

SCIENCE MUSEUM GROUP

Annual Report and Accounts 2019–20

Science Museum, London

Science and Industry
Museum, Manchester

National Railway Museum,
York

Locomotion, Shildon

National Science and Media
Museum, Bradford

National Collections Centre,
Wroughton

SCMG Enterprises Ltd

HC 848

Science Museum Group

Annual Report and Accounts 2019–20

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the Museums and Galleries Act 1992

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1. Science Museum Group

Chair's Foreword

I am delighted to present the Annual Report and Accounts for the Science Museum Group. The Science Museum Group's focus on a global, rather than a national, perspective has never been more relevant as the world tackles the covid-19 pandemic. We publish our Annual Report and Accounts at a time when there is greater awareness than ever before of the role of science in understanding, treating and protecting against infectious diseases.

When humanity is struggling to contain Covid-19, perhaps the only thing we can be sure of is that science will play a vital part in showing us how to bring this pandemic to an end and how we might best prevent a recurrence in future. This fact has made all of us in the Science Museum Group even more committed to our role in bringing the STEM (science, technology, engineering and mathematics) subjects and their greatest pioneers to life for our visitors, including schoolchildren, some of whom will surely go on to play their own role in devising life-saving solutions.

At the time of writing, we have emerged from the national lockdown and re-opened our museums to the public, but are now facing renewed restrictions as autumn approaches. Throughout the pandemic, our focus has been first on the safety of our colleagues,

volunteers, visitors and contractors, and second on securing our business, cash flow and liquidity. The Government, through both HM Treasury and our sponsoring department, the Department for Digital, Culture, Media and Sport (DCMS), has supported us through the first months of 2020-21 with access to the furlough scheme, business rates relief and additional Grant in Aid for both capital and non-capital activities. We are very grateful for this welcome support and the confidence it demonstrates in our operations.

I am proud of how the Group has responded to the challenges of the pandemic. We instituted emergency governance arrangements that allowed us to respond quickly and effectively to changing circumstances; though these arrangements have now ended, we have learned valuable lessons about how to ensure our organisation can be agile in decision-making. I am also grateful to colleagues who have been placed on furlough, and to those who have worked through the crisis in first closing and then re-opening our museums. They have all demonstrated exceptional team spirit, resilience and optimism in the most difficult of times. Our funders have also shown continued commitment to our activities, despite circumstances that are difficult and uncertain for many of them, and I thank them for their support. Finally, I would like to thank our visitors, who have returned since we re-opened over the summer and who have adapted to our changed physical environments.

Before the advent of the pandemic, which seems to relate to a different age, this had been another busy and successful year for the Group. The opening of *Medicine: The Wellcome Galleries* – a majestic exploration of the greatest medical collection in the world – at the Science Museum in November could not have been more timely, exploring both the extraordinary advances medicine has made, from hospitals to drugs, vaccines and computer modelling, and reminding us too of many challenges along the way.

During 2019-20, we continued our ongoing investment in challenging exhibitions, dynamic STEM learning, collection scholarship, digital resources, access to our collections, and world-class galleries. Among many highlights were two wonderful touring exhibitions launched by the team at the National Railway Museum in York: *Brass, Steel and Fire* and *One Billion Journeys*. Big changes are afoot in Manchester, where we began the restoration of the Science and Industry Museum's Power Hall, which houses a splendid collection of the steam and electrical engines that made this region an early industrial powerhouse.

Our Group marked the centenary of GCHQ with the launch of *Top Secret: From Ciphers to Cyber Security* and revealed GCHQ's work in securing our safety and prosperity. Other exhibitions included *Driverless*, which examined AI through the lens of autonomous vehicles, and *The Art of Innovation: From Enlightenment to Dark Matter*. This surveyed the fascinating relationship

between scientists and artists over the past 250 years and was accompanied by a book and a 20-part BBC series for Radio 4 featuring our Director, Sir Ian Blatchford, and Dr Tilly Blyth, Principal Curator at the Science Museum.

Despite the unprecedented situation we are facing, we take comfort from strong foundations which will enable us to recover from the pandemic as we welcome increasing numbers of visitors back to our sites. As our museums and our vast collection speak to the challenges that humanity has faced through history, we now look to the challenges ahead with renewed vigour, and will bring about the change we want to see as we begin the next chapter.

Dame Mary Archer

Chairman of the Board of Trustees

October 2020

Purpose and objectives

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

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

- Care for, preserve and add to the objects in its collections,
- Secure that the objects are exhibited to the public,
- Secure that the objects are available to persons seeking to inspect them in connection with study or research, and

- Generally promote the public's enjoyment and understanding of science and technology and of the development of those subjects, both by means of the Board's collections and by such other means as they consider appropriate.

The vision and mission for the Group, as agreed by the Board of Trustees of the Science Museum in December 2016, are set out in section 2 below. These take due regard of the Charity Commission's general guidance on public benefit and inform all decision-making, future planning and strategic priorities.

History and organisation

The Science Museum has its origins in the South Kensington Museum set up soon after the Great Exhibition of 1851. The South Kensington Museum was reorganised as the Victoria and Albert Museum and the Science Museum in 1909. The Science Museum expanded outside London and the National Railway Museum, which opened in 1975, was established as a result of the transfer of the British Transport Commission's railway collection to the Board of Trustees of the Science Museum. The National Railway Museum at Shildon was opened in 2004 in partnership with Sedgefield Borough Council. On 1 December 2017 the operational responsibility for the museum

transferred fully to the Science Museum Group. The National Science and Media Museum was established in 1983 as the National Museum of Photography, Film & Television, with the support of Bradford City Council. The National Collections Centre at Wroughton, a former Second World War airfield, was made available to the Science Museum by the Ministry of Defence in 1979. The Science and Industry Museum, formerly the Museum of Science and Industry, opened in 1969 as the North Western Museum of Science and was registered as a charity in 1987; it joined the Science Museum Group in 2012.

Legal status and Group structure

The Board of Trustees of the Science Museum is the corporate body of the Science Museum Group and was established under the National Heritage Act 1983. Until 1984, the Group was managed directly by Government, when it ceased to operate as part of a Government department. It now has the status of a non-departmental public body (NDPB), operating within the public sector but at arm's length from its sponsor department, the Department for Digital, Culture, Media & Sport (DCMS). These accounts fulfil the requirements of the 1983 Act and the Museums and Galleries Act 1992. The Science Museum Group is an exempt charity under Schedule 3 of the Charities Act 2011, with DCMS

acting as its principal regulator for charity law purposes, and is recognised as charitable by HM Revenue & Customs.

The Group has a wholly owned subsidiary trading company, SCMG Enterprises Ltd (company registration no. 02196149), set up in 1988 and operating across all the Group's museums. The company's principal activities are general retailing (through both on site and online channels), the operation of cinemas and interactive simulators, catering, corporate hire, brand licensing, image sales, publishing, and sponsorship of commercial exhibitions

Museum addresses

Science Museum

Exhibition Road
London
SW7 2DD

National Railway Museum

Leeman Road
York
YO26 4XJ

National Science and Media Museum

Pictureville
Bradford
BD1 1NQ

Science and Industry Museum

Liverpool Road
Castlefield
Manchester
M4 3FP

Locomotion

Shildon
County Durham
DL4 1PQ

Company addresses

Entity

Registered number

Registered office

SCMG Enterprises Ltd 02196149

Science
Museum
Exhibition
Road
London
SW7 2DD

List of Science Museum Group advisers

	Science Museum Group	SCMG Enterprises Ltd
Auditors	Comptroller and Auditor General National Audit Office 157–197 Buckingham Palace Road London SW1W 9SP	PKF Littlejohn 1 Westferry Circus Canary Wharf London E14 4HD
Bankers	Barclays Bank plc Floor 27 1 Churchill Place London E14 5HP	Barclays Bank plc Floor 27 1 Churchill Place London E14 5HP

Science Museum Group SCMG
Enterprises Ltd

Solicitors The Group draws advice from a range of solicitors by sector, which this year included:

Bates Wells Braithwaite

CMS Cameron McKenna Nabarro Olswang

Farrer & Co.

Fieldfisher

Fladgate LLP

Hansel Henson

Mills & Reeve LLP

The Group also has access to other legal firms on the London Universities Purchasing Consortium panel.

2. Achievements and Performance

Science Museum Group strategic objectives

Each Science Museum Group museum has its own distinct identity and remit, but the Group also recognises the opportunities it has as a group and its capacity to be greater than the sum of its parts. The Science Museum Group has a Group-wide vision and mission, together with seven Group-wide strategic priorities, which provide the framework for activity across the Group up to 2030.

Group vision:

A society that celebrates science, technology and engineering and their impact on our lives, now and in the future.

Group mission:

We inspire futures by:

- **Creative exploration of science**, technical innovation and industry, and how they made and sustain modern society.

- **Building a scientifically literate society**, using the history, present and future of science, technology, medicine, transport and media to grow science capital.
- **Inspiring the next generations** of scientists, inventors and engineers.

Focus of each museum:

- The Science Museum explores the science, technology, engineering, mathematics and medicine that shape our lives.
- The Science and Industry Museum explores how ideas can change the world, from the Industrial Revolution to today.
- The National Railway Museum and Locomotion explore the huge impact of railways on Britain and the wider world.
- The National Science and Media Museum explores the transformative impact of image and sound technologies on our lives.

Strategic priorities

Seven key priorities drive Science Museum Group activity:

Core priorities

1. Grow '**science capital**' in individuals and society.
2. Grow our **audiences** and exceed their expectations.
3. Sustain and grow our **world-class collection**.

Supporting priorities

4. Extend our **international reach**.
5. Transform our **estate**.
6. Harness the potential of **digital**.
7. Increase **income**.

The first three – science capital, audiences and collections – are designated as core priorities, fundamental to our statutory responsibilities and all we do. The other four – international, estate, digital and income – may be considered as supporting priorities. These are the areas in which a need for significant growth or change has been identified, even where the activity might otherwise be seen as 'business as usual'.

These priorities underpin all of the Group's work and the annually updated plan is structured around them. Our achievements and performance are set out against these seven priorities and their associated actions.

Relationship to charitable objectives and financial statements

The Group seeks to achieve its statutory charitable objectives by delivering on its strategic objectives for the period to 2030. The three core priorities may be roughly mapped against the four charitable objectives as outlined below; each strategic objective is described in short hand terminology in the financial statements as shown. The supporting priorities support the achievement of charitable and strategic objectives in a variety of ways and cannot be mapped directly to one or more of the other categories.

Charitable objective	Strategic priority	Financial statement description
Care for, preserve and add to the objects in its collections	Sustain and grow world-class collection	Care for and research into collections
Secure that the objects are available for study or research		Science education and communication
Generally promote the public's enjoyment and understanding of science and technology	Grow science capital	

Charitable objective	Strategic priority	Financial statement description
Secure that objects are exhibited to the public	Grow audiences and exceed expectations	Visitor services

The strategic review is structured with reference to the strategic priorities; the financial statements that follow use the financial statement descriptions for easier comparison with previous annual reports.

Grow ‘science capital’ in individuals and society

The Science Museum Group’s offer and reputation for lifelong, informal STEM learning and engagement will be the best in the world.

Policy-makers, industrial leaders and educators agree that future generations must be informed, enthusiastic and skilled in STEM (science, technology, engineering and mathematics) if the UK is to retain its role as a global leader. As a national and international leader in STEM education the Science Museum Group has a distinctive role in addressing this priority.

We will use the principle of science capital to describe and shape our learning content and programmes across all sites.

Embedding science capital principles: Research shows that the more science capital (what and how one thinks about science, what one does and whom one knows) young people have, the more likely they are to study science post-16 and to see science as ‘for me’. Yet national survey data showed that 27% of all 11- to 17-year-olds have low science capital, particularly those from disadvantaged backgrounds. Last year we opened the Science Museum Group Academy with hubs at the Science Museum and the Science and Industry

Museum. The Academy brings together education and STEM professionals to share and reflect on the latest research and practice around STEM engagement. This year we exceeded our targets and trained 885 (+48%) teachers and museum educators, and 485 (+94%) STEM professionals in academic year 2018–19 – addressing the challenges of low engagement with science. Up until the closure of the museums from 18 March 2020, in academic year 2019–20 we trained a further 732 teachers and museum educators, and 237 STEM professionals. Work is under way to embed and deliver Academy training courses at the National Science and Media Museum and National Railway Museum next year.

We continue to integrate science capital principles into our everyday practice. All Science Museum Group learning resources are underpinned by science capital research and targeted training has been delivered to key visitor-facing teams, including Exhibitions and Learning, and is ongoing with teams across all sites. Online training is mandatory for all new starters and the concept is included in new starter welcome sessions.

Communication of the science capital concept has been taken further this year through the launch of the Science Capital in Practice programme in partnership with the Association of Science and Discovery Centres (ASDC), which is working with 15 science centres across the UK.

The Science Museum Group is providing training and support to apply a science-capital-informed approach to their STEM engagement activities, and to incorporate this learning more broadly across their organisations. This is an ongoing programme with a lessons-learnt seminar open to the sector in 2021. Colleagues have also spoken on the subject at a number of international conferences, including a keynote talk at the Nordic Science Centre Association, 'Embedding science capital principles across the science centre'.

