

MUSEUMS AND GALLERIES ACT 1992

Accounts, for the National Museum of Science and Industry prepared pursuant to Act 1992, c.44, para 9(7) for the year ended 31 March 2000, together with the Report of the Comptroller and Auditor General thereon. (In continuation of House of Commons Paper No. 778 of 1998–99)

Presented pursuant to Act 1992, c.44, para 9(8)

National Museum of Science and Industry Account 1999–2000

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Foreword and Annual Report

- History**
- 1 The Science Museum has its origins in the South Kensington Museum set up soon after the Great Exhibition of 1851. The National Railway Museum (NRM), 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 Museum of Photography, Film & Television (NMPFT) was established in 1983 with the support of Bradford City Council as part of the Council's economic redevelopment. Wroughton Airfield, a former World War II airfield, was made available to the Museum by the Ministry of Defence in 1979.
- NMSI Now**
- 2 The NMSI is the world's pre-eminent museum devoted to the history and contemporary practice of science, medicine, technology and industry. Its collections 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 Museum of the History of Medicine at South Kensington; the National Railway Museum at York; the National Museum of Photography, Film & Television at Bradford; Wroughton Airfield; and Concorde 002 with its associated exhibition at Yeovilton. Collections stores are at Wroughton near Swindon; Blythe House, West Kensington; Foundry Lane in York; and Black Dyke Mills in Bradford.
- Legal Status**
- 3 NMSI was run 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. These Accounts fulfil the requirements of the 1983 Act. NMSI is an exempt charity under the Second Schedule of the Charities Act (1960) and is recognised as charitable by the Inland Revenue. NMSI has a wholly owned subsidiary trading company, NMSI Trading Limited (company registration no: 2196149) set up in 1988. This operates at all three Museums (within the Public Affairs Division) and covenants all taxable profits to NMSI. Bradford Film Limited is a company limited by guarantee whose sole member is NMSI Trading Limited.
- Framework for Operation**
- 4 The Department for Culture, Media and Sport (DCMS) issues a *Financial Memorandum* to the Museum; continuing receipt of the Grant is dependent upon the Museum's compliance. The *Memorandum*, last revised in February 1995, sets out DCMS policy and financial requirements which include the relevant provisions of *Government Accounting* 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 is now in place. This defines the commitments by each party for the future years.
- Management**
- 5 The Board of Trustees of the Science Museum is responsible for the whole of NMSI; Advisory Committees, which comprise Trustees and specialists in the relevant subjects, have particular responsibility for the NRM and NMPFT. The Trustees, who may number between 12 and 20, are appointed by the Prime Minister and are responsible to him or her through DCMS. The Director as Chief Executive Officer is responsible to the Board of Trustees and is accountable to the DCMS for compliance with the *Financial Memorandum*. The names of the Trustees and the members of the Executive Management Committee are set out in Appendix 1. Addresses are set out in Appendix 5.

The Science Museum has four internal divisions: Collections Division (CD); Science Communication Division (SCD); Public Affairs Division (PAD); and Resource Management Division (RMD) each headed by an Assistant Director. NRM and NMPFT are organised along similar lines with all staff responsible to the Head of Museum while having a functional responsibility to the appropriate Assistant Director at the Science Museum.

The main decision-making body is the Executive Management Committee (EMC) which consists of the Director, the Assistant Directors and the Heads of Museums and the Head of Corporate Relations. The EMC meets once a month.

The National Museum of Science & Industry is an equal opportunities employer and aims to provide equal opportunity for employment, career development and promotion to all who are eligible, on the basis of ability, qualifications and fitness for work. Applications are welcome from all qualified individuals irrespective of race, sex, marital status or disability. Continuing efforts are being made to improve the working environment to meet the needs of people with disabilities.

- Employee Involvement** 6 Team Briefing is a “top-down” system of disseminating information; the formal means for staff to raise matters of concern is either through the Grievance Procedure or through elected Trades Unions officials at joint meetings with Management. General Notices, Safety Notices and Vacancy Notices are issued to all staff for information and the Museum is now supplementing these traditional communication methods with IT-based systems including the Intranet. A new Staff Information Bulletin will be launched during 2000-01.

A series of focus group activities took place to seek staff views on matters such as appraisal and the development of competencies. Inductee and Exit Surveys will be established and the new Management Training Programme will introduce the concepts of total quality, continuous improvement and empowerment.

- Mission Statement and Core Objectives** 7 **The Mission Statement**
- *The Museum exists to promote the public’s understanding of the history and contemporary practice of science, medicine, technology and industry.*

Core Objectives

Customers

- *Exceed our various publics’ expectations in all that we do.*

Collections

- *Build, research and care for the national collections in these fields.*

Communication

- *Interpret those collections and engage the public in the contemporary issues of science, medicine, technology and industry.*

Resources

- *Manage our resources and optimise our income to support these activities.*

Review of Achievements 8 *Customers*
in 1999–00

- *To exceed our various publics' expectations in all that we do.*

Science Museum

Free admission was introduced at the Science Museum and NRM for children up to and including the age of 16 from 1 April 1999 and for people over 60 from 1 April 2000.

In February 2000 the Science Museum received its new *Charter Mark*. This is the second award which recognises the Museum's achievement in maintaining and improving customer service from 1996.

Information. A visitor information network of 27 touch-screen terminals throughout the Science Museum was launched in October 1999. These terminals are the most sophisticated visitor navigational aid ever installed in a UK museum, enabling visitors to gain access to information about facilities, galleries, exhibitions and events. Information about talks and events is automatically updated throughout the day, providing an up-to-the-minute summary of the activities on offer within the Museum.

Who am I? The Search: a nation-wide search was carried out by the Science Museum for four members of the public to be lay interpreters for this gallery of the Wellcome Wing. Each person will go through a series of procedures to find out about their own identity; the procedures range from having a Magnetic Resonance Imaging scan to finding out about their family tree.

NRM

NRM was successfully re-assessed for *Investors in People* in October 1999. The assessor was satisfied that NRM was continuing to maintain the practices that had gained initial IIP accreditation and had, in some areas, improved on the findings of the previous year.

In the English Tourism Council's England for Excellence awards, NRM was awarded a Silver award in the category *Visitor Attraction of the Year*, judging it one of the top three attractions in the country. The NRM also scooped three tourism awards at the Yorkshire Tourist Board's annual awards ceremony: *Visitor Attraction of the Year Award* (the premier award), *Tourism For All* (for the third year running) and the *Green Transport Award*.

NRM education programmes, designed as part of the *National Science Week* in March, included the science of steam locomotives with a focus on *Rocket*, the technology of signal operations and a tour based upon materials used on the railways. NRM featured in the "York Science City" menu of events for National Science Week. Further new schools' programmes (designed to meet the needs of the new National Curriculum) were piloted in late March and early April.

NMPFT

Since re-opening, the new NMPFT's awards have included the prestigious *Design Week Annual Awards* for Best Permanent Gallery and overall winner across all classes for the innovative *Wired Worlds* gallery on new digital media.

Bradford Film Festival – Steaming Ahead was launched in February at King's Cross Station, London, chosen because Great North Eastern Railway (GNER) agreed to name a train after the Festival. The Festival was sponsored, with GNER being the principal sponsor. With over 150 films screened at five venues across Yorkshire, this was the largest and most successful Bradford Film Festival to date. This has set the Festival well on the way to being the biggest such event outside London and Edinburgh.

In its first year of opening, the new NMPFT's *educational visitors* have increased by a third from 62,000 in 1997–98 (last year of opening prior to closure for re-development) to 80,157 in 1999–00. This increase is attributed to the full and comprehensive educational programme and facilities on offer in the new Museum.

Collections

- *To build, research and care for the national collections in science, medicine, technology and industry.*

Science Museum

During 1999–00 the Science Museum continued to develop the use of Wroughton, including completing the purchase of the adjacent Royal Naval Air Yard site for development as the *Science Museum National Collections Centre*.

Exhibitions in the Science Museum included the following:

Eclipse!, a temporary exhibition which opened in May, advised people how to view the eclipse of the sun in August 1999 and focused on the development of eclipse watching. The summer events season also revolved around the eclipse. A promotion was run with the Royal Mail Stamp Collectors Club offering the prize of a VIP trip to the Eclipse Watch Party in Wroughton.

Atomism and Animism opened in the Picture Gallery in May. This exhibition was the result of a two-year project by the Museum's artist in residence and aimed to animate and interpret the Science Museum's collection, exploring the methodological similarity between artistic and scientific practice. *The March of Intellect* opened in the Picture Gallery in November. This exhibition explored 200 years of the art of futurology, invention and visionary thinking.

The Art of Invention: Leonardo and Renaissance Engineers opened at the Science Museum in October 1999. It explored the engineering feats of Italian Renaissance engineers in the 14th – 16th centuries. Exhibits included an eleven-metre model of Leonardo da Vinci's proposed flying machine, fifty large working models of Renaissance inventions, architectural models, contemporary sketches, notebooks, workshop records, and interactive exhibits. Evening lectures accompanied the exhibition and a catalogue and CD-ROM were produced.

Chemistry in Everyday Life opened in September. Centre-stage were large-scale models of haemoglobin and myoglobin molecules constructed at the Laboratory of Molecular Biology in Cambridge. The exhibition featured new interactive exhibits funded by the Analytical Chemistry Trust Fund of the Royal Society of Chemistry. These explored techniques used by chemists to check the quality and safety of the things we use, eat and drink every day.

Marc Brunel, a display in the Science Museum Library celebrated the achievements of Marc Brunel, who was responsible for major engineering projects in the early nineteenth century. The display drew on the Museum's substantial collection of archive material and featured a recently discovered letter in which Brunel reviewed engineering breakthroughs to which he contributed.

It's About Time told how accurately time can be measured nowadays. The exhibition also demonstrated why there is a need to measure time very accurately to make possible such things as mobile phones, digital television and navigational instruments. Some of the special exhibits acquired for the exhibition will enter the national collection and some may be displayed elsewhere in the Museum.

Babbage Engine. The construction of the printing apparatus for the Babbage calculating engine took place in public view in the Computing Gallery. The printer, designed in the 1840s, consists of 4,000 separate parts and weighs an estimated three tonnes. The project was supported by donations and a private benefactor. Two engineers were in the Gallery three days a week to interact with the public.

Notable objects acquired included:

A Monotype Lasercomp (1976), a significant development in the imaging of pages complete with text and images.

A Euthanasia machine, developed after the passing of a law in Australia's Northern Territory, to allow terminally ill people to end their lives under strictly controlled conditions. Between 1996 and 1997 four people were legally allowed to use the machine before the controversial law was overturned.

The NeXT computer, used by Tim Berners-Lee to devise the World Wide Web in the late 1980s and early 1990s.

Tracy the transgenic sheep (1990–98) could produce protein for human therapeutic use in her milk. Transgenic animals were created when genes, in this case from human DNA, were injected into fertilised embryos. The resulting animal, in a limited number of cases, incorporated the genes in its own DNA. Tracy expressed a human protein which it is hoped will prove useful in combating the symptoms of cystic fibrosis.

Publications include:

Cold War Hot Science: Applied Research in British Defence Laboratories 1945–1990 Robert Bud and Phillip Gummett, Reading: Harwood, 1999. This was a first history of the enormous range of research carried out in the years of the Cold War by laboratories that would become part of DERA (Defence Evaluation & Research Agency). The book grew out of major NMSI acquisitions from DERA.

The Focal Illustrated Dictionary of Telecommunications, Xerxes Mazda and Fraidon Mazda, London: Focal Press, 1999.

Earth Movers, pub. Brown Partworks, March 2000.

NRM

Exhibitions included:

Eric Treacy, Master Railway Photographer which opened in March 1999. This exhibition of over 40 beautifully printed images from the Treacy collection ran until mid-May, when it went on tour.

Railways of the World, an exhibition of colour photographs by Colin Garratt, opened in May. The images spanned thirty years of steam around the world and have all been digitally reproduced by Agfa. Colin Garratt gave his celebrated lecture *Around the World in Search of Steam* on the opening evening.

South for Sunshine, a temporary exhibition which looked at the advertising campaigns of the Southern Railway. A Platform 4 Theatre character guided visitors around the exhibition. A South for Sunshine exhiblet also went live on the NRM and Science Museum web sites.

Rocket: the Spark that started a Revolution. This exhibition featured the 1829 locomotive Rocket, which had been the subject of an industrial archaeology investigation from which a report was produced. An in-house film was made to be shown on the gallery. *Rocket* was displayed in a stripped-down state prior to its re-assembly and return to the Science Museum.

Images for the Archive – featuring photographs of railway structures commissioned by Railtrack.

Notable objects acquired included:

The Peckett Collection of 615 negatives (c.1890 to 1950) which show newly completed industrial locomotives at Peckett & Sons' Works in Bristol. The collection was previously on loan to the Museum from the Industrial Railway Society. The Society has also donated 28 original prints produced by Peckett & Sons to advertise their locomotives to potential customers.

The final elements of the J P Richards *London & North Western Railway model collection* which enabled the NRM to enter the Guinness Book of Records for the maximum number of models in one collection.

140 Dufayor stereoscopic transparencies by H M Lane, featuring locomotives and trains photographed between 1937 and 1951. These include images of London and North East Railways, British Railways locomotives in Yorkshire and on the East Coast Main Line together with other views of locomotives.

The Indian Railway Gazette (1907–1911). This periodical is a valuable and extremely rare documentary source dealing with the relationship between the British railway industry and India.

NMPFT

The NMPFT *Research Centre on Collections Care* is rapidly becoming recognised as a “centre of excellence” in the care and management of mixed-format art and technology collections. Representatives of numerous organisations have visited the Centre with the intention of using it as a model for their own access projects. The Centre was designed to facilitate and encourage public access to original artefacts while maintaining a commitment to ease of curatorial access. Its design aims to provide appropriate levels of professional care and stewardship of multi-format media collections.

At NMPFT the concept, methodology and design of the Museum's Digital Collections Catalogue, *The Investigator*, has attracted much interest from the wider museum community. Numerous requests for demonstrations of the system have been received and advice on database design and project management has been dispensed to colleagues in the heritage and educational sectors considering or about to engage in digitisation projects.

