

NATIONAL MUSEUM OF SCIENCE & INDUSTRY



Annual Report and Accounts 2010–2011

Science Museum
National Railway Museum in York and Shildon
National Media Museum

National Museum of Science & Industry

Annual Report and Accounts 2010–2011

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 18 July 2011

National Museum of Science & Industry
(NMSI) group members:

Science Museum

National Railway Museum in York and Locomotion at Shildon

National Media Museum

NMSI Enterprises Ltd

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This publication is available for download at www.official-documents.gov.uk.

This document is also available from our website at www.nmsi.ac.uk.

ISBN: 9780102971422

Printed in the UK for The Stationery Office Limited on behalf of the Controller of Her Majesty's Stationery Office.

ID: 2424776 07/11

Printed on paper containing 75% recycled fibre content minimum.

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REVIEW OF 2010–11 AND PLANS FOR THE FUTURE

Director's statement

This year we are proud to have welcomed 4.15 million visitors to our Museums. Through the year's programme we have sought to bring the best of our collections and knowledge alive for audiences, enabling us to reach new audiences and build on existing ones.



Our programmes and gallery developments have continued to draw visitors and receive critical acclaim. At the Science Museum, the redevelopment of the Wellcome Wing has been short-listed for the Museums and Heritage Classic Award. The redevelopment included the new *atmosphere ...exploring climate science* gallery, opened by HRH The Prince of Wales. The National Railway Museum in York was packed to capacity during February half term's Wizard Week, with almost 9000 visitors in one day and 53,000 visitors over the nine-day period. This included the chance to ride behind the Harry Potter *Hogwarts Express* locomotive. Locomotion in Shildon had its best ever year, attracting 198,700 visitors, and the National Media Museum attracted stars to the 17th Bradford International Film Festival.

Learning is at the heart of the experiences we offer. This year the Science Museum took our world-renowned learning programme across the UK with *Science Museum Live on Tour!* At the National Media Museum more people than ever before took part in our learning programmes. Meanwhile at the National Railway Museum we opened the Learning

Platform, enabling the delivery of fast-paced shows on science, technology, engineering and maths themes, and Locomotion won a richly deserved Sandford Award for Heritage Education.

We know one of the keys to reaching audiences is to understand them. Rigorous audience research is therefore carried out on all our major developments. This year was no exception with, for example, almost 2000 people consulted in the development of the *Who am I?* and *atmosphere* galleries at the Science Museum.

We have also continued to reach audiences and share our knowledge and expertise internationally. The National Media Museum's research collaboration with the Getty Conservation Institute, Los Angeles yielded significant new insights into the origins of photography. The Science Museum loaned a very early Edison filament lamp and other objects to the World Expo exhibition in Shanghai, which received 2 million visitors. At the National Railway Museum our collaboration with train company J R West and its associated museums goes from strength to strength with planning for the upcoming Japan Festival.

All of this activity is of course founded on our world-renowned collections. Significant additions were made to the collections this year, enabling us to strengthen our post-war collections at the Science Museum, save rare early examples of British photography for the nation at the National Media Museum and further enhance our railway vehicle collection at the National Railway Museum.

Many of these achievements could not have happened without strong partnerships and successful fundraising, and we are pleased to have secured new funders to each of our Museums. In the current economic climate we recognise these factors, and the ability to be commercially resilient, will be more important than ever. We shall therefore become increasingly entrepreneurial, working with the best in the UK and internationally in order to deliver unique and innovative programmes which maintain our Museums as among the best in the world.

Ian Blatchford, Director



1. Visitors show off bands representing sexually transmitted diseases at the Science Museum STI-themed Lates
 2. Participant in a National Media Museum reminiscence workshop
 3. Dad and daughter take part in a craft workshop at the National Railway Museum

Our audiences

At all our Museums we seek to engage audiences so they have a life-enhancing experience. We aim to give them a sense of awe and wonder, a learning experience that is out of the ordinary and that they refer back to, an insight that helps them make sense of their world and enhances their lives.

To engage our audiences we recognise we must first understand who our audiences are, their needs and motivations. Rigorous audience research and advocacy therefore informs all major projects and underpins future strategic developments. Evaluation following the launch of galleries, exhibitions and programmes ensures we continue to improve and achieve excellence.

The Science Museum is a favourite with families: 57% of our visitors come in family groups. We are one of the top destinations for education groups in the UK, with 13% of our visitors coming in education groups. Adults visiting independently, who come to see the collection, reflect on science issues, engage their mind or simply to see the Museum, make up 30% of our audience. For many

visitors to the capital the Museum is a must-visit destination, with 27% of our general visitors from overseas and 29% from outside of London and the Southeast.

The National Railway Museum continues to appeal successfully to family groups, which make up 52% of visitors. Adult-only groups account for 42% of visitors, whilst 7% come in education groups. The Museum is a particular draw for railway enthusiasts and their families, who make up 25% of general visitors, but the majority of visitors are not specifically railway enthusiasts. Most visitors come for the nostalgia, as a fun way to spend time and learn, and to see interesting objects. The Museum remains a key part of York tourism, with 63% of our general visitors coming from outside the region (including 6% who are from overseas).

The National Media Museum has two broad audience types: those who visit primarily for the galleries/exhibitions and those who visit primarily for the full-length films programme. This year 73% of all our visitors came for the former, whilst 27% came for the latter. For the visits motivated by the galleries/exhibitions, 47% of visitors are from family groups and 42% from adult groups, with a further 11% coming in education groups. Our adult group visitors come to see interesting objects, learn and have a culturally engaging experience. The Museum as a whole is an important attraction and resource for communities in Yorkshire and the Humber, with 88% of all of our visitors coming from the local region.

Science Museum

Our 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 learning programmes we aim to be the leading international museum championing the understanding, enjoyment and prestige of science in modern society. To achieve this, our key objectives this year were to deliver:

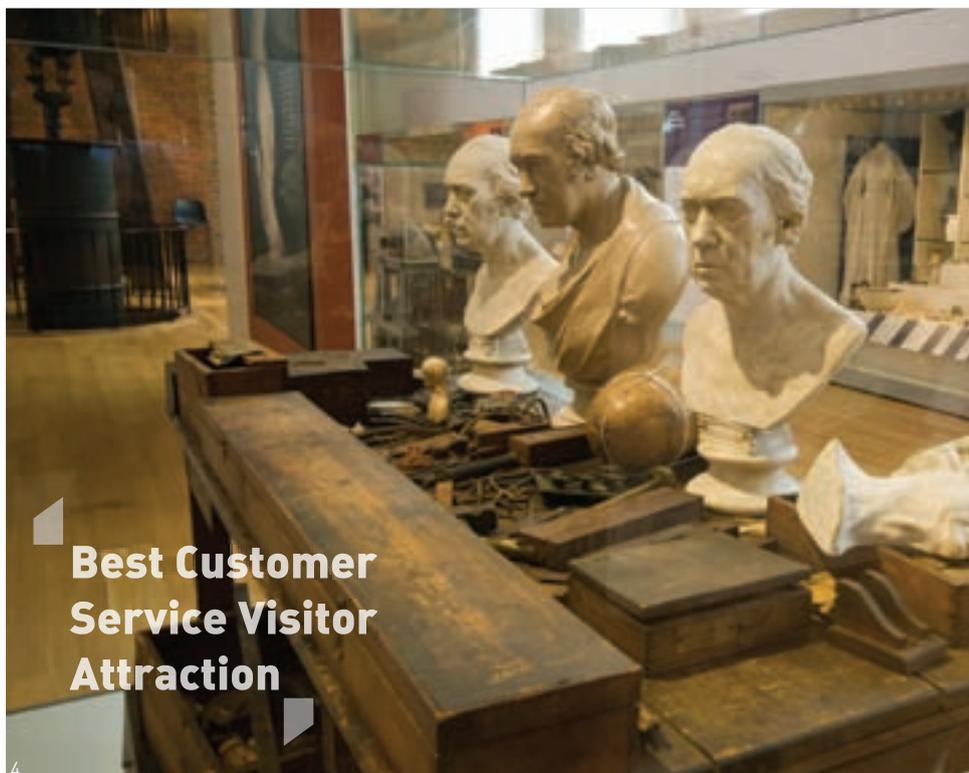
- An inspirational offer
- A peerless collection
- An unmatched experience
- A dedication to learning
- A commitment to excellence



Our achievements

This year the Science Museum welcomed almost 2.8 million visitors, just short of last year's record-breaking centenary year. Whilst welcoming high numbers of people we have again been recognised for the quality of the service we provide, winning Best Customer Service Visitor Attraction in the Theme Park and Visitor Attractions Awards.

1. Interactive welcome wall in *Who am I?*
2. *atmosphere ...exploring climate science*
3. Curator Ben Russell gives a tour
4. *James Watt and our world*



**Best Customer
Service Visitor
Attraction**



Exhibitions, gallery developments and programmes

The Museum’s centenary celebrations culminated in the relaunch of two major galleries in the Wellcome Wing: *Who am I?* and *Antenna*, followed later in the year by the opening of a new gallery, *atmosphere ...exploring climate science*. Informed by rigorous audience research and advocacy, including consultation with almost 2000 people, the galleries have been critically acclaimed. *Who am I?*, which explores identity, genetics and brain science, was commended in the Installation Category at the Design Week Awards, while the associated online genetics game, *Thingdom*, was named Best Game. The contemporary science gallery, *Antenna*, was short-listed for a Museums and Heritage Innovations Award, and the whole of the Wellcome Wing development, including *atmosphere*, has been short-listed for the Museums and Heritage Classic Award.

atmosphere ...exploring climate science, opened by HRH The Prince of Wales, aims to provide a dedicated space for visitors to deepen their understanding of climate science in an enjoyable, engaging and memorable way. The gallery forms part of *Climate Changing* – a three-year programme designed to place the Museum at the heart of public engagement with climate change. The programme includes Planet Science

– a beautiful, suspended globe upon which climatic, geological and human activity is projected. Also part of this programme is the quirky Cockroach Tour of the Science Museum by art collective Superflex. The tour allows visitors, themselves dressed as cockroaches, to explore the impact of scientific and technological developments on the climate from a very different perspective.

The new exhibition *James Watt and our world* also explores the impact of scientific and technological developments. It celebrates the life and achievements of pioneering engineer James Watt and gives visitors a unique chance to step inside his attic workshop.

As well as looking to the past, visitors have also had a chance to experience science as it happens. University College London scientist Beau Lotto has been resident in the Museum demonstrating new models for engaging non-scientists of all ages with real science in the *Lotto Lab*.

Collaborations form an important part of our programme. The exhibition *First Time Out*, delivered with four other London museums, took an object from the stores of each institution and rotated them around the museums, providing a different interpretation at each site.

at the heart of public engagement with climate change

1. Cleaning objects in *James Watt and our world*
 2. Planet Science
 3. *Who am I?*
 4. Visitors on A Cockroach Tour of the Science Museum admiring the Apollo 10 capsule



part of this
programme
is the quirky
Cockroach Tour

Learning

It was another record-breaking year for Science Museum learning programmes, with 700,000 people participating in learning activities, a 12% increase on last year. This included 124,000 people taking part in our off-site activities. The Science Museum remains one of the top destinations in the UK for people coming in booked education groups, welcoming 367,470 visitors in education groups. The Museum's popular monthly Lates programme continued to attract new audiences with a varied offer of evening activities and talks, including high-profile speakers such as Stephen Hawking and Richard Dawkins. Audiences, mostly aged 18-35, increased 8% compared with last year.

The Museum's outreach work remains very strong, with people across the country taking part in Science Museum learning programmes offered in theatres, schools, community centres, prisons and at music festivals. Our new venture for the year, *Science Museum Live on Tour!* was launched at the

prestigious West Yorkshire Playhouse and ran in more than 40 theatres nationwide to great reviews and sell-out shows. The outreach team also performed on the international stage in Gibraltar and Abu Dhabi. The *Launchpad* outreach programme reached 14,000 people this year and, on the back of this success, the outreach team will travel to the Unizul Science Centre in KwaZulu/Natal to deliver training sessions to representatives from science centres across South Africa.

Our DCMS/DCSF-funded Strategic Commissioning project, *Collecting Stories*, was completed this year. It was delivered in partnership with the National Railway Museum and regional museums, and showed how collections of any kind can support the study and understanding of science, technology, engineering and maths (STEM) subjects, creating more opportunities for young people to engage with museum collections. Our new three-year Climate Science Outreach Project commenced this year. Working in year one with the

Museum of Science & Industry in Manchester and the National Railway Museum in York, the project aims to engage and inspire students across the UK with the subject of climate science. Support for teachers continued with the Talk Science programme, designed to inspire and equip teachers with the tools and techniques to run contemporary science discussions in the classroom.

record-breaking year for Science Museum learning programmes

1. James Dyson and Professor Robert Winston in the Genius Talk as part of Lates
2. Tours for deaf people by deaf people
3. *Science Museum Live on Tour!*
4. Early Edison filament lamp





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Collections

Over the past year we have added significant acquisitions to our object and archive collections. Most of our recent acquisitions have supported the contemporary collecting initiative which aims to strengthen our post-war collections. Highlights include the Oramics Machine, 1959, used to create synthesised music and developed by Daphne Oram, co-founder of the BBC Radiophonic Workshop.

We continue to loan collections around the world, such as a very early Edison filament lamp and other objects to the World Expo 2010 exhibition in Shanghai, visited by over 2 million people. Objects were also lent to the Boerhaave Museum, Leiden and the Koninklijke Musea voor Kunst en Geschiedenis, Brussels. Closer to home, loans included those to the Wellcome Trust for its series of exhibitions *Skin*, *High Society* and *Dirt*.

Research highlights this year have included a series of seminars in association with the Royal Society. Museum staff also continued an active programme of publication and lecturing, and new research from the work on James Watt's workshop will be disseminated through a series of lectures and publications in the next year. The Museum has also taken the lead in discussions around co-curation and audience participation, hosting a three-day international workshop, Co-Curation and the Public History of Science and Technology.

Our research partnerships continue to grow. The *Artefacts* series of books and seminars – a long-term collaboration led by the Science Museum with the Smithsonian Institution (Washington) and the Deutsches Museum (Munich) – continues to expand. The Museum also hosted five research fellows who are all investigating specific aspects of the Museum's collections.

Our future plans

The completion of the £10 million Wellcome Wing redevelopment achieves the first stage of the Museum's future plan – The Museum of the Future. The next phase will begin in 2014 with a series of phased developments, bringing together the Museum's most important collections of scientific and technological heritage. These developments are intended to include new galleries on the making of modern communications and the history of modern science from around 1800 to the present day. These will take people on a journey through the history of modern science and tell the story of the transformations that have taken place in human communication in the last 200 years. This ambitious project is being planned with a Heritage Lottery

Fund grant for project development. Looking even further ahead we are now investigating and planning the development of our collections, estate and public offer up to 2025.

As part of the development of these galleries we shall seek new ways to engage visitors through co-curation and family history initiatives that aim to place us as the sector leader in audience participation in the history of science and technology. In addition we shall seek to reach new audiences through a variety of initiatives including collaboration with award-winning disability charity Outside In Pathways and a series of festivals in collaboration with membership organisations.

We shall also be developing new strategies for our contemporary

science *Antenna* exhibitions and our medical collections. In partnership with a number of high-profile UK and international institutions we will develop a joint framework for collecting in the fields of genomics and proteomics. Across the board we shall seek to develop new partnerships, nationally and internationally, working to increase the number of touring exhibitions that the Museum hosts and strengthening our relationship with external organisations.



National Railway Museum in York and Locomotion at Shildon

Our objectives

The National Railway Museum comprises museums at York and at Locomotion in Shildon, County Durham. Our mission is to enable people to explore the story of railways and how they fit into that story. Through life-enhancing experiences, visitors will gain greater appreciation of railways as a form of transport through an exciting, educational and memorable series of complementary galleries, interactive, web and learning experiences, telling the story of railways past, present and future. To achieve this, our key objectives this year were to:

- Provide a life-enhancing experience to over 1 million visitors at York and over 150,000 visitors to Locomotion by 2013
- Build brand strength outside the walls of our Museums
- Maintain and increase the value of our world-class collections, making them more widely accessible
- Develop and reward great people and ensure continuity of high-quality delivery

Our achievements

This year the National Railway Museum welcomed 653,200 visitors, retaining its position as the most visited museum in Yorkshire. The Museum also continued its 2010 winning streak, taking the top prize in the Business Tourism category at the Welcome to Yorkshire White Rose Awards. Locomotion in Shildon had its best ever year, attracting 198,700 visitors and as a result hitting its target of 1 million visitors ten years ahead of schedule.

**53,000 visitors
in just nine days**



Exhibitions, gallery developments and programmes

The Museum's most successful event of the year was Wizard Week during February half term, attracting 53,000 visitors in just nine days. Visitors were able to ride behind *Hogwarts Express*, the locomotive featured in the Harry Potter films. Other special events included our weekend celebration of the 50th anniversary of the Class 37 diesel locomotive, with 5000 visitors attending, and the model railway weekend on which three of the country's largest model layouts were on display. The temporary exhibition *Once Upon a Tide: North Sea Ferry Tales* continued this year. Developed in partnership with the Nederlands Spoorwegmuseum (Dutch national railway museum) in Utrecht, the exhibition explored the story of the Harwich to Hook of Holland ferries.

Following its success in York, *The Railway Children*, delivered in conjunction with York Theatre Royal, continued to build our reputation further afield. When the production transferred to Waterloo Station,

London for a 26-week run it attracted an audience of over 165,000 and won an Olivier Award for Best Entertainment.

Through the cultural programme at Locomotion we have continued to develop new partnerships with local community groups and societies in the Northeast. The steam driving experiences launched in June proved to be an instant success, giving people the chance to experience the thrill of driving a steam locomotive. Also this year, Locomotion was delighted to join the National Railway Museum in York in being awarded World Class Service accreditation.

**Olivier Award
for Best
Entertainment**

**Locomotion in
Shildon had its
best ever year**

1. The National Railway Museum's London South Western Railway (LSWR) Adam T3 class locomotive No. 56 starring in *The Railway Children* at Waterloo Station (photo by Simon Annand)
2. Crowds at NRM Class 37 diesel event (courtesy of the *Yorkshire Post*)
3. Locomotion's millionth visitors
4. Bernard Cribbins visits the National Railway Museum's London South Western Railway (LSWR) Adam T3 class locomotive No. 56 starring in *The Railway Children* (photo by Richard Davenport)
5. NRM Director, Steve Davies with the Mayor of York at Wizard Week

Learning

This year 351,000 people took part in our learning programmes and 41,700 visited in educational groups. Following research into the reasons why educational groups choose to visit the Museum in York, the learning team developed an improved learning programme, aimed at inspiring and motivating our audiences. The programme included children's storytelling around the Royal Carriages, and the opening of Learning Platform, a great setting for schools and families that enables the team to deliver innovative, fast-paced shows and workshops on science, technology, engineering and maths themes.