Refocus the Outreach team to work on encouraging visits to our museums by underrepresented groups and achieving financial sustainability.

Outreach: The Science Museum-based Outreach team made 174 visits across the country, reaching almost 59,000 people at schools, community venues and festivals. Almost all of the costs associated with the Science Museum outreach programme are covered through income. At the National Science and Media Museum outreach is delivered through targeted engagements with schools in areas of deprivation and through the Bradford Science Festival – attended this year by 40,600 people. Explainers at Locomotion participated in Durham University's Celebrate Science festival for the first time, running activities that focused on the power of steam attended by over 3,000 people. Overall, there were over 132,000 instances

of participation in off-site learning activities delivered across the Group by Learning teams and other teams such as Curatorial. Looking forward, we have been exploring ways to extend the geographical spread and the numbers of people reached by the Outreach team. In 2019–20, the Outreach activities achieved a break even result.

STEM Ambassadors: The Group runs the contract on behalf of STEM Learning for the STEM Ambassador Hub in the trans-Pennine region. The Hub manages almost 3,200 registered STEM Ambassadors across Greater Manchester, West Yorkshire and North Yorkshire. The teams support these volunteers to engage with young people aged 5–19 in schools, community groups and at our northern museum sites in STEM careers. In the last 12 months approximately 26,500 Ambassador volunteering hours were achieved with 80% of secondary schools engaged across the region. This resulted in a reach of 572,000 participants in STEM Ambassador activities. The team maintained their reputation of good-quality STEM engagements with an average rating of 94/100 for Ambassador activities.

Deliver a successful *Wonderlab* offer at our museums in London, Bradford, Manchester and York.

In October 2016 the Science Museum opened *Wonderlab: The Equinor Gallery*, our most ambitious interactive gallery and a key part of the museum's overall Masterplan. *Wonderlab* remains extremely popular, with 434,000 visits to the gallery in 2019–20 (a 15% increase on the previous year up to the end of February prior to the COVID-19 outbreak and museum closure), including 123,000 visits in education groups. In March 2017 we opened *Wonderlab* at the National Science and Media Museum, exploring the science of light and sound. This year there were about 20,000 visits to the gallery in education groups, with the gallery and shows forming the backbone of the education offer. Among general visitors 93% visited the gallery and 50% reported it their favourite thing. The next iteration of *Wonderlab* is planned at the National Railway Museum as part of its Vision 2025 and it is also part of Masterplan discussions at the Science and Industry Museum.

Deploy audience research to improve our offer, with particular emphasis on education groups and under-8s.

At the Science Museum we have over 20 years of experience in a dedicated Audience Research department, which has created a large body of evidence and expertise. The team ensures all our exhibitions, programmes and online resources are truly

audience focused and that we deliver memorable and inspiring learning experiences. A Group-wide approach to audience research and advocacy underpins our work on the Masterplan. Progress continues to be made in the development of an offer for the under-8 age group at the Science Museum. Curatorial work for a new Early Years Gallery began in June, alongside a new collaborative research project investigating young children's engagement with STEM-related objects in partnership with the Helen Hamlyn Centre of Pedagogy and UCL Institute of Education. The pilot Experitots programme for preschool children, which is based on the successful Experitots programme at the Science and Industry Museum, also continued this year, and findings from both of these initiatives will inform the planned Early Years Gallery.

Increase sustainable programming for adults at non-peak times.

We recognise that adult visitors offer the greatest potential for growth away from peak times of half-term and other holidays. We continue to target this segment through strategic exhibition programming. Following a review of the Lates programme of evening adult openings at the Science Museum, an updated programme was delivered this year targeted at increasing both income and visit numbers through ticketing and rotating smaller- and larger-scale events.

This year 35,000 visits were achieved, up 25% against prior year to the end of February with income up 108% against prior year. Because of the COVID-19 outbreak the March Lates did not take place. A smaller number of Lates have also taken place at other sites across the Group.

Booked education group visit numbers

No. of visits in booked education groups	Actual 2019–20	Target 2019–20	Actual 2018–19
Science Museum	423,000	435,000	433,000
Science and Industry Museum	83,000	85,000	88,000
National Railway Museum	33,000	34,000	37,000
Locomotion	5,500	6,750	7,500
National Science and Media Museum	33,000	36,000	38,000
Science Museum Group total	578,000	597,000	603,000

We are the most visited group of museums in the UK by education groups*. The COVID-19 outbreak and the closure of the museums in March meant this year's annual targets were not achieved. However, up to the end of February performance was strong at most sites, with the Science Museum set to have a record year. At the end of February Science Museum education group visits were 11% ahead of the target and the previous year, with a return to levels last achieved in 2016–17.

This follows a dip over the last two years when it is believed schools were not choosing to visit at the levels previously experienced owing to school budget pressures and fears around visits to central London – something experienced across the sector.

At the Science and Industry Museum, by the end of February performance was 6% ahead of target and 3% ahead of the previous year – benefiting from ongoing relationship-building with schools. At the National Railway Museum visits were 10% ahead of target, which had been set more conservatively than prior years with the introduction of charging. Charging was introduced to bring the York museum in line with our other sites and has had no negative impact on the uptake of our offer there by schools, with newly introduced workshops proving popular. The museum has been able to reach out more effectively into local schools following a focused effort to network in the city and make schools more aware of the STEM offer. At Locomotion, at the end of February education group visits had fallen behind prior year and target (–23% on prior year). It is believed this is largely due to changes in the number of workshops available to schools in response to changes in the museum programme. At the National Science and Media Museum education group numbers were level with the previous year and just short of the target to the end of February (–1%).

**We benchmark ourselves using the DCMS performance indicator of the ‘number of facilitated and self-directed visits by students under 18 (including Year 13) in formal education groups’. Comparable data is only available up to 2018–19, however the number of visits achieved this year indicates the Science Museum Group will continue to remain the most visited by this group (see ‘Performance against DCMS indicators’ table).*

Grow our audiences and exceed their expectations

We will understand and consistently meet or exceed our visitors' expectations; we will reach and reflect the communities we aim to serve.

Deliver the objectives and targets for visitor numbers, demographics and quality of experience set out in each museum's Audience Development Plan to 2020; review and refresh Audience Development Plans every three years.

Open for all: A particular focus this year has been on our value 'open for all'. While the diversity of our general audiences compares well with that of other national museums, it is far less socially and ethnically diverse than our schools audience. We continue to examine what further steps we can take to increase our appeal and to take appropriate action to remove any barriers to attendance. Inclusivity and cross-generational appeal are crucial principles in our planning, as is promoting the profile of women in science. This year we set up a new Open for All Steering Group to steer our approach to diversity, inclusion and access. Early discussions have focused on how we can increase the diversity of our workforce and the Group has also identified some important steps to improve our visitors' experience. We have

also established the Inspiring Service Framework at the Science Museum, focused on improved customer service.

As part of our 'open for all' approach, our programming includes delivery of bespoke experiences for specific groups which help remove barriers to their visit. New this year was our Health and Wellbeing programme at the Science Museum made possible by the newly opened *Medicine* galleries. This includes working with people living with early-stage dementia and their companions. At the National Railway Museum we worked hard to ensure a 50-50 gender split among the engineers involved in our Future Engineers programme. Collaborating with audiences in the development of our offer is a key part of our approach. At the Science and Industry Museum we worked with young people from a youth group in Cheetham Hill to co-produce drop-in programmes for the *Textiles* gallery conversation space. Removing barriers and working in partnership with others is central to the National Science and Media Museum's Bradford's National Museum research project, which is exploring how the museum can be engaged and collaborative within Bradford and can connect sound and vision technology with Bradford. The museum is also developing deep and long-lasting relationships with schools in two postcode areas close to the museum, with 1,000 parents and children

attending the museum after school to take part in a whole range of activities led by national and local community partners.

Audience development: Each of our museums has identified visitor targets over the medium to long term along with growth audience segments, and has in place plans to improve visitors' experiences of the museum. Across the Group we have adopted the same approach to audience segmentation which is based on people's attitudes to culture and science – as well as their behaviours – and enables us to focus on the positive experience we want to give our visitors. We monitor our audiences through specific research projects and systematic exit surveys, which also invite feedback from visitors that is analysed alongside comments given on site or via social media. We also aim to build deeper long-term relationships with our visitors, aided by our Group-wide customer relationship system (CRM).

Visit numbers and quality of experience: Up until the end of February visit numbers overall were 1% ahead of target for the year and 1.5% ahead of the previous year. In March the COVID-19 outbreak had a major impact on visitor numbers which was followed by complete closure of the museums from 18 March. This meant the Group ended the year 5% behind target and 4% behind the previous year. In 2019–20 our visitor number targets and achievements were as follows:

Museum	Actual 2019–20	Target 2019–20	Actual 2018–19
Science Museum	3,160,000	3,260,000	3,168,000
Science and Industry Museum*	539,000	630,000	652,000*
National Railway Museum	698,000	699,000	782,000
Locomotion	189,000	184,000	153,000
National Science and Media Museum	421,000	470,000	455,000
Science Museum Group total	5,007,000	5,243,000	5,210,000

**Visit numbers are based on estimates for 1 October to 8 January following identification of a door counter error. See 'Performance against DCMS indicators' section for further details.*

Science Museum performance: The Science Museum was on track to meet its visitor numbers target for the year and until February was 7% ahead of the previous year. The COVID-19 outbreak and the closure of the museum from 18 March significantly impacted on visit numbers, meaning the museum ended the year 3% behind forecast and level with prior year. This annual increase, up until closure, came from independent adult visits. The highest volume of visits made by any one segment is the 1,146,000 visits made by Engaged Community Drivers (43% of general admissions visits). Visits in family groups decreased this year. For the first time, visitors from overseas accounted for more than half of general admissions visits (although the figure including education group figures was still just

under 50%). In 2019 the museum ran brand awareness campaigns for the first time in a number of years, and capitalised on the 50th anniversary of the Apollo 11 mission and the popular programming of the *Top Secret* exhibition and *Medicine: The Wellcome Galleries* to help drive footfall. The vast majority of visitors 98% are satisfied with their visit and the numbers saying they would definitely recommend a visit were strong at 91% agreeing. In addition our visit verdict rating (an indicator of expectations v experience) found those whose experience far outweighed their expectations increased to 38% compared with 27% in our 2014–15 baseline year.

Science and Industry Museum performance: Up until the end of February, the museum visitor numbers were 14% behind the previous year and 10% behind the original target for the year. These targets were set before major closures and conservation work across 40% of the site which saw the planned two-year closure of the Power Hall brought forward and the temporary closure of the Air and Space Hall after surveys highlighted faster rates of deterioration than had been previously calculated. Planned building works also disconnected the upper and lower parts of the museum for a three-month period. With this significant disruption to the offer, the museum remodelled its targets to anticipate a 35% reduction in visitors and took action

to revise the public programme and communications strategy to mitigate this impact which reduced this deficit significantly (by 20%) up to the end of February.

Although March figures were tracking above target for the start of the month, the COVID-19 outbreak and the closure of the museum from 18 March further impacted on visit numbers, meaning the museum ended the year 15% behind the original forecast. Considering the challenging and volatile position of partial closure and coronavirus, this is a significant achievement.

A 'We Are Open' communications campaign along with promotion of the exhibition *The Sun*, holiday period activities and the Manchester International Festival installation *Atmospheric Memory* helped prevent visitor numbers from falling further. The volume of visits made by independent adults accounted for some of the fall, but the volume of visits made by families fell below 300,000 for the first time and was 23% down on 2018–19. Until the end of February the volume of educational group visits was ahead of the previous year. The closure of different parts of the site has impacted on visitor experience, with the visit verdict rating (an indicator of expectations v experience) being at its lowest level since the rating was introduced in 2014–15. The proportion of visitors saying they would 'definitely' recommend a visit was at the lower end of the historical range (84%) for the museum.

National Railway Museum performance: Up until the end of February visitor numbers were 5% ahead of target for the year and 8% behind prior year. The COVID-19 outbreak and the closure of the museum from 18 March significantly impacted on visit numbers, meaning the museum ended the year level with target and 11% behind prior year. The museum saw historically strong visitor numbers in 2018–19 as a result of our new brand campaign and the successful visit of Tim Peake’s Soyuz capsule. Up to February the 2019–20 visitor figures reflected a return to our historical range, as large numbers of people still came to see the exhibition *Brass, Steel and Fire* and Stephenson’s original *Rocket*.

A change in visit number reporting methodology at the National Railway Museum should be noted this year. Following the closure of the car park entrance the proportional reduction previously applied to ensure that we were not ‘double counting’ visitors and colleagues was found to be unnecessary and is no longer made. We have also been working with our visitor counting technology supplier to fine-tune the system at the main entrance and to ensure that our visitor counting and reporting are as accurate as possible.