Exhibitions included:

ReVisions, the Museum's inaugural special exhibition, examined the ways in which invention, discovery, science and art have combined to create an account of photography that has largely been overlooked or eclipsed by standard histories of the subject. The images, drawn largely from the collections of NMPFT, constituted the true art of photography.

BBC Futureworld, which opened at NMPFT in February before touring to other venues around the country. The exhibition looked at the world of television: from how the digital age will transform the way information is received, to how programmes such as 'Walking with Dinosaurs' are made using the latest technology. It included an interactive virtual game show, hosted by a virtual Peter Snow.

David Bailey – 'Birth of the Cool' – 75% of people who visited the exhibition came to the Museum specifically to see the Bailey show and audience responses were extremely good. The exhibition closed in February and embarked on an international tour with confirmed venues in Edinburgh's new Museum of Art, the Moderna Museet in Stockholm and Helsinki Gallery of Art.

New Natural History – an exhibition of works by contemporary photographers with an interest in natural history. This exhibition examined the consumption of natural resources and the relationship we have with animals in the natural world. It examined not only the way animals are depicted but also the way they are not, offering unfamiliar pictures of animals in order to help us remember the familiar. After closing at NMPFT the exhibition moved to the Hasselblad Centre in Gothenburg, Sweden, where it was extremely well received by both public and press.

Notable objects acquired included:

A 35mm Nikon F, lent by Don McCullin one of the outstanding war photographers of the 20th century, for display in the News Gallery. During the war in Cambodia, a bullet from an AK47 shattered the outer casing of the camera, which probably saved his life.

A rare *Baird Phonovision Disc*. In 1927 John Logie Baird devised a method of recording his 30 line television signals onto 78-rpm gramophone discs. During the next two years he made a series of experimental recordings; these Phonovision discs, as they were called, are extremely rare and valuable. Only six are known to have survived – one is on display at NMPFT in *Turn On – Tune In*, and the Museum has been fortunate in being given a further disc from this original batch.

An *Independent Broadcasting Authority "DICE" Standards Converter, 1972*. The Digital Intercontinental Conversion Equipment marked the watershed between analogue and digital television and was a major British contribution to television technology. It enabled satisfactory interchange of programmes and news between countries using different broadcast standards. Previously this had been carried out by a camera looking at a monitor or by analogue means; both methods were unsatisfactory. The DICE enshrined the superiority of digital techniques in many television applications. It can therefore be said to have pioneered the era of digital television, not just in the UK but worldwide.

Acquisitions from 'New Natural History'. Following negotiation with artists who contributed to this exhibition and in line with its policy of acquiring significant works through its temporary exhibition programme, the Museum purchased works by two major practitioners of natural history photography, Joan Fontcuberta and Tim MacMillan.

Publications included:

ReVisions, Ian Jeffrey, 1999, published by NMPFT to accompany the exhibition, is an alternative history of photography featuring photographs drawn largely from the Museum's Collection. The book argues for a new perspective on the history of photography based on science, experimentation and discovery.

New Natural History, Val Williams, 1999, published by NMPFT and distributed by Cornerhouse Books, Manchester. This was produced to accompany the photographic exhibition of the same name.

Communication

- ***To interpret the collections and engage the public in the contemporary issues of science, medicine, technology and industry.***

Both the *STEM* (Students and Teachers Educational Materials) project and the videoconferencing programme for schools received *Gulbenkian Awards* for Museums and Galleries in the category "Most Imaginative Education Work". The STEM Project, sponsored by Toshiba, aims to encourage schools who visit the Science Museum, NRM and NMPFT to share their learning through the Internet with other educational groups.

A new *Wellcome Wing website* was launched: www.nmsi.ac.uk/wellcome-wing. This is a new 3D website sponsored by Intel which takes our virtual visitors through a 3D representation of all the galleries in the Wellcome Wing. Throughout the site visitors can click on "pop-up" windows which contain information on each gallery in the Wing and describe the highlights and activities in which visitors can engage when the Wing is open.

Exhiblets. Six Science Museum Exhiblets were launched on the Web. These are small virtual exhibitions available on line for visitors to the Science Museum Website. Each provides material on key collections, people and events. The first six topics covered were Marie Curie, Portsmouth blockmaking machinery, railway posters, barometers, atomic physics and typewriters. Exhiblets accounted for almost 10% of all Science Museum website hits in the first month of launch. Exhiblets can be seen at www.nmsi.ac.uk/collections/exhiblets.

The Science Museum set up the only e-mail discussion list for museum education in the UK. At 31 March 2000 it had 250 members, giving people from national and non-national museums access to on-line discussion.

The Science Museum hosted the *UNESCO London Press Conference for the World Conference on Science for the 21st Century*. This event aimed to build awareness of the world conference being held in Budapest in June 1999. Key speakers included Dr Federico Mayer (Director General of UNESCO), Sir Robert May (Chief Scientific Adviser to the Cabinet), Sir Neil Cossons, Professor John Durant and the Hungarian Ambassador.

Defiant Modernism, hosted by the Science Museum and co-organised with the British Society for the History of Science and the Institute of Contemporary British History attracted international participation. The conference was devoted to post-war technology and was used as an intellectual test-bed for a section of the Making the Modern World Gallery. Museum staff delivered five key papers.

Delivering Diversity: Promoting Participation. The Minister for the Arts, Alan Howarth MP, opened an international conference on access to cultural information co-organised by the Science Museum and Imperial College (where it was held). It was attended by 230 delegates from 24 countries worldwide and looked at new ways to offer access to the rich and diverse range of cultural information stored in museums, archives and libraries. The keynote speech was the first public appearance by Matthew Evans since his appointment as Chair of *resource*, Council for Museums, Archives and Libraries.

The NRM took part with the National Tramway Museum, the London Transport Museum, the National Waterways Museum and the National Motor Museum in a DfEE-funded, web-based education project.

The *NMPFT* website underwent a redesign in 1999 with updated content and appearance. After only two weeks it was named “Website of the Week” (from 31 May 1999) by the “24-Hour Museum” which is part of a DCMS initiative, managed by the Campaign for Museums, to communicate museums and their collections to a wider audience.

1999–2000 saw the launch and completion of two educational, photographic-based National Curriculum-related websites – both breaking new ground as free educational resources on the web. Teachers, lecturers, pupils and students alike can gain access to the sites free of charge. *Auslanders/Foreigners* was launched in October 1999 and *100 Years* was due to be launched in April 2000.

The fourth international conference on digital media, entitled *Digital Media Futures*, was held in April 1999 at *NMPFT* in collaboration with the University of Bradford. The conference looked at the convergence of computing, telecommunications, television, broadcasting and developments on the WWW.

Resources

- *To manage our resources and optimise income to support these activities*

Human resources – training and development of NMSI Staff

In February a major organisational review of training and development across NMSI was begun along with a programme of training and development which is innovative, flexible, cost-effective and will support the key challenges faced by the NMSI.

The NMSI Performance Management and Review system was revised, following focus groups, which canvassed views on the old system. Workshops for managers, at which the proposed changes to the old appraisal system were outlined, were held at the three main sites. Managers were trained in some of the principles of performance management and given the opportunity to express their views on the proposed changes. The Performance Management and Review system will be refined further next year and the training manager will continue to consult our managers and staff on its success.

At NRM, training and development achievements have been recognised by the renewal of its Investors in People status in October 1999. The new Public Service Department was supported by induction, team building and customer care training. Staff involved in *The Works*, the Museum’s new 4000sq m visitor attraction, have also been supported by excellent programmes in induction, evacuation and health & safety training.

At NMPFT, training and development has ranged from a comprehensive and very successful programme of induction and customer service training for the New Museum, to job-specific skills training, cultural awareness events and management development courses. Following the award of the Richard Attenborough Charitable Trust ADAPT Award for excellence in Access, the Museum's commitment to Access remains high. Two staff spearheaded the Access campaign over the last 18 months and developed an internal training programme. Most staff have attended this course, which focuses on the practicalities of dealing with non-able-bodied visitors and outlines the legislation which dictates public policy.

Year 2000

There were no problems relating to year 2000 apart from a minor reporting problem in an upgraded financial package.

Income generation

Commercial activities developed during the year included further sales of interactives and providing a management service for the BFI Imax in the South Bank. Income generation is discussed in paragraph 19 below. Details of asset management are set out in paragraph 20.

Sponsorship, Grants and Donations

- 9 The support of corporate and non-corporate external organisations is sought for the benefit of the three Museums enabling them to undertake priority projects including gallery renewals and capital developments. We seek to foster relationships with outside organisations and, in so doing, we bring them into contact with the aims and ethos of NMSI. In the case of corporate sponsorship, the Museum extends sponsorship benefits at a level commensurate with the level of financial support received.

The fundraising commitments secured across the three Museum sites in the year April 1999 to March 2000 total £3,353,530. Some of the year's notable achievements are listed below:

- Toshiba has provided £250,000 of support by renewing its sponsorship of the *STEM* (Student and Teachers Educational Materials) project for a further three years. In addition, Toshiba has provided £550,000 of sponsorship to extend *The Information* visitor navigation network into the *Wellcome Wing*.
- A total of £1,350,250 of support has been secured against the *Wellcome Wing* project from a range of companies, trusts, foundations and livery companies. The inclusion of works of art in the Wing has attracted support from the Calouste Gulbenkian Foundation, the Henry Moore Foundation and the Paul Hamlyn Foundation.
- The Garfield Weston Foundation has committed £1,000,000 towards the *Queen's Gate Centre for Science and the Public*.
- The NRM's capital project, *The Works*, has benefited from £163,100 of support including a £50,000 contribution from the Friends of NRM and very significant help in kind from Railtrack plc, AEA Technology and Balfour Beatty towards the *Working Railway* gallery. *The Works* was named "Project of the Year" by the Association of Project Managers.
- The NMPFT has received £180,000 from the Kodak Charitable Trust to fund a programme of research into children's behaviour as photographers. Two major special exhibitions: David Bailey's *Birth of the Cool* and *Specimens and Marvels*, celebrating the work of WHF Talbot, were sponsored by Jessops and received other generous support. The Bradford and *Bite the Mango* Film Festivals continue to attract increasing levels of funding from both corporate and non-corporate organisations.

For details of income received in 1999–2000, please refer to Appendix 3.

Voluntary Help

- 10 The National Railway Museum now enjoys support from 95 regular volunteer workers, undertaking a variety of tasks supporting operational departments. They provide three basic sorts of additional resource: additional pairs of hands to undertake a wide variety of simple but time-demanding jobs; general skills which are enhanced by NRM training; and specific professional knowledge or skills that complement those of other staff.

The Museum has decided that some operational activities are to be delivered entirely through volunteers. Current activities include staffing both the Museum's information points providing help and advice to visitors, and acting as drivers and guards on the miniature railway giving rides to adults, children (including wheelchair users).

Other activities involve volunteers working hand-in-hand with paid staff. Current activities include helping with main-line operations giving rides to visitors; preventive conservation work and cataloguing of the Museum's photographic collection and railway engineering technical archives; helping with special events, and restoration and repair of locomotives, rolling stock and other 3D collections.

Volunteers ensure best value within limited resources, and they derive a great deal of job satisfaction from their work.

At NMPFT during the four year *Imaging Frontiers* redevelopment project the Museum's evolving plans for the use of volunteers were put on hold because of the nature of the redevelopment. The Museum however intends to review its policy in the future. The Museum has in the past used volunteers in areas such as public affairs for the distribution of marketing literature and in Education helping to run public workshops.

Policy and Measures for People with Disabilities

- 11 The Museum's approach to people with disabilities has been recognised in both Charter Mark and Investors in People awards. It has made strenuous efforts to ensure that the prime new capital projects – the *Wellcome Wing*, *Imaging Frontiers* and *The Works* – are accessible physically and intellectually to as many of our visitors as possible.

An *Access Audit* of the Science Museum was carried out by the Centre for Accessible Environments. Recommendations for physical or sensory access developments have been costed and implementation awaits funding. Following the Access Audit an *Access Policy* for the Science Museum was introduced and will be followed by policies for NRM and NMPFT.

An *Access Committee* was formed last year to implement the Access Policy. The committee looks at all aspects of public access, while a new *Exhibition Strategy Group* will also ensure that access recommendations are built into any project in the planning stages.

The Wellcome Wing – the Centre for Accessible Environments was consulted on all plans for the Wellcome Wing which has been designed with “inclusive design” principles in mind. The Wing is fully wheelchair-accessible.

At NRM *wheelchair users* were enabled to use the miniature railway by the installation of a new carriage suitable for wheelchairs.

Although the *Personal Guide Scheme*, which guarantees that visitors with disabilities can book a trained guide in advance of their visit, has had a small uptake, it has had very positive feedback from visitors and staff.

There is an annual *Please Touch* event at NRM for visitors with special needs for whom a museum environment is not easy to cope with during usual opening hours.

Training

We have continued to train front of house staff (explainers, warders, admissions and retail staff) in disability awareness. This ensures that staff will be aware of the issues experienced by disabled visitors coming to the Museum. New training for managers is being developed on such matters as disability legislation, discrimination, recruitment and retention issues. This will ensure not only that managers are aware of the Museum's legal position, but that they will also get a deeper understanding of what disability means in the workplace.

Education

Owing to the popularity of Special Educational Needs (SEN) open days in the interactive galleries, Launch Pad and The Garden, we have increased the frequency of these days from one a term, to one a month. This has allowed many more SEN groups to access these galleries.

Admissions Policy

- 12 At the Science Museum, admission charges are £6.95 for adults and £3.50 for students. All children aged 16 and under have been admitted free since April 1999 and from April 2000 all persons aged 60 and over have also been admitted free. A temporary exhibition *Art of Invention* runs until August 2000. Charges are: adults £9.95, students £5.50 (both including Museum admission), children, the over 60s and other concessions £2. From 3 July this exhibition will be free to all.

Season tickets provide unlimited access for a year and are priced as follows:

Science Museum only	Adult	£24
	Joint Adult (admits 2)	£42
	Student	£13
Joint Museums	Adult	£29
	Joint Adult (admits 2)	£49.50
	Student	£16

Joint season tickets give admission to the Science Museum, the Natural History Museum and the Victoria and Albert Museum.

