>	<b>8,847</b>	<b>10,713</b>

### 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 2015	2,110	1,096	336	678
As at March 2014	1,905	872	220	813

### 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

	2015 £000	2014 £000
Provision at 1 April 2014	11	4
Charges to the SOFA	10	-
Increase in provision	-	7
Bad debts recovered	(1)	-
Balance as at 31 March 2015	<u>20</u>	<u>11</u>

### 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	<u>1,293</u>	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 for repayment of the £1,296 k until at the earliest 30 June 2016 and then subject to the ability of the subsidiary to make repayments.

## 11. Creditors

### 11.1 Amounts falling due within one year

	Consolidated 2015 £000	Consolidated 2014 £000	Museum 2015 £000	Museum 2014 £000
Trade creditors	2,533	3,625	2,366	3,111
Other creditors	399	2,306	295	2,287
Accruals and deferred income	5,575	5,382	3,319	2,506
Taxation and Social Security costs	459	480	176	226
Bank loan	81	90	-	-
	<b>9,047</b>	<b>11,883</b>	<b>6,156</b>	<b>8,130</b>

### 11.2 Amounts falling due after one year

	Consolidated 2015 £000	Consolidated 2014 £000	Museum 2015 £000	Museum 2014 £000
Loan from DCMS	500	-	500	-
Bank loan	-	90	-	-
Deferred income – advance rent	133	183	133	183
	<b>633</b>	<b>273</b>	<b>633</b>	<b>183</b>

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

The loan from DCMS is the first tranche of a £780k facility. The loan is repayable in equal instalments commencing on 1st April 2017 and ending 1st April 2019, with interest payable annually at the National Loans Fund Interest Rate.

### 11.3 Bank loan

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

	Note	2015 £000	2014 £000
Analysis of maturity of debt:			
Within one year of demand	11.1	81	90
Between one and two years	11.2	-	90
Between two and five years		-	-
		<b>81</b>	<b>180</b>

The leasehold interest in the Old Meteorological Building at Exhibition Road, London (net book value at 31 March 2015 £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 2015	Vehicles £000 2015	Equipment £000 2015	Total £000 2015	Land and buildings £000 2014	Vehicles £000 2014	Equipment £000 2014	Total £000 2014
Operating lease which expire:								
Within one year	-	5	50	55	51	13	51	115
in the second to fifth year	-	26	-	26	65	18	-	83
After more than five years	74	-	-	74	11	-	-	11
	<b>74</b>	<b>31</b>	<b>50</b>	<b>155</b>	<b>127</b>	<b>31</b>	<b>51</b>	<b>209</b>

## 13 Capital commitments

At the balance sheet date contracted commitments existed for development of the Science Museum Research Centre (£775k) and for the purchase of a IMAX projector at NMeM (£318k).

## 14 Intra-Government balances

	Debtor balance £000	Creditor balance £000
Balances with central Government bodies	316	589
Balances with local authorities	250	147

## 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 01.04.2014	167	15	256	6	78	522
Utilisation of provision	(167)	(12)	(167)	(6)	(7)	(359)
Reversal of provision	-	(3)	(89)	-	(12)	(104)
Additional provision made in the year	43	-	251	-	-	294
<b>Closing balance at 31.03.2015</b>	<b>43</b>	<b>-</b>	<b>251</b>	<b>-</b>	<b>59</b>	<b>353</b>
Liability due within one year	43	-	251	-	6	300
Liability due after one year	-	-	-	-	53	53

### 15.2 Dilapidations provision

The balance at 31 March 2015 reflects the best estimate of delapidations due in connection with the vacation of storage premises in April 2015.

### 15.3 Restructuring costs provision

The balance at 31 March 2015 reflects the best estimate of costs arising from five change programmes being undertaken by the group at the year end.

### 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 MSI 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	2015 £000	2014 £000
Trade debtors	10.1	2,110	1,905
Other debtors	10.1	208	526
Short term deposits	per balance sheet	-	6,800
Cash	per balance sheet	8,681	3,983

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	2015 £000	2014 £000
Trade creditors	11.1	2,533	3,625
Other creditors	11.1	399	2,306
Accruals	11.1	5,575	5,382
Bank loan	11.3	81	180
Museum loan [DCMS]	11.2	500	-

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 and the DCMS loan to the Museum, 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 01.04.2014	1,336	-	178,765	121,398	301,499
Income	10,839	131	50	-	11,020
Expenditure	(4,911)	-	(5,887)	-	(10,798)
Gain on revaluation of assets	-	-	-	-	-
Transfers:					
Capitalised project expenditure	(5,652)	-	5,652	-	-
Capitalisation of donated fixed assets	(48)	-	48	-	-
Capitalisation of donated heritage assets	-	(131)	131	-	-
Transfer (to) unrestricted funds	(92)	-	-	-	(92) <sup>[1]</sup>
Transfer (to) unrestricted funds	-	-	1,279	(121,398)	(120,119) <sup>[2]</sup>
<b>Closing balances at 31.03.2015</b>	<b>1,472</b>	<b>-</b>	<b>180,038</b>	<b>-</b>	<b>181,510</b>

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

<sup>[2]</sup> Transfers out of restricted reserves as all revaluation movements are now matched to unrestricted capital reserves