Locomotion performance: Up until the end of February visitor numbers were 5% up against target and 28% up against the previous year. The COVID-19 outbreak

and the closure of the museum from 18 March significantly impacted on visit numbers, meaning the museum ended the year 3% ahead of target and 24% ahead of prior year. Up until the closure the largest audience type was families (104,000 visits), but the largest proportional increase was in visits made by independent adults (up 40%). The museum has moved away from community-style events which do not have a connection with the STEM subject matter of the museum to deliver a programme more rooted in the national collection and the unique stories of Shildon, with a focus on improving programming, marketing and the core offer. The museum had its busiest ever August since opening in 2004, with over 32,000 people visiting, many of these attracted by the opportunity to see *Flying Scotsman*, which was on display from 26 July to 1 August. The improvements referred to can also be seen in the visitor experience feedback. There was a marked increase in the proportion of visitors who would 'definitely' recommend a visit (97%) compared with the annual result from 2018–19 of 86%.

National Science and Media Museum performance:

Up until the end of February visitor numbers were 6% behind target and 3% behind the previous year, remaining ahead of the decline experienced in 2016–17 prior to the museum's relaunch in 2017–18. The COVID-19 outbreak and the closure of the museum

from 18 March significantly impacted on visit numbers, meaning the museum ended the year –10% against target and 7% behind prior year. Visits made by families actually saw an increase in the year (up 16,000 visits), but there was a larger drop-off in visits made by independent adults (down 34,000 visits) and cinema-only visits were down by 13,000. Up until the end of February education groups were level with the previous year. On 31 October our current management agreement with Picturehouse Cinemas came to an end, concluding the five-year contract. The cinema operation, called Pictureville, is now managed by the Group and we are working to grow audiences to this new offer. The summer exhibition and programme *Hello Universe* proved popular, with in-month performance over the holiday period exceeding targets and prior year, while *The Forgotten Showman* was the key autumn/winter offer, attracting over 25,000 visits. In terms of the visitor experience the proportion of visitors who would ‘definitely’ recommend a visit to the museum is within the historical range at 90%.

Consistently deliver exhibitions and programmes at all sites that are critically acclaimed and popular; share public programme content, skills and expertise across the Group’s sites.

Group-wide exhibitions: This year we ratified a new Group exhibitions strategy implemented by a new

Group Exhibition Programme Board. We reviewed programme schedules at each site to make sharing of exhibitions more viable and programme volume sustainable, and our new business unit is taking forward sales and marketing elements of touring exhibitions. We are in transition to new programme schedules and planning mechanisms, but the coordinated approach is already bearing fruit with an increasing number of shared exhibitions in place.

Over the next three years almost half of all exhibitions created within the Science Museum Group will be shared within the Group or on tour. This year at the Science and Industry Museum we opened our major charged-for exhibition *The Sun: Living With Our Star* in July 2019, following its run at the Science Museum the previous year. The exhibition brings the science of the Sun to life and explores the fascinating story of humankind's relationship with our closest star. During its run in Manchester 25,000 people visited. Also this year our exhibition *Robots* completed its run at the National Museum of Scotland, Edinburgh (18 January – 5 May 2019), where it was seen by 98,000 visitors. It is now touring internationally, having opened at the Tekniska Museet, Stockholm, in July 2019. This year's new exhibition opening at the Science Museum in July was *Top Secret: From Ciphers to Cyber Security*, revealing the extraordinary history and work of GCHQ

in its centenary year. Owing to its partnership nature, this was a free exhibition. It will go on to open at the Science and Industry Museum later in 2020 and at the National Science and Media Museum in 2021. The exhibition has proved very popular, with 206,000 visits – 20% ahead of forecast. Finally, at the National Railway Museum we launched two new Group exhibitions.

One Billion Journeys, which will tour to all five Group venues, explores life on China's railways, seen through the lens of acclaimed photographer Wang Fuchun, who attended the launch event in York. Following its display in York (May – August 2019), the exhibition went on to open at Locomotion in October 2019. *Brass, Steel and Fire* opened in September 2019 and will go on to be shown at the Science Museum later in 2020.

National touring exhibitions: This year 1,465,000 visits were made to our touring exhibitions, 98,000 of which were in the UK. The award-winning national tour of Tim Peake's Soyuz spacecraft was completed this year, closing at the final UK tour venue, the Ulster Museum in Belfast, in May. The Soyuz TMA-19M capsule reached 1.3 million people during its 20-month tour of England, Northern Ireland, Scotland and Wales. The tour was supported by Samsung, with nearly 50,000 people experiencing Space Descent VR alongside an education outreach programme that reached over 20,000 students. This partnership with Samsung was

able to bring about real change in STEM education, which has been recognised with a number of wins at the Corporate Engagement Awards. It was also shortlisted for the Museum + Heritage Awards in the temporary/touring category. Major Tim Peake helped welcome the spacecraft back to the Science Museum in May 2019.

Building on this success, the iconic Stephenson's *Rocket* last year left its home at the Science Museum and went on display in Tyne & Wear Museums' Discovery Museum for the Great Exhibition of the North, followed by the Science and Industry Museum in the autumn. This year *Rocket* completed its tour by going on display in its new permanent home at the National Railway Museum.

See the international section for further information on our international touring exhibitions.

Site-specific programming

Science Museum exhibitions: In addition to delivering one major charged-for exhibition each year (with the capacity to tour), the Science Museum aims to deliver at least two free exhibitions a year, including one *Tomorrow's World* contemporary science exhibition (which can also form the basis of a blueprint touring exhibition). This year the museum delivered *The Art of Innovation: From Enlightenment to Dark Matter*, the

exhibition strand of our BBC Radio 4 series. It explored the entwined relationship between art and science over the last 250 years. We partnered with BBC Radio 4 to produce a 20-part radio series and accompanying book. The exhibition showcased the breadth of the Science Museum Group Collection, with scientific objects and artworks from our own collection displayed alongside major loans of artworks by Hepworth, Hockney, Turner and more. In total 29,000 people visited the exhibition, 8% behind target, with the exhibition on at the same time as other popular exhibitions in the museum and major gallery openings.

The *Tomorrow's World* contemporary science exhibition *Driverless: Who is in Control?* was opened by Transport Minister Michael Ellis on 12 June 2019. It explores the experimental reality and potential of AI to transform our lives. In addition, regular contemporary science updates continued to be made in the *Tomorrow's World* and *Who Am I?* galleries, along with rotating small-scale anniversary displays. This year we also hosted the *Royal Photographic Society Science Photographer of the Year* exhibition, which proved popular with 16,500 visits (7 October 2019 – 5 January 2020). The return of the Soyuz spacecraft outlined above was followed by the *Summer of Space* – a special season of events celebrating the 50th anniversary of the Apollo Moon missions. The Soyuz spacecraft has been joined on

display by the original Apollo 10 command module simulator console. As 2019 was the International Year of the Periodic Table, marking 150 years of this chemistry icon, the Science Museum took part in ChemFest 2019, a collaboration with partners across South Kensington and beyond that resulted in more than 30 celebratory events.

Science and Industry Museum exhibitions: As outlined above, the major exhibition at the museum this year was *The Sun*. This was accompanied by Sun-themed programming over the summer, the return of retro gaming event *Power Up* and participation in the Manchester International Festival. Over 10,000 people took part in *Power Up* (20 July – 1 September 2019), which was just 3% short of target. As part of the Manchester International Festival, Mexican–Canadian artist Rafael Lozano-Hemmer’s *Atmospheric Memory* installation opened for its world premiere in the museum’s lower yard on 6 July. The contemporary art commission featured a series of spectacular immersive installations inspired by Charles Babbage’s theory that every word is recorded somewhere in the atmosphere. Visitor targets were exceeded, with over 11,000 people visiting (6–21 July 2019) what *The New York Times* called ‘the most ambitious arts project in this year’s festival ... visually arresting’. Overall, the museum’s offer was recognised in the Family Favourites Awards

2019 – the Science and Industry Museum won regional ‘Best Educational Day Out’. On 15 July the then Governor of the Bank of England, Mark Carney, visited the museum to announce that Alan Turing is to be the face of the new £50 note. In association with the announcement, *Notables: 14 Scientists Who Shaped Our Lives* gave visitors the opportunity to find out more about the scientists who made the Bank of England’s shortlist, and discover why Alan Turing was a worthy winner.

National Science and Media Museum exhibitions: At the National Science and Media Museum the public programme targets a range of audience segments across the year. The programme has established a pattern of three new exhibitions, activities at half term and a range of events. This year, to coincide with the 50th anniversary of the first Moon landing, the summer exhibition *Hello Universe* (19 July 2019 – 22 January 2020) saw us approach the anniversary from a very relevant angle, namely the first broadcast transmitted from the Moon. The exhibition explored the ways that image and sound technologies have advanced our understanding of the Moon and the universe beyond. The exhibition also showcased the huge variety of STEM careers involved with space exploration. To accompany this exhibition, a breathtaking installation by artist Luke Jerram, *Gaia*, a 7-metre-diameter model

of the Earth, was suspended in the museum foyer. Other half-term holiday programme highlights included Farmageddon, delivered in partnership with Aardman Animations, and the CBBC Games half-term activity programme which achieved over 27,000 visitors.

Developing partnerships within Bradford and the local community is a key part of the museum's strategy and central to the delivery of its programme of events. Early in the year the exhibition *Above the Noise* (15 March – 19 June 2019) marked the halfway point of the Bradford's National Museum research project. Across the winter months *Forgotten Showman: How Robert Paul Invented British Cinema* ran from November to March. The exhibition helped celebrate the 10th anniversary of Bradford, UNESCO City of Film. Alongside the larger projects and exhibitions there have been several small-scale displays, ranging from images of the night sky by local astronomy societies to a display of photography that formed part of the West Yorkshire Queer Stories project.

In addition, the three-screen daily cinema programme adds to the fullness of our public offer. On 31 October our current management agreement with Picturehouse Cinemas came to an end, concluding the five-year contract. The cinema operation, called Pictureville, is now managed by the Science Museum Group. Working with external programmers INDY Cinema Group, we will

deliver a programme in Bradford which maximises the cinemas' USPs in the local market: the biggest IMAX screen in West Yorkshire and a diverse and largely independent film programme.

National Railway Museum exhibitions: At the National Railway Museum we have sought to deliver an exhibition programme with partnership opportunities relevant to the future Masterplan in York, as well as Group sharing possibilities. Following the display of our Group-wide exhibition *One Billion Journeys* (see above), *Brass, Steel and Fire* opened (25 September 2019 – 13 April 2020) accompanied by the display of *Rocket*. The exhibition explores how and why model locomotives were crafted in the first 100 years of railways and presents *Rocket* as a full-scale prototype. During its run 93,000 people visited the exhibition. A number of smaller exhibits have been displayed throughout the year, including a redisplay of Terence Cuneo's massive painting of Waterloo station in the Station Hall, and the refresh of the *British Rail Story* in the Great Hall to tell a clearer, chronological narrative with object-rich showcases and new imagery taken from our archives. Future Engineers ran again during October half term, encouraging young visitors to investigate the effects of forces in the context of the railways and to meet real engineers. This complemented a *Summer of Tinkering* earlier in the

year. Overall, the museum's offer was recognised in the Family Favourites Awards 2019, winning regional 'Best Free Family Day Out'.

Our locomotives, including *Flying Scotsman*, have continued to tour heritage railways and other sites, with tens of thousands coming to see *Flying Scotsman* as it toured the country, visiting heritage railways and offering main-line services. Following a number of trespass incidents we have been working closely with Network Rail, British Transport Police and station operators to spread the message that *Flying Scotsman* should be seen from positions of safety only. In the summer we worked with corporate partners LNER to launch the new Azuma trains on the east coast main line. *Mallard* joined a new Azuma at York station in a meeting of high-speed legends, past and present. Invited guests and the national media then travelled on the Azuma's maiden journey to Darlington, where the train was met by *Flying Scotsman*.

Locomotion exhibitions: At Locomotion we are seeking to deliver a programme more rooted in the national collection and the unique stories of Shildon, as well as inspiring visitors to get involved in science, technology and engineering. Indeed, this year some of our programme highlights were rooted in new acquisitions to the collection. We launched the Locomotion Gala 15th birthday weekend in September with the arrival

of High Speed Train power car number 43002, *Sir Kenneth Grange*, into the collection. Over 3,500 people attended the Gala weekend. On 28 January we opened our display of the recently acquired Rowland Emett kinetic sculpture *A Quiet Afternoon in the Cloud Cuckoo Valley*. As well as the opening of the Group-wide touring exhibition *One Billion Journeys* in October, the autumn also saw the annual Shildon Model Railway Club show and the Schools Engineering Challenge. Earlier in the year the museum hosted the exhibition *Men's Voices: Stepping Out of the Box* to coincide with Mental Health Awareness Week. The museum had its busiest ever August since opening in 2004, with over 32,000 people visiting. Many came to see *Flying Scotsman*, which was on display from 26 July to 12 August.

Festivals and events

A key part of the National Science and Media Museum programme are our regular festivals and events. The third Bradford Science Festival took place over the weekend of 18–21 July, attracting 40,600 people, a 17% increase on the 2018 festival. The weekend was designed for families and took place across the museum, City Park and the Broadway shopping centre, and for the first time the University of Bradford delivered a Bradford Science Festival event on its campus. The two main themes this year were space, linked to the 50th

anniversary of the first Moon landing, and chemistry, to celebrate the 150th anniversary of the periodic table. The festival attracted a large and diverse audience with 27% of visitors identifying as non-White British. Research showed that the festival continued to build a strong sense of pride in Bradford and an increasing number of people are seeing the city as a great place to study STEM subjects or work in STEM careers.