Free admission now covers children aged 16 and under, adults aged 60 and over, the disabled, the unemployed and all visitors 16.30-18.00 daily.

At the NRM the admission charges are adult £6.50 and concessions £4 (concessions are made for students, the disabled and the unemployed). As at the Science Museum all children aged 16 and under and all adults aged 60 and over are admitted free.

At the NMPFT admission is free but charges are levied for the IMAX, Pictureville and Cubby Broccoli cinemas.

NMSI and the Wider Museum Community

- 13 The Museum has two External Affairs staff dedicated to liaison with the wider museum community. As well as strengthening links with regional bodies such as the Area Museum Councils and networking groups, the Museum is an active promoter and supporter of regional and national collaborative initiatives such as collections listing projects. The Museum has also developed training initiatives, forging links at all levels with non-national museums.

Museum staff continued to administer the *Preservation of Industrial and Scientific Material Fund (PRISM)* successfully, spending its full allocation while managing heavy over-subscription and uncertainty about future funding levels. An upgrade of fund management systems is underway, promising efficiency gains and improved service to applicants. The future administration of the Fund remains uncertain, however, and the Museum continues to promote the Fund's best interests while working with *resource* to advance its objectives.

NMSI staff have been actively involved in the *resource* design process, responding to consultations at each stage. Good relations between NMSI and the Museums and Galleries Commission (MGC) have carried over to *resource* with the transfer of MGC staff to *resource* and meetings between new MLAC staff and NMSI staff have taken place at various levels. A series of detailed talks are underway now that *resource* is in operation, to clarify the details of the Museum's working relationship, including its administration of the PRISM Fund.

NMSI staff continued to work successfully with the *Heritage Lottery Fund (HLF)*, accepting commissions to provide advice on 25 cases in the last year. Informal advice was also regularly exchanged where PRISM was considering co-funding with HLF projects which involved NMSI and HLF (and occasionally English Heritage) working together to raise standards and resolve difficulties. NMSI signed a new service level agreement with HLF and responded to consultation on HLF's new acquisition policy.

Links with *Area Museum Councils (AMC)* have continued to be strengthened, leading to improved information exchange and co-operation. In January 2000 the Science Museum met the Committee of Area Museum Councils at the Science Museum, to discuss the future of relationships between national and regional bodies as the process of regionalisation develops. Existing relationships between NMSI and the AMCs were judged to be extremely successful and to provide a solid framework on which to build. PRISM staff also regularly undertake assessment and monitoring visits with AMC personnel and have promoted national/regional partnerships.

The Science Museum began work on NMSI's role as grant provider to the *National Coal Mining Museum for England (NCMME)*. We await guidance from DCMS on the possible status of the Director of NMSI as Accounting Officer for NCMME.

NRM staff continued to create and work in strategic partnership with colleagues at *non-national museums and science centres*. Strong partnerships have been developed in several key areas, for example:

- NRM provides the bulk of collections at two Museums – North Road Station Museum in Darlington and the Great Western Railway Museum (GWR) in Swindon;
- NRM has worked with the GWR to agree additional material to go on display in their new Lottery funded museum development;
- NRM developed a strategic partnership with the Timothy Hackworth Museum to create a new storage facility for the national collections of railway carriages.

Science Museum staff collaborated with staff at the Museum of Science and Industry in Manchester (MSIM) on a *National Computing Collections Listing Project*, which aims to make listings of relevant materials available, via a web interface, to professionals and ultimately to the public. The project, led by MSIM, involves six other institutions including Glasgow Museums, Tyne and Wear Museums, National Museums and Galleries on Merseyside and Birmingham Museum of Science and Industry.

On the basis of a similar project which listed textile machinery, Science Museum staff developed a project to pilot links with and electronic access to related collections across the UK, working with the Lancashire Museums Service, Porthcurno Museum of Submarine Telegraphy and the Museum of the Royal College of Surgeons of England.

The Science Museum has developed a similar project which uses the concept of developing a “gateway” for electronic access to science, technology and medicine collections in the UK while identifying models for the sustainable development of information resources for new Learning Networks. This project has recently been submitted to the New Opportunities Fund.

NRM staff have played a leading part in the co-ordination of railway heritage policy nation-wide in partnership with the Heritage Railways Association, the Railway Heritage Committee and others. NRM and the Museum Documentation Association are working together with the wider museum network and heritage railway sector to produce a comprehensive thesaurus for use in Museums.

A successful *deep storage open day* was held in Wroughton and was attended by over 1,200 people.

The *Communications Heritage Forum* was hosted by the Science Museum for representatives of over two dozen museums and related institutions concerned with communications heritage preservation. The Forum is an umbrella group created by the Science Museum to take the initiative in the future coverage of Information Communications Technology (ICT) in museums.

- Access and Outreach** 14 Outreach work is primarily targeted at audiences defined as socially excluded (those with disabilities/special educational needs, minority ethnic groups and the financially disadvantaged). The Museum encourages physical access to the whole of the collections and continues to optimise physical and electronic access within the constraints imposed by financial and human resource availability. Over 50% of NMSI’s visitors visit our sites outside London.

Special Needs Open Days: regular days when the Museum opens interactive galleries to Special Educational Needs (SEN) groups, provides extra staff support and adapts storytelling or drama to the needs of each group.

Department for Education and Employment Projects: Science Museum staff, working in partnership with Hackney Museum and the City Literary Institute, have just completed the first part of a DfEE-funded outreach project. This involved working in a disadvantaged area of Hackney with Key Stage 2 pupils and their parents to raise academic standards in science. During the final part of this project, which aims to increase access, parents, teachers and children will visit the Science Museum.

Platform 4 Theatre was involved in an informal outreach programme with the Guernsey Museum Education Department. A specially written show, *Full Steam Ahead*, told the story of the loss of the London and South Western Railways steamer *Stella* one hundred years ago. Ten performances were well received in Guernsey and Alderney.

A new *Saturday Film Club* for children aged 8-12 was started up at NMPFT with sponsorship from Bradford & Bingley Building Society. The club has a membership of 110 children (at 30.03.00) and attracts 60 children each week for workshops and film screenings. Sponsorship has enabled the club to be accessible to children from the more deprived areas of Bradford.

The Science Museum continued to arrange booked visits to the *reserve collections* at Blythe House for researchers and the public. Some 600 visitors took advantage of this service during 1999–2000.

Science Museum Explainers carried out an outreach project at *Great Ormond Street Hospital*. This was the first time the Museum has helped run workshops at the school within the hospital. Feedback from the children, many of whom are very sick, was excellent and the hospital is keen to sustain the relationship.

The Science Museum has regular *videoconferences* with Great Ormond Street Hospital School giving ‘virtual’ access to the Museum’s collections and expertise for children unable to make a physical visit. The Museum does other video conferencing, although the schools at present tend to be from across the spectrum rather than specifically from deprived areas. This does, however, allow the Museum to reach schools too far away to make an actual visit to the Museum.

Science Museum Explainers completed an outreach project with *Norfolk Museums Service* involving work with adults with special educational needs. This challenging project received high praise from the teachers and organisers involved. A similar project was also carried out recently with the Chisenhale Gallery in east London.

European touring

The Science Museum project-managed a *Europe-wide touring exhibition* on biotechnology, with funding from the European Commission. The aims of the project were to:

- further the public understanding of biotechnology and stimulate informed public debate;
- encourage active collaboration and input from European bio-technologists, research institutes, science centres and museums;
- ensure that touring exhibitions are culturally adapted to the needs of visitors in each country in close collaboration with the host museum venue.

The project involved active collaboration with 20 other European science centres and institutions in 10 different European countries and support from ECSITE, the European Collaborative for Science, Industry and Technology Exhibitions. It meant sending two complementary exhibitions on tour to four European countries:

- *Future foods?*, a Science Museum exhibition on genetically-modified food toured around Portugal and France
- *Gene-Worlds*, a Deutsches Hygiene-Museum (Dresden) exhibition on genetics, toured Spain and Greece.

The exhibition was on show at the Museu de Ciencia in Lisbon from March to May 1999 and attracted 5,200 visitors of whom 74% were school children. It received a large amount of press coverage in Portugal and ignited the debate on genetic modification, where previously there had been little discussion. The exhibition was moved to the Forum des Sciences in Lille where it ran until March 2000.

Capital Projects

- 15 The new NMPFT was formally opened by Pierce Brosnan in June 1999 and NRM opened its new wing, *The Works*, in July 1999. The *Wellcome Wing* and *Making the Modern World* projects are progressing on time and within budget towards the opening on 27 June 2000.

The Wellcome Wing

Additional funding beyond the original target of £48m has been committed by the Wellcome Trust and other grant givers. This has been allocated to a range of additional items.

When it opens in June 2000, the Wellcome Wing at the Science Museum will be the world's leading centre for the presentation of contemporary science to the public. The dramatic and ingenious architecture will encompass 10,000m² of additional space, increasing the floor area of the Museum by a third. A suite of new and continually-updated exhibitions will present the latest developments in science, medicine and technology. For the first time, visitors will be able to discover for themselves what is really going on in the world of science and give their own views on the key ideas and issues of the day.

The award-winning architects MacCormac Jamieson Prichard have designed the Wellcome Wing as a breathtaking theatre of contemporary science. In a single, spectacular area the exhibition floors and the IMAX® cinema appear to float in space. The choice of materials – large steel beams and cantilevers – creates a striking framework from which the floors and cinema are suspended, while a careful balance between natural and artificial light adds to the drama of the setting.

The ground floor of the Wellcome Wing will be devoted to fast-changing, topical displays on the scientific ideas and issues of the day. From this, visitors will be able to discover what is going on in the world of science and how it may influence their lives. Chris Wilkinson Architects (3D design) and Johnson Banks (Graphics) have presented all ground-floor design work to date to the Museum.

Larger thematic exhibitions will be located on the upper floors, where visitors will find in-depth treatments of the latest developments in bio-medical science, *Who am I?* and information science and technology, *Digitopolis*. The broad areas of content have been agreed and much of the work is directed towards acquiring objects and preparing content briefs for interactive exhibits while the awarding of the main 'fit-out' contracts is underway.

The exhibitions will combine objects from the Museum's contemporary collections with hands-on interactives and multi-media displays that will enable visitors to engage directly with contemporary science, medicine and technology. The ground floor exhibitions will be renewed continually and the content of the displays on the upper floors will be regularly updated. Visitors will also enjoy a rich and varied programme of IMAX® films, demonstrations and events.

Making the Modern World

The main boulevard of this huge gallery is intended to form both a physical and an intellectual route to the Wellcome Wing. It will be filled with some 150 iconic objects from the collections. Spanning the past 250 years, this visually arresting landscape of machines and inventions will contain many world firsts including Stephenson's Rocket, Crick and Watson's DNA spiral model, the Apollo 10 command module and the EMI brain scanner.

To counterpoint these special and significant objects, there will be showcases filled with a huge number of artefacts encountered in the everyday lives of people of all classes, throughout the 250 year period covered by the gallery.

There will also be subsidiary displays that will explore in more depth some of the stories behind the icons. Each will use a rich variety of artefacts – objects archival material and works of art – to discuss an episode in the history of the modern industrial world.

Since the foundation of the Science Museum in the mid-nineteenth century, its collections have included large numbers of models, always popular with visitors. The new gallery will recreate some of the magic of these displays of “technology in miniature” by including an amazing diversity of engineering, architectural, educational, patent, industrial and models from salesmen, some of which can be operated by the visitor.

Imaging Frontiers

At NMPFT the re-development of the Museum was completed on time and within budget. The new Museum opened to the public on schedule in April 1999 and was formally opened by Pierce Brosnan in June 1999. It is the result of a £17 million *Imaging Frontiers* comprehensive redevelopment project, funded principally by Arts and Heritage Lottery Funds, the European Regional Development Fund, the Foundation for Sport and the Arts and private-sector partners.

The new Museum provides an inspirational exploration of photography, film and television in the digital age, a vibrant meeting-place and resource for media professionals, artists, academics, school children, students and families. It aims to entertain, enlighten and empower all visitors, stimulating them to take up the challenge to look at things from different perspectives: to “think again”.

Since re-opening, NMPFT's visitor numbers have been running at new record levels: the full year out-turn is 962,899 (some 200,000 higher than previous “steady state” annual figures). Visitor satisfaction surveys produced a rating of 96% “satisfied” or “very satisfied” and there have been excellent critical and professional responses.

The Works

The NRM opened its new wing, *The Works*, in July 1999. Half of the £4m project was funded by a DCMS grant, supporting the replacement of the Museum's structurally-unsafe workshop building, and half was funded by the Heritage Lottery Fund. Funds were enhanced by grants from the Friends of the NRM, an anonymous donor and help in kind from the railway industry.

The focus of the project has been the enhancement of access:

- to the Museum's *collections*: a 27,000ft² public access store houses some 7,500 artefacts not previously on public view. This material is now available to all NRM's 470,000 visitors each year – perhaps the biggest step forward in public access to stored material in the UK.
- to the Museum's *functions*: public access with associated interpretative displays is now provided to the Museum's conservation workshops, where visitors can experience some of the spectacular activity necessary to restore and maintain railway equipment.
- to the Museum's *themes*: a major new interpretative display on the operation of railways with, as its centrepiece, a real-time repeat of York's railway control centre. Visitors see what the controllers of seventy miles of the railway system around York see in real time.

This is the first time that visitors to any railway museum have been able to see an up to the minute railway signalling and control process in action. *The Works* represents the first of a new generation of facilities at NRM and fundraising is in hand for future developments.

- | | | |
|--|-----------|---|
| Attendance | 16 | Annual admissions for the Science Museum were 1,400,308 million; for NRM, 467,880; for NMPFT, 962,899, and for Wroughton, 57,265 giving a total of 2,888,352. |
| Performance Indicators | 17 | Underpinning our mission statement is a series of performance indicators agreed with the Department for Culture, Media and Sport as being representative measures of our organisational health. These are set out in Appendix 4. |
| Creditor Policy | 18 | The Museum creditor policy is to meet agreed payment terms (or by 30 days where no payment terms have been agreed). In 1999–2000, 77% of payments were made within the policy, an improvement of 5% over last year. |
| Review of Financial Position and Salient Features of the Accounts | 19 | The format of these Accounts reflects the revised Statement of Recommended Practice, "Accounting by Charities," issued by the Charity Commissioners in 1996 and complies with the form directed by the Secretary of State with the consent of the Treasury in accordance with Sections 9(4) and 9(5) of the Museums and Galleries Act 1992. |

The Statement of Financial Activities showed incoming resources of £61,008k in 1999–2000, of which £35,164k represented unrestricted funds and £25,844k restricted funds, £12,383k being Lottery funds received.