## 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	MSI pension scheme liability £000	General funds £000	Total unrestricted funds £000
Opening balances at 31.01.2014	5,924	218	26,279	54,677	87,098	(2,886)	1,466	85,678
Income	10,224	-	-	-	10,224	-	51,580	61,804
Expenditure	(6,894)	(38)	(1,951)	(5,851)	(14,734)	-	(51,846)	(66,580)
Gain/(Loss) on revaluation of assets	-	-	-	13,347	13,347	-	-	13,347
Loss on defined benefit scheme	-	-	-	-	-	(1,462)	-	(1,462)
Transfers:	-	-	-	-	-	-	-	-
Transfer from /(to) GMPF Liability reserve	-	-	-	-	-	22	(22)	-
Capitalised project expenditure	(4,288)	-	4,288	-	-	-	-	-
Capitalisation of fixed assets purchased using operating budgets	-	-	216	-	216	-	(216)	-
Capitalisation of heritage assets purchased using operating budgets	-	(63)	63	-	-	-	-	-
Transfer to increase Collections Purchase Fund	-	100	-	-	100	-	(100)	-
Fund transfers	(546)	-	-	-	(546)	-	546	-
Transfer from restricted funds	-	-	(1,695)	121,814	120,119	-	-	120,119 <sup>[2]</sup>
Transfer from restricted funds	-	-	-	-	-	-	92	92 <sup>[1]</sup>
<b>Closing balance at 31.03.2015</b>	<b>4,420</b>	<b>217</b>	<b>27,200</b>	<b>183,987</b>	<b>215,824</b>	<b>(4,326)</b>	<b>1,500</b>	<b>212,998</b>

<sup>[1]</sup> A transfer from restricted funds arises as expenditure previously charged to General funds has, in 2014-15, been identified as being justifiably chargeable to restricted income.

<sup>[2]</sup> Transfers out of restricted reserves complete the implementation of the 2014 revaluation of the SMG Estate including elimination of all cumulative depreciation and ensure that the underlying capital reserves align to the carrying value of the assets.

### 17.3 Analysis of group net assets between funds

Fund balances at 31 March 2015 are represented by:	Unrestricted funds £000	Restricted funds £000	Endowment fund £000	Total £000
Tangible assets	213,190	160,960	-	374,150
Heritage assets	780	18,813	-	19,593
Current assets	13,204	1,920	77	15,201
Current liabilities	(8,997)	(50)	-	(9,047)
Long term creditors	(500)	(133)	-	(633)
Provisions	(353)	-	-	(353)
Pension liability	(4,326)	-	-	(4,326)
Total of net assets	212,998	181,510	77	394,585

## 18 Cash-flow information

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

	Note	2015 £000	2014 £000
Net (outgoing) resources		(4,553)	(1,191)
Investment income	5	(20)	(44)
Interest payable		14	25
Donated fixed asset and heritage assets	9.1	(131)	(672)
Release from deferred income		(50)	(50)
Depreciation charge for year	8.1	13,735	13,575
Write off of assets under construction	8.1	-	32
(Increase) in stocks	7.2.2	(6)	(107)
Decrease/(increase) in debtors	10	1,778	(2,169)
Increase in bad debt provision	10.4	9	7
(Decrease) in creditors	[1] 11.1	(3,404)	(6,954)
Net movement on dilapidations provision	15	(124)	167
Net movement on legal fees provision	15	(15)	(114)
Net movement on restructuring costs provision	15	(5)	(351)
Increase in early retirement pension provision	15	-	55
In year payments to early retirees	15	(6)	(92)
(Decrease)/increase in added years pension provision	15	(12)	4
In year payments to added-years pensioners	15	(7)	(8)
Greater Manchester Pension Scheme net interest	6.2.7	(22)	-
Net cash inflow from operating activities		7,181	2,113

[1] excluding bank loans and capital accruals

## 18.2 Gross cash flows

	Note	2015 £000	2014 £000
<b>Returns on investments and servicing of finance</b>			
Interest received		20	46
Interest paid		(14)	(25)
		<u>6</u>	<u>21</u>
<b>Capital expenditure</b>			
Receipts from sale of tangible fixed assets		-	-
Payments to acquire tangible fixed assets		(9,690)	(9,810)
		<u>(9,690)</u>	<u>(9,810)</u>
<b>Management of liquid resources</b>			
Cash (invested in) / withdrawn from short term investments		6,800	6,200
<b>Financing</b>			
Museum Loan [DCMS]		500	-
Loan repayments		(99)	(90)
		<u>401</u>	<u>(90)</u>

## 18.3 Analysis of changes in net funds

	Note	At 01.04.14 £000	Cash flows £000	At 31.03.2015 £000
Cash at bank and in hand		3,983	4,698	8,681
Current asset investments		6,800	(6,800)	-
Debt due within one year	11.3	(90)	9	(81)
Debt due after one year		(90)	90	-
Museum loan [DCMS] due after one year		-	(500)	(500)
		<u>10,603</u>	<u>(2,503)</u>	<u>8,100</u>

## 19 Related-party transactions

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 J Goss served as trustees of the related party during the year.		1,727	227	Grant funding
First Great Western	Lord Faulkner of Worcester is chair of the advisory board at the related party	3		3	Annual dinner tickets
Royal Society	Professor Dame Athene Donald served as a trustee of the related party during the year	4		1	Training income
University College, London	Dr Gill Samuels served as a council member of the related party during the year		2		Academic fees
Imperial College	Professor Averil Macdonald served as a council member of the related party during the year	17	5	1	Room hire

## 20 Post balance sheet events

The Annual Report and Accounts 2014-15 were authorised for issue by the Trustees and Accounting Officer on the date they were certified by the Comptroller and Auditor General.

In April 2015 The Old Meteorological Building (known as the Post Office Building) at South Kensington was sold to Imperial College for £30M.



ISBN 978-1-4741-2221-4



9 781474 122214