Many of our projects are delivered in partnership. Our DCMS/DCSF-funded Strategic Commissioning project, *Collecting Stories*, concluded this year. Over two years the Museum worked with five regional museums and two local secondary schools to create resources for use with other

school groups in the future. Also this year we embarked on the new three-year Climate Science Outreach Project in partnership with the Science Museum. Working with over 100 students from five local schools, we aim to engage people with the science behind climate change. The Museum was also a host venue for National Science Week, delivering more than 20 workshops with North Yorkshire providers to over 1500 children, including a new Record Breakers event to celebrate speed and travel, featuring the prototype *Bloodhound* speed-record-breaking car.

Through our special educational needs strategy and disability awareness training we have sought to ensure that the Museum's offer remains inclusive.

At Locomotion, learning continues to be at the core of the Museum's offer. In February the learning team won a



richly deserved Sandford Award for Heritage Education which recognised our innovative work with young people in delivering the pioneering ASDAN syllabus for pupils needing an alternative curriculum. New ground was also broken through our partnership with Darlington College and Trackwork, with whom we now provide a training platform for local young people who wish to work on the modern railway.

Collections

The restoration of *Flying Scotsman* to operating condition continued throughout the year. A successful first steam test took place and the locomotive will be steaming on the main line again later in 2011. Work on the restoration of Deltic 55002 *King's Own Yorkshire Light Infantry* has also taken place, and the locomotive should return to service in 2011. Cosmetic restoration has been carried out on a 3' 6" gauge 4-8-0 wood-burning locomotive built by Sharp Stewart in 1896 for the Cape Government Railway (later South African Railways) and on a railway carriage built for use on the Mulobezi to Livingstone line of the Rhodesian Government Railways. On the move this year was *Mallard* from York to Shildon. The locomotive was hauled by a newly built LNER-type locomotive, *Tornado*, and attracted thousands of people to the line-side to watch its journey north. *Mallard* has proved to be a great attraction at

Locomotion, contributing to increased visitor numbers. It is currently being maintained for display by an enthusiastic group of volunteers from the North Eastern Friends of the National Railway Museum.

We have continued our programme of loans with the Duke of Sutherland's Saloon at the Scottish Railway Preservation Society, Bo'ness. *City of Truro* toured the country with visits to the Severn Valley Railway, Llangollen Railway, Pontypool & Blaenavon Railway, the Swindon & Cricklade Railway and several other venues. Our world-renowned collections have also travelled overseas, with the sectioned replica of *Rocket* and the replica *Sans Pareil* visiting the Deutsche Bahn Museum in Nuremberg. Queen Adelaide's Saloon was displayed in an exhibition on European royal trains at the Nederlands Spoorwegmuseum, Utrecht and the railway poster

'Great Western to Devon's Moors' (1933) by Edward McKnight Kauffer was displayed at the Yale Centre for British Art, Connecticut.

Development has commenced on a specialist archive store at Wroughton which will enable us to house the archives of the post-privatisation railway companies destined to become part of the national railway collection. Acquisitions this year spanned the range of our collections, from the British Rail Class 306 electric multiple unit to the original artwork for the Great Western Railway's iconic 'Speed to the West' poster by Charles Mayo.

We are also proud that this year our Head of Knowledge and Collections, Helen Ashby, was awarded an OBE in the new year honours list for her services to heritage and her work with the Museum.



2

Our future plans

In order to achieve our vision we have explored the best way to interpret our collections through our galleries. In the coming years we shall therefore develop and implement these plans in order to give greater access to collections and take visitors on a journey of discovery, telling the story of railways past, present and future. We shall also continue to research the needs of our audiences and explore how our audiences can help shape and contribute to interpretation through co-created projects and participatory experiences.

We shall focus on providing a vibrant cultural programme to ensure we continue to deliver a life-enhancing visitor experience. This begins with our Japan Festival to celebrate the tenth anniversary of the Shinkansen (Bullet Train) being at the York Museum. The new art exhibition space will open, showing art from our largely unseen collection as well as other national and international collections. In 2011 *Flying Scotsman* will return to the Museum in all its glory and our programme will be going international with *The Railway Children* opening in Toronto.

We will continue to work in partnership with funders and supporters to achieve our goals. We are currently working with Network Rail and West Coast Railways on the delivery of a new steam shuttle service between our Museums in York and Shildon. It is hoped the pilot trips will herald a new era in cross-site working.



1. Children experience a Science Show
2. Lifting the big end wheel-set for *Flying Scotsman*
3. The locomotives *Tornado* and *Mallard* at the National Railway Museum

National Media Museum

Our objectives

The National Media Museum's mission is to help its audiences explore the artistic, technological, social and cultural impact of media and understand how different media reflect and shape lives and the world in which we live. The Museum aims to achieve this by inspiring people to learn about, engage with and create media. To achieve this, our objectives this year were to:

- Increase our visitor numbers, reach new audiences and enhance our visitors' satisfaction so that they have life-enhancing experiences when they visit
- Develop our collections, our programmes and our galleries to reflect the full scope of our remit so that we are truly the National Media Museum
- Develop our profile and reputation significantly on the national and international stage to attract new partners and sponsors.

Our achievements

This year the National Media Museum welcomed 502,000 visitors, retaining its position as the most visited Museum in West Yorkshire. Our wide range of learning events and activities meant it was a record-breaking year, with 113,500 visitors taking part in the Museum's learning programmes both on and off site.

1. *From Back Home: Anders Peterson & J H Engstrom*
2. Bollywood superstar Aamir Khan visits the National Media Museum
3. Terry Gilliam interview at Bradford International Film Festival (BIFF) 2011
4. Pixar's Paul Mendoza – BAF 2010 guest
5. NMSI Director, Ian Blatchford speaking at the MediaGuardian Innovation Awards 2011



Exhibitions, gallery developments and programmes

A particularly important part of our activities is our critically acclaimed programme of special exhibitions. This year the programme included: *Simon Roberts: We English*, *Immersion: Robbie Cooper* and *Fay Godwin's Land*. Building on the success of our special exhibitions, the Museum has developed a touring programme. During the year *The Art of Joanna Quinn* toured to Valencia, and *The Photographs of Tony Ray Jones* went to Kraków.

The Museum once again staged three successful film festivals – the Bradford International Film Festival, which honoured the uniquely talented film-maker Terry Gilliam, among others; the Bradford Animation Festival, which included a guest appearance by Paul Mendoza of Pixar;

and the Fantastic Films Weekend, the UK's fastest-growing annual celebration of horror, fantasy and science fiction cinema and television. In addition to the stars at our film festivals, Bollywood superstar Aamir Khan visited the Museum to discuss his latest film. Visitors have also enjoyed the screening of National Theatre Live satellite broadcasts for the first time in the Museum, which were sell-out performances.

We have also been taking film out beyond the walls of the Museum, being at the heart of a partnership to deliver film, live opera, theatre and sport screenings to rural communities across North Yorkshire. Since autumn we have delivered more than 50 screenings.

Our series of events and activities proved popular, such as the themed school holidays which included our Experience 3D museum trail and the continued Soap Season. We were also successful in our world-record-breaking attempt to bring together the largest number of people playing a Nintendo DS in the same place at the same time. On a more practical note the Museum's website was relaunched in the autumn to provide a more contemporary feel and a more user-friendly layout.

**three
successful film
festivals**





Learning

Through the work of our learning team we have seen a record-breaking increase in visitors participating in the Museum’s learning programmes. A total of 113,500 people took part in our activities and 51,600 people visited in education groups. A focus on developing partnerships has enabled us to enhance the number and variety of live programmes on offer. Partners this year included The Co-operative, the British Film Institute, Film Education, Media Trust, The London Sinfonia, Bradford City of Film, Education Bradford and Nintendo, among others.

The DCMS/DCSF-funded Strategic Commissioning project *Anim8ed* was completed this year and used animation to engage schoolchildren with collections of all kinds. More than 2000 children worked with ten museums to produce 70 animated films. The *Anim8ed* approach is now embedded at the National Railway Museum, the Science Museum and

seven regional museums with a web-based toolkit for any museum to use in the future. Films made by children as part of this highly commended project have won awards at film festivals in the USA, Canada, India, Japan, Egypt and the UK, raising the National Media Museum’s international profile and awareness of this unique approach to engagement.

Online we have developed a new web-based resource – History of Photography in 40 Photographs. Forty photographs from the National Photography Collection form the foundation of this new resource, giving an overview of the history and development of photography.



1. Recipients of the BAF Young Animators Awards
 2. Brownies experience 3D cinema
 3. Participants in the Niepce in England conference

**a record-breaking increase
 in visitors participating in the
 Museum’s learning programmes**



3

collections continued to be in demand around the world

Collections

Significant additions to the collection took place this year. In particular the Museum completed the complex and well-publicised acquisition of a rare image by the pioneering 19th-century British photographer Roger Fenton. *Pasha and Bayadère* was created in 1858 and is one of a series of approximately 50 Orientalist photographs inspired by Fenton's expedition to the Crimea. The Museum has also received a comprehensive donation of Pentax cameras and one of the first 3D photographic cameras from Fuji.

The Photo Awards Scheme (formerly the Bursary) continued this year. This funds the creation

of new work by emerging and established photographers, enabling the National Photography Collection to be further enhanced through their acquisition. The National Video Games Archive has been significantly enhanced by the transfer of a selection of key items from the British Film Institute.

The ongoing conservation collaboration with the Getty Conservation Institute, Los Angeles yielded significant new insights about the origins of photography. This led to a seminal conference held at the Museum, focusing on the work of the early photographic pioneer Joseph-Nicéphore Niepce.

Our collections continued to be in demand around the world, with loans including a Roger Fenton photograph to the Museum of Modern Art, New York seen by over 300,000 people and photographic works to the National Gallery of Art in Washington. World-renowned photographer Annie Leibovitz also visited Bradford, where she spent time looking at and photographing work by the eminent Victorian photographer Julia Margaret Cameron.

The Museum has also been instrumental in devising a national strategy for the preservation and management of the UK's audiovisual collections.

Our future plans

Next year we will be opening *Life Online*, the first physical and online museum gallery looking at the history and impact of the internet and the World Wide Web. Young people will be involved in the content and programme development of this gallery. We will also continue our work towards opening a second venue in partnership with the Science Museum in London. This will provide a London showcase, bringing our world-class collection and exhibitions to the large potential audiences in London and the Southeast.

As well as working on our usual programme of special exhibitions,

we will be developing two exhibitions in association with the Cultural Olympiad. Working with six partners across Yorkshire under the 'I Move' theme, we will be exploring the idea of human movement in a variety of ways.

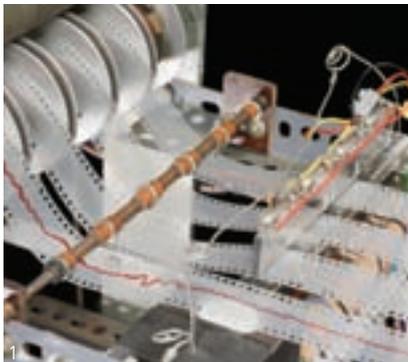
In the coming year we will deliver more live programmes to a greater audience. This will include our brand-new daily show – CinemaMagic – which reveals through live interpretation the secrets behind 100 years of film special effects. In addition there will be improved drama presentations and talks and

technical 'how to' presentations. Enhanced volunteer capacity will also provide improvements to our offer.

We will seek to maximise the opportunities provided by Bradford's status as the world's first UNESCO City of Film, growing and consolidating our film operation. Also with the City of Bradford and other partners we will work towards a five- to ten-year joint redevelopment of the Museum and the adjacent city centre library as a new media quarter for the city.

NMSI collections acquisitions highlights

NMSI aims to provide the UK with the world’s best material and visual record of science and technology, including medicine, railways and the media. Each of our Museums collects items to enhance the collections’ capacity to communicate with its audiences about its subjects, whether scientific, technical, social or cultural.



NMSI collects in line with its approved collecting strategies, actively targeting areas to build its collection and taking selective advantage of the hundreds of unsolicited offers received each year. Above are just some of the significant, intriguing and fascinating objects collected over the past year and preserved for the nation.

1. The Oramics Machine developed by Daphne Oram, co-founder of the BBC Radiophonic Workshop, used to create electronic synthesised music, 1959
2. Close-up of a SoLiD sequencer shell and parts (cover, doors, flow cells), made by Life Technologies (formerly Applied Biosystems), USA, used for genomics research, c. 2009
3. Portrait bust of James Watt reconstructed from a plaster mould, c. 1807, found in Watt’s workshop, manufactured by the UCL Digital Manufacturing Centre, 2010
4. Model of the UK1 satellite, including developmental cosmic ray analyser instrument, c. 1960/61

5. ‘Loading newspapers, King’s Cross’, by Ernest Sargieson, 1981, an aquatint print donated by the British Railway Board
6. British Rail Class 306 electric multiple unit, 1949, designated as historically accurate and important for preservation by the Railway Heritage Committee
7. An illustrated essay by James Biott, an employee at Shildon Works, documenting his visit to the International Exhibition in London in 1862
8. *Pasha and Bayadère*, by Roger Fenton, albumen print from a collodion negative, Roger Fenton, 1858
9. ‘Steep Lane Baptist Chapel, England West Yorkshire’ from the series *Calderdale* by Martin Parr, pigment print, 1975–80, printed 2011

NMSI corporate activities

Reducing our carbon footprint

NMSI has continued to reinforce its commitment to sustainability during 2010–11, taking into account sustainability issues when making strategic and operational decisions. A particular success this year was the Science Museum meeting its commitment to the 10:10 campaign. The Museum achieved a spectacular 17% reduction against the campaign commitment of a 10% reduction in carbon emissions (through energy consumption and travel) over the period 1 October 2009 – 30 September 2010 compared to the previous year's baseline. However, with a number of new gallery openings, the introduction of late-night opening and increased heating demands because of a severe winter, there was a rise in emissions by the end of the year.

Across NMSI work has taken place to reduce carbon emissions. Alongside emission reduction initiatives we have sought to reduce the environmental impacts of projects and operations within the Museums, communicate energy awareness, sustainability and ethical sourcing to staff, and to ensure that the Museums follow best practice in respect to environmental compliance. A Carbon Reduction Working Party with representatives from across the Museums acts as a forum to discuss and embed sustainability initiatives into all work streams. We are also reviewing the supply chain and procurement processes to ensure that as far as possible NMSI promotes a positive impact on society and the environment.

Significant improvement works to the built estate have increased energy efficiency and provided more flexibility through improved electronic management systems, allowing us to regulate and monitor infrastructure such as lighting more efficiently. This work is paying off, with improvements reflected in all our main Museum buildings' DEC certificates, which indicate the energy efficiency of the buildings.

Estate development

Investment in NMSI's estate has continued to deliver improvements in visitor facilities, reducing energy consumption and minimising risks.

Improvements have been made to visitor facilities, including installation of the Launchpad Theatre at the National Railway Museum, enabling live shows to be delivered to visitors. At the Science Museum lifts have been installed or refurbished, enabling wheelchair access to the whole of the *Ships* and *Flight* galleries.

Energy consumption has been decreased through extensive improvements to the National Media Museum's foyer to minimise heat loss. At the Science Museum 1000 fluorescent light fittings have been replaced with energy-efficient lighting, and work has taken place to reduce heat loss from parts of the building. At the National Railway Museum outdated boilers have been replaced with energy-efficient boilers. Improved building management systems in both York and Bradford have enabled greater control of energy consumption.

A range of work has also taken place to minimise risk, including a complete recovering of the National Media Museum main roof, the refurbishment of one of the hangars at Wroughton to provide a secure and safe environment for the collections, and replacement of all non-compliant refrigerant units at the Science Museum.

Organisational efficiencies

NMSI undertook a wide-ranging organisational review and defined changes in ways of working for 2011–12 onwards. These included joint procurement with other organisations, and several initiatives are already in place with more being considered for future years. For example NMSI has entered a consortium agreement with the Natural History Museum and the Victoria and Albert Museum for the delivery of security provisions across all three museums.

Corporate and collections information

A further 10,000 objects have been audited and catalogue records substantially enhanced as part of the ongoing locations audit and cataloguing upgrade project. Collections Online has continued to provide our global audience online access to the 220,000 object records and images held within our collections management system. The Corporate Information and Enquiries team has responded to 1,200 enquiries submitted to NMSI under the Freedom of Information Act. Finally, NMSI loaned more than 400 objects to 61 venues, including to the World Expo in Shanghai, the Netherlands and German railway museums, Moscow, Switzerland and the United States. In addition 537 objects were borrowed from 99 lenders.

Sponsors, donors and volunteers

We are enormously grateful to our sponsors, donors and volunteers, whose support has made possible a whole range of initiatives across our Museums. Below are just some of those initiatives.

Science Museum

atmosphere and the Climate Changing programme

Having secured the core funding required for *atmosphere ...exploring climate science*, we are thrilled to welcome a range of new supporters for the ongoing programme. The Founders Circle now includes Accenture, Barclays and Bayer, who will also be associated with particular elements of the programme. The associated outreach project has also been supported by the City Bridge Trust for schools within London, and we were delighted to present Planet Science thanks to the generous contributions of a range of individuals including the Trustees and Patrons of the Science Museum. Thanks to this ongoing support, the *Climate Changing* programme will enable the Science Museum to continue to be

recognised and admired as the UK destination for the non-specialist to engage with clear, accurate, up-to-date information on climate science.

Treasury Galleries HLF Stage 1 development

We are working closely with the Heritage Lottery Fund on the development of our exciting and ambitious Treasury Galleries project. This year we have begun conversations with a broad spectrum of organisations who are expressing considerable interest in the project, and we are pleased that Google has come on board as our first major corporate supporter for this project.

Temporary exhibitions

We were pleased to have established another new partner thanks to the support of the Institute of Psychoanalysis for the exhibition *Psychoanalysis: The Unconscious*

in Everyday Life. We have also successfully opened *James Watt and our world*, supported by the DCMS/Wolfson Museums & Galleries Improvement Fund, The Pilgrim Trust and the Helen & Geoffrey de Freitas Charitable Trust.