The analysis of the expenditure in the Statement of Financial Activities reflects the four core objectives of the Museum and the resources used by each.

The restricted funds, held within the Sponsorship, Grant and Donation Reserve, increased to £3,361k (1998–99: £2,201k) mainly as a result of a donation for the Queen's Gate building. The Museum Improvement Fund balance increased to £1,975k (1998–99: £1,265k) and the most significant items related to fire precautions programmes and Wellcome Wing associated activity.

These consolidated statutory accounts represent the combined accounts of the National Museum of Science & Industry, NMSI Trading Limited and Bradford Film Limited in which the results of NMSI Trading Limited and Bradford Film Limited have been consolidated in detail. Bradford Film Limited is a company limited by guarantee whose sole member is NMSI Trading Limited.

Fixed Assets 20 The additions to Fixed Assets of £25,362k arise from the major developments in the Wellcome Wing close to completion. The finalisation of *Imaging Frontiers* and the 3D IMAX at the NMPFT and the *Works* at the NRM account for most of the remaining fixed asset increase. The Fixed Assets were revalued to current cost and the gain of £385k has been reflected in the Accounts.

New Accounting Officer 21 Sir Neil Cossons was Director of the National Museum of Science & Industry until 30 June 2000. Dr Lindsay Sharp has been appointed as Director from 1 July 2000.

Sir Peter Williams

Sir Christopher Wates

Dr Lindsay Sharp

7 August 2000

Appendix 1

The Board of Trustees to the Science Museum

		Date of Current Appointment	Expiry Date
Chairman	Sir Peter Williams CBE FRS FREng (2) (3) (7)	01.01.96	31.12.00
Members	Dr Mary Archer MA PhD	01.10.95	30.09.00
	Professor Ann Dowling FREng FIMechE FRAeS	25.08.99	24.08.04
	Mr Greg Dyke	03.10.95	02.10.00
	Professor Susan Greenfield CBE MA Dphil DSc	22.07.98	21.07.03
	Dr Anne Grocock MA (1) (3)	08.03.96	07.03.01
	Mrs Anita Higham OBE BA LèS L Med	21.02.96	20.02.01
	Mrs Joanna Kennedy OBE HonDSc CEng FICE (1)	21.11.97	20.11.01
	HRH The Duke of Kent KG GCMG GCVO ADC	20.05.96	19.05.01
	Dr Bridget Oglivie DBE ScD Fl Biol	06.03.97	05.03.02
	Dr Nathan Myhrvold	22.07.98	21.07.03
	Lord Puttnam of Queensgate CBE LLD D Litt (6) (8)	11.09.96	10.09.01
	Sir Michael Quinlan GCB (1) (3)	21.10.97	20.10.01
	Mr David Rayner CBE (5)	28.01.97	27.01.02
	Professor Michael A Richards MA MD FRCP (2)	03.09.98	02.09.03
Mr Martin G Smith (2)	25.08.99	24.08.04	
Sir Christopher Wates FCA (2) (3) (4)	03.02.97	02.02.02	

The Executive Management Committee

The Director	Sir Neil Cossons OBE (7) (until 30.06.00) Dr Lindsay Sharp (from 01.07.00)	
Assistant Directors	Mr Jon Tucker	Resource Management
	Professor John Durant	Science Communication
	Mr Mark Pemberton (7) (8)	Public Affairs
	Mr Doron Swade	Collections
Head of National Railway Museum	Mr Andrew Scott	
Head of National Museum of Photography, Film & Television	Mrs Amanda Nevill (8) Ms Fiona Kirk	Head of Corporate Relations
NMSI Trading Limited		
Non-Executive Director	Mrs Jill Streider (7)	

Membership of sub-committees and subsidiary company Boards is indicated by the numbers below:

- (1) Audit (Chair – Dr Anne Grocock)
- (2) Finance and General Purposes (Chair-Sir Peter Williams)
- (3) Remuneration (Chair – Sir Christopher Wates)
- (4) Wellcome Wing (Chair – Sir Christopher Wates)
- (5) NRM Advisory Board (Chair – Mr David Rayner)
- (6) NMPFT Advisory Board (Chair – Lord Puttnam of Queensgate)
- (7) Board of NMSI Trading Limited (Chair – Sir Peter Williams)
- (8) Board of Bradford Film (Chair – Lord Puttnam of Queensgate)

Appendix 2

Corporate Partners

Patrons	BT plc Glaxo Wellcome SmithKline Beecham plc
Benefactor	BG plc McLaren International Ltd
Members	Akzo Nobel Barclays Drivers Jonas Kyocera N M Rothschild & Sons Ltd Smiths Industries plc
Associates	AGENDA Design Associates Cable & Wireless plc Cameron McKenna Digby Trout Restaurants Farrer & Co LASMO John Lewis Partnership Marks & Spencer Ove Arup Partnership TBWA/Simons Palmer Tranter Lowe Walfords

Appendix 3

Sponsorship, Grants and Donations

Sponsorship, grants and donations were received during 1999–00 from the funders listed below:

The Association for Business Sponsorship of the Arts (ABSA)
European Union Advanced Communication & Technology Sector (ACTS)
AEA Technology Rail Ltd
Agfa Gevaert
American Airlines
Arts & Business
Arts Council of England
Asger Hoeg
ASW Holdings plc
Asw Sheerness Steel Ltd
Atlas Copco
Austin-Smith: Lord
Balfour Beatty Rail Maintenance Ltd
Bells Potter Solicitors (Brink Fund)
BFI (British Film Institute)
Bradford & Bingley Building Society
Bradford & Northern Housing Association
Bradford Metropolitan District Council
British Academy
British Academy Conference inc.
British Nuclear Fuels plc
British Psychological Society
British Sky Broadcasting Ltd
British Steel (Corus Group)
British Telecommunications plc
Canon
Capital Radio
Carlton Television Trust
Channel Four
Cit e de Sciences et de L'industrie
City of Bradford Metropolitan Council
Comitato "Scienza Futura a Innovazione"
Corus (British Steel)
Co-Steel Sheerness
Dentsu Europe Ltd
Dentsu inc.
Department of Education & Employment
Department of Trade & Industry
DERA (Defence Evaluation & Research Agency)
Deutsches Museum
Digby Trout Restaurants
Digital Theatre Systems
Dolland & Aitchinson

Eastman Kodak Charitable Trust
Emsys Ventures Ltd
Engineering & Physical Sciences Research Council (EPSRC)
English Heritage
Ergonomics Society
EUMETSAT (European Organisation for the Exploitation of Meteorological Satellites)
Europa Cinemas
European Commission (EC)
European Co-ordination of Film Festivals
European Regional Development Fund (ERDF)
European Union Media II Programme
Foundation for Sport & the Arts
Friends of the National Railway Museum
Glaxo Wellcome plc
Golden Bear Products Ltd
Great North Eastern Railway (GNER)
Heritage Lottery Fund
Heureka
Ingeniera Cultural, S.A.
Institute of Physics
Institute of Railway Studies
Intel
IOP Publishing
Jarvis Rail Ltd
Jessops
Lex Services plc
Matra Marconi Space
Media Freight
Museu de Ciencia da Universidade de Lisboa
Museu de la Ciencia de la Fundacio "La Caixa"
National Heritage Memorial Fund
Natural History Museum
Nature
Oil & Colour Chemists Association
Ove Arup & Partners
Pakeezah Restaurant and Super Stores
Pirelli Award
Racal Telecommunications Ltd
Railtrack plc
Raychem Ltd
Rhodia Ltd
Royal Commissioners for the Exhibition of 1851
Royal Society of Chemistry
Russell Brothers (Wimbledon) Ltd
Spellman Walker
Stakis Hotels
Symbiosis
Taylor Woodrow Management Ltd
The ADAPT Trust

The Calouste Gulbenkian Foundation
The Eranda Foundation
The Garfield Weston Foundation
The Henry Moore Foundation
The Meteorological Office
The Paul Hamlyn Foundation
The Pfizer Foundation
The Saville Audio Visual Group Limited
The Wellcome Trust
The Worshipful Company of Clockmakers
The Worshipful Company of Clockworkers
The Worshipful Company of Weavers
The Zochonis Charitable Trust
Tinsley Wire Ltd
Ultralab
Unisys Corporation
Victoria & Albert Museum
VSOE (Venice Simplon Orient Express)
Walker Morris
West Yorkshire Grants
YMPA (Yorkshire Media Production Agency)
Yorkshire Arts

Appendix 4

Performance Indicators – Achievement of performance targets

Abbreviations

NMSI	National Museum of Science & Industry
NRM	National Railway Museum (York)
NMPFT	National Museum of Photography, Film & Television (Bradford)

Customers

4.1 4.1.1 Total visitor numbers:

	1999–00 Target	1999–00 Actual
Thousands		
Science Museum	1,450	1,400 ¹
NMPFT	759	963
NRM	450	467
Wroughton	70	58 ²
Total	<u>2,729</u>	<u>2,888</u>

1. Visitor numbers were affected by the Dome and the building works for the Wellcome Wing.
2. The programme of open days and events was affected by the loss of the Site Curator at Wroughton.

4.1.2 First time visits (a subset of 4.1.1 above):

	1999–00 Target	1999–00 Actual	Variation
Thousands			
Science Museum	775	588	-187
NMPFT	311	347	+36
NRM	225	205	-20
Total	<u>1,311</u>	<u>1,140*</u>	<u>-171*</u>

* Excludes Wroughton – no breakdown of total visitor numbers

4.1.3 Repeat visits (a subset of 4.1.1 above):

	1999–00 Target	1999–00 Actual	Variation
Thousands			
Science Museum	675	812	+137
NMPFT	448	616	+168
NRM	225	262	+35
Total	<u>1,348</u>	<u>1,690*</u>	<u>+340*</u>

*Excludes Wroughton – no breakdown of total visitor numbers

4.1.4 Education

The Museum's galleries, special exhibitions and programmes are educational resources for the public in general, for families with children of all ages and for independent adults with general or specific interests. Outreach activities are developed to establish relationships with specific audience groups, particularly those with special educational needs.

4.1.5 Lifelong learning

Daily and special events programmes, together with temporary exhibitions, are designed to provide informal learning opportunities for a wide range of visitors, from pre-school children to adults. Format, duration and scheduling of different types of event vary enormously and include everything from substantial thumbed events spanning several weeks to daily science shows and guided tours.

4.1.6 Events programmes

Events programmes, for general visitors, lasting from one day to one week, were run as follows:

	1999-00 Target	1999-00 Actual
Days		
Science Museum	7	7
NRM	18	58
NMPFT	21	32
Wroughton	30	24 ¹

1. The events programme at Wroughton was affected by the loss of the Site Curator.

4.1.7 Formal education

NMSI is believed to be the most visited of all UK museums by pre-booked educational groups. The following targets are for visits primarily for the purpose of formal education.

	1999-00 Target	1999-00 Actual
Thousands		
Science Museum	290	294
NMPFT	80	80
NRM	35	29
Total	<u>405</u>	<u>403</u>

4.1.8 Visitor satisfaction

We aim to maximise visitors' satisfaction with standards of service and the quality of exhibitions in the Museum. To help us to do this we undertake a range of visitor surveys to measure visitor satisfaction. Polls are conducted annually at all three main sites. The figures in the visitor satisfaction table represent the percentage of visitors who are either satisfied or very satisfied.

Visitor satisfaction

	1999-00 Target	1999-00 Actual
%		
Science Museum	90	93
NMPFT	92	96
NRM	95	95

Science Museum: MORI poll conducted May 1999

NMPFT: Poll conducted in August 1999 by Questions Answered

NRM: Polls conducted by ALVA and Robertson Bell

4.1.9 Physical and intellectual access

We encourage both physical and intellectual access to the whole of the collections and continue to optimise access within the constraints imposed by financial and human resource availability.

Statistics for the NMSI Websites:

www.nmsi.ac.uk
 www.science.museum.org.uk
 www.nmsi.ac.uk/wellcome-wing
 www.nrm.org.uk
 www.nmpft.org.uk

	1999-00 Projected visitors	1999-00 Projected page accesses	1999-00 Actual Visitors	1999-00 Actual accesses
Thousands				
Science Museum	553	2,365	616	2,658
NMPFT	209	504	220	474
NRM	95	533	40	609
NMSI Total	857	3,402	876	3,741

Lower than target NMPFT page accesses were a result of a number of pages being unavailable for a period during the redesign process

Collections

4.2 4.2.1 Proportion of objects stored and inventoried to the Museums & Galleries Commission's standards

The Museum seeks to acquire, store and inventory its collections in accordance with the standards of the Museums & Galleries Commission. The aim is to maintain performance for all categories and to effect an improvement in at least one category by a minimum of 2%. The categories are:

- i. Acquisition and care of Large Objects
- ii. General Collections
- iii. Library and Archive Collections
- iv. Photographic Collections

Percentage of objects stored to standard

Category	1998-99 actual to standard	1999-00 actual to standard
Large objects: aircraft, vehicles, rail vehicles	86	87
General collections	97	94
Archive and library collections	83	84
Photographic collections	93	93

The percentage of objects in general collections stored to standard has reduced as a result of one store being now classified as a risk from flooding.

Percentage of objects inventoried to standard

Category	1998-99 actual to standard	1999-00 actual to standard
Large objects: aircraft, vehicles, rail vehicles	93	93
General collections	89	90
Archive and library collections	64	66
Photographic collections	80	80

Inventory control

Proportion of objects not satisfactorily inventoried can only be accurately assessed via collections condition sample surveys. Meanwhile, proportions of objects inventoried are assessed as part of the Storage Assessment process and will continue to be reported through that route.