The 23rd edition of Widescreen Weekend took place on 10–13 October at the National Science and Media Museum and achieved record attendance, with a 15% increase in admissions on 2018. This year's festival had the biggest programme to date, showing analogue film wherever possible. The programme included 11 films on 35mm, four films on 70mm and two opportunities to see three-strip Cinerama in its original format. Historical epics, a special tribute to Hollywood icon Doris Day and the 25th anniversary of *Pulp Fiction* all featured. Special guests included Donald Rosenfeld, president of Merchant Ivory Productions from 1986 to 1999; writer and director Clio Barnard and Oscar-nominated composer Gary Yershon.

Finally in Bradford, our festival of video games returned for a fourth year. The Yorkshire Games Festival ran 5–9 February with Game Talks from studios such as King, Crows Crows Crows, Bithell Games and nDreams. Favourites such as the Northern Games Showcase

returned for the Let's Play! family weekend, alongside a big-screen e-sports tournament and a panel discussion on young people's gaming habits. The Young Developers Conference offered learning packages, a teacher/parent workshop and autism-friendly sessions. The festival attracted over 7,000 admissions and over 1,000 family members came to play on the last day of the event.

Produced by the Science and Industry Museum, the Manchester Science Festival is the largest science festival in England and has taken place annually over the past 12 years. This year we paused to review the festival by talking to key stakeholders across the city so that we can maximise its profile and impact in future years. The festival will now be biennial to complement the Manchester International Festival. The theme for the forthcoming Manchester Science Festival is climate science – a subject with strong resonance in Manchester, not only as the world's first industrial city but as a city that has committed to being carbon neutral by 2038.

Smaller-scale festivals, themed holiday activities, programming around exhibitions, live science and one-off events run throughout the year across our sites. Many of these feature key national and international voices in science, arts and the media, providing thought-provoking discussion.

Sustain and grow our world-class collection

The Science Museum Group's collection will be the best in the world for our fields; well understood, well housed and accessible (physically and digitally), and used effectively by the Group and others for research, display, learning and pleasure.

The Science Museum Group collection comprises about 7.3 million items, of which the vast majority are photographs and archives and about 425,000 are artefacts. In recent years we have made big strides in collections-based scholarship and research, creating a new Dana Research Centre and Library, establishing the online *Science Museum Group Journal* and building a strong network of partnerships with universities. In addition, we are aiming to improve services for our users by addressing three areas of historic underinvestment in collections: preservation, acquisition and digitisation.

Complete the One Collection project by 2023.

In 2016 we embarked on the largest and most ambitious project the Group has undertaken in recent times. One Collection will transform how we care for and share the internationally significant Science Museum Group Collection with the world.

One Collection was precipitated by the Government agreeing to provide £150m at the Comprehensive Spending Review 2015 to enable the Science Museum Group, Victoria and Albert Museum and British Museum to build new facilities to house collections then stored at Blythe House in London. As a result, we will deliver a new purpose-built collection facility at the National Collections Centre in Wiltshire, which will become home to over 80% of the Group's collection. The new facility will enable us to better care for and provide increased public access to our collection, including 300,000 items then held at Blythe House. Our long-term ambition is to create a hub for collection care, museum-led learning, science engagement and innovation.

Moving this vast number of objects has created opportunities to review our collection, improve our records and increase public engagement with the collection. We have begun an unprecedented digitisation programme – digitising at least 75% of the objects we move – to create one of the most extensive online collections of scientific heritage in the world. The workflow for the process of reviewing, digitising and packing the collection at Blythe House has continued this year with up to 50 staff and ten volunteers working on this process at any one time. By the end of March 2020 223,000 objects had been hazard-checked, barcoded, located and condition-checked. In addition,

148,000 objects have been photographed and there are now 87,000 objects with images on Collections Online – 20% of the objects in the Science Museum Group Collection (compared with 5% when the project began). We plan to have moved all objects out of Blythe House to the National Collections Centre by the end of 2022. Construction of the new facility at the National Collections Centre – Building ONE – will be completed later this year, providing 30,000m² of storage.

One Collection will transform how people engage with our collection both online and in person. We are making available hundreds of thousands of images of our objects online, telling new stories about the impact of science on our lives and delivering a public programme at the National Collections Centre. Online engagement in 2019 focused on a series of overarching themes, including stories around chemistry, matter and materials science. In addition to multimedia storytelling on our websites, we are using social media and third-party platforms, including YouTube, to extend our online reach. In 2019 we published eight new digital stories linked to the chemistry theme, which have received over 14,000 page views. The stories are richly illustrated with enhanced photography of the collections (including 360-degree views) and newly commissioned films. Together these films received about 6,000 views in 2019–20.

The Museum in a Tab was launched in March 2019. This Google Chrome extension displays a different item from the Science Museum Group Collection in each newly opened tab. The Memory Bank project also started this year, capturing an oral and visual history of Blythe House. Following an open call, we have selected an artist to respond creatively to the stored collections and engage audiences in the Southwest with the National Collections Centre. The artist, Bedwyr Williams, will work with local writers to co-develop a book and film to be premiered at the site in 2023. Physical access plans, including learning programmes and behind-the-scenes tours, are in development for delivery from 2023 onwards.

Prioritise our holdings through a rigorous programme of collections review and ethical disposal.

In July 2018 we launched the collections review programme. These reviews are improving our understanding of the collection and enabling us to be increasingly proactive in offering items that are not relevant or suitable for our collection to museums and public collections where they will be better accessed and used. Information from the assessments has been published online, outlining the strengths and highlights of the collection. Following the completion of 196 initial collection assessments, the review programme has

now moved forward into ten defined reviews, which this year included the large objects in the Technology and Engineering collections at the National Collections Centre in Hangar D3, the Textile Machinery collection at the National Collections Centre, the National Railway Museum's photographs at Blythe House, and the Aeronautics, Aircraft Propulsion, and Road and Water Transport collections at the Science and Industry Museum. This year we have reviewed 317 objects and considered samples from 18,723 photographs.

Collections review has also commenced an inventory and selective digitisation of the Monotype Collection of around 6,000 items (comprising about 5 million individual parts). This collection has been on long-term loan to the Type Museum Trust (trading as the Type Archive) since its acquisition in 1992. The inventory will be completed in 2020. In 2020–21 the collections review programme will continue researching large objects in the Technology and Engineering collections in four hangars at the National Collections Centre.

Significantly increase the scope and pace of collections digitisation, using collections moves for gallery developments, exhibitions and research as prompts to populate the Collections Online service launched in 2016.

The One Collection project, along with *Medicine: The Wellcome Galleries* (opened in November 2019), has enabled us to radically progress digitisation of the collection. We hold about 425,000 artefacts and by 2023 the majority of these, plus the most significant items from the photographic and archival collections, will be accessible online to at least a minimum consistent publication standard; this includes up to 320,000 object records arising from the *Medicine* and One Collection projects. As part of the opening of *Medicine*, 40 objects from the new galleries were 3D-scanned to create a digital resource for secondary schools. Teachers and students can investigate each object in detail and find out the story behind it. This was facilitated by the integration of a 3D digitisation player into the Collections Online website. Work has also taken place this year creating rich-media oral histories which will be added to Collections Online.

Foster a research culture and strategic research activity, and seek out opportunities for significant acquisitions, with particular emphasis on contemporary science and technology.

Research: The Science Museum Group is an Independent Research Organisation affiliated to UK Research and Innovation. As part of the Group-wide research strategy we are seeking to embed research in all our museums' activity. The strategy recognises

that there are many kinds of research that go on across our museums, and we have encouraged this with our first round of research skills training to support all staff in roles that have research potential. Through our research strategy we seek to attract research grant funding as well as in-kind support. This year our research activity received support exceeding £1m and we generated £372,000 in new grant and in-kind commitments. The Group awards six Arts and Humanities Research Council (AHRC)-funded doctoral studentships every year on behalf of a consortium that, in addition to the Science Museum Group museums, includes the Royal Society, Royal Geographical Society, British Telecom Archives and Kew Gardens. This year 20 doctoral students have been studying with the Group. In addition we launched a Research Associates scheme which will see at least two associates in place at each major Group site in the coming year.

This financial and in-kind support has enabled us to take forward a wide range of research projects. Within the reporting year, with AHRC funding we completed the project Communicating the Material Culture of Energy and ran three workshops in the Culture Space research networking series, which will inform plans for a future space gallery. The Science Museum is completing a project to research and digitise clocks from the Palace Museum, Beijing, in a project funded by

the AHRC. Meanwhile, the Science Museum Group is a partner in two projects under Innovate UK's Audiences of the Future strand, and in two 'creative clusters' funded by the AHRC. Research is an integral part of our exhibitions and gallery developments. Metropolitan Science, a Leverhulme Trust-funded research project, is a deep investigation into the themes featured in the recently opened *Science City 1550–1800: The Linbury Gallery*. In Bradford the AHRC-funded Bradford's National Museum is embedded in both community and museum, modelling how they could work more closely. In association with *Medicine: The Wellcome Galleries*, we have welcomed scholars – thanks to support from the Wellcome Trust – to undertake a diverse range of research projects in the museum. Alongside this, the trust also supports a Secondment Fellowship scheme, under which doctoral or postdoctoral researchers are able to extend their research funding to undertake more vocational projects, applying their existing research expertise to the Group's museums and collections.

Funding successfully applied for within the year will support the Heritage Connector project under the AHRC-administered Towards a National Collection UKRI Strategic Priorities funding announced in October. Also successful was Sonic Futures, in collaboration with Nottingham University, which enables trials of interpretive techniques related to sound at the National

Science and Media Museum. We await the results of several more funding applications.

Acquisitions: Through the Science Museum Group Collection we commit to consistently provide the nation with the world's best material and visual record of science and technology and its impacts, including industry, medicine, transport and the media. This includes development of the collection, as set out in the Group's Collections Development Strategy and collecting policy. We have resolved to be more ambitious in collecting, especially in contemporary science. In 2019–20 we added 539 objects to the Science Museum Group Collection. Many acquisitions are targeted at specific gallery developments or exhibitions. For example, the *Science City 1550–1800* gallery is now the permanent home to an outstanding and important clock, made in 1708 (by Thomas Tompion and Edward Banger) for Queen Anne, which we acquired through the Acceptance in Lieu scheme. Other acquisitions have a significant impact on our research: for instance, a collection of research papers from the Mullard Research Laboratories relating to semiconductors offer great opportunities to further understand the work done there; while others form key milestones in technological developments – after the final passenger run for the High Speed Train (InterCity 125), an icon of British Rail history and the world's

fastest diesel train, we acquired the first production HST power car, number 43002, which is named after Sir Kenneth Grange, its designer. We have also continued our successful contemporary collecting strategy, for example this year acquiring a 3D-printed assistive device, made by Team UnLimited for Isabella Jenkins, whose own device was printed free of charge by an online community. Finally, in the context of the COVID-19 outbreak at the end of the year, we are now actively – but with great sensitivity – researching the stories and identifying the objects that will help us to explore the medical, scientific, industrial and social responses to the outbreak and to chronicle its wider impacts on our society and culture.

Extend our international reach

The Science Museum Group will have a very strong international profile and reputation for excellence that enhances our offer, promotes the UK and generates income.

As well as being a group of national museums, in both name and action, the Science Museum Group is an international organisation. This is important for enhancing our museums' offer through international cooperation on research and lending, capacity-building and improving standards in the sector globally, growing and strengthening our spheres of influence at home and abroad, developing our own people and organisation, and generating income. Presenting ourselves as an international, inclusive organisation supports audience diversity and can be attractive to funders. Working internationally promotes not only the Group itself but also the cities and regions in which we operate and the whole UK.

Undertake market analysis for designated regions and activities, and initiate new collaborations accordingly.

We have adopted a strategic approach to working in and with China based on our touring exhibitions programme and professional development activities, working with partners to develop museum content and

through targeted stakeholder engagement. This year we delivered the following:

- The National Railway Museum and Locomotion opened *One Billion Journeys* – the Group-wide exhibition of work by renowned Chinese photographer Wang Fuchun, opening first in York in May 2019 and at Locomotion in October 2019.
- In China we have Memoranda of Understanding with the Shanghai Science and Technology Museum, the Wuhan Science and Technology Museum and the Guangdong Science Centre. The focus of activity with the latter has been the creation of a China-specific version of the Science Museum's exhibition *Superbugs: The Fight for Our Lives*, supported by the Wellcome Trust. The new exhibition opened in Guangzhou in June 2019 before touring to Chongqing. It was due to move on to Wuhan and then Hangzhou in 2020, but the COVID-19 pandemic has meant that all the venues were closed and the tour was paused.
- A selection of the clocks from the Palace Museum in Beijing is due to go on display at the Science Museum in 2020 in our exhibition *Zimingzhong* – this will now be postponed to spring 2021 because of the impact of the COVID-19 outbreak.

- Alongside this, the AHRC funded research into the digital interpretation and display of such artefacts, and our partners in this project are the Palace Museum, the Chinese Academy of Sciences and Beijing Jiaotong University. The digital product developed by a Chinese tech company will feature in the *Zimingzhong* exhibition.
- Throughout the year there has been a lot of exchange between China and the Science Museum Group beyond the partnership projects in the form of visits by individuals and delegations with a range of interests. Unfortunately the COVID-19 outbreak curtailed this from January 2020, with training programmes, conferences and study trips being cancelled or postponed.