Learning and outreach

Thanks to the John Lyons Trust, we have been able to extend our schools outreach Launchbox scheme, sending resources developed by the Science Museum directly to schools. We are also delighted that the Science Museum Lates programme has this year been supported by L'Oréal, Hiscox, GSK, EADS, Nintendo, the Wellcome Trust and the funders of the *Climate Changing* programme. BP continues to be a significant supporter of our learning and outreach programmes.



Janet Street-Porter helps boost donations at the Science Museum

National Railway Museum

Redevelopment of the Great Hall

Fundraising for the redevelopment of the Great Hall has continued throughout the year and we are grateful for the support for this project from HLF, Yorkshire Forward, Visit York, York and North Yorkshire Local Enterprise Partnership, the Abellio Foundation, Hornby, First Group, Friends of the National Railway Museum, The Samuel Storey Charitable Trust and The Liz and Terry Bramall Trust. At the time of writing this report we learned that a significant application to a major funder has been unsuccessful. It is with regret that the Executive and Board of Trustees have agreed that the redevelopment of the Great Hall, as outlined in our original plans, will not be going ahead. We have

approached all our existing funders for this project and are in discussions as to how they can continue to support the National Railway Museum.

Flying Scotsman

Thanks to a huge number of public donations, the overhaul of *Flying Scotsman* has been completed to the very highest standard. We would like to thank all those people and companies who have contributed to the Steam Our Scotsman appeal. The locomotive will undergo tests during the summer and will be hauling passenger trains again from the autumn. We hope that the regular donors to the *Flying Scotsman* overhaul appeal will continue to support the work of the National Railway Museum.

Deltic

The restoration of Deltic 55002 *King's Own Yorkshire Light Infantry* is now nearly complete, thanks

to a large number of donations and the efforts of a dedicated team of volunteers. The Locomotive is expected to return to service this autumn.

Once Upon a Tide

We are grateful for the substantial funding from the Abellio Foundation and Stena Line which made possible the exhibition *Once Upon a Tide: North Sea Ferry Tales*.

Locomotion

Durham County Council meets 50% of the running costs of Locomotion. In addition, last year a generous donation from the Esmée Fairbairn Foundation funded a Workshop Training and Development Manager post at Locomotion, which will end in June. This has enabled the Museum to operate its conservation workshop and oversee the work of two apprentices, as well as provide training space and vocational qualifications for pupils from local schools.

National Media Museum

The 17th Bradford International Film Festival and Bradford Animation Festival

We are grateful to Bradford College, Principal Sponsor of the Bradford Animation Festival since 2007, and to the other main supporters of the Film Festival – Jurys Inn, Northern Rail, BBC North, The David Lean Foundation, Screen Yorkshire and the Black Sheep Brewery.

Legends: Corporate Membership @ National Media Museum

In 2010 the National Media Museum launched a new corporate membership scheme. The five membership tiers are named after

icons of media – Julia Margaret Cameron, Vinton Cerf, John Peel, Richard Dimbleby and Alfred Hitchcock. Thank you to all existing and new members of Legends.

Acquisitions

In September 2010 the National Media Museum acquired a rare and important 1858 print by the celebrated Victorian photographer Roger Fenton. One of only two known copies of *Pasha and Bayadère* anywhere in the world, this important acquisition was made possible with a £49,000 grant from The Art Fund, thus preventing its export to an overseas collector.

Patrons, Corporate Partners, legacy support and membership

Members

We are delighted that the new membership scheme at the National Media Museum has received such a positive response and we currently have over 1,260 members. At the Science Museum membership remains steady at a level of 3000. Both schemes are building engaged audiences that regularly enjoy discounts and events at each Museum.

Patrons

The significant annual donations made by our Science Museum Patrons are a vital source of income that enables the Science Museum to develop exhibitions and to build and conserve our collection. Patronage makes a real difference to our work and influences the way our visitors engage with science. This year support from our Patrons has been dedicated towards our climate change gallery, *atmosphere*, which was opened by HRH The Prince of Wales in December 2010.

We have recently launched a Patrons Programme at the National Railway Museum. We are exceptionally grateful to those Patrons who have supported us in this first year. This support enables the National Railway Museum to preserve and care for its historic collections, and engage with its visitors young and old through new exhibitions and displays.

Corporate Members

We have successful Corporate Membership schemes at each of our Museums. Our Corporate Members are a group of industry leaders committed to supporting learning in science, technology, media, engineering and manufacturing, and to inspiring the next generation. The support that we receive from our Corporate Members is invaluable in helping us to maintain our facilities and collections and deliver life-enhancing learning experiences, either on site or in the community. We are extremely grateful for the enthusiastic commitment that our corporate members show to our Museums.

Legacy support

Legacy support for the National Railway Museum, the National Media Museum and the Science Museum continues to grow through gifts and pledges. We are exceptionally grateful to all those who have chosen to support our Museums in this very personal way.

Visitor giving

Combining the welcome we give to visitors at all our Museums with a face-to-face request for a general donation has been met with great success at the Science Museum, National Railway Museum and National Media Museum.

Volunteers

Volunteer programmes across NMSI offer people the chance to gain a range of skills and experiences, and are an important and increasingly valued resource, enhancing delivery across our Museums. We are very grateful to all of our volunteers and would like to thank them for their time which has helped make our work possible across a great variety of departments at NMSI.

Over the past year the Science Museum has involved 355 people as volunteers contributing over 7,500 hours. At any point in time there are typically around 190 volunteers doing a variety of roles from research and documentation through to front-of-house team support. Of particular note are the now thrice-daily volunteer-led tours of three of the Museum's major galleries as well as the volunteer teams working on the Treasury Galleries project.

At the National Railway Museum in York the volunteer programme continues to thrive, with 275 active volunteers giving 23,000 hours of their time across a broader range of activities than ever before. For example, volunteers have provided an enhanced research service for the public, worked on the uniform collection and even helped interpret railway signalling to the public. For the second year in succession a volunteer from the National Railway Museum has received national recognition for achievements in the field of learning, winning the Yorkshire Marsh Volunteers for Learning Award.

Volunteering opportunities at Locomotion have been developed and promoted this year, with the number of active volunteers increasing from 33 to 67. Volunteers help to operate the steam train service, assist with projects in the York conservation workshop, meet regularly to care for the objects in the collection, and get involved with enhancing the visitor offer at events throughout the year. These volunteers have given 4,400 hours of their time in the past year. In addition the Museum has continued to develop links with a range of other community groups and similar organisations, and volunteers from these have given 3,500 hours of their time.

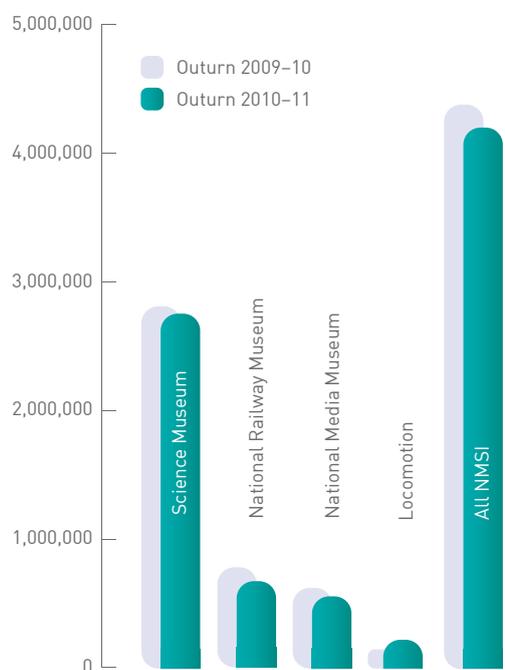
At the National Media Museum 49 volunteers gave 3,120 hours of their time, supporting diverse activity including cataloguing of the Library collections and TV commercials collection, supporting the Bradford International Film Festival and Bradford Animation Festival, and facilitating a senior film discussion group.

Performance

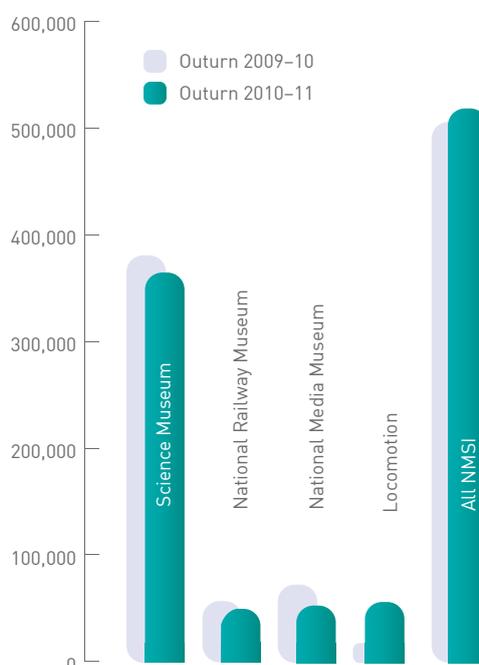
Information is sourced through both internal records and periodic independent external surveys. There has been no change in the method of calculation this year compared with previous years.

Performance against NMSI key performance indicators

Total number of visits to the Museum



Visits by all visitors in educational groups



Total number of visits to the Museum (including corporate hire)	Science Museum (SM)	National Railway Museum (NRM)	National Media Museum (NMeM)	Locomotion	Science Museum at Wroughton*	ALL NMSI
Outturn 2009-10	2,805,091	771,464	615,550	160,326	19,000	4,371,431
Outturn 2010-11	2,791,534	653,198	501,664	198,697	964	4,146,057

Visits by all visitors in educational groups	SM	NRM	NMeM	Locomotion	Science Museum at Wroughton*	ALL NMSI
Outturn 2009-10	379,227	42,000**	61,918	24,737	N/A	507,882
Outturn 2010-11	367,470	41,687	51,582	75,709	N/A	536,448

* Science Museum at Wroughton is the Science Museum's collections store and is not promoted as a visitor attraction.

** Estimate following retrospective identification of data collection error.

Performance against DCMS indicators

Number of visits to the Museum (excluding corporate hire)	SM	NRM	NMeM	Locomotion	Science Museum at Wroughton*	ALL NMSI
Outturn 2009-10	2,776,373	749,046	609,674	158,575	14,590	4,308,258
Outturn 2010-11	2,766,994	630,396	496,492	198,697	884	4,093,463

* Science Museum at Wroughton is the Science Museum's collections store and is not promoted as a visitor attraction.



Please note visitor profile data is not reported for the collections store Science Museum at Wroughton.

	SM	NRM	NMeM	Locomotion	All NMSI
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Number of visits by children under 16

Outturn 2009–10	994,560	203,913	174,181	51,809	1,424,463
Outturn 2010–11	1,074,128	175,837	130,001	53,466	1,433,432

Number of visits by UK adult visitors aged 16 and over from lower socioeconomic groups (NS-SEC groups 5–8)

Outturn 2009–10	230,210	128,106	86,228	46,123	490,667
Outturn 2010–11	234,801	106,821	84,439	23,949	450,010

Number of visits by UK adult visitors aged 16 and over from an ethnic minority background

Outturn 2009–10	109,047	5,124	43,114	1,025	158,310
Outturn 2010–11	61,790	4,273	49,256	282	115,601

Number of visits by UK adult visitors aged 16 and over who consider themselves to have a limiting long-term illness, disability or infirmity

Outturn 2009–10	12,116	66,615	12,934	10,250	101,915
Outturn 2010–11	12,358	51,274	17,592	12,679	93,902

Number of overseas visitors

Outturn 2009–10	888,439	44,943	6,097	6,343	945,822
Outturn 2010–11	747,088	37,824	19,860	5,961	810,733

Number of visitors over 60

Outturn 2009–10	124,727	119,929	100,163	30,962	375,781
Outturn 2010–11	205,196	133,337	69,049	79,877	487,459

Percentage of visitors who would recommend a visit

Outturn 2009–10	98%	99%	99%	94%	98%
Outturn 2010–11	99%	99%	98%	94%	99%

Number of facilitated and self-directed visits to the museum/gallery by children under 16 in formal education

Outturn 2009–10	238,860	39,694	31,235	6,304	316,093
Outturn 2010–11	232,944	28,014	27,027	6,554	294,539

Number of instances of children under 16 participating in on-site organised activities

Outturn 2009–10	352,640	145,678	58,130	32,612	589,060
Outturn 2010–11	379,116	130,650*	66,290	50,338	626,394

* Because the NRM turntable was used for part of an exhibition over the summer it was not possible to offer the two demonstrations a day previously delivered, which reached anywhere between 200 and 1000 visitors a day.

Number of instances of children under 16 participating in outreach activities outside the museum/gallery

Outturn 2009–10	97,521	2,310	1,673	1,243	102,747
Outturn 2010–11	99,981	3,066	2,963	555	106,565



	SM	NRM	NMeM	Locomotion	ALL NMSI
Number of instances of adults aged 16 and over participating in organised activities at the museum/gallery					
Outturn 2009-10	159,366	251,541	37,598	18,433	466,938
Outturn 2010-11	196,533	215,771*	42,108	71,817	526,229

* Because the NRM turntable was used for part of an exhibition over the summer it was not possible to offer the two demonstrations a day previously delivered, which reached anywhere between 200 and 1000 visitors a day.

	SM	NRM	NMeM	Locomotion	ALL NMSI
Number of instances of adults aged 16 and over participating in outreach activities outside the museum/gallery					
Outturn 2009-10	13,956	253	1,646	385	16,240
Outturn 2010-11	24,217	1,119*	2,148	145	27,629



* Figures exclude members of the public experiencing the operation of NRM locomotives across the UK.

Number of unique website visits					
Outturn 2009-10	10,712,911	905,618	1,906,533	N/A	15,408,545*
Outturn 2010-11	11,077,629	976,904	1,553,020	N/A	15,020,206*

In line with DCMS requirements robots have been excluded from figures wherever possible, however it has not been possible to exclude robots from two sites. Note the NRM website includes Locomotion. * Figure additionally includes pan-NMSI websites.

Number of UK loan venues					
Outturn 2009-10	93	57	12	N/A	162
Outturn 2010-11	96	57	11	N/A	164

NMSI-wide	Outturn 2009-10	Outturn 2010-11
Admissions	£802k	£0
Trading income	£3,323k	£2,865k
Fundraising	£8,720k	£7,047k

Sustainability indicators

Gross emissions (tCO ₂)*	SM	NRM	MNeM	Locomotion	Science Museum at Wroughton	NMSI
Outturn 2009-10	4,744	2,046	1,543	158	514	9,005
Outturn 2010-11	4,939	2,090	1,586	266	620	9,500

Numbers have been rounded independently, so columns may not equal totals.

* Based on fuel and electricity consumption

DEC certificates – Each certificate describes how efficiently energy is being used in the building	Rating 2009		Rating 2010	
Science Museum	74	C	70	C
Dana Centre	104	E	102	E
National Railway Museum – Great Hall	77	D	74	C
National Railway Museum – Station Hall	86	D	81	D
National Media Museum	138	F	137	F
<i>Average comparable building</i>	100	E/D	100	E/D

The above tells you how efficiently energy has been used in the building. The numbers do not represent actual units of energy consumed; they represent comparative energy efficiency. The lower the number, the more energy efficient the building. The rating is the band within which the numerical score falls. The assessment takes place once every calendar year.

Sickness absence

The average number of days lost for sickness for each full-time-equivalent employee was 7.55 days (2009-10 5.9 days).



STRUCTURE, GOVERNANCE AND MANAGEMENT

Object handling at the National Railway Museum

Explainer

Structure, Governance and Management

About NMSI

NMSI now

The National Museum of Science & Industry (NMSI) is devoted to the history and contemporary practice of science, medicine, technology, industry and media. Its collections, in the fields of science, technology, engineering, medicine, design and enterprise, transport and media are the largest, most comprehensive and most significant in their field anywhere in the world. NMSI incorporates the Science Museum, the Science Museum Library and the Wellcome Collections of the History of Medicine at South Kensington; the National Railway Museum at York; Locomotion: the National Railway Museum at Shildon; the National Media Museum at Bradford; and Concorde 002 with its associated exhibition at Yeovilton. Collections stores are located in Wroughton, Swindon; Blythe House in West Kensington; Foundry Lane in York and Black Dyke Mills in Bradford.

Aims and objectives

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

- a) Care for, preserve and add to the objects in its collections
- b) Secure that the objects are exhibited to the public
- c) Secure that the objects are available to persons seeking to inspect them in connection with study or research, and
- d) 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 NMSI have agreed that the mission of NMSI 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.

NMSI's strategic objectives are:

- Science Museum – to be the leading international museum championing the understanding, enjoyment and prestige of science in modern society
- National Railway Museum – to be the world's premier railway museum, enabling people to explore the story of the railways and an exciting history of technological and social change
- National Media Museum – to be the best museum in the world for inspiring people to learn about, engage with and create media
- To maintain the highest standards in the care and preservation of the collections and estate
- To be an organisation that is extrovert, entrepreneurial, efficient, and dedicated to the development of great people

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

History

The Science Museum has its origins in the South Kensington Museum set up soon after the Great Exhibition of 1851. 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 Media Museum was established in 1983 with the support of Bradford City Council as part of the council's economic redevelopment. 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. Locomotion: the National Railway Museum at Shildon was opened in 2004 in partnership with Sedgefield Borough Council.

Legal status

NMSI 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. NMSI now has the status of a non-departmental public body, 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. NMSI 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. NMSI has a wholly owned subsidiary trading company, NMSI Enterprises Ltd (company registration no. 2196149), set up in 1988. This operates at all three Museums and Gift Aids taxable profits to NMSI. Bradford Film Ltd is a company limited by guarantee whose sole member is NMSI Enterprises Ltd.

Framework for operation

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

The organisational structure

Management of NMSI

The Board of Trustees of the Science Museum is responsible for the whole of NMSI. The Trustees, who may number between 12 and 20, are appointed by and responsible to the Prime Minister through DCMS. The Director of NMSI, as Chief Executive Officer, is responsible to the Board of Trustees and, as Accounting Officer, is accountable to the DCMS for compliance with the Management Statement and Financial Memorandum. Within the framework of their statutory duties as stated under the National Heritage Act 1983, the role of the Trustees is to establish NMSI'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 NMSI's strategy and its practical implementation.

Trustee subcommittees reflect the individual Museums and cross-NMSI activity. Details of these subcommittees can be found on pages 37–38.

The Director of NMSI is also Director of the Science Museum and is supported by the Deputy Director of the Science Museum. Each of the other Museums within NMSI 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 NMSI Executive is accountable to the Director of NMSI, and is formed by the group of senior managers reporting to the Director within NMSI, together with the Director. It is responsible for resource allocation, leading strategic management, developing the cultural content and programmes and sustaining NMSI values. In 2010–11, the Executive comprised the NMSI Director, the Director of each Museum and Science Museum Deputy Director, the Managing Director of NMSI Enterprises Ltd, the Directors of Corporate Services, Human Resources, Finance, Development, Learning and Change Management.