4.2.2 Number of staff publications in journals and books

Despite the pressures of the gallery development programme, the scholarly interpretation of the collections, the public understanding of science and of contemporary issues must remain of importance. For the purposes of this performance indicator, refereed articles and books have been counted; one book is taken to be equal to 5 refereed articles.

	1999-00 Target	1999-00 Actual
Science Museum	18	35
NMPFT	20	19
NRM	18	31
Total	56	85

Communication

4.3 Our aim to communicate issues in science and technology is realised through a number of means. The development of a coherent and consistent programme of events, gallery drama, guided tours, temporary exhibitions, exhibition updates and Science Nights has been of key importance.

4.3.1 Outreach

We have continued to promote an outreach programme of loans and exhibitions across the country and abroad. For example:

Outreach to Great Ormond Street Hospital

Science Museum explainers carried out an outreach project in Great Ormond Street Hospital. This was the first time the Museum has helped run workshops at the school within the hospital. Feedback from the children, many of whom are very sick, was excellent and the hospital is keen to sustain the relationship.

Outreach to adults with special educational needs

Explainers completed an Outreach project with Norfolk Museums Service involving work with adults with special educational needs. This challenging project received high praise from the teachers and organisers involved. A project was also carried out recently with the Chisenhale Gallery in east London.

European touring

The Science Museum is project managing a *Europe-wide touring exhibition* project on biotechnology, with funding from the European Commission. The project involves active collaboration with 20 other European science centres and institutions in 10 different European countries and support from ECSITE, the European Collaborative for Science, Industry and Technology Exhibitions. It has involved touring two complementary exhibitions to four European countries

In January 2000, NMPFT's *New Natural History* exhibition opened in the Hasselblad Centre in Gothenburg, Sweden. The exhibition was extremely well received by both the public and national and specialist press.

4.3.2 Temporary exhibitions

Despite financial pressures and extensive capital projects at all main sites, the Museum has continued to run temporary exhibitions and updates during the past year.

Year	1999-00 Target	1999-00 Actual
Science Museum	14	7 ¹
NRM	6	5 ²
NMPFT	9	10

1. The variation from target at the Science Museum is due to the concentration of effort on the Wellcome Wing Project. This area is heavily dependant on external funding.
2. At NRM there was considerable delay in replacing the staff within the area who left during the year thus reducing the programme.

Resources

- 4.4
- The Museum aims to ensure that all resources available to the Museum are managed effectively and efficiently.
 - The Museum aims to balance the accounts annually.
 - The following indicators were targeted to within a tolerance of 2%.

4.4.1 Ratio of actual to planned income (excluding sponsorship)

1999-00 Budget £k	1999-00 Actual £k	Variance
28,171	28,145	+0.1%

4.4.2 Ratio of actual to planned expenditure (excluding sponsored activity, exceptional and extraordinary items)

1999-00 Budget £k	1999-00 £k	Variance
28,171	28,145	-0.1%

4.4.3 Efficiency

Optimum efficiency is a continuing goal of NMSI. Appropriate efficiency gain targets are being adopted now that the outcome of the DCMS Efficiency Review is available.

4.4.4 Sponsorship

Sponsorship continues to be of vital importance to the Museum – in its own right and to provide collateral funding for Lottery bids. The cost of the sponsorship function as a percentage of income generated is an important indicator of efficient management and accountability. On the basis of a three year rolling average (in order to even out initial costs), we aim to spend no more than 15% of the money raised on direct administration.

	97-98 Actual	98-99 Actual	99-00 Actual
Costs £k	240	281	376
Income £k	8,274 ¹	9,594 ²	3,354
3 year average	3.7%	4.2%	4.2%

1. Includes £3m from the Wellcome Trust for the *Queen's Gate Centre for Science and the Public* £1.989m from Heritage Lottery Fund for NRM.
2. Includes £2.25m from Wolfson Foundation for the *Queen's Gate Centre for Science and the Public* and £1.93m from the Arts Lottery Fund for NMPFT.

4.4.5 Stewardship of assets

An important goal of the NMSI is the prudent stewardship of all assets, including land, buildings, fixtures and fittings. We recognise that to achieve short term revenue cost savings in order to balance the management account, funds have over the past few years not been available to carry out anything other than essential asset maintenance, for example, building repairs.

4.4.6 Capital programmes

For each initiative within the capital programme, progress against key milestones and against budget is closely monitored by both the Trustees and the funding bodies.

National Museum of Photography, Film and Television: *Imaging Frontiers* project

At NMPFT the re-development of the Museum was completed on time and within budget. The new Museum opened to the public on schedule in April 1999.

Programme area	Target	Achievement
Handover of main gallery areas to Museum for fit-out to begin	October 1998	October 1998
Completion of main contract works	December 1998	December 1998
Completion of gallery fit-out	March 1999	March 1999
Museum re-opened	April 1999	April 1999

The new NMPFT was formally opened by Pierce Brosnan in June 1999, the result of the £17 million *Imaging Frontiers* comprehensive re-development project, funded principally by Arts and Heritage Lottery Funds, the European Regional Development Fund, the Foundation for Sport and the Arts and private sector partners.

Since re-opening, the NMPFT's visitor numbers have been running at new record levels: the full year out-turn is 962,899 (some 200,000 higher than previous "steady state" annual figures). Visitor satisfaction surveys produced a rating of 96% "satisfied" or "very satisfied" and there have been excellent critical and professional receptions.

National Railway Museum: *The Works*

The NRM opened its new wing, *The Works*, in July 1999. 50% of the £4m project was funded 50% by a DCMS grant – towards the replacement of the Museum's structurally unsafe workshop building – and 50% was funded by the Heritage Lottery Fund. Funds were enhanced by grants from the Friends of the NRM, an anonymous donor and help in kind from the railway industry.

Programme area	Target	Achievement
Obtain sponsorship in kind from Railtrack	October 1998	October 1998
Adopt display design proposals	October 1998	October 1998
Complete shell of building for internal fitting out	December 1998	December 1998
Hand over of structure	March 1999	March 1999
Open to public	July 1999	July 1999

The focus of the project has been the enhancement of access. Access to the Museum's *collections* has been increased by 27,000ft² of public access storage, which houses some 7,500 artefacts not previously on public view. This material is now available to all the NRM's visitors – perhaps the biggest step forward in public access to stored material in the UK to date.

Access to the Museum's *functions* has been improved by public access, with associated interpretative displays, to the Museum's conservation workshops where visitors can experience some of the spectacular activity necessary to restore and maintain railway equipment.

Access to the Museum's *themes* has been improved by a major new interpretative display on the operation of railways including a real-time repeater of York's railway control centre. Visitors see what the controllers of seventy miles of the railway system around York see, as they see it.

This is the first time that visitors to any railway museum have been able to see an up to date railway signalling and control process in action. *The Works* represents the first of a new generation of facilities at the NRM and fundraising is in hand for future developments.

Science Museum: Wellcome Wing

The Wellcome Wing is progressing on time and budget towards its scheduled opening in June 2000.

Programme area	Target	Achievement/ Current forecast	Programme currently on target?
Phase 1 of building programme			
Hand over of floors	July 1999	July 1999	Achieved
Phases 2 & 3 of building programme			
Exhibition fit out commenced	November 1999	November 1999	Achieved
Exhibition fit out			
Programme complete	May 2000	May 2000	On target
Opening	June 2000	27 June 2000	On target

Additional funding beyond the original target of £48m has been committed by the Wellcome Trust and other grant givers. This has been allocated to a range of additional items.

When it opens in June 2000, the Wellcome Wing at the Science Museum will be the world's leading centre for the presentation of contemporary science to the public. The dramatic and ingenious architecture will encompass 10,000m² of additional space, increasing the floor area of the Museum by a third. A suite of new and continually updated exhibitions will present the latest developments in science, medicine and technology. For the first time, visitors will be able to discover for themselves what is really going on in the world of science, and give their own views on the key ideas and issues of the day.

The award-winning architects MacCormac Jamieson Prichard have designed the Wellcome Wing as a breathtaking theatre of contemporary science. In a single, spectacular area the exhibition floors and the IMAX® cinema appear to float in space. The choice of materials – large steel beams and cantilevers – creates a striking framework from which the floors and cinema are suspended, while a careful balance between natural and artificial light adds to the drama of the setting.

Science Museum: *Making the Modern World*

This outstanding new exhibition is progressing on time and to budget towards its scheduled opening in June 2000.

Programme area	Target	Achievement/ Current forecast	Programme currently on target?
Gallery structure and envelope	February 2000	February 2000	Achieved
Installation of “heavy move” objects	February 2000	February 2000	Achieved
Select, conserve and install smaller objects	May 2000	May 2000	On target
Graphics and text	May 2000	May 2000	On target
Opening	June 2000	27 June 2000	On target

The main boulevard of this huge gallery is intended to form both a physical and an intellectual route to the Wellcome Wing. It will be filled with some 150 iconic objects from our collections. Spanning the past 250 years, this visually arresting landscape of machines and inventions will contain many world firsts including Stephenson’s Rocket, Crick and Watson’s DNA spiral model, the Apollo 10 command module and the EMI brain scanner.

To counterpoint these special and significant objects, there will be showcases filled with a huge number of artefacts encountered in the everyday lives of people all classes, throughout the 250-year period covered by the gallery.

There will also be subsidiary displays which will explore in more depth some of the stories behind the icons. Each will use a rich variety of artefacts – objects, archival material and works of art to discuss an episode in the history of the modern industrial world.

Since the foundation of the Science Museum in the mid-nineteenth century, its collections have included large numbers of models, always popular with visitors. The new gallery will recreate some of the magic of these displays of “technology in miniature” by including an amazing diversity of engineering, architectural, educational, patent, industrial and salesmens’ models, some of which can be operated by the visitor.

Appendix 5

Addresses

The Science Museum
Exhibition Road
London
SW7 2DD

The National Railway Museum
Leeman Road
York
Yorkshire YO2 4XJ

The National Museum of Photography, Film & Television
Pictureville
Bradford
West Yorkshire BD1 1NQ

Science Museum Wroughton
Block 4d
Red Barn Gate
Wroughton
Swindon
Wiltshire
SN4 9NS

Appendix 6

NMSI Advisers and Company Information

Auditors	<p><i>NMSI</i></p> <p>Comptroller & Auditor General National Audit Office Buckingham Palace Road London SW1W 9SP</p>	<p><i>NMSI Trading Limited and Bradford Film Limited</i></p> <p>Tranter Lowe 6 Market Street Oakengates Telford Shropshire TF2 6EF</p>
Bankers	<p><i>NMSI, NMSI Trading Limited and Bradford Film Limited</i></p> <p>Barclays Bank plc 50 Pall Mall PO Box No 15162 London SW1A 1QB</p>	<p><i>NMSI Trading Limited</i></p> <p>N M Rothschild & Sons New Court St Swithin's Lane London EC4P 4DU</p>
Solicitors	<p><i>NMSI, NMSI Trading Limited and Bradford Film Limited</i></p> <p>Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH</p>	<p>Cameron McKenna Mitre House 160 Aldersgate Street London EC1A 4DD</p>
Company Information	<p><i>NMSI Trading Limited</i></p> <p>Directors Sir Peter Williams Sir Neil Cossons (until 30 June 2000) Mrs Jill Strieder (from 4 November 2000) Mr Mark Pemberton (from 16 May 2000)</p> <p>Secretary Ms Anne Caine</p> <p>Registered office Exhibition Road South Kensington London SW7 2DD</p> <p>Registered number 2196149</p>	<p><i>Bradford Film Limited (a company limited by guarantee)</i></p> <p>Directors Lord Puttnam of Queensgate Mrs Amanda Nevill Mr Mark Pemberton</p> <p>Secretary Ms Anne Caine</p> <p>Registered office Exhibition Road South Kensington London SW7 2DD</p> <p>Registered number 3309258</p>

Statement 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 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 the Museum's financial activities during the year 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 judgements 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 the Museum will continue in operation.

The Accounting Officer for the Department for Culture, Media and Sport has designated the Director as the Accounting Officer for the Museum. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum, issued by the Treasury and published in Government Accounting.

Sir Peter Williams
Chairman of the Board of Trustees

Sir Christopher Wates
Trustee

Dr Lindsay Sharp
Director and Accounting Officer

7 August 2000

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

Statement on the System of Internal Financial Control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the National Museum of Science & Industry.

The system can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial 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:

- comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Board of Trustees of the Science Museum;
- regular reviews by the Board of Trustees of periodic and annual financial reports which indicate financial performance against the forecasts;
- a Funding Agreement between the Science Museum and Department for Culture, Media and Sport which includes performance measures of future years;
- clearly defined capital investment control guidelines;
- as appropriate, formal project management disciplines paying particular attention to risk and contingency levels.

The National Museum of Science & Industry uses the internal audit services of the South Kensington Museum Audit Consortium, based at the Natural History Museum, which operates to standards defined in the Government Internal Audit Manual. The work of the internal audit unit 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 Trustee's Audit Committee and approved by me. The Head of Internal Audit (HIA) provides me with an annual report on internal audit activity in the body. The report includes the HIA's independent opinion on the adequacy and effectiveness of the body's system of internal financial control.

For 1999–2000, the previous Accounting Officer reviewed the effectiveness of the system of internal financial control based on the work of the Internal Auditors; the Audit Committee which oversees the work of the internal and external auditors; the Internal Financial Control Statements of compliance completed by managers; and comments made by the external auditors in their management letter and other reports. In the Internal Audit annual report for 1999–2000 the HIA gave the opinion that the Museum had a sound framework of internal control to manage the major risks to the achievement of the Museum's objectives and to help ensure the proper conduct of business.

As Accounting Officer, I am aware of the recommendations of the Turnbull Committee and I am taking reasonable steps to comply with Treasury's requirement for a statement of internal control for the year ended 31 March 2002 in accordance with guidance to be issued by the Treasury.

Dr Lindsay Sharp
Director and Accounting Officer

7 August 2000

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements on pages 38 to 61 under the Museums and Galleries Act 1992. These financial statements have been prepared under the historic cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 43 to 46.