We have continued to build on existing work in our priority regions of Russia, Brazil, India and Europe, and forged supporting links with government departments and agencies, both in the UK and in the countries where we are active. Highlights this year are outlined below.

Russia

- The triumphant UK-wide tour of Tim Peake's Soyuz spacecraft and Sokol spacesuit, together with the VR experience Space Descent with Tim Peake and learning programmes, came to an end, having been seen by 1.3 million people outside the Science Museum. The Soyuz capsule was installed in the

Science Museum's *Exploring Space* gallery from May 2019 and the spacesuit is now on long-term loan to the National Space Centre. The purchase of these unique and thrilling items was only possible as a result of the good relations that had been sustained with Russian parties from the *Cosmonauts* exhibition (2014–15) onwards.

- We have a formal Memorandum of Understanding (MoU) with Russian Railways (which operates over 150 rail museums across Russia) which supported our exhibition *The Last Tsar* at the Science Museum in 2018–19. A major manifestation of this partnership will be an exhibition on the trans-Siberian railway at the National Railway Museum in November 2020, with a complementary display simultaneously at the Science Museum.
- A new partnership with the Russian Medical Museum at the National Research Institute of Public Health in Moscow and the Wellcome Trust will enable the study, preservation and digitisation of the former's collection of medical posters and, potentially, an exhibition at the Science Museum. An MoU was signed during a visit to Moscow in February 2020.

Brazil

- This year we received funding from the Lloyd's Register Foundation for a research project looking at public attitudes to food sustainability. We will work

with our partners, the Museum of Tomorrow and the National Council of Science Museums in India, to gain insights into this topic that will inform the Science Museum Masterplan gallery project *Feed the World*.

- The MoU with the Museum of Tomorrow was renewed and Sir Ian Blatchford continues as a member of its Advisory Council.
- In October 2019 our Chairman, Dame Mary Archer, hosted a dinner and discussion at the Science Museum to launch a British Council Brazil initiative for Women in Science in the Americas.

India

- The Wellcome Trust-funded project for touring the *Superbugs* exhibition is also active in India. The core partner is the National Council of Science Museums (NCSM) in India, and in 2019–20 the exhibition was shown in New Delhi and Mumbai, where it attracted nearly 360,000 visitors. It was then moved to Bengaluru, but the opening there and in Kolkata was delayed by the COVID-19 outbreak.
- Spurred by the successful *Superbugs* project, we are also partnering with NCSM on the food sustainability audience research.

Europe

- The EU continued to fund the COMnPLAY project, led by the Norwegian University of Science and Technology, to research the ways in which coding, making and play activities in informal settings influence young people's engagement with science. The project will run throughout 2020 and conclude at the end of May 2021.
- Sir Ian Blatchford sits on a high-level steering group advising CERN on the development of a major new public offer on its Geneva campus.
- The Science Museum Group is an active member of Ecsite, the European network for science centres and museums. Advocacy for the new EU Framework Programme, Horizon Europe, and Ecsite's own strategic planning have been priorities this year.
- An MoU has been signed with French partners this year in relation to our planned exhibition on Versailles, and work continues with Greek partners on our planned exhibition on Ancient Greek wisdom.

Grow our touring exhibitions programme according to a sustainable business model.

Touring exhibitions allow us to build global partnerships and show our work to an international audience.

There were 1,367,000 visits to our touring exhibitions overseas this year. Since the programme began in

2015, over 2.5 million people have visited Science Museum Group touring exhibitions in the UK and in overseas venues (nearly 1.5 million visitors). Over the last few years our touring exhibition programme has moved from breakeven to an income-generating activity. A 2019–20 highlight was the *Robots* exhibition tour, with 200,000 visitors to the two UK venues and record-breaking attendance at the Tekniska Museet, Stockholm. Next it will go to the Hong Kong Science Museum. Another highlight of this year's touring programme is the *Superbugs* exhibition tour, part of our *Tomorrow's World* blueprint pack series. It has had global exposure and enabled partnerships with a variety of governmental institutions as well as corporate partners. Having toured to venues in India and China as part of the Wellcome-funded tour, it also opened at the State Biological Museum in Moscow, and in South Korea at Gallery Puesto, Seoul (as part of the Pfizer international conference), and the National Science Museum, Daejeon. Blueprint pack exhibitions are proving more and more popular and in 2019–20 over £100k of profit was contributed through these exhibition types alone.

Strengthen networks for communication and advocacy of Science Museum Group international working.

Work closely with UK public sector agencies to add value to each other's work and help maintain the UK's soft power ranking.

UK Government policy is one factor in our international strategy, albeit not the only driver. The UK Industrial Strategy provides a backdrop and an impetus to our work, given that almost everything we do supports its ambitions and the four Grand Challenges of Green Growth, AI and Data, Future of Mobility and Ageing Society. During 2019–20 we began to translate our good relations with many of the UK's research councils and other bodies to the new consolidated body, UK Research and Innovation; both parties recognise the potential for powerful collaboration.

We fed into the UK Soft Power Strategy (unpublished) and take every opportunity to position the Group as a key player. We contribute by participating in many conferences and policy forums, hosting visits and delegations, and providing content for events. Examples in 2019 include Dave Patten, Head of New Media, speaking at the British Council's Festival of Innovation in Hong Kong, the Chinese Minister for Science and Technology visiting the Science and

Industry Museum, Sir Ian Blatchford speaking at the Greek-British Symposium, and two colleagues joining an FCO-led delegation to Saudi Arabia.

Our contribution is reciprocated through the support we get from government departments and agencies and other public bodies through VIP attendance at our overseas events, proffering advice and making introductions. It can also take the form of direct financial support, such as FCO grants for *Superbugs* in Buenos Aires and Moscow.

Our museums demonstrate respect for other cultures through our programmes, such as the *Last Tsar* and *One Billion Journeys* exhibitions, and these can provide platforms for cultural diplomacy. In our many dealings with overseas embassies, governments, peers and businesses, we are keenly aware that we are representing our regions and the UK – sometimes implicitly, sometimes overtly – as well as the Science Museum Group itself.

Devise specific programmes to promote UK innovation and manufacturing.

Britain led the world in railways. The National Railway Museum's Vision 2025 will provide opportunities to tell these global stories and we are actively pursuing links with relevant organisations around the world. The partnership with Russian Railways has potential for

wider cooperation beyond the trans-Siberian railway exhibition, such as exchange of content and expertise with its museum in St Petersburg.

International cooperation in tackling humankind's major challenges was showcased in the Science Museum's *Superbugs* exhibition. Our own version, and those of partner venues, featured a global research section as well as local stories. Our touring offer also demonstrates our own – and the UK's – position at the forefront of museology and STEM engagement.

Digital experiences were identified in the Industrial Strategy as a priority area in which the UK excels and has potential to grow. Our Audiences of the Future project with a consortium of commercial and cultural partners has created and trialled a digital experience that also has great potential for international touring. Under the same funding stream, the AHRC funded the Time, Culture and Identity research project associated with the Chinese clocks exhibition, *Zimingzhong*.

Transform our estate

Our buildings, public spaces and facilities will be welcoming and inspiring places to visit, effective and accessible housing for the collection, and great places to work.

At every Science Museum Group site a long-term framework for capital development is in place, described in an overarching Masterplan. These plans encompass some back-of-house functions and essential services as well as galleries, public facilities (eg lifts, lavatories and circulation spaces) and exterior spaces. Masterplans place emphasis on significantly improving visitors' experience, as well as providing better and more meaningful access to our world-class collection and heritage sites.

Deliver agreed Masterplan projects, and develop future phases, using best practice in procurement standards, and focusing on value for money and customer service; work with a wide range of partners and stakeholders to ensure that Science Museum Group museums deliver optimum benefits for the places where they are located as well as for museum users; use Masterplan projects to drive programmes for academic research, collection digitisation and acquisitions, and online content,

and for increased efficiency, sustainability and social inclusion.

Masterplan activity at each of our sites is planned over a number of years. With the closure of the museums in March, as a result of the COVID-19 outbreak, delivery was paused; the timescales of programmes were revised as greater clarity emerged around the easing of lockdown restrictions. Projects are subject to additional scrutiny to ensure that resources are available for their completion before expenditure is committed. The timescales referred to below are based on plans prior to the museum closures.

Science Museum Masterplan:

The first phase (2010–19) of the Science Museum’s Masterplan is now complete with the opening of *Medicine: The Wellcome Galleries* in November 2019 to five-star reviews. These displays form the largest medical galleries in the world, with over 3,000 objects across 3,000m². Eight years in the making, they celebrate the greatest medical history collection in the world and chart the triumphs and disasters of medical innovation over hundreds of years, with patients as much the stars of this story as doctors, nurses and scientists. Also complete this year was *Science City 1550–1800: The Linbury Gallery* in September. The new gallery takes visitors through London’s rich scientific

history with objects that together chart the birth of understanding through experimentation and precision measurement as London became a globally important hub of trade, exploration and scientific enquiry. Earlier in the year the new Smith Centre opened in April, providing an expanded environment for cultivation events and for our patrons and corporate members. In June an expanded and redesigned museum shop opened in the East Hall, offering an enhanced range of products over two floors in a contemporary setting.

Phase 1 of the Science Museum masterplan has seen £77.73m invested in the museum, with 48% of our public areas redeveloped. Following the completion of phase 1 we have taken stock of the transformation delivered so far and have started to consider areas of focus for the next decade. A series of consultation workshops have taken place with colleagues and Trustees to discuss plans for phase 2 in early 2020. In the meantime, to maintain momentum, we have started work on the IMAX refresh and the Technicians Gallery, and are progressing the feasibility for a new Early Years Gallery.

Science and Industry Museum Masterplan:

A key priority for the Science and Industry Museum Masterplan is to deliver much-needed conservation work on the site's historic buildings, which require

significant capital investment. Extensive survey work on the Power Hall and 1830 Warehouse was completed by the Estates team last year, with a plan to deliver works to the Power Hall, which include repairs to the building and reinterpretation of the gallery, and to undertake pressing fabric repairs to the 1830 Warehouse. The first phase of work to the Power Hall started in September 2019, with the installation of a temporary roof and crash deck to the building, and the welcome news of a £6m grant from the DCMS Infrastructure Fund. The requirements for the repair of the building and installation of the new gallery are currently in design, with work on site due to start later in 2020. Following repair work the reinterpreted Power Hall is scheduled to open in 2021 with a refreshed visitor experience, including returning steam operation to the collections on display. Urgent works to the 1830 Warehouse will complete in 2020. The Air and Space Hall was also closed to visitors for parts of the year owing to the condition of the building fabric. Though it has reopened to the public, feasibility work is under way to identify a sustainable future for the building, which is leased. Discussion with neighbouring developers also continues to ensure Science Museum Group plans are aligned with the public realm and to realise future opportunities for the museum.

Work continued this year on the Special Exhibition Gallery, which will be the first major Masterplan project for the museum on completion. This new gallery is planned to open later in 2020.

National Railway Museum Masterplan:

At the National Railway Museum we are committed to the delivery of Vision 2025: The World's Railway Museum. This is a £55m redevelopment of the museum and was given a major boost this year with a commitment of £18.6m in Government funding. In 2025 the museum celebrates its 50th anniversary, which is also the bicentenary of the Stockton and Darlington Railway, the first passenger railway.

The vision comprises a series of six core projects – including a *Wonderlab*, new gallery displays, a new welcome building, outside civic spaces, and new and improved visitor facilities – that will see the wholesale transformation of the site over the next seven years.

The museum is the cultural anchor for the business and residential development York Central. Progress was made this year with outline planning approval granted to York Central (including the diversion of Leeman Road). York Central has enabled a transformation of the museum, with a new building joining its two halves. To this end we ran a design competition for Central Hall – a 4,500m² new building that will connect the existing Great Hall and Station Hall buildings, planned

to open in 2025. Central Hall will become the main entrance to the museum, including a 1,000m² gallery which will showcase future acquisitions and innovative technology with a focus on the modern rail industry. The design competition attracted worldwide interest, and a distinguished jury was assembled to judge the five shortlisted entries. The competition was won by a team led by the Stirling Prize-nominated architects Feilden Fowles.

Progress this year has also been made on the *Wonderlab* interactive gallery planned for 2022, with De Matos Ryan appointed as lead designers.

At Locomotion our plans for a new rail vehicle building that will expand the museum and improve the visitor offer has made good progress. In February 2020 Durham County Council committed £2.4m of funding towards Locomotion Building 2. A £1.6m conservation programme to repair and conserve the historic buildings at Locomotion also started this year with completion due later in 2020. This is also jointly funded with Durham County Council.

National Science and Media Museum Masterplan:

The National Science and Media Museum's strategy of refocusing on the science and technology of image and sound was demonstrated with the opening of *Wonderlab* in March 2017, the first Masterplan project

to be delivered in the museum, along with the launch of a new name and brand. The next phase of the Masterplan is the development of the object-rich *Sound and Vision* galleries – a showcase for the museum’s collection. Following an initial unsuccessful funding bid to the National Lottery Heritage Fund (NLHF) for this project in 2018, we took the opportunity to reassess the project scope, resulting in a stronger, more focused direction for the project. In March we received the feedback that, while we had been unsuccessful in our second application to the NLHF, our bid had been a very strong contender, and we were strongly encouraged to resubmit at the earliest opportunity. We are now considering how best to proceed while we wait to hear how the NLHF bid process is recast post-coronavirus.