Staff engagement

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

There are a number of forums where NMSI 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 negotiating pay and benefits, but also for the development of policies and health and safety matters.

NMSI operates a performance development process that enables personal objectives to be articulated and fully aligned to the wider business goals. The process looks at how results are achieved as well as the results themselves, enables individual feedback and development and provides for an element of pay to be directly linked to the assessed individual performance level.

The staff opinion survey remains a primary tool to enable tracking and responding to staff views across a range of issues. The survey is available in online and paper formats. The results are discussed with staff and actions agreed at both central and local level.

We are currently analysing the results of the last staff survey, reviewing last year's training programmes, including the Leadership and Accelerated Development Programmes, to develop our programmes for the coming year. A new focus for this year is change management skills as we prepare for the Government's funding cuts and we have run Engaging Your Team With Our Future workshops and support for all line managers. In response to the previous staff survey we have continued to invest in leadership and management development and have run second rounds of the Accelerated Development Programme for high-potential employees who are performing well and the Leadership Development Programme.

Relationship between charity and related parties

NMSI is an executive non-departmental public body whose parent body is DCMS. DCMS is regarded as a related party. Details of related-party transactions are contained in note 20 to the accounts.

Equality and diversity

It is NMSI policy that all eligible people shall have equal opportunity for employment and advancement in NMSI on the basis of their ability, qualifications and fitness for the work. There must 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.

To support work in this area, NMSI has a Diversity Panel made up of a cross section of staff members who have an interest in diversity. The panel is involved in a range of measures to promote diversity, including attracting diverse applicants to the Museum, ensuring Museum policies support diversity, drawing on expertise outside the Museum and encouraging a staff culture which respects and values diversity. A particular success has been NMSI's continued participation in the Young Graduates in Museums and Galleries Programme which engages with young adults from diverse backgrounds, enabling them to explore what a career in museums and galleries has to offer.

We have continued our work with our occupational health providers, Ellingham Employment Services, Access to Work and a range of specialist advisers to make reasonable adjustments to the workplace for staff and potential recruits with disabilities.

NMSI is reviewing its disability and gender equality schemes and associated action plans this year.

FINANCIAL REVIEW



Record-breaking success at the National Media Museum for the largest number of people playing a Nintendo DS in the same place at the same time

Financial review

Review of financial position

Visitor numbers

Visitor numbers across NMSI totalled almost 4.15 million, 5% down against 2009-10. The Science Museum attracted almost 2.8 million visitors in 2010-11. This was only 5% lower than 2009-10, our record-breaking year, and 9% up against the previous five years' average. This can be attributed to the success of the redeveloped galleries *Who am I?* and *Antenna* and the newly opened gallery *atmosphere ...exploring climate science*, as well as a strong learning programme. Together, these countered the potentially negative impacts of the Exhibition Road improvement works. The National Media Museum welcomed 502,000 visitors, 19% down against 2009-10 and 25% lower than the five-year average. The reduction was mainly due to a big drop in people watching full-length IMAX films (partly because of the films available but also because there was a month-long closure of IMAX following the discovery of a leaking roof), continuing disruption in the city centre with the construction of a new city centre park and some exceptionally warm weather in the spring. However, it also brings into sharp relief the need to make improvements to the day-to-day programme and to accelerate the refreshing of galleries. The National Railway Museum attracted 653,000 visitors, 19% down against 2009-10 and the five-year average. This was due to a less extensive programme than in previous years and poor weather in the winter period. Locomotion had its most successful year to date with almost 200,000 visitors, 25% up on 2009-10 and 36% up against the five-year average. A programme of events and activities as well as the display of the *Mallard* locomotive contributed towards the success.

Income and expenditure

Income for the year was £63.4m (2009-10 £65.5m), including Grant in Aid of £40.2m, commercial income of £13.6m and grants, donation, sponsorship and Lottery income of £7m. Income was £2.1m lower than in 2009-10, the decrease being primarily because of lower commercial turnover, lower sponsorship and reduced Grant in Aid.

Income from sponsorship was lower at £1.3m, and grants, legacies and donations increased to £5.6m. Both mainly arose from support for the *Who am I?* gallery, £2.1m, *atmosphere ...exploring climate science* gallery, £1.4m, the Rail Industry National Archive, the Great Hall redevelopment, *Antenna* gallery, *Flying Scotsman*, *James Watt and our world* gallery, Talk Science and the Creative Canal partnership, together with funding for a variety of short-term exhibitions and programmes and unrestricted donations.

Rental income at £0.6m maintained the income in the previous year, using space made available by more effective use of office space within the buildings and continued letting of short-term storage space at the Wroughton site. **Other income** was related to learning events, service charges to tenants, services to visitors and contributions from Durham County Council towards costs at Locomotion.

Commercial activities included both visitor and non-visitor commercial activities at all the Museums and online, together with the provision of visitors' services and marketing to the Museums.

Operational costs were £68.8m (2009-10 £69m). There was continued focus on releasing funds wherever possible to support front-line activity and improving the visitor experience. Restricted expenditure relates to the funding of depreciation for previous capital developments together with supporting a range of programmes and temporary exhibitions, especially in the learning areas, both on and off site.

Balance Sheet

Fixed assets fell in value by £4m, moving from £268.9m at 31 March 2010 to £264.8m at 31 March 2011. The impact of a £12.3m depreciation charge outweighed additions to fixed assets of £8.1m and minimal additions of financial value to heritage assets.

Additions of £8.1m to the fixed assets in 2010-11 included expenditure on the *Who am I?*, *atmosphere ...exploring climate science*, *Antenna* and *James Watt and our world* galleries at the Science Museum and improvements to storage standards at Wroughton.

Stock levels rose to £0.8m from £0.7m as a result of books now being available from Science Museum stores and children's guidebook stock.

Debtors fell to £3.5m compared to £3.8m at the end of 2009-10 as a result of good debt collection work.

Creditors and deferred income decreased from £7.6m to £7.1m, the reduction occurring as major gallery developments at the Science Museum were completed, resulting in lower levels of creditors.

Cash and investment balances were reduced by £1.1m, as funds were expended on the new galleries.

Restricted funds

The Sponsorship, Grants and Donations Reserve fell to £2.3m from £3.2m at 31 March 2010 as the *atmosphere ...exploring climate science* gallery was delivered.

Designated funds

The Museum Improvement Reserve decreased from £11.2m to £10.1m as funds allocated to the *atmosphere ...exploring climate science* and *James Watt and our world* galleries at the Science Museum and the storage improvements at Wroughton were used.

Risk management

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

During the year, two of NMSI's strategic risks identified were the probable difficulty in obtaining capital funding as donors seek to curb their expenditure in more straitened times and the risk that NMSI did not have in place sufficient plans to adequately respond to the reduction of Grant in Aid. The impact of the risks could be much slower renewal of galleries and a risk to the quality of some storage facilities, with potential impacts on collections care standards together with a reduction in learning and temporary programmes at the Museums. To manage these risks NMSI put in place a prioritised fundraising strategy, developed alternate plans should fundraising fail and implemented a programme to reduce costs. Other significant risks included issues arising from health and safety, an external event such as terrorism or flu pandemic, and the Museum's creative offer failing to remain attractive to visitors. In response NMSI updated its health and safety policy and procedures, commenced redevelopment of the business continuity plan, delivered customer awareness training and continued work to align programmes with the Museum brands.

Financial policies

Creditor policy

The Museum creditor policy operates a 30-days payment policy where no payment terms have been specifically agreed. Using a sampling method, 67.60% of payments were made within this policy for 2010–11 (2009–10 76.67% including possible 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, NMSI makes the optimal use of cash investment opportunities by ensuring 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. Social, environmental and ethical considerations would be taken into account. The policy was reviewed by the Finance and General Purposes and Audit Committees in September 2007.

Reserves policy

The Trustees review the reserves policy each year as part of the budget process in determining the levels of the reserve allocations. In addition to designated reserves where funds have already been allocated to particular purposes ranging from capital renewal to revenue-funded programmes, funds have also been allocated to a Contingency Fund to provide a reserve for use when significant unforeseen costs arise. The Trustee Finance and General Purposes Committee has reviewed the risks and determines the level of the fund depending on the recent calls on the fund and the size of the current capital programme. The level of the fund is reassessed annually as part of the budget activity and also when any major change in the level of activity is planned.

The Contingency Fund stood at £2.45m at 31 March 2011 and it may be necessary to increase it to match the added risks arising from the forward capital programme. Unrestricted general funds usually arise from the previous year's surplus and are allocated for expenditure or to a designated reserve in the following year. See note 17.2 in the notes to the accounts.

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.

Immunity from seizure

NMSI has approved status under Part 6, Section 136 of the Tribunals, Courts and Enforcement Act 2007. This took effect from 9 November 2009, and was granted by the Secretary of State for Culture, Media and Sport. Part 6 of the Act confers protection on objects loaned from abroad for temporary public exhibitions, provided the conditions set out in the Act are met.

To date, NMSI exhibitions have not included any protected items.

Sponsors and donors

Science Museum

Accenture
 Arts Council England
 Bank of America Foundation
 Barclays
 Bayer
 BP International Ltd
 British Psychological Society
 Cambridge Wireless
 City Bridge Trust
 The Consultative Group on International Agricultural Research (CGIAR)
 Howard and Veronika Covington
 The Dana and Albert R Broccoli Foundation
 DCMS/Wolfson Museums and Galleries Fund
 Department for Environment, Food and Rural Affairs (Defra)
 EADS
 Forestry Commission
 GlaxoSmithKline
 The Heritage Lottery Fund
 Institute of Psychoanalysis
 John Lyon's Charity
 Johnson Matthey plc
 Life Technologies Foundation
 London Consortium
 L'Oréal UK and Ireland
 National Heritage Memorial Fund
 Nature
 The Pilgrim Trust
 Roger Vere Foundation
 Royal Academy of Engineering
 The Royal Commission for the Exhibition of 1851
 The journal Science and AAAS, the non-profit science society
 Shell International
 Siemens
 SITA Trust
 UK Friends of the Science Museum
 Vandervell Foundation
 Wellcome Trust
 Michael and Jane Wilson

- Members of the Science Museum
- Centenary appeal donors
- Miscellaneous company donations
- Legacy donations and pledges
- Donations from individuals via donation boxes and other miscellaneous giving
- Science Museum volunteers
- All those who wish to remain anonymous

National Railway Museum

Abellio Foundation
 Arts and Humanities Research Council (AHRC)
 Mr Gordon Ball
 Business Arts Council
 Durham County Council
 Esmée Fairbairn Foundation
 Foundation for Sport and the Arts
 Friends of the National Railway Museum
 Groundwork North East
 Heidenhain
 Heritage Lottery Fund
 Japan Society
 Langleys
 The Liz and Terry Bramall Charitable Trust
 Milburns
 The National Archives

Orient Express
 Robert Charles (Bob) Hunt Bursary
 R T Group
 Samuel Storey Family Charitable Trust
 Sapphire Products
 Shepherd Building Group
 South Durham Enterprise Agency
 Stichting Foundation
 Tata Steel
 University of York
 Volunteer Centre
 Mrs R Wheeler
 Yorkshire Forward

- The many individuals who have given to the Steam Our Scotsman appeal and the restoring Deltic 55002 appeal
- All those who have decided to leave legacies
- Miscellaneous company donations
- Donations from individuals via donation boxes and other miscellaneous giving
- NRM York volunteers
- NRM Shildon volunteers
- *King's Own Yorkshire Light Infantry* volunteers
- All those who wish to remain anonymous

National Media Museum

Aesthetica Magazine
 The Art Fund
 BBC North
 Black Sheep Brewery
 Bradford College
 Pierre Brahm – Henry & James Property Group
 Brass Agency
 Brickbox Digital Media
 City of Bradford Metropolitan District Council
 Daimler AG
 The David Lean Foundation
 Europa Cinemas
 European Commission Education & Training: Gruntvig Programme
 Films and Festivals Magazine
 First Light Movies
 Grand Central Railway Company
 Hallmark Cards UK
 James Hyman – James Hyman Gallery
 JCT600
 Jurys Inn
 Kudlian Software Ltd
 Laser Dataline
 Media World Logistics
 Mezzo Films
 Northern Rail
 Panasonic UK Ltd
 Royal Photographic Society
 Screen Yorkshire
 Simon Crocker & The John Kobal Foundation
 Spellman Walker
 Toon Boom Animation Inc.
 Tosca Fund Photography Collection
 University of Bolton
 Michael and Jane Wilson
 Yorkshire Forward

- Members @ National Media Museum
- Miscellaneous company donations
- Donations from individuals via donation boxes and other miscellaneous giving
- NMeM volunteers
- All those who wish to remain anonymous

Corporate partners

Science Museum

Lovelace Laureates
BP International
Forensic Science Service
GlaxoSmithKline
Life Technologies
Shell
Siemens

Archimedes Alliance

Bloomberg LP
National Savings & Investments
UK Trade & Investment

Faraday Fellowship

Arup Group Ltd
Bank of America Merrill Lynch
CMS Cameron McKenna
Cobham plc
EADS
Farrer & Co.
Goldman Sachs
Smiths Group
Thomson Airways
Tranter Lowe

Curie Circle

Mathys & Squire LLP
MLL Telecom

Founders Circle

Accenture
Barclays plc
Bayer

National Railway Museum

Patron Level
Central Japan Railway Company
DB Schenker (formerly EWS)
Porterbrook Leasing Co.
Network Rail
The Readers of Steam Railway Magazine
Unipart Rail
West Coast Railways
West Japan Railway Company

Benefactor Level

Bachmann Europe plc
Hornby
Linde Castle
Northern Rail
Tata Steel (formerly Corus)

Member Level

Abellio
First TransPennine Express
Langleys

Associate Level

Heidenhain (GB) Ltd
Milburns
Shepherd Group

National Media Museum

Cameron Level
Bradford College
Dulay Seymour
Kodak
Rex Procter and Partners
Universal AV Services Ltd

Cerf Level

Last Cawthra Feather
Turn Key

Peel Level

The Grimsby Institute
Hallmark Cards UK
Spellman Walker

Dimbleby Level

Jurys Inn Bradford

Patrons

Science Museum

Newton Circle
Howard and Veronika Covington
Mr David Harding
Michael and Jane Wilson

Galileo Circle

Mr and Mrs Donald Brydon
GP Bullhound

Einstein Circle

Beaumont Partners
Michael and Mercedes Hoffman
Sir Mark Lennox-Boyd
Mr and Mrs George Loudon

National Railway Museum

Duchess Circle
Alan E Moore CBE
Leopold de Rothschild
Mrs R Wheeler

Brunel Circle

Lord and Lady Aldington
Dr Ian Bratchie
Dr Ann Coxon
Dr Douglas Gurr
Mr Andrew Jackson
Mr and Mrs Alan Lovell
The Maplescomb Trust
Leopold de Rothschild
Mr Andrew Scott
Mr and Mrs Robert Stoutzker
Lord and Lady Waldegrave of North Hill
Mr Gregg Wilson

Scotsman Circle

Harry Medcalf

We would like to thank all of our Patrons, and all those who wish to remain anonymous, for their generous support.

TRASH FASHION

DESIGNING OUT WASTE

CUT IT OUT



Instructions for the 'Cut It Out' activity, including a list of materials and steps.



MATERIALS DESIRES

THE AVERAGE HOUSEHOLD CONTRIBUTES 20 ITEMS OF WEARABLE CLOTHING TO LANDFILL EVERY YEAR.

Polyester and other synthetics can take centuries to degrade. Natural fibres decay faster, but as they break down they release climate-altering methane and leak dyes into the environment.

Can technology work with nature to make better fabrics that are easy to recycle and quick to break down?



REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

Reference and administrative details of the charity, its Trustees and advisers

The name of the charity

The National Heritage Act 1983 created the charity, the Board of Trustees of the Science Museum, generally known by the name of the National Museum of Science & Industry (NMSI).

It comprises:

- Science Museum (SM)
- National Railway Museum (NRM) in York and Locomotion at Shildon
- National Media Museum (NMeM)

The address of the principal office of the charity and its charitable company

Museum addresses

Science Museum
Exhibition Road
London SW7 2DD

National Railway Museum
Leeman Road
York YO26 4XJ

Science Museum at Wroughton
Hackpen Lane
Wroughton
Wiltshire SN4 9NS

National Media Museum
Pictureville
Bradford BD1 1NQ

Blythe House
23 Blythe Road
London W14 0QF

National Railway Museum at Shildon, Locomotion
Shildon
County Durham DL4 1PQ

Company information

NMSI Enterprises Ltd

Directors

Mr Howard Covington (Chair)
Mr James Bilefield
Mr Ian Blatchford (from 2 November 2010)
Dr Douglas Gurr (resigned 1 October 2010)
Mr Jonathan Newby
Mr Nigel Pocklington (resigned 11 February 2011)
Mr Andrew Scott CBE (resigned 15 October 2010)
Mr Chris Weller

Secretary

Ms Anne Caine

Registered office

Exhibition Road
South Kensington
London
SW7 2DD

Registered number – 2196149

Bradford Film Ltd

(a company limited by guarantee)

Directors

Mr Michael G Wilson OBE (Chair)
Mr Colin Philpott

Secretary

Ms Anne Caine

Registered office

Exhibition Road
South Kensington
London
SW7 2DD

Registered number – 3309258

The Board of Trustees of NMSI

Numbers in brackets refer to membership of subcommittees, as listed below.