Respective Responsibilities of the Trustees, the Director and Auditor

As described on page 35 the Trustees and the Director of the National Museum of Science & Industry as the Accounting Officer are responsible for the preparation of financial statements and for ensuring the regularity of financial transactions. The Director is also responsible for the preparation of the Foreword and Annual Report. My responsibilities, as independent auditor, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements give a true and fair view, and are properly prepared in accordance with the Museums and Galleries Act 1992 and directions made by the Secretary of State for Culture, Media & Sport thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report, if in my opinion, the Foreword and Annual Report on pages 1 to 34 is not consistent with the financial statements, if the National Museum of Science & Industry has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the statement on page 36 reflects the National Museums of Science & Industry's compliance with the Treasury's guidance 'Corporate Governance: statement on the system of internal financial control'. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements.

Basis of opinion

I conducted my audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures and regularity of the financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the National Museum of Science & Industry's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the National Museum of Science & Industry and of the Group at 31 March 2000 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended and have been properly prepared in accordance with the Museums and Galleries Act 1992 and with the directions made thereunder by the Secretary of State for Culture, Media and Sport; and
- in all material respects the expenditure, income and resources have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities, which govern them.

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General

14 September 2000

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

Consolidated Summary Income and Expenditure Account for the year ended 31 March 2000

	2000 £000	1999 £000
Total Income	61,008	54,131
Total Expenditure	38,093	35,101
Total surplus for the year	22,915	19,030
Less capital projects and movements on other funds	20,625	18,621
Operating surplus for the year	2,290	409

Capital projects represent net income after depreciation for the Museum charged in the year that the Trustees have identified as being designated for capital projects. Other funds movements represent in year allocation by Trustees net of release of non capital expenditure to the current year. Gross income includes £25,843,313 restricted income. In addition, £100,000 of General Funds are allocated to the Major Projects Contingency.

The notes on pages 43 to 61 form part of these accounts.

Consolidated Statement of Financial Activities for year ended 31 March 2000

	Notes	2000 Unrestricted Funds £000	2000 Restricted Funds £000	2000 Total £000	1999 Total £000
Incoming Resources					
Grant in Aid	2	22,756	1,000	23,756	20,281
Income from Commercial activities	7	8,606	—	8,606	7,201
Sponsorship, grants and donations					
Lottery income		—	12,383	12,383	12,475
Other		7	12,461	12,468	9,780
Admissions	3	3,191	—	3,191	4,013
Other operating income	4	439	—	439	237
Investment income	5	165	—	165	144
Total incoming resources		35,164	25,844	61,008	54,131
Resources expended					
Direct charitable expenditure					
Collections purchases		173	—	173	263
Care for and research into collections		5,753	274	6,027	5,499
Science education and communication		4,912	1,875	6,787	6,936
Visitor services		5,864	113	5,977	4,325
Support services		7,872	680	8,552	9,122
Other expenditure					
Publicity and fundraising		376	—	376	282
Admission costs		1,543	—	1,543	1,238
Commercial costs	7	7,612	196	7,808	6,749
Management and administration of the Charity		850	—	850	687
Total resource expended	6	34,955	3,138	38,093	35,101
Notional cost of capital		4,920	—	4,920	3,668
Net incoming/ (outgoing) resources after notional costs	6	(4,711)	22,706	17,995	15,362
Reversal of notional costs		4,920	—	4,920	3,668
Net incoming/(outgoing) resources surplus/(deficit)		209	22,706	22,915	19,030
Revaluation of assets		8	377	385	902
Net movement in funds		217	23,083	23,300	19,932
Fund balances brought forward at 1.4.1999		18,696	51,668	70,364	51,886
Transfer to Deferred income		—	—	—	(1,454)
Fund balances carried forward at 31.3.2000		18,913	74,751	93,664	70,364

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 43 to 61 form part of these accounts.

Consolidated Balance Sheet as at 31 March 2000

	Notes	2000 £000	1999 £000
Fixed assets			
Intangible Assets		161	—
Tangible Assets	9	93,779	71,383
		93,940	71,383
Current assets			
Stock		565	386
Debtors	12	10,254	9,264
Cash in hand and at bank	22	2,843	1,772
		13,662	11,422
Creditors: amounts falling due within one year	13	(9,827)	(8,145)
Net current assets		3,835	3,277
Creditors: amounts falling due after one year		(879)	(911)
Provision for liability and charges			
Early Retirement Provision	14	(467)	(555)
Deferred income	15	(2,765)	(2,830)
Net assets		93,664	70,364
Represented by:			
Restricted funds:			
Sponsorship, Grants & Donations Reserve	19	3,361	2,201
Revaluation Reserve	16.1	1,012	635
Capital Projects Fund	18	70,378	48,832
Unrestricted funds:			
Designated funds			
Museum Improvement Reserve	20	1,975	1,266
Collections Purchase Fund	17	—	11
Revaluation Reserve	16.1	275	267
Capital Projects Fund	18	14,436	15,011
Major Project Contingency Fund	16.1	1,318	1,374
General funds:		909	767
Total funds		93,664	70,364

Sir Peter Williams

Sir Christopher Wates

Dr Lindsay Sharp

7 August 2000

The notes on pages 43 to 61 form part of these accounts.

Museum

Balance Sheet

as at 31 March 2000

	Notes	2000 £000	1999 £000
Tangible Assets	9	86,101	64,747
Investments	7	411	411
		<u>86,512</u>	<u>65,158</u>
Current assets			
Stock		—	—
Debtors*	12	10,118	9,849
Cash		2,627	(233)
		<u>12,745</u>	<u>9,616</u>
Creditors: amounts falling due within one year	13	<u>(5,407)</u>	<u>(4,574)</u>
Net current assets		<u>7,338</u>	<u>5,042</u>
Provision for liability and charges			
Early Retirement Provision	14	(467)	(555)
Net assets		<u>93,383</u>	<u>69,645</u>
Represented by:			
Restricted funds:			
Sponsorship, Grants & Donations Reserve	19	3,361	2,201
Revaluation Reserve	16.1	1,012	635
Capital Projects Fund	18	70,378	48,832
Unrestricted funds:			
Designated funds			
Museum Improvement Reserve	20	1,975	1,266
Collections Purchase Fund	17	—	11
Revaluation Reserve	16.1	275	267
Capital Projects Fund	18	14,436	15,011
Major Project Contingency Fund	16.1	1,318	1,374
General funds:		<u>628</u>	<u>48</u>
Total funds	16.1	<u>93,383</u>	<u>69,645</u>

*Debtors include £307,907 falling due after one year.

Sir Peter Williams

Sir Christopher Wates

Dr Lindsay Sharp

7 August 2000

The notes on pages 43 to 61 form part of these accounts.

Cash Flow for the year to 31 March 2000

	Note	2000 £000	1999 £000
Net Cash flow from operating activities	22.1	24,620	20,456
Returns on investments and servicing of finance	22.2	16	66
Capital Expenditure	22.2	(24,455)	(24,222)
Management of liquid resources	22.2	—	3,000
Financing	22.2	889	186
		1,070	(514)
Increase/(decrease) in cash in the period	22.3	1,070	(514)
Cash (inflow)/outflow from (decrease)/increase in liquid resources	22.2	—	(3,000)
Decrease/(increase) in debt and lease financing	22.2	(1,169)	(466)
		(99)	(3,980)
Change in net fund resulting from cash flow		(99)	(3,980)
New finance leases		—	(17)
		(99)	(3,997)
Movement in net fund during the period		(99)	(3,997)
Net funds as at 1.4.99		294	4,291
Net funds at 31.3.00		195	294

The notes on pages 43 to 61 form part of these accounts.

Notes to the Consolidated Accounts

Statement of Accounting Policy 1 *1.1 Accounting Convention*

The accounts have been prepared under a historical cost convention as modified by the revaluation of certain fixed assets. Without limiting the information given, the accounts meet the accountancy and disclosure requirements of the Companies Act 1995 and of the Accounting Standards issued or adopted by the Accounting Standards Board so far as those requirements are appropriate. It also meets the Statement of Recommended Practice, "Accounting by Charities", issued by the Charity Commissioners in 1996.

Consolidated accounts have been prepared which include the Museum and its subsidiary companies, NMSI Trading Limited and Bradford Film Limited.

1.2 Incoming Resources

All income is accounted for on a receivable basis. Grant in Aid from the Department for Culture, Media and Sport allocated to general purposes is taken to Statement of Financial Activities in the year to which it relates. 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)

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.

Charitable expenditure and administration costs comprise 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. Fund-raising and publicity costs are those incurred in seeking voluntary contributions to the Museum, and in publicising the Museum. Management and administration costs are those incurred in connection with the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements. Support services comprise Estates, Personnel, Finance and Information Services. (Note 6)

1.4 Intangible Assets

Intangible assets arise in NMSI Trading Limited and relate to initial development costs for the Wellcome Wing. They are amortised at a rate of 20% calculated to write off the cost or valuation of each asset evenly.

1.5 Fixed Assets Valuation and Depreciation

Depreciation is provided on all tangible assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset evenly over its expected useful life, as follows:

Land	not depreciated
Freehold buildings	50 years
Plant & machinery	5 to 10 years
Galleries & exhibitions	5 to 15 years
Fixtures & fittings	3 to 10 years

Assets are now revalued to current cost using a range of appropriate price indices. Galleries and exhibitions have not been revalued as the current cost is equal to their actual cost but the life of these assets are reviewed annually to reflect their true value. The difference between current cost and historic cost depreciation is taken to the Revaluation Reserve.

No donated asset of material value has been identified.

1.6 Collection Objects

As the collection is considered to be inalienable, no valuation is attempted and no amount is included for this in the Balance Sheet. Objects have been donated but are not considered to have a material market value.

Purchases of items for the collection are charged to the Statement of Financial Activities in the year of acquisition. (Note 17)

1.7 Stock

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

1.8 Leases

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to NMSI Trading Limited, are capitalised in the Balance Sheet and depreciated over their useful lives. The interest element of the rental obligations is charged to the Statement of Financial Activities over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

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

1.9 Restricted Funds

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

Sponsorship, Grants & Donations Reserve

Sponsorship income, grants and donations received for specific projects or events are shown as restricted income and credited to a Sponsorship, Grants & Donations Reserve. (Note 19)

Capital Projects Fund

Funds representing the net book value of fixed assets funded from the restricted funds and used to fund depreciation on these assets. (Note 18)

Collections Purchase Fund

Income received for the purchase of specific items or from the sale of objects is shown as restricted income and then credited to the Collections Purchase Fund. (Note 17)

1.10 Designated Funds

Where the Museum is committed 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. (Note 20)

Capital Projects Fund

Funds representing the net book value of fixed assets funded from the unrestricted funds and used to fund depreciation on these assets. (Note 18)

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. (Note 17)

Major Projects Contingency Reserve

Funds have been allocated to a Major Projects Contingency Reserve in advance of the major capital programme as a prudent measure in case of unforeseen circumstances outside the control of NMSI.

1.11 General Funds

General Funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Museum.

1.12 NMSI Trading Limited

NMSI Trading Limited is a wholly owned subsidiary of NMSI. All shareholders of the NMSI Trading Limited must be Trustees of the Board of NMSI. 500,000 shares in NMSI Trading Limited have been authorised of which 411,000 shares have been issued. These are held by the Board of Trustees of the Science Museum. Under a Deed of Covenant, all taxable profits from NMSI Trading Limited are paid to NMSI. Bradford Film Limited is a company limited by guarantee for which NMSI Trading Limited is the sole member. A summary of the consolidated accounts is given in Note 7.

1.13 Pensions

Staff of the Museum are employed under the same conditions of service as Civil Servants to whom the conditions of Superannuation Acts 1965 and 1972 and subsequent amendments apply. Pension contributions are paid to the Paymaster General at rates determined from time to time by the Government Actuary and advised by the Treasury.

NMSI Trading Limited has a separate pension scheme, the assets of which are held separately in an independently administered fund.

1.14 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. Under the Early Retirement Scheme the Museum bears the costs of these benefits until the normal retiring age. The Museum pays a one-off compensation payment to those employees retired under the early severance scheme.

The total pensions 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 and an increase in the provision for future pension payments is made. Funds are released from the provision annually to fund pensions and related benefits payments to the retired employee until normal retiring age. (Notes 6.2, 14)

1.15 Taxation

There are no sources of income received by NMSI liable to Corporation Tax and no provision has therefore been made.

For NMSI Trading Limited, 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. Under a deed of covenant with NMSI, all taxable profits are paid to the Museum and there is no liability to taxation.

1.16 Foreign Currencies

Transactions in foreign currencies are recorded at the rate ruling at the time of the transaction. 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.

1.17 Notional Costs

In accordance with Treasury guidance, notional cost of capital is charged in the Statement of Financial Activities in arriving at a net incoming/(outgoing) resources figure. This notional cost is reversed so that no provision is included on the Balance Sheet.

Museum Account	2	2000 £	1999 £
Department for Culture, Media and Sport Class XI Vote 1		<u>23,756,000</u>	<u>20,281,040</u>
Income			
Grant in Aid		23,756,000	20,281,040
Sponsorship, grants and donations		24,654,778	22,089,674
Admissions		3,191,593	4,012,700
Other operating income		438,720	236,852
Covenanted profit from NMSI Trading Limited		1,408,323	—
		<u>53,449,414</u>	<u>46,620,266</u>
Expenditure			
Staff costs		15,834,032	14,947,443
Other operating costs		11,671,244	11,152,786
Depreciation		2,574,131	1,932,292
Collections Purchases		172,726	262,872
		<u>30,252,133</u>	<u>28,295,393</u>
Operating surplus on museum activities		23,197,281	18,324,873
Interest received		156,479	131,065
		<u>23,353,760</u>	<u>18,455,938</u>
Revaluation of assets		384,658	902,514
Surplus for the year on museum activities		<u>23,738,418</u>	<u>19,358,452</u>

Income for the year includes £25,647,539 of restricted income received partly for expenditure on deferred activity, mainly of a capital nature. NMSI Trading Limited and Bradford Film surplus/(deficit) of £2,577,684 (1998-99: £2,172,502) is taken to the Statement of Financial Activities of which £1,843,817 (1998-99: £1,764,241) is consolidated into Sponsorship, Grants and Donations income and £733,867 (as opposed to NMSI Trading Limited covenanted profit, £3,016,366) is consolidated fully into the Statement of Financial Activities. The difference of £438,682 (total surplus of £2,577,684 less covenanted profit of £3,016,366) is eliminated as part of the consolidation. Interest charged by NMSI to NMSI Trading Limited of £32,895 had been netted from recharged costs and was eliminated in consolidation.