Deliver efficient and fit-for-purpose back-of-house facilities and integrated estate management.

In the last 12 months the Masterplan and Estates team have delivered key infrastructure and fabric improvement projects across the Group, in addition to continued survey and condition assessment work to continue to build our knowledge of our broad and varied estate. Projects continue to be delivered in an approach which aims to limit the impact on visitors or collections. As well as much-needed fabric repairs to some of our historic buildings, projects have included lift upgrades,

office improvements and upgrading environmental conditions for object display in the temporary exhibition spaces; all these behind-the-scenes projects ensure our visitors' and colleagues' safety and wellbeing throughout all our museums.

The Group has also continued to make significant progress in understanding and reporting on the condition of the estate and future maintenance liabilities. A full condition survey was commissioned for the National Collections Centre to supplement the ongoing project-related surveys at other sites across the portfolio.

Harness the potential of digital

The Science Museum Group’s digital offer will be acknowledged as one of the best in the world and its websites will be a global destination for their subjects.

Over the past few years the Science Museum Group has implemented the first phase of its digital strategy, which focused on getting the foundations right with a complete refresh of the Group’s web estate; a new Collections Online website; the launch of the Digital Lab initiative; development of rich-media content strands; and increased insight into digital audiences. We have now moved to the next phase, which shifts the focus from infrastructure to content and user experience with three key strands: to enhance the audience experience, increase audience reach and enable audience participation.

Digital experience

Website	2019–20 visits	2018–19 visits
Science Museum Group	10,963,000	10,398,000

Website visit numbers: Following a drop in visits last year as the new websites bedded in, numbers are now growing and were 5% up against prior year. Up until the end of February, before the closure of the museums in March, visit numbers were 8% ahead of

the previous year. While many visitors to our websites are looking to support their visit to our museum sites, a focus for us is to grow online visits in relation to content engagement through our websites and other digital channels. This year we set ourselves the goal to achieve at least 450,000 visits per month to Science Museum Group content. We reached this target in July 2019 and achieved an average 456,000 visits to Group content per month. Encouragingly, despite the closure of the museums in March, the Group website performed well in March (+35% on the previous year) with visits increasing to our Collections Online service. We have also focused, during the museum closures, on encouraging audiences to explore our online offer, including targeted information for teachers with regard to online learning resources. A series of online blog posts by the Group's Science Director, starting with 'Coronavirus Science: What We Know (And Don't Know) About the Virus', commenced on 23 March and attracted 122,000 views over the spring and summer. These blogs seek to provide reliable information in a question-and-answer format with links to key sources. Online audiences are engaging deeply with this information, with an average dwell time of 30 minutes for these posts. The blog series has also been shared widely on social media, with over 130,000 views for social media content about the blog posts. They have

also been picked up and translated by European science centres.

Websites	2019–20 visits	2018–19 visits
Science Museum	6,517,000	6,241,000
Science and Industry Museum	648,000	724,000
National Railway Museum	1,271,000	1,253,000
Locomotion	134,000	124,000
National Science and Media Museum	805,000	651,000
Science Museum Group site	1,587,000	1,406,000

Each of the figures above is rounded to the nearest thousand.

Digital content beyond our sites: We make our content available beyond our own websites, producing content for sites where audiences are most active. This year we extended our reach through the medium of radio with our Radio 4 series, in partnership with the BBC, *The Art of Innovation*. Over the 15 episodes there was an average of 900,000 listeners per episode, while the average number of online requests was 15,000 per episode by the end of January 2020.

This year we started the Heritage Connector research project. As with almost all data, museum collection catalogues are largely unstructured, variable in consistency and overwhelmingly composed of thin records. The form of these catalogues means that the potential for new forms of research, access and scholarly enquiry that range across multiple collections and related data sets remains dormant.

Through the AHRC's Towards a National Collection funding stream, the Group has been funded to lead the project Heritage Connector. This collaboration with the Victoria and Albert Museum and the School of Advanced Study, University of London, explores computational techniques for transforming museum collection catalogues from raw text into structured data to build links and generate new forms of discovery and research.

Enhance the audience experience

Online experience: As part of our strategy we want to engage people more deeply with our content online. We have developed a multimedia collections stories format to which all future Masterplan projects and exhibitions will contribute content. This format allows users to delve more deeply into the stories and context around our collection and expand on themes and topics featured in our exhibitions and new galleries. This year we published dozens of online stories around the *Medicine: The Wellcome Galleries* and *Science City 1550–1800* projects. These stories now have over 55,000 visits each month. In 2019-20, there were 402,092 visits to our online stories, an increase of nearly 50% on 2018–19's 270,171.

Collections Online was launched in December 2016 and has since had 2 million visits and continues to

be enhanced through the One Collection project digitisation. This online collection website has also been extended to support enhanced digitisation of objects including video, audio, 3D scans and 360-degree rotational photography, with dozens of objects now featuring enhanced digitisation online. In 2019–20 we captured 49 (2018–19: 4) objects in 3D and 65 (2018–19: none) through rotational photography. Visits to our Collections Online pages increased by 9% from 756,779 to 826,513.

On-gallery digital experiences: As well as improvements online, we are enhancing the audience experience in our museums using digital technology. Our ability to deliver cutting-edge work in this area has been affirmed with the Group winning a highly competitive funding initiative. In August 2018 we partnered on a £5.6m consortium application to Innovate UK's Audiences of the Future: Demonstrators fund to develop and test a new immersive mixed-reality visitor experience across several venues with commercial potential.

Our new galleries and exhibitions feature an extensive range of archival and newly commissioned film and audio, and each also has a set of digital exhibits. For example, our exhibition *Top Secret* featured the digital artwork *Murmur Study* by Christopher Baker which monitors Twitter and prints out its surveillance findings on high-speed receipt printers. *Medicine: The Wellcome*

Galleries and Science City 1550–1800 feature numerous digital interactives, games, audio installations and films to support the galleries' content. Meanwhile at the Science and Industry Museum the Manchester International Festival installation *Atmospheric Memory* by Mexican–Canadian artist Rafael Lozano-Hemmer was a festival highlight.

Enable audience participation

Museums present objects. Historically, these objects have been presented largely in a one-way, broadcast mode. In the digital age the presentation of these objects is two-way, interactive and participatory. Through digital the Science Museum Group seeks to enable audiences to learn in an active, interactive way; build on our content and intellectual output; engage audiences in a dialogue around STEM and the collections; and invite audience contribution to the museums' work.

Increase income

Sustainable unrestricted income from a variety of sources will be significantly greater than in 2015–16 and used efficiently to realise the Science Museum Group’s vision.

The biggest part of the Group’s income is direct Grant in Aid from the UK Government via our sponsor department, DCMS. Following the 2015 spending announcement, funding for national museums, including the Science Museum Group, has remained flat in cash terms up to 2019–20 with an increase of 1.84% agreed for 2020–21. We have therefore continued to bear down on the cost of operations, but in order to fulfil our goals on behalf of our visitors we recognised the need to prioritise income generation to an even greater degree.

In order to invest in our people, our collection and our buildings, we have focused on increasing unrestricted income from sustainable sources. This includes revenue from commercial activity, visitor giving and exhibition ticket sales. This year we delivered the second year of our updated income strategy. From a 2017–18 baseline, the strategy seeks to grow income by 38% over a four-year period to £29.6m. Our income strategy is based on five key principles; activity will be:

- Integrated – embedded in our mission, values and strategic planning.

- Universal – considered for all activities.
- Profitable – profit prioritised over income.
- Sustainable – ongoing activity prioritised over one-offs.
- Scalable – initiatives with potential for growth prioritised.

Overall this year we achieved unrestricted income (excluding Grant in Aid and sponsorship) of £29.1m compared with a budget of £28.1m, and actuals of £26.6m in 2018–19. Significant income-generating initiatives pursued in 2019–20 were as follows.

Income category	2019–20 £000	2018–19 £000
Visitor giving	2,525	2,509
Patrons	300	231
Corporate membership	354	167
Other donations	379	560
Government funding – Coronavirus Job Retention Scheme and Museums and Galleries Exhibitions Tax Relief	1,307	1,306
Other unrestricted grant income	550	600
<i>Wonderlab</i> income	1,654	1,685
Other ticket income	956	1,014
Retail	5,466	6,226
Corporate events	6,690	2,972
Cultural and Commercial Partnerships	81	8
Other commercial activities	6,421	6,275
Rental	1,209	1,169
Investment income	68	77
Other income	1,187	1,827
Total unrestricted income	29,148	26,626

Further details on specific income-generating activities are given below.

Wonderlab: The Equinor Gallery

This year *Wonderlab* – our world-class interactive gallery at the Science Museum – generated a profit of £431k against a target of £481k. Prior to the closure of the museum from 18 March, owing to the COVID-19 outbreak, performance was ahead of target. A modest entry charge is made which contributes to the cost of maintaining the high-quality visitor experience and operating the gallery, while allowing school groups to visit free of charge.

Corporate events business

In February 2019 we opened Illuminate, a versatile dedicated corporate events space on levels 4 and 5 of the Science Museum. It is the first dedicated daytime space available in the museum for corporate hire, with a capacity of 450 people. It also operates in the evenings. A profit of £654k was achieved against a target of £312k in 2019–20, this despite closure of the museum from 18 March because of the COVID-19 outbreak. This new space won ‘Best Venue with a View’ in the 2019 London Venues Awards. The newly opened Smith Centre, while providing an expanded environment for cultivation events and for our Patrons and corporate members, has also allowed us to offer additional

corporate events space and generate a profit of £32k. This was behind the original target of £243k as it was used more extensively for development activity and corporate members than originally anticipated and the Smith Centre opened later than budgeted.

Corporate membership and individual donations

The STEM Circle corporate membership programme completed its first full year, securing six partners, several of whom have chosen to renew their membership for a further year. The Patrons scheme in York performed well, securing a 100% renewal rate. However, overall our Patrons schemes in London and York performed just short of target, largely owing to delays caused by COVID-19. Visitor giving across the Group achieved £2.5m against a target of £2.9m in 2019–20. This was caused by a number of factors including lower than expected donation per head in London, low visitor numbers at Manchester as well as site closures having an impact on visitors' propensity to give, and the closure of our museums in March following the COVID-19 pandemic.

Retail developments

In June 2019 we opened the fully refurbished and expanded Science Museum shop. The previous shop was dated and its footprint was low relative to visitor numbers and comparable organisations' dedicated

retail space, resulting in a crowded offer and a poor shopping experience. We therefore decided to invest in development of the shop to include a mezzanine level, enabling us to differentiate the offer for different audience types visiting our museum. Profit of £870k was achieved against a target of £1,199k. Performance was behind target in part because of delayed opening at the start of the year and closure of the museum in March owing to the COVID-19 outbreak, but also because of difficult trading over the summer and run-up to Christmas. However, the improvements are bearing fruit, with profit up by 11% against prior year for the period from opening the new shop to the end of February. A number of interventions have taken place to drive more visitors to the mezzanine floor, resulting in an increased revenue contribution, and the retail offer is being reviewed closely following the large injections of new ranges for the launch of the new shop.

Progress has been made this year to consolidate our four online shops into a single technology platform. Originally planned to launch in summer 2019, the new Science Museum online shop relaunched last February; the remaining online shops will migrate to the new platform in a staggered roll-out which will complete in the next 9–12 months.

IMAX development

Work started in February 2020 on the refurbishment of the Science Museum's IMAX cinema in order to improve the experience for both visitors and corporate hire. As part of its redevelopment we will be investing in a digital projector, as the availability of films in a 3D 70mm format that have relevance to the museum is becoming increasingly limited. The new space will open later in 2020.

Cultural and Commercial Partnerships

The Cultural and Commercial Partnerships business unit was set up in January 2019 to grow income from partnership working, building on our existing ad-hoc consultancy services around interactive galleries, expanding these professional consultancy services to other areas of expertise, and continuing to grow our income-generating touring exhibitions. In its first full year of operation the unit generated £180k net profit largely in relation to touring exhibitions. This also included consultancy income of £81k against a target of £150k in 2019–20. Performance was behind here as although a consultancy was secured it was agreed to take this forward on a cost-covering basis only in order to secure other commercial income offered by the Group; the unit also focused a significant amount of its time on securing income for touring exhibitions. The unit has used this first year of operation to define

the Group's future offer out of which commercial as well as strategic partnerships will be secured. It has been shaping a programme around the Group's outstanding experience in science engagement training, offered in the UK through the Science Museum Group Academy in London and Manchester, and how this can be used internationally to shape strategically but also commercially beneficial partnerships. A continued professional development training offer is also being built which will be commercially available to international industry colleagues as part of skills-sharing initiatives.

Future developments

Commercial plans for 2020–21 include the completion of the IMAX refurbishment but are largely dependent on recovery from the COVID-19 crisis. We will look to make appropriate investments to assist in the return to normal functioning of our museums and to secure the financial resilience of the Group.