	Term	Date of current appointment	Expiry of appointment
Chairman			
The Rt Hon. Lord Waldegrave of North Hill (3)	2	01.07.06	30.06.10
Dr Douglas Gurr (2) (3) (5) (6) (8)	1	01.07.10	30.06.14
Members			
Lady Chisholm (3) (8)	2	14.01.11	13.01.15
Sir Ron U Cooke (3) (4)	2	06.06.06	05.06.10
Mr Howard Covington (2) (6)	1	07.04.08	06.04.12
Lord Faulkner of Worcester (1) (4)	1	05.01.11	04.01.15
Dr Douglas Gurr (2) (5) (6) (8)	2	06.06.07	30.06.10
Mr Simon J Linnett (2) (4)	1	05.01.11	04.01.15
Professor Averil Macdonald (7)	1	07.04.08	06.04.12
Sir Howard Newby CBE (4) (10)	2	14.01.11	13.01.15
Lord Rees of Ludlow (7)	2	06.06.07	05.06.11
Dr Gill Samuels CBE (1) (3) (7)	1	07.04.08	06.04.12
Professor Simon J Schaffer (7)	1	14.01.07	13.01.11
Dr Maggie Semple OBE (2) (7) (9)	2	10.10.07	09.10.11
Dr Tony Sewell (1) (7)	1	14.01.07	13.01.11
Mr James Smith	1	05.01.11	04.01.15
Professor Roderick A Smith (4)	2	23.04.06	22.04.10
Ms Janet Street-Porter (7)	1	07.04.08	06.04.12
Mr Christopher Swinson OBE (1) (3) (4) (10)	1	07.04.08	06.04.12
Sir William Wells (1) (10)	2	06.06.07	05.06.11
Mr Michael G Wilson OBE (5) (8)	2	13.02.08	12.02.12

Advisory boards, Trustee subcommittees and subsidiary company boards

- (1) Audit Committee (Chair – Sir William Wells until 05.06.11, Mr Christopher Swinson OBE from 06.06.11)
- (2) Finance and General Purposes Committee (Chair – Dr Douglas Gurr until 01.11.10, Mr Howard Covington from 02.11.10)
- (3) Remuneration Committee (Chair – Mr Christopher Swinson OBE)
- (4) National Railway Museum Advisory Board (Chair – Sir Howard Newby CBE)
- (5) National Media Museum Advisory Board (Chair – Mr Michael G Wilson OBE)
- (6) Board of Directors of NMSI Enterprises Ltd (Chair – Mr Howard Covington)
- (7) Science Museum Advisory Board (Chair – Dr Maggie Semple OBE)
- (8) NMSI Development Trustee Subcommittee (Chair – Mr Michael G Wilson OBE)
- (9) Wellcome Wolfson Building Trustee Subcommittee (Chair – Dr Maggie Semple OBE)
- (10) NMSI York Central Trustee Subcommittee (Chair – Sir William Wells)

Full membership of Trustee subcommittees with non-Trustee members

National Media Museum Advisory Board

Chairman

Mr Michael G Wilson OBE (Trustee)

Members

Mr Simon Beaufoy

Mr Pierre Brahm

Professor Mark Cleary

Mr Philippe Garner

Dr Douglas Gurr (Trustee) – until 15.02.11

Mr Matt Locke

Ms Zahida Manzoor CBE

Mr Peter McCormick OBE

Mr Roger Mosey

Mr Simon Norfolk

Mr Tony Reeves

Ms Carolyn Reynolds

Ms Gillian Reynolds MBE

Science Museum Advisory Committee

Chair

Dr Maggie Semple OBE (Trustee)

Members

Dr Nicolas Barker OBE

Dr Jim Bennett – until 07.06.10

Ms Natalie Ceeney CBE – from 02.09.10

Professor Brian Cox OBE – from 04.01.11

Dr Marcus du Sautoy

Dr Graham Farmelo

Mr Malcolm Garrett – from 02.09.10

Mr Roger Highfield

Sir Tim Hunt – from 02.09.10

Professor Averil Macdonald

Dr Christine MacLeod

Dr Clare Matterson

Professor Christopher Rapley CBE – from 04.01.11

Lord Rees of Ludlow (Trustee) – until 07.06.10

Professor Michael J Reiss – from 02.09.10

Dr Gill Samuels CBE (Trustee)

Professor Simon J Schaffer (Trustee)

Dr Tony Sewell (Trustee) – until 13.01.11

Ms Janet Street-Porter (Trustee)

National Railway Museum Advisory Board

Chairman

Sir Howard Newby CBE (Trustee)

Members

Dr Alison Birkinshaw

Sir Ron U Cooke (Trustee) – until 05.06.10

Mrs Gillian Cruddas MBE

Ms Kersten England

Lord Faulkner of Worcester (Trustee) – rejoined 05.01.11

Mr Christopher Garnett

Mr Bryan Gray CBE – from 24.01.11

Mr Brian Greenwood

Mr Simon Linnett (Trustee)

Mr Richard Lungmuss

Mr John G Nelson

Ms Sue Palmer OBE

Mr Frank Paterson

Professor Roderick A Smith (Trustee) – until 22.04.10

Mr Christopher Swinson OBE (Trustee)

Wellcome Wolfson Building Trustee Subcommittee

Chair

Dr Maggie Semple OBE (Trustee)

Members

Professor Elizabeth N Anionwu CBE

Professor Colin Blakemore

Dr Graham Farmelo

Sir Roland Jackson Bt

Mr Paul Ramsbottom

Mr E F Rover

Mr Ben Stewart

Professor Richard Wiseman

NMSI Development Trustee Subcommittee

Chairman

Mr Michael G Wilson OBE (Trustee)

Members

Lady Chisholm (Trustee)

Mr Howard Covington (Trustee)

Mr John Crawford

Dr Douglas Gurr (Trustee) – until 30.06.10

Methods adopted for recruitment and appointment of new Trustees

The process of recruiting Trustees takes place in accordance with the procedures defined by DCMS under which descriptions of the roles required are advertised, interviews conducted and recommendations made to the DCMS for appointment by the Prime Minister in accordance with the National Heritage Act 1983.

Policies and procedures for induction and training of Trustees

Officers of NMSI work with the new Trustees to provide both general briefing about the Museums and the role of the Board of Trustees of the Science Museum within a charity and non-departmental public body, and particular information about areas of interest in which the Trustees wish to support the Museums specifically. Updates and assessment of effectiveness of the Board form part of the agenda of meetings.

Executive Committee

Mr Ian Blatchford	Director (from 18 October 2010)
Mr Andrew Scott CBE	Interim Director (retired 15 October 2010), previously Director of National Railway Museum
Mr John Bevin	Acting Director of Corporate Services (became Director of Estates, non-executive committee post from 31 March 2011)
Ms Anne Caine	Director of Finance
Mr Steve Davies MBE	Director of National Railway Museum
Ms Susan Fisher	Director of Development
Ms Jean Franczyk	Director of Learning
Heather Mayfield	Deputy Director, Science Museum (from 26 December 2010)
Ms Adele McAllister	Director of Human Resources
Mrs Judith McNicol	Director of Change Management – this post supports NMSI in managing the impact of reductions in public-sector funding (became non-executive committee post from 31 March 2011)
Mr Jonathan Newby	Managing Director, NMSI Enterprises Ltd
Mr Colin Philpott	Director of National Media Museum
Professor Christopher Rapley CBE	Director of Science Museum (resigned 31 December 2010)

Register of interests

The Trustee register of interests is available on the NMSI website or for inspection on application to the NMSI Committee Manager at the Science Museum, Exhibition Road, London SW7 2DD.

List of NMSI advisers

Auditors

NMSI
Comptroller and Auditor General
National Audit Office
157–197 Buckingham Palace Road
London SW1W 9SP

NMSI Enterprises Ltd and Bradford Film Ltd
Grant Thornton UK LLP
Grant Thornton House
Melton Street
London NW1 2EP

Bankers

NMSI
Barclays Bank plc
Floor 27
1 Churchill Place
London E14 5HP

NMSI Enterprises Ltd and Bradford Film Ltd
Barclays Bank plc
Floor 27
1 Churchill Place
London E14 5HP

Solicitors

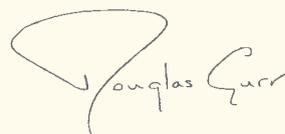
NMSI
Farrer & Co.
66 Lincoln's Inn Fields
London WC2A 3LH

CMS Cameron McKenna LLP
Mitre House
160 Aldersgate Street
London EC1A 4DD

NMSI Enterprises Ltd and Bradford Film Ltd
Farrer & Co.
66 Lincoln's Inn Fields
London WC2A 3LH

The fees due to the National Audit Office for audit services amounted to £55,000 (2009–10 £57,900). Grant Thornton audited NMSI Enterprises Ltd and Bradford Film Ltd, with fees due amounting to £32,000 (2009–10 £33,900).

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.



Dr Douglas Gurr
Chairman of the Board of Trustees
1 July 2011



Mr Ian Blatchford
Accounting Officer and Director
1 July 2011

REMUNERATION REPORT AND STATEMENTS

Visitors inspecting the Chinese KF7 Class 4-8-4 locomotive built at the Vulcan Foundry, Newton-le-Willows, in 1935 for export to China.

Remuneration report

Membership

The membership of the Remuneration Committee comprised:

Mr Christopher Swinson (Chair)
 Lady Chisholm
 Dr Douglas Gurr – from 1 July 2010
 Dr Gill Samuels – from 1 March 2011
 Sir Ron U Cooke – retired 5 June 2010
 Lord Waldegrave of North Hill – retired 30 June 2010

The Acting NMSI Director, Mr Andrew Scott, and Director of Human Resources, Ms Adele McAllister, were in attendance at the meeting which reviewed 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 the Museums' senior managers whose jobs are of a certain size (as determined by formal job evaluation) and of NMSI Enterprises Ltd executive 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)

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 on to what extent 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 Corporate Plan objectives. Bonuses are payable to three Executive members 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 of the change together with any impact from changes in job scope and external factors.

Policy on duration of contracts, notice periods and termination payments

Senior staff are permanent employees of either the National Museum of Science & Industry or of NMSI Enterprises Ltd. Notice periods for senior employees are between one and three months, for the Director, six months. Termination payments are in accordance with Museum or NMSI Enterprises Ltd contractual terms. There were no severance or compensation payments to senior managers or former senior managers in year nor were there any payments to third parties for the services of senior managers in year.

The amount paid in regard of remuneration of Ian Blatchford (NMSI Director from 18 October 2010) was £54,167 and the employer's pension contributions were £12,514. The amount paid in relation to Andrew Scott (Acting NMSI Director from 1 April 2010 to 15 October 2010) was £62,325 and the employer's pension contributions were £15,029.

All Museum employees 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 6.2.2. All NMSI Enterprises Ltd staff are 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 NMSI, are not remunerated. Expenses paid are disclosed in note 6.2.3 to the Annual Accounts.

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.

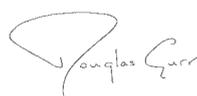
The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue & Customs as a taxable emolument.

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. The actuarial factors used to calculate CETVs were changed in 2010/11. The CETVs at 31/3/10 and 31/3/11 have both been calculated using the new factors, for consistency. The CETV at 31/3/10 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors.

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.



Dr Douglas Gurr
 Chairman of the Board of Trustees
 1 July 2011



Mr Ian Blatchford
 Accounting Officer and Director
 1 July 2011

	2010-11		2009-10		Total accrued pension at age 60 31.03.11 (£000)	Real increase in pension at age 60 (£000)	CETV at 31.03.11 or end date (nearest £000)	CETV at 31.03.10 or start date (nearest £000)	Real increase in CETV (nearest £000)
	Remuneration and full-year equivalent (FYE) £000	Benefits in kind (nearest £100)	Remuneration and full-year equivalent (FYE) £000	Benefits in kind (nearest £100)					
Ian Blatchford Director (appointed 18.10.2010)	50-55 [FYE 125-130]	-			15-20	2.5-5	185	150	31
Andrew Scott Acting Director (resigned 15.10.2010) Director of National Railway Museum (to 21.09.2009)	60-65 [FYE 115-120]	-	65-70 [FYE 115-120]	-	80-85	5-7.5	1,568	1,408	138
Molly Jackson Acting Director (dismissed 21.09.2009)	-	-	35-40 [FYE 90-95]	700	-	-	-	-	-
Martin Earwicker Director (resigned 05.04.2009)	-	-	55-60 [FYE 120-125]	-	-	-	-	-	-
John Bevin Acting Director of Corporate Services	60-65	800	0-5 [FYE 145-150]	-	30-35	-	645	603	(3)
Anne Caine Director of Finance	80-85	-	60-65	1,100	20-25	0-2.5	466	416	17
Steve Davies Director of National Railway Museum (appointed 08.02.2010)	100-105	600	80-85	-	-	-	-	-	-
Sue Fisher Director of Development (appointed 01.08.2009)	70-75	600	10-15 [FYE 100-105]	-	-	-	-	-	-
Jean Franczyk Director of Learning	70-75	-	45-50 [FYE 70-75]	700	-	-	-	-	-
Jonathan Newby MD, NMSI Enterprises Ltd (appointed 14.12.2009)	70-75	-	70-75	-	0-5	0-2.5	53	36	11
Heather Mayfield Deputy Director, Science Museum (appointed 26.12.2010)	105-110 includes 0-5 bonus	400	30-35 [FYE 100-105]	-	-	-	-	-	-
Adele McAllister Director of Human Resources	20-25 [FYE 80-85]	-	70-75 [FYE 80-85]	-	30-35	2.5-5	642	542	48
Judith McNicol Director of Change Management (part time from 01.01.2011)	85-90	-	85-90	-	5-10	0-2.5	136	100	14
Colin Philpott Director of National Media Museum	75-80 [FT, FYE 85-90]	300	20-25 [FYE 85-90]	500	-	-	-	-	-
Cynthia Rallis Director of Development (resigned 31.07.2009)	-	-	70-75 [FYE 80-85]	-	-	-	-	-	-
Christopher Rapley Director of Science Museum (resigned 31.12.2010)	100-105	-	100-105	-	10-15	0-2.5	212	166	24
	-	-	40-45 [FYE 130-135]	400	-	-	-	-	-
	70-75 [FT, FYE 95-100]	800	100-105 [FT, FYE 115-120]	-	-	-	-	-	-

The table above has been subject to audit. The 2009-10 remuneration for Colin Philpott has been restated to correct an error in the previously reported figures. The staff included in the remuneration report constitute those managers delivering policy and direction for NMSI.

Statements

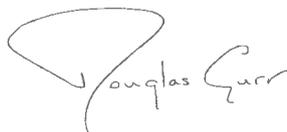
Statement of Board of Trustees' and Director's responsibilities

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 NMSI'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 NMSI will continue in operation

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



Dr Douglas Gurr
Chairman of the Board of Trustees



Mr Ian Blatchford
Accounting Officer and Director

1 July 2011

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

Statement of internal control

Scope of responsibility

As Chairman of the Board of Trustees and as Accounting Officer we are responsible for maintaining a sound system of internal control that:

- Supports the achievement of the objectives of NMSI
- Safeguards the public funds and assets for which the Accounting Officer is personally responsible in accordance with the responsibilities assigned in Government Accounting
- Ensures compliance with the requirements of NMSI's Management Statement and Financial Memorandum
- Has incorporated risk management within the strategic business planning process

The present Director is placing reliance on assurances given by the previous Director (who left on 15 October 2010) together with his own knowledge of the Museums. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the Museum's policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of the Museum's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in NMSI for the year ended 31 March 2011 and up to the date of approval of the Annual Report and Accounts and accords with Treasury guidance.

Capacity to handle risk

The Board of Trustees sees management of risk as one of its major responsibilities. The Finance and General Purposes Committee examines major projects, our processes and financial performance closely in this regard and reports its findings to the Board. The Audit Committee looks at risk from an audit perspective and reports its findings to the Board, and separate Trustee subcommittees give strong, direct support to each of the Museums, particularly focusing on their cultural work. A review of the effectiveness of the Board took place in September 2008 and actions agreed then have been implemented. The work of the Executive Committee in setting the forward cultural programme of the Museums and the Investment Committee in reviewing infrastructure programmes and all investment decisions has maintained the consistency and rigorosity of investment decisions by NMSI. The Corporate Risk Group includes managers from across NMSI who have received an induction in risk management and can act as a resource for their functions/locations. The Corporate Risk Group moved to a more extended risk assessment process to enable better assessment of gross and mitigated risks. A Management Statement (outlining key responsibilities) and Financial Memorandum is in place between DCMS and NMSI.

The risk and control framework

During 2010–11, NMSI took actions to achieve the Corporate Plan objectives through the agreed business plans. Assessment of corporate risks, identified within the business plans, focused on managing a reduction in Grant in Aid funding impacting on delivery of core activities and maintenance and failure to achieve capital fundraising to renew galleries and exhibitions. Other risks included the impact on visitors and the Museums of terrorism or other external disasters, concerns about maintaining the standards of Museum exhibitions in more straitened

circumstances and therefore the attractiveness of the Museums to visitors, adverse PR resulting from the Museums addressing controversial subjects and maintaining health and safety standards. The wide range of information risks was managed through relevant policies and procedures with specific review of exposure through contractors. An in-depth review of information-related risk took place during 2008-09 in line with the Cabinet Office guidance, and a programme of actions was defined and is being progressed.

Risk evaluation informs our actions in managing these risks efficiently, effectively and economically as we implement our plans to achieve our objectives over the coming years. Risk management is integrated into corporate planning and decision-making processes of NMSI supported by the regular review and update of risk registers.

The Board of Trustees of the Science Museum and the Board of Directors of NMSI Enterprises Ltd received reports from the Chairs of the Audit and Finance and General Purposes Committees and the Director concerning matters affecting internal control and the minutes of all subcommittees are distributed to Trustees. During 2010-11 the Museum has completed the FOILE programme with the Health and Safety Executive and is making steady progress towards the goal of achieving OHSAS 18001 accreditation.

The system of internal control has been in place in NMSI for the year ended 31 March 2011 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:

- An Executive management team, comprising the Directors of Museums, Director of Learning, Director of Development, Managing Director of NMSI Enterprises Ltd, Director of Change Management, Director of Finance, Director of HR and Director of Corporate Services, which met monthly in 2010-11 to consider the plans and strategic direction of NMSI
- Training, from time to time, for the Executive on issues relating to probity and the management of public finances
- Reviews by the Executive Committee of forward cultural activity development against the Corporate Plan
- An Investment Committee undertaking review of all investment proposals to ensure a rigorous standard is consistently applied
- Clearly defined capital investment prioritisation and control processes
- Formal project management disciplines paying attention to risk and contingency levels
- Regular reports from managers to the Audit Committee, Finance and General Purposes Committee, Board of Directors of NMSI 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 NMSI's internal control standards
- Continual development of a range of robust system controls designed to ensure the integrity of NMSI's IT networks and external communications links
- 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

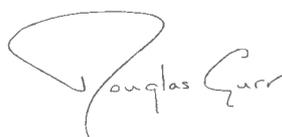
the key performance indicators that measure attainment against objectives and Funding Agreements, and of periodic and annual financial reports that track financial performance against forecasts

- A Funding Agreement between NMSI and the Department for Culture, Media and Sport which includes performance measures
- The Corporate Risk Group, chaired by the Finance Director, reporting to the Audit Committee, which is responsible for
 - i. developing and monitoring the implementation of the Museum's risk strategy
 - ii. monitoring changes in the corporate risk profile and, via its Chairman
 - iii. reporting significant changes to the Director, Audit Committee, Board of Trustees and Executive Committee
- The Corporate Risk Group, responsible for the maintenance of an organisation-wide risk register, progressing work to develop a consistent evaluation framework and encouraging the use of ongoing control and risk self-assessment procedures
- Maintenance of the register of interests for Trustees, Directors of NMSI Enterprises Ltd, subcommittee advisers and senior staff

In 2010-11, NMSI continued to use the internal audit services of Moore Stephens, which operates to the Government Internal Audit Standards. Moore Stephens has provided internal audits and annual assurance for 2010-11 to the Accounting Officer. 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. The analysis of risk and the internal audit plans are endorsed by the Trustees' Audit Committee and approved by NMSI. The Head of Internal Audit (HIA) provides NMSI with regular reports on internal audit activity in the body. The reports include the HIA's independent opinion on the adequacy and effectiveness of the body's system of internal control, together with recommendations for improvement. In the internal audit Annual Report for 2010-11 the HIA gave reasonable assurance on the effectiveness of the Museum's risk management, control and governance processes. Actions arising from all the audits are being addressed by NMSI and are monitored through the Audit Committee.