The costs of NMSI Trading Limited staff recharged to the Museum are included in 'Staff costs,' instead of 'Other operating costs,'

The Museum subsidised the activities of Bradford Film Limited to the sum of £40,000 in 1999-00 matching the property and services costs charged from the Museum to Bradford Film Limited.

Admissions	3	Admissions income of £3,191,593 (1998-99: £4,012,700) comprising £1,973,034 at the Science Museum and £1,218,559 at NRM was received during the year.
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Other income	4	Unrestricted		Restricted	
		2000	2000	2000	1999
		£	£	£	£
Other Income		438,720	—	438,720	236,852

Other income arises from conference and educational events, locomotive hire and property rental. Restricted income relates to the proceeds of the sale of objects which must fund future acquisitions. No sales were made in 1999-00.

Investment income	5	Investment income of £164,878 (1998-99: £144,023) arises through interest earned from investing surplus funds.
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Total resources expended

6.1 Analysis by functional purpose

	Staff costs	Other direct costs	Depreciation	2000 Total	1999 Total
	£000	£000	£000	£000	£000
Collections Purchases	—	173	—	173	263
Collections	4,338	1,478	211	6,027	5,499
Science communication	3,376	2,210	1,201	6,787	6,936
Visitor Services	4,277	1,375	325	5,977	4,325
Support Services	2,579	5,135	838	8,552	9,122
	<u>14,570</u>	<u>10,371</u>	<u>2,575</u>	<u>27,516</u>	<u>26,145</u>
Publicity & fundraising	320	56	—	376	282
Admission costs	443	1,100	—	1,543	1,238
Commercial costs	2,175	4,864	769	7,808	6,749
Management and administration	500	350	—	850	687
	<u>18,008</u>	<u>16,741</u>	<u>3,344</u>	<u>38,093</u>	<u>35,101</u>

Within the salary costs above, the Museum includes staff costs recharged to the Museum as part of the Trading Company services. Agency costs similarly recharged are included in Other Direct Costs. Museum staff and other direct costs recharged to the Trading Company are shown by the Trading Company within staff and other direct costs respectively. For 1999-2000 security and warding are managed within Visitor Services. The comparatives have been adjusted to reflect this.

6.2 Staff Costs

	2000	1999
	£	£
	Total	Total
Net Salaries & Wages	15,327,140	14,310,050
National Insurance	1,042,197	1,024,784
Superannuation (Museum only)	1,442,731	1,357,163
Pension contributions (NMSI Trading Limited and Bradford Film Limited)	51,382	104,477
Early Retirement - Note 14	144,938	27,359
Exceptional cost - Compensation payments	—	(3,569)
	<u>18,008,388</u>	<u>16,820,264</u>

**Total resources
expended**
continued

- 6 Superannuation benefits are provided through the Principal Civil Service Pension Fund, a statutory scheme that provides benefits accumulated at a rate of $\frac{1}{80}$ th per year of pensionable salary on a 'final salary' basis with a normal retirement age of 60. Pension contributions of £1,442,731 were paid for 1999-00 for which the rate varied from 12%-18.5% (1998-99, 12%-18.5%) for the Museum.

The NMSI Trading Limited Pension Scheme is a Contracted In Group Money Purchase Scheme with optional Contracted Out Personal Pensions to which NMSI Trading Limited contributes 7% and the employee 5%. NMSI Trading Limited pension contributions of £51,382 were paid for 1999-00.

In relation to the Early Retirement provision, £144,938 (1999-00, £27,359) was charged to the Statement of Financial Activities and credited to the Early Retirement provision. £233,194, (1998-99 £183,237) was charged against the provision to fund pensions and related benefits payments. (Note 14)

The Chairman and Trustees (listed in Appendix 1 to the Foreword) received no remuneration for their services. The Director received remuneration of £110,741 (1999-00 £100,300) and an employer's pension contribution of £19,132 (1998-99 £15,843) and benefited from the use of a car (value of benefit in kind £4,140). His real increase in pension was £2,673 during 1999-2000 and his total accrued pension at 60 at 31.3.2000 was £19,380. He was re-appointed for a further term of 5 years from 1 April 1996 and vacates the position on 30 June 2000.

Employees analysed by objective are as follows;

	Total 2000	Total 1999
Care for and research into Collection	164	155
Science education and communication	205	222
Visitor Services	147	151
Support Services	121	120
Publicity and fundraising	29	26
Admissions	49	27
Commercial Activity	192	80
Management and administration	9	9
Total	916	790

Where staff costs have been recharged between NMSI and NMSI Trading Limited, the numbers employed have been retained by the employing body.

Employees receiving remuneration over £40,000:

	2000	1999
£ 40,001- 50,000	14	12
£ 50,001- 60,000	5	8
£ 60,001- 70,000	4	4
£ 70,001- 80,000	3	—
£ 80,001- 90,000	—	—
£ 90,001-100,000	—	—
£100,001-110,000	—	1
£110,001-120,000	1	—

Total resources expended <i>continued</i>	6.3 Other direct costs			
	2000 Science Museum	2000 NMSI Tr/ Bradford Film	2000 Total £	1999 Total £
Other direct costs included:				
Auditors remuneration	34,000	16,500	50,500	48,500
Other financial services provided by the auditors comprised:				
Accountancy	1,200	53,860	55,060	39,870
Consultancy	—	77,037	77,037	65,471
Lease rental payments on land and buildings	68,875	—	68,875	85,543
Lease rental payments on vehicles	42,045	1,561	43,606	44,100
Finance charges on hire purchase contracts	—	4,417	4,417	2,542
Travel, subsistence and entertainment	516,920	100,476	617,396	441,431

NMSI Trading Limited 7 The Board of Trustees of the Science Museum owns the whole of the issued share capital of 411,000 shares of NMSI Trading Limited, 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 Limited is a company limited by guarantee for which NMSI Trading Limited is the sole member. For 1999-00, the first thirteen months' trading are consolidated with NMSI Trading Limited accounts.

7.1 Income and Expenditure Account

	2000 £	1999 £
Turnover	8,602,927	7,241,659
Cost of sales*	(3,132,021)	(2,624,977)
Gross profit	5,470,906	4,616,682
Administrative Expenses*	(4,650,871)	(4,055,641)
Sponsorship Income (NMSI Trading Limited)	1,608,043	1,599,498
Grants and donations (Bradford Film Limited)	235,774	164,743
Trading Profit	2,663,852	2,325,282
Profit/(loss) on disposal of fixed assets	3,424	(13,900)
Other interest received	8,399	12,958
Other interest paid*	(163,483)	(151,838)
Deferred grant release*	65,492	
Net contribution	2,577,684	2,172,502
Amount covenanted to Museum	(3,016,366)	(1,599,498)
Retained in subsidiary	(438,682)	573,004

Turnover includes £113,207 (1998-99, £113,208) of rental income through letting part of the Post Office building to Royal Mail and £181,366 arising from Bradford Film Limited turnover, admission income.

NMSI Trading Limited
continued

- 7 There are no sales to the Museum included in the turnover. Turnover of £8,602,927 includes £40,000 of donations from the Museum to Bradford Film Limited which are eliminated on consolidation giving £8,562,927 as net commercial income. The interest includes £32,895 of interest charged by NMSI to NMSI Trading Limited which is eliminated on consolidation and excluded from expenditure on "Commercial costs" of £7,807,988 ("Commercial costs" comprise items marked*).

Income of £1,608,043 (1998-99: £1,599,498) for NMSI Trading Limited and £235,774 (1999-00: £164,743) for Bradford Film Limited have been included in "Sponsorship, Grants and Donations Income". Other income and costs have been shown as "Income from commercial activities", "Investment income" and "Commercial costs" respectively.

7.2 Balance Sheet

	2000	1999
Net assets at 31 March comprise:		
Intangible assets	161,333	—
Tangible fixed assets	6,410,772	6,636,140
Current assets	3,131,892	3,795,230
Creditors due within one year	(5,061,089)	(4,971,410)
Creditors due after one year	(1,186,368)	(1,499,246)
Provision for liabilities & charges (Deferred income)	(2,764,524)	(2,830,016)
Net assets	<u>692,016</u>	<u>1,130,698</u>

7.3 Subsidiary Companies

The National Museum of Science & Industry has Science Shops Limited and Launch Pad Limited as dormant subsidiaries. NMSI Trading Limited has National Science Centre Limited as a dormant subsidiary. Bradford Film Limited is a subsidiary of NMSI Trading Limited.

- Notional costs of capital** 8 Notional cost of capital is calculated as 6% of the average capital employed by the Museum in the year and amounts to £4,920,859 (1998-99, £3,667,522).

Tangible fixed assets**9.1 Consolidated Assets**

	Land & Buildings £000	Plant & Machinery £000	Galleries & Exhibitions £000	Fixture & Fittings £000	Relating to Hire Purchases £000	Assets under construction £000	Total £000
Value as at 1.4.99	23,409	10,396	16,455	1,604	75	34,678	86,617
Additions during year	1,566	58	244	203	—	23,291	25,362
Revaluation	469	(66)	—	—	—	—	403
Transfers during year	15,824	24	3,296	431	—	(19,575)	—
Disposals during year	—	(50)	—	—	(17)	—	(67)
Value as at 31.3.00	41,268	10,362	19,995	2,238	58	38,394	112,315
Depreciation as at 1.4.99	1,894	4,819	7,151	1,350	20	—	15,234
Depreciation during year	690	710	1,529	401	14	—	3,344
Transfers							
Depreciation due to revaluation	31	(12)	—	(1)	—	—	18
Depreciation written off	—	(50)	—	—	(10)	—	(60)
Depreciation as at 31.3.00	2,615	5,467	8,680	1,750	24	—	18,536
Net Book Value at 31.3.00	38,653	4,895	11,315	488	34	38,394	93,779
Net Book Value at 31.3.99	21,515	5,577	9,304	254	55	34,678	71,383

The net book value at 31 March 2000 represents fixed assets for

	Land & Buildings £000	Plant & Machinery £000	Galleries & Exhibitions £000	Fixture & Fittins £000	Relating to Hire Purchases £000	Assets under construction £000	Total £000
Charitable activities	35,926	3,435	9,980	47	—	36,713	86,101
Other activities	2,727	1,460	1,335	441	34	1,681	7,678
Total	38,653	4,895	11,315	488	34	38,394	93,779

The only leasehold asset within Land and Buildings is the 99 year lease on the property known as “the Post Office”, Exhibition Road, South Kensington amounting to £971,007.

The hire purchase asset relates to motor vehicles held by NMSI Trading Limited.

The titles to the main Museum site at South Kensington and Blythe Road are still awaiting transfer to the Museum Trustees. These land and buildings have recently been valued by Drivers Jonas, Chartered Surveyors. The main site was valued on the basis of depreciated replacement cost and the remaining property at open market value on the basis of existing use. The valuations were carried out in accordance with guidelines laid down by the Royal Institution of Chartered Surveyors. As at 31 March 2000, titles were vested in the Secretary of State for the Environment. As a consequence their value is not recorded in the Balance Sheet.

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 was transferred from the Secretary of State for the Environment on 1 August 1997. Both are valued in accordance with valuations carried out, as above, at 31 March 1997.

Tangible fixed assets
continued

- 9 The Royal Naval Air Yard was purchased from the Ministry of Defence on 31 March 2000 and is included in Assets under Construction while total purchase cost is being finalised.

Property	Title	Valuation Date	Value £000
Main site - Science Museum, South Ken	Freehold	31.3.97	72,000
Blythe Road, Hammersmith	Freehold	31.3.97	4,000
			<u>76,000</u>

9.2 Museum Assets

	Land & Buildings £000	Plant & Machinery £000	Galleries & Exhibitions £000	Fixture & Fittings £000	Assets under construction £000	Total £000
Value as at 1.4.99	21,905	8,533	14,528	300	33,097	78,363
Additions during year	300	53	—	—	23,191	23,544
Revaluation	469	(66)	—	—	—	403
Transfers during year	15,824	410	3,296	45	(19,575)	—
Disposals during year	—	(50)	—	—	—	(50)
Value as at 31.3.00	38,498	8,880	17,824	345	36,713	102,260
Depreciation as at 1.4.990	1,861	4,814	6,655	286	—	13,616
Depreciation during year	680	693	1,189	13	—	2,575
Depreciation due to revaluation	31	(12)	—	(1)	—	18
Depreciation written off	—	(50)	—	—	—	(50)
Depreciation as at 31.3.00	2,572	5,445	7,844	298	—	16,159
Net Book Value at 31.3.00	35,926	3,435	9,980	47	36,713	86,101
Net Book Value at 31.3.99	20,044	3,719	7,873	14	33,097	64,747

Commitments under operating leases

- 10 As at 31 March 2000, NMSI had annual commitments under non-cancellable operating leases as set out below:

	2000 Land & Buildings	2000 Vehicles	1999 Land & Buildings	1999 Vehicles
Operating leases which expire:				
Within one year	350	12,696	351	3,122
In the second to fifth year	64,040	26,878	64,040	42,045
Over five years	61,625	—	61,625	—

These included NMSI Trading Limited building lease commitments of £57,140 expiring in the second to fifth year (1998-1999, in the second to fifth year, building and vehicle lease of £57,140 and £3,122 respectively).

Capital commitments**11.1 Projects**

The major projects underway at present are as follows:

Wellcome Wing – Science Museum

A new wing comprising exhibitions focused on contemporary science and industry, together with a 3D IMAX cinema is under construction at a cost of £48m. The Heritage Lottery Fund is contributing £23m, the Wellcome Trust £16.5m and other sponsors and the Science Museum, £8.5m. Opening will take place on 27 June 2000.

Imaging Frontiers – National Museum of Film, Photography & Television

Major renovation to the Museum has taken place at a cost of £13.4m which has provided a new concourse, exhibitions and greatly improved visitor areas and services. Funding has been made available by ERDF for £3.5m, the Heritage Lottery Fund, £6.1 m and the Arts Lottery Fund, £1.6m, together with Museum and other funding of £2.2m. The formal opening was in June 1999. At the same time, the newly refurbished Imax theatre with 3D Imax was reopened at a cost of £2.8m funded mainly by the Arts Lottery Fund and ERDF.