Enabling activities

People and culture

At the Science Museum Group we recognise the critical importance of our people to achieving our mission. We directly employ around 1,200 people, and many more colleagues are involved as part of our wider community, including volunteers, contractors, Trustees and advisers. Guided by our core values, we aspire to be an organisation of high-performing, empowered and engaged people who are passionate about our mission. We are actively exploring how to better understand, support and engage our people across the whole employee life cycle to make the Group a great place to work.

In summer 2019, Prospect union members took industrial action over two days in response to a dispute over pay; this situation was managed through constructive dialogue between the Science Museum Group and Prospect trade union, early engagement on the pay settlement for 2020–21 and exceptional provision for additional leave. The Group continues to monitor levels of engagement among its staff and to mitigate emerging matters of concern.

Enhancing employee engagement has been a significant area of focus over the past year. The annual

engagement survey results showed that whilst the majority of colleagues felt proud to work for the Group (77%), there were a number of important areas for improvement including internal communications, reward, development opportunities and workplace facilities. In order to better understand employee concerns, we introduced new mechanisms for ‘employee voice’ including a series of Director-led open forums across all our sites to enable us to ‘deep dive’ into specific issues arising from the survey. Following these sessions, we developed a workplace improvement and engagement plan, reviewed monthly by the Group Executive team. The plan has included the implementation of a core learning and development offer for colleagues, with workshops on career development, personal effectiveness, and leadership and management development. We have introduced more opportunities for colleagues to engage more directly with the leadership team and have improved the consistency and frequency of internal communications including newsletters. In terms of workplace facilities, some immediate improvements were made at each site while a review of facilities has been undertaken as part of a longer plan to improve the workplace environment.

As part of our commitment to improving reward, we undertook to meet the current rates of Real Living Wage and London Living Wage in April 2020. The 2020–21 pay

settlement also included a weighted increase towards salaries up to £30,000 to improve pay rates of entry and early career roles. We have also taken steps to improve the pension offer for those in the auto-enrolment pension scheme, increasing the employer contribution to 5% and retaining the employee contribution at 3% of qualifying earnings, as a means of encouragement to employees to remain within the auto-enrolment scheme. In addition, we have plans in place to improve the quality of the pension provision for employees while introducing salary sacrifice as an additional benefit.

Wellbeing has become a growing priority and has been incorporated within the formal health and safety governance structure. As well as introducing Mental Health First Aiders across all sites, we have implemented training programmes and initiatives to improve wellbeing, including personal resilience and wellbeing for managers training. We have also refocused our approach to employee learning and development so that it enhances our ability to meet our strategic objectives and supports career development and progression. We have increased investment in our learning and development offer, including the overall range. Finally, we are using the apprenticeship levy to enable greater opportunities to upskill our teams through apprenticeship programmes.

Following an extensive review, the Group established a structure to guide activity which reflects our value of being 'open for all'. A new Group-wide steering group and local groups at each museum bring together perspectives from senior leaders and employees. These groups will steer and implement the future direction of inclusion, diversity and access strategy across the Group. Over the past year, 'open for all' activity has included the development of a socioeconomic diversity monitoring pilot to enable us to better understand our workforce and help us take more targeted actions to increase diversity; reviewing the end-to-end recruitment process; identifying opportunities for accessible pathways both into and through the organisation; and a review of our guidance on accessibility in our buildings and services. In response to Black Lives Matter, the Group has taken greater steps to prioritise this work and a new 'open for all' action plan has been launched based on four key pillars:

- Build an inclusive culture
- Grow a diverse workforce
- Create spaces that are open for everyone
- Engage everyone with science

A range of colleague discussion sessions have taken place on 'open for all' and there is very positive engagement across the Group.

On 18 March 2020 the Science Museum Group closed all its sites in response to the COVID-19 outbreak to ensure the safety of our people and our visitors. Following the closedown we have introduced new technology and ways of working to support greater home working and are taking a series of wellbeing measures to ensure that our employees remain connected during this time of closure. Under the Government's Coronavirus Job Retention Scheme, we placed over 700 employees who were unable to fulfil their normal work from home on furlough. Without access to this scheme, the Group would have incurred even greater operating losses over summer 2020 and it is grateful for the flexible and cooperative approach of the many staff who were placed on furlough over this period.

Volunteers

During 2019–20 the average number of volunteers on our books at any one time was 1,030 and they contributed 97,000 hours to the Group and helped generate about £200k of income by running activities such as the miniature railway at the National Railway Museum. This means that, since the introduction of our volunteering strategy in 2015–16, volunteers have provided almost half a million hours to our museums, generated around £1m in income and provided £3.8m

of in-kind support (value based at April 2020 UK minimum wage).

This year One Collection volunteers played a vital role in supporting Collections Services by increasing capacity in documentation by 56%, packing by 83% and photography by 159%. At the National Science and Media Museum our photography volunteers catalogued about 1,000 records from the Tony Ray-Jones Archives and the Library team completed cataloguing of 27,000 books from the library. At the National Railway Museum, archive volunteers helped the museum achieve Archive Service Accreditation by digitising, rehousing and listing thousands of items.

Across front-of-house, volunteers combine their expertise with the collection to ignite curiosity in our visitors. This year the Science Museum Object Handling team helped 9,000 visitors engage with the collection, while in the *Exploring Space* gallery volunteers provided talks to 11,500 visitors. In Manchester 44 volunteers transformed *Power Up* for visitors and generated significant revenue for the museum. At Locomotion, cab guides provided footplate access to 28,000 visitors, talking to them about the science and engineering behind the railways.

This year the impact we had on volunteers and their communities was significant. Through One Collection,

ten participants found employment after volunteering with us. In Manchester we partnered with The Growth Company and Manchester Art Gallery to support people back to work by helping them grow their science capital and develop employability skills. At Locomotion we worked with the North East Autism Society, Step Forward and the local NHS trust to give opportunities to care leavers in visitor-facing roles and the workshop. Beyond this our volunteer survey produced the highest satisfaction levels to date, with 96% recommending us as a great place to volunteer and 92% saying volunteering has a positive impact on their wellbeing.

Externally we played an important role in shaping and influencing volunteering in the sector. This year the National Railway Museum hosted the Heritage Volunteering Group conference. Attended by 150 delegates, it included speakers from the National Trust and English Heritage, and provided a platform for us to lead the debate on leadership in volunteering. In May we co-authored the Heritage Volunteering Group survey. Supported by NCVO, the Museums Association and Agenda Consulting, this is the first major piece of research into volunteering in the sector for ten years. In Manchester we led the development of a city-wide portal that will enable people to volunteer more easily with cultural venues, while in York we played a key role in developing a city-wide heritage volunteering strategy

which, over the coming years, will deliver a range of outcomes that inspire futures.

Volunteer participation was significantly impacted by the closure of our sites due to COVID-19. While a limited amount of home-based volunteering has been able to continue, the focus during the closure period has turned towards ensuring volunteers remain engaged and connected to the museums during this time through the provision of virtual events and communications. This is expected to contribute significantly to the retention of volunteers through and beyond COVID-19.

Science Museum Group technology environment

This year we completed our roll-out of our new operating system for desktops and laptops (replacing 700 devices), which was essential in order to avoid obsolescence and keep pace with IT industry standards. This allowed many more staff to work easily at remote locations, which proved invaluable with the COVID-19 outbreak and closures in March. We will continue to replace older equipment in a rolling refresh programme, ensuring equipment remains up to date in future.

Towards the end of the year a pilot roll-out of a communication and video conferencing tool was

carried out. The adoption of this software is part of a Group technology strategy initiative to enable improved collaborative working across the Group. In light of the COVID-19 outbreak and museum closures it has proved vital as a Group-wide tool to enable full-scale remote working. Progress was made in establishing a new and improved intranet service for the Group. A new intranet platform has been selected, with a much improved, modern look and feel, and better content management facilities. This will provide a springboard for improved internal communication during 2020–21 and beyond.

In the business applications area we began implementation of a single new e-commerce platform to replace several entirely separate online shop systems. This new e-commerce platform will reduce our operating costs, improve information flow and provide a better basis for future e-commerce development.

The project to upgrade Wi-Fi communication across the Science Museum Group estate made progress during 2019–20. There will be further work during 2020–21 to ensure that staff are able to work flexibly around all our building locations, and the visitor experience is fully enhanced in all our galleries.

Financing and fundraising

Grant in Aid

Continuing receipt of Grant in Aid from DCMS is dependent upon the Science Museum Group's compliance with the DCMS/SMG Management Agreement dated January 2017. This sets out DCMS policy and financial requirements, which include the relevant provisions of Managing Public Money and such other guidance as the Treasury, Cabinet Office or DCMS have issued. It also describes the delegated powers and limits.

On 25 November 2015, HM Treasury's Spending Review and Autumn Statement 2015 announced that funding for national museums, including the Science Museum Group, was to remain at the current level in cash terms until 2019–20 and that free admission was to be maintained. The UK Government's decision to demonstrate its continuing support for the nation's museums at this time was especially welcome. In addition it was announced in 2015 that the Government would invest £150m to support the British Museum, Science Museum and Victoria and Albert Museum to replace out-of-date museum storage at Blythe House with new world-class storage facilities; and in 2019 a £6m grant from the DCMS Infrastructure Fund was

awarded for historic building conservation work at the Science and Industry Museum.

An increase in resource Grant in Aid of 1.84% was announced for 2020–21 at the 2019 Spending Round. At the Spring Budget in March 2020, the Chancellor announced further support for critical maintenance work on the national museums' estates; the Science Museum Group was allocated an additional £3.6m in capital Grant in Aid for 2020–21. In July 2020, a £1.57 billion support package was announced for the UK's cultural and heritage organisations; as part of this package, the Science Museum Group is allowed to access additional resource Grant in Aid funding over the financial year 2020–21 of up to £9.5m in order to mitigate possible deficits over the financial year. The Comprehensive Spending Review 2020 was announced in August 2020 and will set funding levels for the period to 2024–25.

Distribution of Grant in Aid to the National Coal Mining Museum

In 2012–13 the Science Museum Group took on responsibility for distributing Grant in Aid to the National Coal Mining Museum for England (NCMME). There is no impact on the Group's surplus from this arrangement, which is governed by a Management Statement and Memorandum agreed between the Group and NCMME. NCMME retains its own Board

of Trustees and continues to publish its own annual report of its activities, together with its audited annual accounts, no later than 31 December each year. NCMME is not considered a subsidiary undertaking for the purposes of Group accounting and the Science Museum Group does not exercise any control over, nor does it have any responsibility for, the operations of NCMME.

Supporters of the Science Museum Group

Our generous and committed sponsors and supporters enabled us to secure £10.3m in new philanthropic and sponsorship income and pledges in 2019–20. These commitments have allowed us to inspire more people with science over the past year and will create exciting new initiatives for the years ahead.

Key achievements

- We are delighted that The Gerald and Gail Ronson Family Foundation committed to support the redevelopment of the Science Museum's IMAX cinema.
- *Top Secret* enjoyed its first outing at the Science Museum with support from DCMS, Raytheon, Avast, DXC, QinetiQ and The Hintze Family Charitable

Foundation. The exhibition will now move to the Museum of Science and Industry.

- Our Vision 2025 campaign for the transformation of the National Railway Museum has attracted a number of generous donors this year, including the Holbeck Charitable Trust.
- The STEM Circle corporate partnership programme completed its first full year, attracting support from Centrica, Cisco Systems, Bloomberg, BT Group and Sanofi.
- Thanks to support from Cancer Research UK and Pfizer, plans for our *Cancer* exhibition at both the Science Museum and the Museum of Science and Industry are well under way.
- The Helen Hamlyn Trust is funding a new research programme into how children learn in a museum environment. This will inform learning programmes across the Group for our youngest visitors.
- The A.G. Leventis Foundation became the first supporter of our forthcoming Ancient Greek science exhibition.
- We are excited to partner with Russian Railways on the creation of a new trans-Siberian railways exhibition at the National Railway Museum, with a complementary display simultaneously at the Science Museum.

- Thanks to generous support from several donors including Art Fund, Friends of the National Railway Museum and the Richard Broyd Trust, we were able to purchase Rowland Emmett's kinetic sculpture *A Quiet Afternoon in the Cloud Cuckoo Valley*, which is now on display at Locomotion.
- Our National Railway Museum Patrons scheme has attracted many loyal supporters over the years, achieving a 100% renewal rate this year. We also relaunched our corporate membership scheme at the museum this year.
- We are grateful for the continued support of several long-term partners this year, including Wellcome, Samsung, The Lord Leonard and Lady Estelle Wolfson Foundation and the Players of the People's Postcode Lottery.
- We continue to be hugely grateful for the generosity of thousands of our visitors who give to support our museums.

Visitor giving: We raised £2.5m through visitor giving across all our museums thanks to the generosity of our 5 million visitors. This was slightly behind the previous year, during which we achieved £2.7m.

Events

The Group hosted a variety of events for funders and partners this year, including the opening of two new permanent galleries at the Science Museum – *Medicine: The Wellcome Galleries* and *Science City 1550–1800: The Linbury Gallery*. Along with private tours, dinners and exhibition launches, these events provide opportunities to thank our generous supporters and demonstrate the vision of our museums, collections and programmes.