Review of effectiveness

As Chairman of the Board of Trustees and as Accounting Officer, we have responsibility for reviewing the effectiveness of the system of internal control. Our review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within NMSI who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management review letter and other reports. We have been advised on the implications of the result of our review of the effectiveness of the system of internal control by the Board and the Audit Committee and plan to address weaknesses and ensure continuous improvement of the system.



Dr Douglas Gurr
Chairman of the Board of Trustee

1 July 2011



Mr Ian Blatchford
Accounting Officer and Director

1 July 2011

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



The 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 National Museum of Science and Industry for the year ended 31 March 2011 under the Museums and Galleries Act 1992. These comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Museum Balance Sheet, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Board of Trustees, Accounting Officer and auditor

As explained more fully in the Statement of Board of Trustees' and Director's Responsibilities, the Board of Trustees and 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 National Museum of Science and Industry and the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in Annual Report to identify material

inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the incoming and outgoing resources have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Regularity

In my opinion, in all material respects, the incoming and outgoing resources have been applied to the purposes intended by Parliament and the financial transactions 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 National Museum of Science and Industry's and the group's affairs as at 31 March 2011 and of the incoming resources and application of resources of the group for the year then ended;
- the financial statements have been properly prepared in accordance with the Museums and Galleries Act 1992 and Secretary of State directions issued thereunder with HM Treasury's consent.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Secretary of State directions issued with HM Treasury's consent under the Museums and Galleries Act 1992; and
- the information given in The organisational structure, Financial review, The Board of Trustees of NMSI, Full membership of Trustee subcommittees with non-Trustee members and Executive Committee sections of the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

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

13 July 2011



An Explorer helps out in the Science Museum's interactive gallery *Launchpad*

ANNUAL ACCOUNTS 2010-11

National Museum of Science & Industry Consolidated Statement of Financial Activities for year ended 31 March 2011

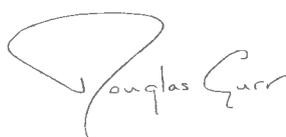
	Notes	2011 unrestricted funds £000	2011 restricted funds £000	2011 endowment fund £000	2011 total £000	2010 total [as restated] £000
Incoming resources						
Incoming resources from generated funds						
Voluntary income						
Grant in Aid from DCMS	2	40,028	125	-	40,153	40,608
Grants, legacies and donations	3	779	4,806	-	5,585	4,843
Lottery income	2	-	157	-	157	59
Activities for generating funds						
Income from commercial activities		13,548	57	-	13,605	15,426
Sponsorship		66	1,239	-	1,305	1,950
Rental income from operating leases		577	50	-	627	624
Investment income	5	136	-	-	136	57
Incoming resources from charitable activities						
Other income	4	1,786	-	-	1,786	1,929
Total incoming resources		56,920	6,434	-	63,354	65,496
Resources expended						
Costs of generating funds						
Costs of generating voluntary income		3,158	203	-	3,361	3,432
Commercial costs (fundraising trading: costs of goods sold and other)		11,936	151	-	12,087	13,830
Charitable activities						
Care for and research into collections		12,421	3,835	-	16,256	16,249
Science education and communication		17,600	6,548	-	24,148	22,316
Visitor services		10,505	1,812	-	12,317	12,700
Governance costs		450	-	-	450	470
Total resources expended	6	56,070	12,549	-	68,619	68,997
Net incoming/(outgoing) resources		850	(6,115)	-	(5,265)	(3,501)
Corporation tax		-	-	-	-	(15)
Net movement in funds		850	(6,115)	-	(5,265)	(3,516)
Fund balances brought forward at 01.04.10		37,977	246,069	73	284,119	287,635
Fund balances carried forward at 31.03.11		38,827	239,954	73	278,854	284,119

All operations of the Museum continued throughout both periods and no operations were acquired or discontinued in either period. The Museum has no recognised gains and losses other than those above and consequently no separate statement of total recognised gains and losses has been presented.

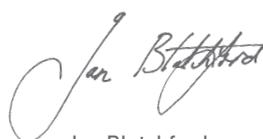
The notes on pages 50 to 68 form part of these accounts.

National Museum of Science & Industry Balance Sheets as at 31 March 2011

	Notes	Consolidated Balance Sheet		Museum Balance Sheet	
		2011 £000	2010 £000	2011 £000	2010 £000
Fixed assets					
Tangible assets	8	249,475	253,705	244,094	248,052
Heritage assets	9	15,340	15,159	15,340	15,159
Investment		-	-	411	411
		264,815	268,864	259,845	263,622
Current assets					
Stock		819	668	-	-
Debtors	12	3,471	3,779	7,300	7,954
Short-term deposits	18.3	13,000	13,000	13,000	13,000
Cash in hand and at bank	18.3	5,530	6,663	2,557	2,987
		22,820	24,110	22,857	23,941
Creditors: amounts falling due within one year	13.1	(7,063)	(7,601)	(5,043)	(5,274)
Net current assets		15,757	16,509	17,814	18,667
Total assets less current liabilities		280,572	285,373	277,659	282,289
Creditors: amounts falling due after one year	13.2	(685)	(809)	(333)	(383)
Provisions for liability and charges	15	(1,033)	(445)	(955)	(396)
Net assets		278,854	284,119	276,371	281,510
Represented by:					
Restricted funds					
Sponsorship, Grants and Donations Reserve		2,298	3,215	2,298	3,215
Capital Reserves		164,461	164,842	163,147	163,377
Revaluation Reserve		73,195	78,012	73,195	78,012
	17.1	239,954	246,069	238,640	244,604
Unrestricted funds					
Designated funds					
Museum Improvement Fund		10,053	11,237	10,053	11,237
Collections Purchase Fund		374	374	374	374
Capital Reserves		20,758	19,010	20,758	19,010
Revaluation Reserve		3,370	3,770	1,815	2,215
Major Projects Contingency Fund		2,450	2,200	2,450	2,200
Post Office Building Purchase Reserve		900	700	900	700
General funds		922	686	1,308	1,097
	17.2	38,827	37,977	37,658	36,833
Total income funds		278,781	284,046	276,298	281,437
Endowment funds		73	73	73	73
Total funds		278,854	284,119	276,371	281,510



Dr Douglas Gurr
Chairman of the Board of Trustees
1 July 2011



Ian Blatchford
Accounting Officer and Director
1 July 2011

The notes on pages 50 to 68 form part of these accounts.

National Museum of Science & Industry Consolidated Cash Flow for the year to 31 March 2011

	Notes	2011 £000	2010 £000
Net cash inflow from operating activities	18.1	7,048	7,574
Returns on investments and servicing of finance	18.2	89	10
Capital expenditure	18.2	(8,202)	(3,021)
Management of liquid resources	18.2	-	(11,000)
Financing	18.2	(68)	(61)
(Decrease) in cash		(1,133)	(6,498)

Reconciliation of net cash flow to movement in net funds

(Decrease) in cash in the period		(1,133)	(6,498)
Increase in liquid resources		-	11,000
Decrease in debt and lease financing		68	61
Change in net fund resulting from cash flow	18.3	(1,065)	4,563
Net funds as at 1 April	18.3	19,169	14,606
Net funds at 31 March	18.3	18,104	19,169

The notes on pages 50 to 68 form part of these accounts.

Notes to the consolidated account for the year ended 31 March 2011

1 Statement of accounting policies

1.1 Accounting convention

The accounts have been prepared under a historical 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). 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, NMSI Enterprises Ltd. The consolidation is on a line-by-line basis with the recharges between the Museum and the trading subsidiary 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 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). 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, and in publicising the Museum.

Charitable expenditure comprises direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with use of the resources as set out in note 6.1.2.

Governance costs are the costs associated with the governance arrangements and the costs associated with 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. 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, NMSI adopts a depreciated historical 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
Freehold, leasehold and residential buildings*	10-50 years
Plant and machinery	5-25 years
Galleries and exhibitions	5-15 years
Information technology and audiovisual equipment	3-10 years
Fixtures and fittings**	3-10 years

* Freehold and leasehold buildings includes both the building structure with a life of between 10 and 50 years and building fit-out (including such items as lift shafts, raised floors, ventilator ducts) with a life of 10-25 years.

** A small number of racking installations with an expected useful life of 20 years are included within this category.

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

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 £10,000 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 NMSI 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 NMSI collections is set out at note 9.

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 Scheme (PCSPS), which is a non-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 NMSI 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.

NMSI 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 compensations 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 annual compensation payments made in the year (note 15.1).

1.11 Taxation

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

For NMSI Enterprises Ltd and Bradford Film Ltd, 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.

NMSI 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. For significant purchases, an option to purchase currency at an agreed exchange rate at a forward date is secured at the time of contract.

1.15 Notional costs

As a result of a change in the FReM we are no longer required to disclose a notional cost of capital charge, so this has been omitted from the accounts. There is no impact on the previous year's balance sheet as a result of this change.

1.16 Provisions

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

1.17 Accounts Direction

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

2 Museum Statement of Financial Activities

	2011 £000	2010 £000
Incoming resources		
Incoming resources from generated funds		
Grant in Aid from DCMS	40,153	40,608
Voluntary income (grants, legacies and donations)	5,455	4,732
Lottery income	157	59
Activities for generating funds		
Rental income from operating leases	482	469
Investment income, including Gift Aid from subsidiary	3,389	4,009
Income resources from charitable activities		
Other income	1,786	1,929
Total incoming resources	<u>51,422</u>	<u>51,806</u>
Resources expended		
Cost of generating funds		
Costs of generating voluntary income	3,361	3,432
Charitable activities		
Care for and research into collections	16,256	16,249
Science education and communication	24,177	22,316
Visitor services	12,317	12,700
Governance costs	<u>450</u>	<u>470</u>
Total resource expended	<u>56,561</u>	<u>55,167</u>
Net outgoing resources	(5,139)	(3,361)
Revaluation of assets	-	-
Net movement in funds	(5,139)	(3,361)
Reserves brought forward	<u>281,510</u>	<u>284,871</u>
Reserves carried forward	<u>276,371</u>	<u>281,510</u>

Grant in Aid of £40,153k was received from the Department for Culture, Media and Sport during the year (2009-10 £40,608k). This represents £36,653k towards running the organisation. The balance of funding needs, including most capital improvements, is delivered from resources that are self-generated. The capital element of the Grant in Aid, £3500k, was used for exhibitions, refurbishment and ICT infrastructure.

3 Voluntary income (consolidated)

	2011 £000	2010 £000
Grants (excluding Lottery grants and European Union grants)	3,867	2,964
Strategic Commissioning DCMS/DCFS	157	142
European Union grants	20	1
Value of donated capital assets and heritage assets	36	554
Value of donated goods and services	268	321
Individual donations	1,148	811
Patrons' scheme	75	50
Legacies	14	-
	<u>5,585</u>	<u>4,843</u>

4 Other income

Other income arises from project self-generated income, conference and educational events, locomotive hire and cloakroom payments.

5 Investment income

Consolidated investment income of £136k (2009-10 £57k) arose through interest earned from investing surplus funds.

6 Total resources expended

6.1.1 Analysis by functional purpose

	Direct costs £000	Support costs £000	Depreciation £000	2011 total £000	2010 total £000
Cost of generating funds					
Costs of generating voluntary income	2,860	401	100	3,361	3,432
Fundraising trading: cost of goods sold and other costs	11,815	-	272	12,087	13,830
Charitable activities					
Care for and research into the collections	9,034	3,608	3,614	16,256	16,249
Science education and communication	13,819	4,294	6,035	24,148	22,316
Visitor services	6,952	3,075	2,290	12,317	12,700
Governance costs	160	290	-	450	470
	44,640	11,668	12,311	68,619	68,997

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	64	66	87	184	-	401
Care for and research into the collections	202	208	217	407	2,574	3,608
Science education and communication	310	318	451	641	2,574	4,294
Visitor services	156	(60)	257	149	2,573	3,075
Governance	83	202	5	-	-	290
	815	734	1,017	1,381	7,721	11,668

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

- (1) Management – in proportion to the expenditure
- (2) Finance – in proportion to 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

6.2 Staff

6.2.1 Staff costs

	2011 £000	2010 £000
Salaries and wages	21,774	22,160
Social Security costs	1,776	1,776
Other pension costs (Museum only)	2,246	2,371
Pension contributions (NMSI Enterprises Ltd)	208	189
Revaluation of Early Retirement provision	(39)	21
Agency staff	1,583	1,133
Compensation and redundancy payments (NMSI Enterprises Ltd)	59	19
Restructuring costs provision	743	-
	28,350	27,669

Analysis of compensation and redundancy packages in 2010-11 (2009-10)

£ package cost	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
£0-£10,000	1 (-)	- (-)	1 (-)
£10,000-£25,000	- (-)	- (1)	- (1)
£25,000-£50,000	- (-)	2 (-)	2 (-)

None of these payments were covered by the Civil Service Compensation Scheme.

6.2.2 Pension contributions

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but NMSI is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2010–11 employers' contributions of £2,228,802 were payable to PCSPS (2009–10 £2,350,773) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2010–11 to be paid when the member retires, and not the benefits paid during this period to existing pensioners. (The rates will be changing with effect from April 2011.)

Employees can opt to open a partnership pension account, a stakeholder pension account with an employer contribution. Employers' contributions of £16,107 were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age related and range from 3% to 12.5% of pensionable pay. In addition, employer contributions of £1,214, 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump-sum benefits on death in service and ill-health retirement of these employees.

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.

The NMSI Enterprises Ltd Pension Scheme is a contracted-in group money-purchase scheme with optional contracted-out pensions to which NMSI Enterprises Ltd contributes 7% and the employee 5%. NMSI Enterprises Ltd pension contributions of £204,832 were paid (2009–10 £189,148).

6.2.3 Trustees

The Chairman and Trustees (listed in the Annual Report) received no remuneration for their services, but travel and subsistence expenses totalling £3,945 were paid to nine Trustees.

6.2.4 Employees receiving remuneration over £60,000

£	2011	2010
60,001–65,000	10	4
65,001–70,000	-	1
70,001–75,000	3	2
75,001–80,000	4	1
80,001–85,000	1	2
85,001–90,000	2	2
90,001–95,000	-	1
95,001–100,000	-	2
100,001–105,000	1	-
105,001–110,000	2	-
110,001–115,000	-	1
	23	16

For ten of these employees, total remuneration includes BUPA contributions.

In the year, contributions totalling £34k were paid to a defined contribution scheme on behalf of three employees who received remuneration over £60,000. For 12 of the staff included above, retirement benefits accrued under a defined-benefit scheme.

6.2.5 Employees (full-time equivalents) analysed by activity

	2011 employment contract	2011 other staff engaged	2011 total	2010 total
Care for and research into collections	155	6	161	161
Science education and communication	311	9	320	320
Visitor services	176	33	209	187
Costs of generating voluntary income	59	2	61	61
Fundraising and trading	141	2	143	162
Governance costs	5	-	5	5
	847	52	899	896

Of the 847 full-time equivalent employed staff, 148 were on fixed-term contracts. Of staff included in the above analysis, 13 have declared disabilities. A total of 124 employees, of whom 122 were NMSI Enterprises Ltd employees, received benefits in kind in the form of BUPA contributions.

6.3 Other direct costs

	2011 NMSI	2011 Enterprises/ Bradford Film	2011 total	2010 total
	£000	£000	£000	£000
Auditors' remuneration – audit fees	55	37	92	92
Auditors' remuneration – other services	-	4	4	10
Lease rental payments on land and buildings	96	19	115	129
Lease rental payments on equipment	123	12	135	143
Lease rental payments on vehicles	37	-	37	39

7 NMSI Enterprises Ltd

The Board of Trustees of the Science Museum owns the single share which is the entire issued share capital of NMSI 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. Bradford Film Ltd is a company limited by guarantee for which NMSI Enterprises Ltd is the sole member.

NMSI Enterprises Ltd transfers profits, the amount determined by the Directors, by Gift Aid to NMSI.

NMSI Enterprises Ltd was gifted shares in Science Exhibitions Ltd as part of the outsourcing of exhibition development to Science & Media LLP.

7.1 NMSI Enterprises Ltd consolidated profit and loss account for the year ended 31 March 2011

	2011 £000	2010 £000
Turnover	13,764	15,503
Cost of sales	(4,560)	(5,352)
Gross profit	9,204	10,151
Administrative expenses	(17,232)	(17,420)
Other operating income	11,424	11,284
Operating profit	3,396	4,015
Interest receivable	5	2
Interest payable	(65)	(76)
Profit on ordinary activities before taxation	3,336	3,941
Tax on profit on ordinary activities	-	(14)
Profit for the financial year	3,336	3,927
Gift Aid	(3,311)	(3,932)
Retained profit/(loss) for the financial year	25	(5)

7.2 NMSI Enterprises Ltd consolidated balance sheet

	2011 £000	2010 £000
Tangible fixed assets	5,381	5,653
Stock	819	668
Debtors	1,510	1,838
Bank and cash	2,973	3,676
Creditors due within one year	(5,213)	(6,194)
Creditors due after one year	(3,812)	(4,037)
Provisions	(78)	(49)
Net assets	1,580	1,555
Capital and reserves		
Called-up share capital	-	-
Revaluation Reserve	1,555	1,555
Profit and loss account	25	-
Shareholder's funds	1,580	1,555

7.3 Subsidiary companies

The National Museum of Science & Industry has NMSI Enterprises Ltd as a subsidiary. NMSI Enterprises Ltd has National Science Centre Ltd, Wide Eye Management Company Ltd, Lift Off Interactives Ltd, Science Shops Ltd, Launch Pad Ltd, Curricula Ltd and Curriculum Ltd as dormant subsidiaries. Bradford Film Ltd, a company limited by guarantee, is a subsidiary of NMSI Enterprises Ltd.