The Works – National Railway Museum Development

The redevelopment of the Motive Power Depot to include some exhibition space and visitor viewing facilities has been awarded a Heritage Lottery grant of £1.9m. Funds of £2m had already been provided by the Department of National Heritage (now Department for Culture, Media and Sport). The total project budget was £3.9m. The formal opening was in September 1999.

11.2 Outstanding capital commitments

At the Balance Sheet date, outstanding commitments amounted to some £6,301,000. Of this, £5,160,000 relates to NMSI, including £4,742,000 for **Wellcome Wing**. £1,141,000 relates to NMSI Trading Limited, of which £841,000 is to the **Wellcome Wing**.

Debtors**12**

	NMSI		Total £ 2000	Total £ 1999
	Science Museum 2000	Trading/ Bradford Film 2000		
Trade Debtors	3,232,502	625,389	3,857,891	3,607,479
Provision for Bad Debts	(10,035)	(25,130)	(35,165)	(29,598)
Other Debtors	330,097	226,815	556,912	416,399
Prepayments & Accrued Income	3,065,670	235,832	3,301,502	2,745,915
Taxation recoverable	2,572,954	—	2,572,954	2,524,268
	<u>9,191,188</u>	<u>1,062,906</u>	<u>10,254,094</u>	<u>9,264,463</u>

Total debtors include the Heritage Lottery Fund, £3,239,669, ERDF £38,000, Arts Lottery Fund, £138,343 and Wellcome Trust £1,763,945. Museum debtors exclude £927,410 of intercompany debtor eliminated on consolidation. NMSI Trading Limited debtors exclude £21,315 of intercompany debtor eliminated on consolidation with Bradford Film Limited

Creditors

13.1 Amounts falling due within one year

	NMSI		Total £ 2000	Total £ 1999
	Science Museum 2000	Trading/ Bradford Film 2000		
Trade Creditors	2,234,226	776,895	3,011,121	3,217,382
Other Creditors	102,025	—	102,025	112,393
Accruals and Prepaid Income	3,071,338	1,141,859	4,213,197	3,750,026
Taxation and Social Security Costs	—	732,494	732,494	498,541
Obligations under finances leases and hire purchase	—	9,522	9,522	17,566
Bank Loan	—	1,759,500	1,759,500	549,500
	<u>5,407,589</u>	<u>4,420,270</u>	<u>9,827,859</u>	<u>8,145,408</u>

NMSI Trading Limited creditors due within one year exclude £619,503 of intercompany creditor eliminated on consolidation of which £280,000 represents the funding of *Science of Sport*. Bradford Film Limited creditors exclude £21,315 of intercompany debtor eliminated on consolidation with NMSI Trading Limited.

The bank loans of £1,759,500 included a £500,000 loan from N M Rothschild & Sons Limited, secured against an undertaking by Board of Trustees to the Science Museum and £1,210,000 from Barclays Bank plc secured against a purchase of land adjacent to the National Railway Museum.

13.2 Amounts falling due after one year (NMSI Trading Limited only)

Bank Loans	£ 855,311
Obligations under hire purchase contracts	23,150
	<u>878,461</u>

NMSI Trading Limited creditors over 1 year exclude £307,907 of intercompany creditor which represents funding of *Science of Sport*.

13.3 Borrowings

	2000 £	1999 £
Loans not wholly repayable within five years:		
Loan – Barclays Bank Plc	<u>904,811</u>	<u>928,171</u>
Analysis of maturity of debt		
Within one year of demand	1,759,500	549,500
Between one and two years	49,500	49,500
Between two and five years	148,500	148,500
After five years	<u>657,311</u>	<u>680,671</u>
	<u>2,614,811</u>	<u>1,428,171</u>
Amount repayable by instalments any of which fall for payment after five years	<u>657,311</u>	<u>680,671</u>

Creditors
continued

- 13** The first Barclays Bank loan of £904,811 is unsecured and is repayable in equal instalments of £49,500 over 20 years at a fixed interest rate of 9.77% per annum. The expiry date is 19 December 2015.

The second Barclays Bank loan of £1,210,000 is secured upon land adjacent to the National Railway Museum and is for a period of 6 months expiring on 30 September 2000. Interest is charged at 1.5% per annum above base rate.

The loan from N M Rothschild & Sons Limited carries interest of 0.875% over base rate.

Obligations under finance leases and hire purchase contracts

	2000	1999
	£	£
Amounts payable:		
Within one year	9,522	17,566
Within two to five years	23,150	32,668

Provision for early retirement

	2000	1999
	£	£
Balance at 1.4.99	554,907	710,785
Transferred from/(to) the Statement of Financial Activities	<u>144,938</u>	<u>27,359</u>
	699,845	738,144
Less payments	<u>(233,194)</u>	<u>(183,237)</u>
Balance at 31.3.00	<u>466,651</u>	<u>554,907</u>

Deferred income

	£
Deferred income as at 1 April 1999	2,830,016
Released to profit and loss account in year	<u>(65,492)</u>
At 31 March 2000	<u>2,764,524</u>

The deferred income relates to grants and donations received in respect of the acquisition of two 'IMAX' cinema projectors. The deferred income will be released to the profit and loss account over 20 years.

Statement of funds

16.1 Movement of Funds

	Notes	At 1 April 1999 £000	Income £000	Expendi- ture £000	Transfer £000	At 31 March 2000 £000
Restricted income funds						
Capital Projects Fund	18	48,832	—	(1,228)	22,774	70,378
Revaluation Reserve		635	377	—	—	1,012
Collections Purchase Fund	17	—	—	—	—	—
Sponsorship, Grants & Donations Reserve	19	2,201	25,844	(1,910)	(22,774)	3,361
Total restricted income funds		51,668	26,221	(3,138)	—	74,751
Unrestricted funds						
Designated funds:						
Capital Projects Fund	18	15,011	30	(1,346)	741	14,436
Revaluation Reserve	14	267	8	—	—	275
Museum Improvement Reserve	20	1,266	354	(791)	1,146	1,975
Major Project Contingency Fund		1,374	—	(156)	100	1,318
Collections Purchase Fund	17	11	1	(173)	161	0
Total designated funds		17,929	393	(2,466)	2,148	18,004
General funds		767	34,779	(32,489)	(2,148)	909
Total unrestricted funds		18,696	35,172	(34,955)	—	18,913
Total funds		70,364	61,393	(38,093)	—	93,664

For details of individual funds see the attached notes on accounting policy 1.4, 1.9, 1.10, 1.11.

16.2 Analysis of group net assets between funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2000 £000
Fund balances at 31 March 2000 are represented by:			
Tangible fixed assets	22,550	71,390	93,940
Current assets	8,429	5,233	13,662
Current liabilities	(7,955)	(1,872)	(9,827)
Long term liability	(4,111)	—	(4,111)
Total net assets	18,913	74,751	93,664

Collections purchase fund	17	Purchases for the enhancement of the collection during the year amounted to £172,725, all of which were financed from the Collections Purchase Fund. Movements on the Fund were as follows:			
		2000 Unrestricted £	2000 Restricted £	2000 Total £	1999 Total £
		10,583	—	10,583	94,703
		Cash Receipts in year:			
		161,015	—	161,015	100,000
		—	—	—	78,752
		—	—	—	—
		1,127	—	1,127	—
		162,142	—	162,142	178,752
		(172,725)	—	(172,725)	(262,872)
		—	—	—	10,583

The Museum received a number of donated items. The only item with a value evidently over £50,000 was the Mad Dog 2 Solar Powered car, valued at £100,000.

Capital projects fund	18	Unrestricted	Restricted	Total	Total
		2000 £	2000 £	2000 £	1999 £
		15,011,585	48,832,382	63,843,967	44,106,490
		30,345	—	30,345	46,938
		Transfers in:			
		Transfers from Sponsorship			
		Grants & Donations			
		—	22,773,784	22,773,784	20,892,259
		Transferred from Museum			
		Improvement Reserve			
		740,220	—	740,220	730,572
		15,782,150	71,606,166	87,388,316	65,776,259
		Less:			
		(1,346,019)	(1,228,112)	(2,574,131)	(1,932,292)
		14,436,131	70,378,054	84,814,185	63,843,967

Since 1988 specific government grants have been received in respect of the following assets:

National Railway Museum Roof	1989-90	£1m
National Railway Museum Roof	1990-91	£1m
Hayes/Wroughton	1992-93	£1.1m ¹
Hayes/Wroughton	1993-94	£1m
NRM Motive Power Depot	1994-95	£1.5m
NRM Motive Power Depot	1995-96	£0.5m
RNAY	1999-00	£1.0m (estimated) ²

¹Total of £1.6m received of which part related to revenue costs.

²Total of £1.0m received of which part related to revenue costs

Sponsorship, grants & donations reserve	19		2000	1999
(All restricted funds)			£	£
Balance at 1.4.99			2,201,108	2,880,670
Income			25,647,539	21,997,378
Less: Expenditure			(1,713,893)	(1,784,681)
Transferred to Capital Projects Fund (Note 18)			(22,773,784)	(20,892,259)
Balance at 31.3.00			<u>3,360,970</u>	<u>2,201,108</u>
<hr/>				
Museum improvement reserve	20		2000	1999
(All unrestricted funds)			£	£
Balance at 1.4.99			1,265,662	1,368,635
Allocated income			2,240,821	1,842,607
Expenditure			(791,115)	(1,215,008)
Transferred to Capital Projects Fund (Note 18)			(740,220)	(730,572)
Balance at 31.3.00			<u>1,975,148</u>	<u>1,265,662</u>
<hr/>				
Contingent liabilities	21	As at 31 March 2000 issues had been raised at a VAT audit which will be the subject of further discussions.		
<hr/>				
Cash flow information	22.1	Reconciliation of net incoming resources to net cash inflow from operating activities		
			2000	1999
			£	£
Net incoming resources			22,846,162	19,028,869
Investment income			(164,878)	(144,023)
Interest payable			130,588	91,901
Depreciation			3,408,087	2,386,798
(Increase)/decrease in stocks			(177,844)	42,330
(Increase)/decrease in debtors			(971,553)	(5,925,557)
Increase/(decrease) in creditors			(361,751)	5,131,242
Increase/(decrease) in pension provision			(88,256)	(155,878)
Transfer of property			—	—
Net cash inflow from operating activities			<u>24,620,555</u>	<u>20,455,682</u>

Cash flow information
continued

22.2 Gross Cash Flows

Returns on investments and servicing of finance

	2000	1999
	£	£
Interest received	146,800	160,727
Interest paid	(126,171)	(91,901)
Interest element of finance lease rental payment	(4,417)	(2,542)
	<u>16,212</u>	<u>66,284</u>
Capital expenditure		
Payments to acquire intangible fixed assets	(161,333)	—
Receipt from sale of tangible fixed assets	11,500	100,000
Payments to acquire tangible fixed assets	(24,305,192)	(24,322,682)
	<u>(24,455,025)</u>	<u>(24,222,682)</u>
Management of liquid resources		
Cash (placed)/withdrawn from short term investments	—	3,000,000
Financing		
New loans raised	1,210,000	500,000
Loan repayments	(303,360)	(301,452)
Capital element of finance lease rental	(17,562)	(12,187)
	<u>889,078</u>	<u>186,361</u>

22.3 Analysis of changes in net funds

	At 1.4.99 Cash Flows		Non Cash	At 31.3.00	
	£	£	Changes	£	£
Cash at bank and in hand	1,771,976	1,070,818	—	2,842,794	
Current asset investments	—	—	—	—	
Debt due within 1 year	(549,500)	(1,210,000)	—	(1,759,500)	
Debt due after 1 year	(878,671)	23,360	—	(855,311)	
Finance leases	(50,234)	17,562	—	(32,672)	
	<u>293,571</u>	<u>(98,260)</u>	<u>—</u>	<u>195,311</u>	

Related party transactions

23 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 1999–2000, 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.

Four Trustees have relationships with Ove Arup, British Broadcasting Corporation, Defence Evaluation and Research Agency or personally with whom NMSI had material transactions. In addition, NMSI provides advisory services to the Heritage Lottery Fund for which it receives payment.

Financial performance indicators 24 Resources

The Museum aims to ensure that all resources available to the Museum are managed effectively and efficiently.

The Museum aims to balance the accounts annually.

The following indicators were targeted to within a tolerance of 2%:

24.1 Ratio of actual to planned income (excluding sponsorship)

1999-00 Budget £k	1999-00 Actual £k	Variance
28,171	28,145	+0.1%

24.2 Ratio of actual to planned expenditure (excluding sponsored activity, exceptional and extraordinary items)

1999-00 Budget £k	1999-00 Actual £k	Variance
28,171	28,145	-0.1%

24.3 Efficiency

Optimum efficiency is a continuing goal of NMSI. Appropriate efficiency gain targets are being adopted now that the outcome of the DCMS Efficiency Review is available.

24.4 Sponsorship

Sponsorship continues to be of vital importance to the Museum - in its own right and to provide collateral funding for Lottery bids. The cost of the sponsorship function as a percentage of income generated is an important indicator of efficient management and accountability. On the basis of a three year rolling average (in order to even out initial costs), we aim to spend no more than 15% of the money raised on direct administration.

	97-98 Actual	98-99 Actual	99-00 Actual
Costs £k	240	281	376
Income £k	18,274	29,594	3,354
3 year average	3.7%	4.2%	4.2%

1. Includes £3m from the Wellcome Trust for the **Queen's Gate Centre for Science and the Public** £1.989m from Heritage Lottery Fund for York.
2. Includes £2.25m from Wolfson for the **Queen's Gate Centre for Science and the Public** and £1.93m from the Arts Lottery Fund for Bradford.

24.5 Stewardship of assets

An important goal of the NMSI is the prudent stewardship of all assets, including land, buildings, fixtures and fittings. We recognise that to achieve short term revenue cost savings in order to balance the management account, funds have over the past few years not been available to carry out anything other than essential asset maintenance, for example, building repairs.

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