8 Tangible fixed assets

8.1 Consolidated assets

	Land and buildings £000	Plant and machinery £000	Galleries and exhibitions £000	Fixtures and fittings £000	Information technology and audio- visual equipment £000	Assets under construction £000	Total £000
Cost or revalued amount as at 01.04.10	232,194	63,971	22,147	3,823	990	2,070	325,195
Recategorisation	-	269	(111)	(158)	-	-	-
Transfers from assets under construction	90	2	1,964	-	-	(2,056)	-
Additions during year	965	349	6,044	237	293	193	8,081
Disposals	(1,078)	(511)	(8,615)	(200)	(48)	-	(10,452)
Cost or revalued amount as at 31.03.11	232,171	64,080	21,429	3,702	1,235	207	322,824
Depreciation as at 01.04.10	34,476	18,005	16,010	2,508	491	-	71,490
Recategorisation	-	38	(65)	27	-	-	-
Disposals	(1,078)	(511)	(8,615)	(200)	(48)	-	(10,452)
Charge for the year	4,539	4,802	2,401	295	274	-	12,311
Depreciation as at 31.03.11	37,937	22,334	9,731	2,630	717	-	73,349
Net book value at 31.03.11	194,234	41,746	11,698	1,072	518	207	249,475
Net book value at 31.03.10	197,718	45,966	6,137	1,315	499	2,070	253,705

The net book value at 31 March 2011 represents fixed assets for

	Land and buildings £000	Plant and machinery £000	Galleries and exhibitions £000	Fixtures and fittings £000	Information technology and audio- visual equipment £000	Assets under construction £000	Total £000
Charitable activities	190,383	40,376	11,698	912	518	207	244,094
Other activities	3,851	1,370	-	160	-	-	5,381
	194,234	41,746	11,698	1,072	518	207	249,475

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.

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 NMSI shows a one-third share of the value, as established by Knight Frank at March 2009, on its balance sheet.

8.2 Museum assets

	Land and buildings	Plant and machinery	Galleries and exhibitions	Fixtures and fittings	Information technology and audio-visual equipment	Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or revalued amount as at 01.04.10	228,343	60,941	21,848	1,291	990	2,070	315,483
Transfers from assets under construction	90	2	1,964	-	-	(2,056)	-
Additions during year	965	349	6,044	237	293	193	8,081
Disposals	(1,078)	(511)	(8,615)	(27)	(48)	-	(10,279)
Cost or revalued amount as at 31.03.11	228,320	60,781	21,241	1,501	1,235	207	313,285
Depreciation as at 01.04.10	34,476	16,278	15,757	429	491	-	67,431
Disposals	(1,078)	(511)	(8,615)	(27)	(48)	-	(10,279)
Charge for the year	4,539	4,638	2,401	187	274	-	12,039
Depreciation as at 31.03.11	37,937	20,405	9,543	589	717	-	69,191
Net book value at 31.03.11	190,383	40,376	11,698	912	518	207	244,094
Net book value at 31.03.10	193,867	44,663	6,091	862	499	2,070	248,052

8.3 Land and buildings

	Net book value at 31.03.11			Net book value at 31.03.10
	Museum assets £000	NMSI Enterprises assets £000	Total £000	Total £000
Freehold land and buildings	174,576	-	174,576	175,299
Investment property	-	2,846	2,846	2,846
Freehold residential properties	538	-	538	549
Short leasehold*	15,269	1,005	16,274	19,024
	190,383	3,851	194,234	197,718

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

8.4 Revaluation of assets

The valuation by Chartered Surveyors Knight Frank as at 31 March 2009 was in accordance with the RICS Appraisal and Valuation Manual. The South Kensington site, National Media Museum and Locomotion at Shildon were valued on the basis of depreciated replacement cost. The National Railway Museum site, Science Museum site in Wroughton, and Blythe House are included at existing use valuations.

The Concrete Works, an undeveloped site adjacent to the National Railway Museum is owned by NMSI Enterprises Ltd and is held as an investment property at a value of £2.8m. It was valued by Drivers Jonas, Chartered Surveyors, as at 31 March 2009.

9 Heritage assets

At 31 March 2011, the combined cost (for purchases) and value (for donated heritage assets) of capitalised heritage assets acquired from 2002 onwards was £15,340k (31.03.2010: £15,159k). In the year heritage assets valued at £36k were donated to the collections. Only purchases which cost £5k or more were capitalised. Only those donations where the attributed value was £10k or more were capitalised. All valuations were carried out by Museum curatorial staff. In the Trustees' view the value of the less significant donations is not material and obtaining a current valuation would involve disproportionate cost.

No capitalised collection objects were disposed of during the year. Heritage assets are not subject to depreciation or indexation.

9.1 On-Balance-Sheet heritage assets

	Acquisitions at historic cost £000	Donated assets at valuation £000	Total £000	Purchases	Donated assets	Total
				Number of on-balance-sheet assets		
2002-07	7,408	5,445	12,853	15	19	34
2008	-	1,285	1,285	-	6	6
2009	160	260	420	6	3	9
2010	47	554	601	7	6	13
2011	0145	36	181	4	2	6
Balance at 31.03.2011	7,760	7,580	15,340	32	36	68

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.nmsi.ac.uk.

9.3 Collections management

NMSI exists, under the terms of the National Heritage Act 1983 (NHA), to develop, manage and make this 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.

NMSI 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 NMSI 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 NMSI to ensure adherence to these standards.

NMSI 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

- Objects in the collection are documented in accordance with MLA requirements, SPECTRUM and PAS 197.
- 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 NMSI'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 NMSI's Library and Archive collections is held within local management systems. It is made accessible to the public subject to relevant legislation.

NMSI 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;
- ensure records relating to objects in the collection are enhanced and made available to audiences.

Further details of policies adopted by NMSI in the management of its collections can be found at www.nmsi.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.

NMSI 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 a 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

The definition of numbers in a collection is fairly arbitrary as single items accessioned may comprise a wide range of artefacts, components or supporting papers. However, this list reflects how they are accessioned in museum records.

It should also be noted that the NMSI Collections Register numbers include the records for those artefacts where the cost, or attributed value, is lower than the capitalisation thresholds (£5,000 for purchased assets, £10,000 for donated assets) established under NMSI's accounting policies.

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.

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.

9.6 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

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; 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).

Category	Estimated number of items as at 31.03.11	Number capitalised as at 31.03.11
Science Museum		
Scientific instruments	25,579	8
Commerce and industry	42,655	13
Medical	18,629	1
Archives and printed books	6,898	1
Art	7,258	2
Coins and medals	902	1
Library and Archive collections	700,000	-
National Railway Museum		
Railway origins	5,060	1
Locomotives and rolling stock	2,663	17
Railway life and work	20,087	-
Railway image and sound collections	17,999	-
Railways and culture	3,966	-
Library and Archive collections	2,962,121	2
Handling collections	226	-
National Media Museum		
Photographic collections	5,867	20
Printed materials and ephemera	310	-
Cinematography	2,811	-
Photographic technology	11,221	-
Television and new media	1,229	2
Library and Archive collections	3,485,000	-
	7,320,481	68

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.

10 Commitments under operating leases

As at 31 March 2011, NMSI had annual commitments under non-cancellable operating leases as set out below:

	2011 Land and buildings £000	2011 Vehicles £000	2011 Equipment £000	2011 Total £000	2010 Land and buildings £000	2010 Vehicles £000	2010 Equipment £000	2010 Total £000
Operating leases which expire:								
within one year	-	1	122	123	-	-	-	-
in the second to fifth year	92	34	25	151	93	39	143	275
after more than five years	11	-	-	11	36	-	-	36
	<u>103</u>	<u>35</u>	<u>147</u>	<u>285</u>	<u>129</u>	<u>39</u>	<u>143</u>	<u>311</u>

11 Capital commitments

There were no contracted capital commitments at the balance-sheet date.

12 Debtors

	Consolidated 2011 £000	Consolidated 2010 £000	Museum 2011 £000	Museum 2010 £000
Trade debtors	1,261	2,019	539	621
Provision for bad debts	(11)	(357)	(5)	(24)
Other debtors	89	89	62	58
Prepayments and accrued income	1,453	1,323	689	581
Taxation recoverable (VAT)	679	705	658	705
Museum loans to NMSI Enterprises Ltd	-	-	2,298	2,298
Intercompany current account	-	-	3,059	3,715
	<u>3,471</u>	<u>3,779</u>	<u>7,300</u>	<u>7,954</u>

12.1 Loans to trading subsidiary

Purpose of loan	£000	Interest payable
Future purchase of leasehold interest in the Old Meteorological Building, Exhibition Road	1,005	0%, subject to continuing provision to the Museum of office accommodation
Purchase of land at Leeman Road, York	1,293	1% above Bank of England Base rate

Both loans held by the trading subsidiary are repayable on demand and are secured by a floating charge on all of the subsidiary's assets. The Museum has confirmed that it will not call the loans for repayment until at the earliest 30 June 2012, then subject to the ability of the subsidiary to make repayments.

13 Creditors

13.1 Amounts falling due within one year

	Consolidated 2011 £000	Consolidated 2010 £000	Museum 2011 £000	Museum 2010 £000
Trade creditors	2,951	3,139	2,150	2,567
Other creditors	34	125	34	125
Accruals and deferred income	3,492	3,590	2,558	2,259
Taxation and Social Security costs	512	680	301	323
Bank loan	74	67	-	-
	7,063	7,601	5,043	5,274

13.2 Amounts falling due after one year

	Consolidated 2011 £000	Consolidated 2010 £000	Museum 2011 £000	Museum 2010 £000
Bank loan	352	426	-	-
Deferred income: advance rent*	333	383	333	383
	685	809	333	383

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

14 Intra-Government balances

	Debtor balance £000	Creditor balance £000
Balances with central Government bodies	68	1
Balances with local authorities	79	334
Balances with public corporations and trading funds	17	23

15 Provisions

15.1 Movements on provisions

	Restructuring costs	Early Retirement	IMAX maintenance	TOTAL
Opening balance at 01.04.10	-	396	49	445
Charged to the SOFA during the year	743	-	9	752
Revaluation of Early Retirement provision	-	(39)	-	(39)
Utilisation of provision	-	(125)	-	(125)
Closing balance at 31.03.11	743	232	58	1,033
Liability due within one year	743	140	58	941
Liability due after one year	-	92	-	92

Restructuring costs provision

The provision has been created in anticipation that costs associated with the first phase of redundancies will be incurred in 2011–12.

Early retirement provision

The final charge against the provision will be in the year to March 2014. The amount of the provision anticipates increases of 2.65% per annum in the cost of the compensation payments payable to those ex-employees who have reached the age of 55. In accordance with FRS12 guidance the sum provided is equivalent to the present value of expenditures expected to be required to settle the obligation. In accordance with Treasury guidance on the discounting of pension liabilities the discount factor applied is 2.9%.

IMAX maintenance provision

This provision relates to NMSI Enterprises' contractual obligation to refurbish the IMAX theatre at the Science Museum.

16 Financial instruments

16.1 Liquidity risk

Approximately 64% of NMSI's income is provided by Grant in Aid from the Department for Culture, Media and Sport, and 21% of NMSI'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 play a more limited role in creating risk than would apply to 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	2011 £000
Trade debtors	12	1,261
Other debtors	12	89
Short-term deposits	per balance sheet	13,000
Cash	per balance sheet	5,530

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.

16.2.1 Analysis of the ageing of the non-impaired trade debtors:

	Trade debtors £000	Less than 30 days £000	30-60 days old £000	More than 60 days old £000
As at March 2011	1,261	669	284	297

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.

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

	£000
Provision at 1 April 2010	357
Credited to the SOFA	(368)
Increase in provision	22
Balance at 31 March 2011	11

16.3 Financial liabilities by category

	Note	£000
Trade creditors	13	2,951
Other creditors	13	34
Accruals		2,747
Bank loan	16.4	426

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

16.4 Bank loan

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

	2011 £000	2010 £000
Loan not wholly repayable within five years:	426	493
Analysis of maturity of debt:		
Within one year of demand	74	67
Between one and two years	82	74
Between two and five years	270	271
After five years	-	81
	<u>426</u>	<u>493</u>
Amount repayable by instalments any of which fall for payment after five years	-	81

The leasehold interest in the Old Meteorological Building at Exhibition Road, London (net book value at 31.03.11 £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.

17 Statement of funds

17.1 Statement of restricted funds

	Sponsorship, Grants and Donations Reserve	Capital Reserves	Revaluation Reserves	Collections Purchase Fund	Total restricted funds
	£000	£000	£000	£000	£000
Opening balances at 01.04.10	3,215	164,842	78,012	-	246,069
Income	6,279	50	-	105	6,434
Expenditure	(2,041)	(5,455)	(5,053)	-	(12,549)
Transfers:					
Capitalised project expenditure	(5,155)	5,224	-	(69)	-
Capitalisation of donated heritage assets	-	36	-	(36)	-
Transfers between Capital and Revaluation Reserves	-	(236)	236	-	-
Closing balances at 31.03.11	2,298	164,461	73,195	-	239,954

17.2 Statement of unrestricted funds

	Museum Improvement Reserve	Capital Reserve	Revaluation Reserve	Collections Purchase Fund	Contingency Fund	Post Office Building Purchase Reserve	Total designated funds	General funds	Total unrestricted funds
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Opening balances at 01.04.10	11,237	19,010	3,770	374	2,200	700	37,291	686	37,977
Income	11,213	-	-	26	-	-	11,239	45,681	56,920
Expenditure	(9,516)	(1,487)	(164)	(51)	-	-	(11,218)	(44,852)	(56,070)
Capitalised project expenditure	(2,881)	2,881	-	-	-	-	-	-	-
Capitalisation of heritage assets purchased using operating budgets	-	75	-	(75)	-	-	-	-	-
Capitalisation of non-heritage assets purchased using operating budgets	-	43	-	-	-	-	43	(43)	-
Transfer to increase Collections Purchase Fund	-	-	-	100	-	-	100	(100)	-
Transfer to replenish Contingency Fund	-	-	-	-	600	-	600	(600)	-
Release for gallery development	-	-	-	-	(350)	-	(350)	350	-
Annual transfer to Post Office Building Purchase Reserve	-	-	-	-	-	200	200	(200)	-
Transfers between Capital and Revaluation Reserves	-	236	(236)	-	-	-	-	-	-
Corporation tax	-	-	-	-	-	-	-	-	-
Closing balances at 31.03.11	10,053	20,758	3,370	374	2,450	900	37,905	922	38,827

17.3 Analysis of group net assets between funds

Fund balances at 31 March 2011 are represented by:	Unrestricted	Restricted	Endowment	Total
	funds	funds	fund	
	£000	£000	£000	£000
Tangible fixed assets	26,383	223,092	-	249,475
Heritage assets	392	14,948	-	15,340
Current assets	20,616	2,131	73	22,820
Current liabilities	(6,846)	(217)	-	(7,063)
Long-term liabilities	(685)	-	-	(685)
Provisions	(1,033)	-	-	(1,033)
Total net assets	38,827	239,954	73	278,854

17.4 Funds

17.4.1 Restricted funds

Where a donor or sponsor has specified a particular purpose for a donation, grant or sponsorship income, that income is shown as restricted income in the year in which receipt is due.

Sponsorship, Grants and Donations Reserve

Sponsorship income, grants and donations received for specific projects or events are shown as restricted income and credited to a Sponsorship, Grants and Donations Reserve.

Capital Reserves

The restricted Capital Reserves represent the net book value of fixed assets financed by restricted income. £1,464k (2010: £1,615k) of the Capital Reserves represents the net book value of two IMAX cinema projectors purchased with a capital grant from the Heritage Lottery Fund.

Revaluation Reserves

Where assets have been financed by restricted income then any revaluation movements arising from the quinquennial professional revaluations are recognised within this reserve; the associated current cost depreciation is charged to this reserve.

Collections Purchase Fund

Income received for the purchase of specific items or from the sale of objects is shown as restricted income and credited to the Collections Purchase Fund.

17.4.2 Endowment fund

The Brink endowment fund is a permanent endowment established to advance the education in science of disadvantaged children. The income generated by the endowment is treated as restricted to the purpose of the fund.

17.4.3 Unrestricted designated funds

Where the Museum decides to commit to a specific project, an allocation is made to a designated fund. Income is recognised in the Statement of Financial Activities as it arises and is allocated as explained in the reconciliation and analysis of movements of the funds.

Museum Improvement Reserve

Museum funds committed to specific future project activity are credited to the Museum Improvement Reserve and released in the year in which the related expenditure takes place.

Capital Reserves

The restricted Capital Reserves represent the net book value of fixed assets financed by unrestricted income; the reserves fund future historic cost depreciation.

Revaluation Reserve

Where assets have been financed by unrestricted income then any revaluation movements arising from the quinquennial professional revaluations are recognised within this reserve; the associated current cost depreciation is charged to this reserve.

Collections Purchase Fund

Museum funds committed specifically to the purchase of objects for the collections are credited to the Collections Purchase Fund and released in the year in which expenditure takes place.

Contingency Reserve

Funds have been allocated to a Contingency Reserve to provide a reserve for use when significant unforeseen costs arise. The level of the reserve is determined by the Finance and General Purposes Committee with reference to recent calls on the funds and the size of the current capital programme. The necessary level is reassessed annually as part of the budget activity and also when any major change in the level of activity is planned. Transfers within the year to support gallery development were replenished by the end of the year.

Post Office Building Purchase Reserve

The Museum is contracted to purchase the leasehold (99 years from 1995) of 'The Post Office Building' (formerly known as the Old Meteorological Building), Exhibition Road, for £1,004,697 in 2016, once the mortgage on the property is repaid by NMSI Enterprises Ltd. This fund represents monies set aside to meet this obligation.

17.4.4 General funds

General funds are available for use in furtherance of the general objectives of the Museum and are usually allocated for expenditure in the year after they arise. Specific general reserves are detailed under designated funds.

18 Cash-flow information

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

		2011	2010
	Note	£000	£000
Net outgoing resources before taxation		(5,265)	(3,501)
Movement on corporation tax liability		15	20
Investment income	5	(136)	(56)
Interest payable		46	53
Donated fixed assets and heritage assets	17.1	(36)	(554)
Release from deferred income provision		100	(50)
Depreciation	8.1	12,311	12,038
Proceeds of heritage asset sale		(27)	-
(Increase) in stocks		(151)	(56)
(Increase)/decrease in debtors		656	(239)
Movements on bad debt and specific grant provisions	16.2.2	(346)	109
(Decrease)/increase in creditors, excluding loans		(707)	17
Creation of restructuring costs provision		743	-
Increase in pension provision	15.1	(39)	21
In-year payments to early retirees	15.1	(125)	(180)
Movement on IMAX provision in NMSI Enterprises	15	9	(48)
Net cash inflow from operating activities		7,048	7,574

18.2 Gross cash flows

	2011	2010
	£000	£000
Returns on investments and servicing of finance		
Interest received	136	63
Interest paid	(47)	(53)
	89	10
Capital expenditure		
Receipt from sale of tangible fixed assets	27	29
Payments to acquire tangible fixed assets	(8,229)	(3,050)
	(8,202)	(3,021)
Management of liquid resources		
Cash (invested in) short-term investments	-	(11,000)
Financing		
Loan repayments	(68)	(61)

18.3 Analysis of changes in net funds

	At 01.04.10	Cash flows	At 31.03.11
	£000	£000	£000
Cash at bank and in hand	6,663	(1,133)	5,530
Current asset investments	13,000	-	13,000
Debt due within one year	(68)	(6)	(74)
Debt due after one year	(426)	74	(352)
	19,169	(1,065)	18,104

19 Contingent liabilities

There were no contingent liabilities.

20 Related-party transactions

The National Museum of Science & Industry is an executive non-departmental public body whose parent body is the Department for Culture, Media and Sport. The Department for Culture, Media and Sport is regarded as a related party. During 2010–11 the National Museum of Science & Industry had a number of transactions in the normal course of business and at full arms length with the Department and with other entities for which the Department is regarded as the parent Department. The Director acts as Accounting Officer for the National Coal Mining Museum for England Trust Ltd. Loans of objects were also made to other museums for which DCMS is the parent body. In addition, NMSI provides advisory services to the Heritage Lottery Fund for which it receives payment. NMSI also had a small number of transactions with other Government departments and other central Government bodies.

Four Trustees had relationships with bodies with which NMSI had transactions;

Organisation	Nature of transaction	Name	Payments £000	Receipts £000	Creditor £000	Debtor £000
University of West England	Supply of training course	Sir Howard Newby	1.2	-	-	-
Yorkshire Forward	Funding for Internet Gallery at NMeM	Sir Ron Cooke	-	108.5	-	-
University College London	AHRC/BT Research Networking Grant	Mr James Smith	-	5.1	-	-
Science & Media LLP	Rent & services provided for offices at Science Museum	Dr Doug Gurr Ms Molly Jackson	-	14.4	-	-

NMSI Enterprises Ltd was gifted 16.5% of shares in Science & Media LLP, the holding company for 'Science of' which creates the 'Science of' exhibitions shown in the Science Museum and elsewhere. Dr Gurr and Ms Jackson hold unremunerated directorships within that group of companies to ensure the interests of NMSI Enterprises Ltd are represented.

In relation to Science & Media LLP, £337.4k was written off as a bad debt in 2010-11, of which £318.2k had been provided for in the 2010 accounts.

21 Post balance sheet events

The Annual Report and Accounts 2010–11 were authorised for issue by the Trustees and Accounting Officer on the date they were certified by the Comptroller and Audit General.

Awards and nominations, exhibitions, publications and acquisitions

Awards and nominations

Science Museum

- Best Customer Service Visitor Attraction at the 2010 Theme Parks and Visitor Attraction Awards
- Silver winner of the Best Tourism Experience at the 2010 Visit London Awards
- Nominated Best Business Venue at the 2010 Visit London Awards
- Nominated for the *Evening Standard's* Best Family Fun and Best London for Free Experience categories in the People's Choice Awards 2010
- Commended in the Identity Programme category at the Design Week Awards 2011
- Science Museum logo, winner of the Leisure and Travel – Programmes category at the Benchmarks Best in Brand Communication Awards 2010
- Science Museum logo, shortlisted in the Letterheads and Logos category at the Design Week Awards 2011
- *Thingdom*, Games category winner at the Design Week Awards 2011
- *Who am I?*, commended in the Installation category at the Design Week Awards 2011
- *Antenna – science news*, shortlisted in the Innovations Award category at the Museums and Heritage Awards 2011
- Wellcome Wing redevelopment shortlisted in the Classic Award category at the Museums and Heritage Awards 2011

National Railway Museum

- Winner of the Business Tourism Award at the Welcome to Yorkshire White Rose Awards 2010
- *The Railway Children*, Best Entertainment at the Olivier Awards 2011 (joint with York Theatre Royal)
- Marsh Volunteers Award for Museum Learning, Yorkshire region 2010

Locomotion

- Sandford Award for Heritage Education 2010
- World Class Service accreditation

National Media Museum

Awards for films made as part of the DCMS/DCFS-funded Strategic Commissioning project *Anim8ed*:

- *Hungry for Health* (National Media Museum/St Aidan's CE High School, Harrogate/British Library) won the Best Animation by Young Filmmakers Award at the International Family Film Festival, Hollywood 2011; the Best Film by Young Animators Award at BAF! 2010, National Media Museum, Bradford; and second prize at the Leeds National Young Filmmakers Awards for Under 14s at the Leeds Young People's Film Festival in April 2011.
- *The Lion at Home* (National Media Museum/Bricknell Primary School/Ferens Art Gallery) won Best Animation made by Children at AniFest, Prague in June 2010 and the Runner's Up prize in the Young Shorts category at the Flip Animation Festival 2010 in Wolverhampton.

Exhibitions

Started between 1 April 2010 and 31 March 2011

	Opened	Closed
Science Museum		
<i>Who am I?</i> (redeveloped permanent gallery)	June 2010	Ongoing
<i>Antenna – science news</i> (redeveloped permanent gallery)	June 2010	Ongoing
<i>Trash Fashion: designing out waste</i> (<i>Antenna</i> feature exhibition)	June 2010	September 2011
<i>Pattern Pod</i> (upgrade to permanent gallery)	June 2010	Ongoing
<i>Psychoanalysis: The Unconscious in Everyday Life</i>	October 2010	April 2011
<i>atmosphere ...exploring climate science</i> (permanent gallery)	December 2010	Ongoing
Planet Science (installation)	December 2010	Ongoing
<i>What If the Gyros Fail? Ideas, Prophets and Modern Science</i> (Smith Centre)	January 2011	Ongoing
<i>First Time Out</i>	January 2011	August 2011
<i>James Watt and our world</i> (permanent gallery)	March 2011	Ongoing
National Railway Museum		
<i>Great Western Railway Reflections</i>	May 2010	December 2010
Harry Potter train display: GWR 4900 Class 5972 <i>Olton Hall</i>	June 2010	September 2010
Wainwright D Class No. 737 locomotive and Pullman Car	July 2010	June 2011
Company Topaz first-class carriage display	December 2010	May 2011
<i>Driver Draughtsman Cleaner Clerk: Running Britain's Railways</i>	February 2011	October 2011
<i>Yorkshire's Favourite Paintings</i>		
Locomotion		
<i>County Durham Open Art Exhibition</i>	April 2010	May 2010
Durham Amateur Football Trust: World Cup display	June 2010	July 2010
LNER steam locomotive A4 4468 <i>Mallard</i> display	June 2010	Ongoing
<i>Hot Coals & Ash</i>	October 2010	November 2010
Display of a replica <i>Sans Pareil</i> locomotive and a sectioned replica of George and Robert Stephenson's <i>Rocket</i>	November 2010	Ongoing
<i>So Near & Yet So Far</i>	January 2011	March 2011
Class G5 locomotive bogie and Westinghouse pump display	January 2011	Ongoing
Durham Amateur Football Trust: Bobby Hardisty display	February 2011	April 2011
National Media Museum		
<i>Niece in England</i>	October 2010	October 2010
<i>Another Dimension</i>	October 2010	October 2010
<i>From Back Home: Anders Peterson & J H Engstrom</i>	October 2010	March 2011
<i>Fay Godwin – Land Revisited</i>	October 2010	March 2011

Publications

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- T Blyth, 'Introducing an oral history of British science', in *National Life Stories Review* (British Library, 2010), pp 20–3
- T Boon, 'Folk work: growing up in the past', *History Workshop Journal*, 70/1 (2010), pp 207–16
- T Boon, 'People, productivity and change: Peter Bradford', in P Russell, *Shadows of Progress: Britain's Forgotten Post-War Documentaries* (Basingstoke: BFI/Palgrave, 2010), pp 118–40
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- R Bud, 'From applied microbiology to biotechnology: science, medicine and industrial renewal', *Notes and Records of the Royal Society*, 64 (2010), pp 17–29
- R Bud, 'Belief, power and trust: a context for scholarly priorities in the history of science', in S Lehmann-Brauns, C Sichau and H Trischler (eds), *The Exhibition As Product and Generator of Scholarship*, Preprint 399 (Max-Planck-Institut für Wissenschaftsgeschichte, 2010), pp 29–32
- S Emmens, 'Checking up on your medics', *Family Tree*, 27/5 (2011), pp 30–3
- K Fouseki, 'Community voices, curatorial choices: community consultation for the 1807 exhibitions', *Museum and Society*, 8/3 (November 2010), pp 180–92
- J Inley 'James Watt's cookbook chemistry', *Notes and Records of the Royal Society* (February 2010), <http://rsnr.royalsocietypublishing.org/content/early/2011/01/27/rsnr.2010.0104.citation>
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- J Liffen, 'The introduction of the electric telegraph in Britain, a reappraisal of the work of Cooke and Wheatstone', *The International Journal for the History of Engineering and Technology* (formerly *Transactions of the Newcomen Society*), 80/2 (2010), pp 268–99
- D Millard, 'A review of UK space activity and historiography, 1957–2007', *Acta Astronautica*, 66/7–8 (April – May 2010), pp 1291–5
- D Millard, 'Cross-connections: a foreword', *The International Journal for the History of Engineering and Technology* (formerly *Transactions of the Newcomen Society*), 80/2 (2010), pp 160–5
- D Millard, 'History of UK Space', in S B Johnson (ed.), *Space Exploration and Humanity: A Historical Encyclopedia* (Washington, DC: NASA/ABC-CLIO, 2010)

P Morris, 'Does membership of the Royal Society affect careers? A trio in twentieth-century organic chemistry', *Notes and Records of the Royal Society*, 64 (2010), pp 77–87

D Rooney, review of *Big Ben: The Great Clock and the Bells at the Palace of Westminster* by C McKay, *Antiquarian Horology* (2010)

D Rooney, review of *Bridges: The Science and Art of the World's Most Inspiring Structures* by D Blockley, *History Today* (2010)

J Wess, 'Crookes' radiometers: a train of thought manifest', *Notes and Records of the Royal Society*, 64/4 (December 2010), pp 457–70

National Railway Museum

S Batchelor, review of *Single to Terra Incognita, The Journal of the Friends of the National Railway Museum* (autumn 2010), p10

S Batchelor, review of *Ice Road Locomotives, The Journal of the Friends of the National Railway Museum* (winter 2010–11), pp 9–10

C Divall, 'Mobilizing the history of technology', *Technology and Culture*, 51/4 (October 2010), pp 938–60

B Gwynne, *The Flying Scotsman: The Train, the Locomotive, the Legend* (Botley: Shire Publications in association with the NRM, 2010)

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C Harding, 'Behind the scenes at the National Media Museum: Roger Fenton, *Pasha and Bayadère*', *Black and White Photography* (January 2011), pp 86–7

C Harding, 'Behind the scenes at the National Media Museum: Herbert Ponting', *Black and White Photography* (February 2011), pp 86–7

C Harding, 'Behind the scenes at the National Media Museum: Annie Leibovitz and Julia Margaret Cameron', *Black and White Photography* (March 2011), pp 84–5

C Harding, 'Who's in the picture?', *Who Do You Think You Are? Magazine* (May 2010), pp 42–3

M Harvey, 'An interview with Joanna Quinn', exhibition catalogue for *Drawings that Move: The Art of Joanna Quinn* (Vicerrectorado de Cultura, 2011) pp 8–19

M Harvey, 'The Ray Harryhausen Collection', *Archive* (October 2010), p3

G Hobson, 'Justin Jin: zone of absolute discomfort', exhibition catalogue for *Photography Meets Industry* (Bologna: GD4A, 2010), pp 35–6

G Hobson, 'Simon Roberts: The Election Project', exhibition catalogue for *The Election Project: Simon Roberts* (London: Simon Roberts, 2010), pp 5–6

Acquisition highlights

Science Museum

Copy of a letter dated 16 March 1939, written to a Mr Leo d'Erlanger by Barnes-Wallis concerning the design and construction of a four-engine bomber and comparing the methods of stressed skin versus geodetic construction

Oramics Machine, developed by Daphne Oram, co-founder of the BBC Radiophonic Workshop, used to create electronic synthesised music, 1959

Wharfedale Carousel extension loudspeaker, serial no. 1248, made by Wharfedale Wireless Works, Bradford, 1937

SoLiD sequencer shell and parts (cover, doors, flow cells), made by Life Technologies (formerly Applied Biosystems), United States, used for genomics research, c. 2009

UK1 satellite model, includes stand, developmental cosmic ray analyser instrument, and custom-built shipping crate, each inscribed 'McMichael Radio Ltd', c. 1960/61

Order of service card dedicated to 'those lives lost to eating disorders', service held at Southwark Cathedral on 28 September 2010, organised by the eating disorder charity Beat, UK, 2010

Non-operational APEX autonomous drifting profiler, made by Teledyne Webb Research, Massachusetts, United States, used to measure upper ocean temperature and salinity as part of the global Argo project, 2010

Advanced Along-Track Scanning Radiometer (AATSR) Infrared and Visible Radiometer (IVR), flight spare, as used on ERS-2 and Envisat satellites for Earth surface temperature measurements, built by Astrium Ltd (Matra Marconi Space), 1995

Portrait bust of James Watt, reconstructed from plaster mould found in Watt's workshop c. 1807, manufactured by the UCL Digital Manufacturing Centre, 2010

Wechsler adult intelligence tests, pattern test blocks, used to measure adult intellectual ability, made by Pearson, 3rd UK edition, c. 1999

Cardioplan 531, portable electrocardiograph with accessories including carry case, ECG leads, original mains lead and plug, two rolls of wax paper, made by Philips, c. 1970s

CENTAUR, prototype for the ZEUS Central Tracking Detector, Oxfordshire, c. 1998, used at Rutherford Appleton Laboratory

Cambridge Microscan 9 electron probe X-ray microanalyser, serial number 0014, made by Cambridge Instruments, 1978

National Railway Museum

British Rail Class 306 electric multiple unit, 1949, designated as historically accurate and important for preservation by the Railway Heritage Committee

Rhodesia Railways monogrammed ceramic crockery, donated by artist David Shepherd to accompany his previous donation of a southern African locomotive and carriage, mid 20th century

Nine Elms engine shed wooden notice announcing 'Train Spotters are prohibited from entering this yard', c. 1950

Five pen-and-ink drawings by William Heath Robinson, commissioned for the Great Western Railway's book *Railway Ribaldry*, 1935

Original artwork for the Great Western Railway's iconic 'Speed to the West' poster, by Charles Mayo, gouache on board, c. 1939

Early 1970s posters promoting new high-speed trains and present-day east coast main line posters

Two aquatint prints, 'Evening Arrival', 1979, and 'Loading newspapers, King's Cross', 1981, by Ernest Sargieson, donated by the British Railway Board

Watercolour of Slough Station in 1841, c. 1841

Archive records from British Rail Research and files detailing civil defence procedures during the Second World War, c. 1939–1950s

Family papers comprising a collection of biographical material on locomotive engineer Timothy Hackworth

An illustrated essay by James Biott, an employee at Shildon Works, documenting his visit to the International Exhibition in London in 1862, paper with card covers, 1862

'Waterloo International from Eurostar', by Terence Cuneo, oils on canvas, c. 1994

National Media Museum

Collection of nine photographs by John Davies, silver gelatin print, printed 1983–88

Fotoman Plus digital camera with stand, Logitech

Josephine Rig camera (used to create *Horse Works and Ferment*), Tim MacMillan, 1995–96

Slade camera, Tim MacMillan, 1982

Tomorrow's World camera, Tim MacMillan, 1993

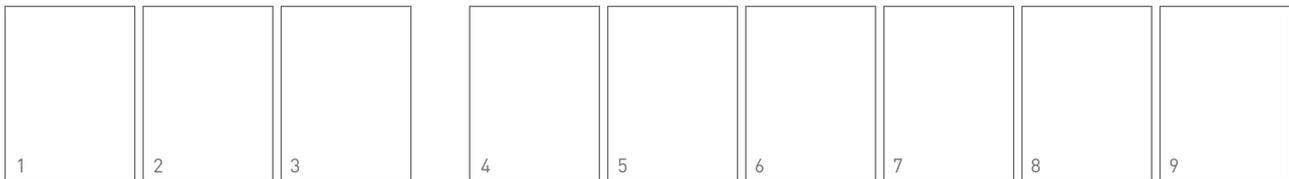
Collection of ten photographs from the series *Teds* by Chris Steele-Perkins, gelatine, 1976, printed 2010

Collection of eight photographs from the series *The Pleasure Principle* by Chris Steele-Perkins, ink jet on Innova fibre paper, 1980s, printed 2010

Pasha and Bayadère, by Roger Fenton, albumen print from a collodion negative, 1858

Book *Television* by Alfred Dinsdale, first edition, published 1926 by Sir Isaac Pitman & Sons Ltd, Parker Street, Kingsway, London WC2, inscribed by John Logie Baird

Collection of 22 pigment prints from the series *Calderdale* by Martin Parr, 1975–80, printed 2011



Cover photography

1. Wizard Week at the National Railway Museum with the *Hogwarts Express* locomotive featured in the Harry Potter films
2. Participants in the Nintendo DS world record attempt
3. Family visitors to the National Railway Museum
4. An Explainer helps out in the Science Museum’s interactive gallery *Launchpad*
5. Participants on A Cockroach Tour of the Science Museum admiring the Apollo 10 capsule
6. Terry Gilliam at the Bradford International Film Festival 2011
7. The National Railway Museum’s London South Western Railway (LSWR) Adam T3 class locomotive No. 56 starring in *The Railway Children* at Waterloo Station (photo by Simon Annand)
8. HRH The Prince of Wales at the launch of *atmosphere ...exploring climate science*
9. Visitors try presenting the news in *Experience TV* at the National Media Museum



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ISBN 978-0-10-297142-2



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