At this year's Science Museum Annual Dinner we were honoured to hear from Dr Fabiola Gianotti, Director General of CERN, who introduced guests to her organisation's fascinating research into elementary particles and forces, along with antimatter, dark matter and dark energy. At the National Railway Museum's Director's Dinner we were joined by Prue Leith CBE, whose keynote address encompassed her experiences as a Director of British Rail, as well as her career spanning the worlds of food, business, art and education.

As part of this year's programme of events, the Science Museum awarded Fellowships to a select group including: Dr Fabiola Gianotti, in recognition of her distinguished research contributions to the field of particle physics and continued dedication to the

advancement of education in science, technology, engineering and mathematics; Baroness Lane-Fox, in recognition of her continued support of the Science Museum and her commitment to shaping the digital future of the UK and wider world; and Sir Kenneth Grange, in recognition of his exceptional career in design that has helped shape the industrial future of the modern world, and for his continued support of the National Railway Museum.

Fundraising performance

The Science Museum Group is an exempt charity under Schedule 3 of the Charities Act 2011, with DCMS acting as its principal regulator for charity law purposes, and is recognised as charitable by HM Revenue & Customs. The Group adheres to the Code of Fundraising Practice issued by the Fundraising Regulator. In 2019–20 the Group did not work with any third-party commercial participators or professional fundraisers. This year the Science Museum Group welcomed 5.007 million visitors, most of whom were welcomed by our visitor fundraising teams and invited to make a donation. Seventeen complaints were made regarding our visitor fundraising; the majority related to additional charges for attractions within the museums. We regularly review fundraising processes to ensure that visitors can make a clearly informed decision about whether to make a

donation in addition to any tickets or products they may choose to purchase during their visit, and that no undue pressure is placed on visitors to donate.

Performance

Performance information is sourced through both internal records and periodic independent visitor surveys.

Performance against DCMS indicators

	Science Museum	Science and Industry Museum	National Railway Museum	Locomotion	National Science and Media Museum	Science Museum Group ^[1]
Number of visits to the museum						
2019–20	3,160,000	539,000	698,000^[2]	189,000	421,000	5,007,000
2018–19	3,168,000	652,000 ^[3]	782,000	153,000	455,000	5,210,000
Number of visits by children under 16						
2019–20	894,000	192,000	182,000	46,000	149,000	1,462,000
2018–19	993,000	234,000	180,000	42,000	144,000	1,593,000
Number of overseas visitors						
2019–20	1,536,000	120,000	98,000	3,000	11,000	1,769,000
2018–19	1,483,000	112,000	104,000	6,000	17,000	1,721,000
Percentage of visitors who would recommend a visit						
2019–20	98%	98%	100%	100%	98%	98%
2018–19	98%	97%	99%	97%	98%	98%
Number of facilitated and self-directed visits by children under 18 in formal education						
2019–20	328,000	44,000	27,000	5,000	33,000	436,000
2018–19	348,000	48,000	29,000	5,000	26,000	455,000
Number of instances of children under 18 participating in on-site organised activities						
2019–20	472,000	135,000	68,000	21,000	110,000	806,000
2018–19	468,000	177,000	75,000	28,000	148,000	896,000
Number of unique website visits						
2019–20	6,517,000	648,000	1,271,000	134,000	805,000	10,963,000
2018–19	6,241,000	724,000	1,253,000	124,000	651,000	10,398,000
Number of Science Museum Group UK loan venues						
2019–20	162					
2018–19	165					

Group-wide performance indicator results for year

	2019–20 £000	2018–19 £000
Exhibitions admission income (gross income)	1,725	1,835
Trading income (net profit, excluding sponsorship income)	2,389	2,533
Total charitable giving (including sponsorship income)	27,520	19,630
Ratio of charitable giving to Grant in Aid	40.7%	43.1%

[1] Any discrepancies in Group totals are due to roundings.

[2] There was a change in visit number reporting methodology at the National Railway Museum. Following the closure of the car park entrance the proportional reduction previously applied was found to be unnecessary and is no longer made.

[3] Note on counter error: visitor number data is collected through an electronic sensor placed on doors. During the year it was identified that the main door sensor at the Science and Industry Museum had been operating inconsistently over a period from October to 7 January. Although regular checks are made on the system, this error was not picked up immediately because of its inconsistent nature and the gradual deterioration of its accuracy. The sensors were repaired on 8 January. It was therefore agreed to establish best estimates for performance in the months of October, November and December and in the first week of January, based on performance over the previous three years. The resultant figures were felt to reflect what had been observed on the ground.

Commentary on performance indicators

Number of visits to the museum

Visits were 1.5% ahead of 2018–19 before the COVID-19 outbreak and the closure of the Group's

museums. Visitor numbers to the Science and Industry Museum in Manchester were behind the previous year as a result of the closure for repair of several buildings on the site.

Number of visits by children under 16

Visits by children under 16 were slightly behind 2018–19 before the closure of museums in March, but were still forecast to exceed 1.5 million for the year.

Number of overseas visitors

Overseas visitors remained at approximately 35% of the Group's overall total. Nearly 50% of visitors to the Science Museum in London were from overseas, reflecting the international tourist market in the capital.

Percentage of visitors who would recommend a visit

The percentage of visitors who would recommend a visit remained high in 2019–20, with all sites at the same level or higher than in 2018–19.

Number of facilitated and self-directed visits by children under 18 in formal education

Performance in this area was in line with that in 2018–19 until the closure of museums in March 2020.

Number of instances of children under 18 participating in on-site organised activities

Organised on-site activities fell in 2019–20, particularly in museums where sites were affected by closures to some of the buildings. Participation in London was ahead for the full year, before the pandemic.

Number of unique website visits

Website visits increased from 2018–19 as the new websites became established. As a large proportion of visits relate to planning a physical visit to one of the museums, traffic slowed slightly as a result of the COVID-19 pandemic in March.

Number of Science Museum Group UK loan venues

The Group continued to be an active partner with over 160 loan venues across the UK.

Exhibitions ticket income

*Exhibition ticket income was slightly behind 2018–19 as a result of the mix of exhibitions across the years, with *The Sun: Living With Our Star* less popular than *Robots* had been in the previous year.*

Trading income

Net trading income declined slightly in 2018–19, with a stronger performance in corporate events offset by reductions in retail and commercial experiences income as the main store at the Science Museum

was closed for redevelopment over summer 2019 and then the IMAX cinema from February 2020. On-site visitor activity was further reduced by the COVID-19 pandemic.

Charitable giving

Charitable giving, which includes grant income for capital projects, increased in the year with significant funding received for Medicine: The Wellcome Galleries and the Technicians Gallery.

Ratio of charitable giving to Grant in Aid

Despite the increase in charitable giving, the ratio of charitable income to Government funding declined as a result of the significant Grant in Aid funding received for the One Collection programme and the capital infrastructure works in Manchester.

3. Financial Review

Summary

The end of the 2019–20 financial year was overshadowed by the global COVID-19 pandemic and the resulting shutdown of the Group’s museums from mid-March. The direct effect of the closure of our sites will become clear over the rest of this calendar year, but the indirect effects on visitor numbers and behaviour, on the wider economy and on the philanthropic environment will play out over a much longer time frame. The financial future of the Group was profoundly uncertain and more precarious even than during the recovery from the global financial crisis over the last decade. However, a number of Government actions have provided support for 2020–21 and it is hoped that such support will continue over the period of the coming Comprehensive Spending Review. The specific support measures provided by Government included:

- Access to the Coronavirus Job Retention Scheme, reducing the payroll costs incurred by the Group in respect of those employees placed on furlough;
- Access to additional resource Grant in Aid funding of up to £9.5m to mitigate possible deficits over the financial year;
- Relief from non-domestic property rates for 2020–21;

- Allocation of additional capital Grant in Aid funding of £3.6m to support critical maintenance work on the Group's estate.

In combination, these measures will allow the Group to navigate 2020–21. Over the medium term, the Group's return to its past operating model depends on a recovery in visitor numbers and a return in consumer confidence. The Group will apply the lessons it learned over recent years on entrepreneurial attitudes, operational efficiency and effectiveness as it seeks to manage the challenges of the coming years.

The 2019–20 year itself saw an increase in the Group's activities, primarily as large capital projects moved to completion or delivery. We opened the £24m *Medicine: The Wellcome Galleries*, funded by generous support from the Wellcome Trust, National Lottery Heritage Fund (NLHF), GlaxoSmithKline plc and Vitabiotics Foundation. We continued with our One Collection project to move our collections from a store in west London to a purpose-built facility in Wiltshire. We received £25.8m of funding from our sponsoring department, DCMS, for this activity. DCMS also made a valuable contribution of £3.5m from the Capital Infrastructure Fund to support our project to repair the Power Hall in Manchester and we are grateful for this continuing support to these projects. We started an ambitious project to develop a new Technicians Gallery

at the Science Museum, funded by a generous grant from the Gatsby Foundation, and completed *Science City 1550–1800: The Linbury Gallery*, funded by the Linbury Trust and the NLHF. We also increased our collection with the accessions of the Barnard Tompion clock and Rowland Emmett's *A Quiet Afternoon in the Cloud Cuckoo Valley*, acquisitions part-funded by the Science Museum Foundation and the Art Fund. Further significant collection additions included a Eurostar and the *Sir Kenneth Grange* High Speed Train.

Of our current year income, £67.7m (53%) was Grant in Aid received from DCMS, including the significant contributions to the One Collection and Power Hall conservation projects, in addition to our core support. Trading income of £18.7m represented a 20% increase on 2018–19, as before the COVID-19 disruption we benefited from a full year's activity at our Illuminate corporate events space in London and a refurbished main shop on the site. Donations, grants and sponsorship of £35.9m were gratefully received from all our donors and supporters for a variety of capital and non-capital activities, as outlined above. Our non-capital expenditure remained in line with 2018–19, and 69% of this was directed to our strategic objectives. Support costs of £29.4m included the running costs of our large estate, as well as back-office and management functions; these are also in line with previous years. Our

capital expenditure on major projects and on collection items increased by 60% to £43.6m, as we delivered on the projects described above.

Consolidated Fund Position 2019-20

	March 2019 £000	Income £000	Expenditure £000	Net result £000	Investment results £000	Revaluation £000	Transfers, including capitalisation £000	March 2020 £000
EXPENDABLE FUNDS								
Unrestricted funds								
General funds	1,537	69,274	(67,805)	1,469	-	-	(1,457)	1,549
Museum improvement fund	6,357	-	(96)	(96)	-	-	1,402	7,663
Collection purchases fund	202	-	(84)	(84)	-	-	90	208
Total unrestricted expendable funds	8,096	69,274	(67,985)	1,289	-	-	35	9,420
Restricted funds								
Grants and donations fund	15,260	51,758	(9,564)	42,194	-	-	(36,364)	21,090
Collection purchases fund	250	6,581	-	6,581	-	-	(6,831)	-
Buildings sale fund	28,423	517	(865)	(348)	(1,410)	-	(1,864)	24,801
Total restricted expendable funds	43,933	58,856	(10,429)	48,427	(1,410)	-	(45,059)	45,891
TOTAL EXPENDABLE FUNDS	52,029	128,130	(78,414)	49,716	-	-	(45,024)	55,311
NON-EXPENDABLE FUNDS								
Capital assets fund (unrestricted)	24,374	-	(1,295)	(1,295)	-	-	1,636	24,715
Capital assets fund (restricted)	195,115	-	(8,282)	(8,282)	-	-	41,977	228,810
Capital asset revaluation fund	245,249	-	(6,611)	(6,611)	-	14,075	-	252,713
Defined benefit pension deficit fund	(6,370)	-	(452)	(452)	-	2,339	351	(4,132)

	March 2019	Income	Expenditure	Net result	Investment results	Revaluation	Transfers, including capitalisation	March 2020
	£000	£000	£000	£000	£000	£000	£000	£000
Endowment fund	80	7	-	7	-	-	1,060	1,147
	458,448	7	(16,640)	(16,633)	-	16,414	45,024	503,253
TOTAL NON-EXPENDABLE FUNDS	458,448	7	(16,640)	(16,633)	-	16,414	45,024	503,253
TOTAL FUNDS	510,477	128,137	(95,054)	33,083	(1,410)	16,414	-	558,564
Total unrestricted funds	271,349	69,274	(76,343)	(7,069)	-	16,414	2,022	282,716
Total restricted funds	239,048	58,856	(18,711)	38,735	(1,410)	-	(3,082)	274,701
Total endowment fund	80	7	-	7	-	-	1,060	1,147

Review of financial position

Summary of performance in 2019–20

In 2019–20 the Group's funds increased by £48,087k to a total of £558,564k at 31 March (2019: £510,477k). The Group distinguishes between restricted and unrestricted and between expendable and non-expendable funds, with non-expendable amounts being those associated with future depreciation of capital assets, endowment funds and the Group's defined benefit pension liability, and expendable reserves being all other funds. In 2019–20 the Group's expendable reserves have increased slightly to £55,311k (2018–19: £52,029k), though a large proportion of these funds remain represented by restricted rather than designated reserves, with £45,891k restricted and £9,420k unrestricted (2018–19: £43,933k restricted and £8,096k unrestricted).

Definition of funds

Restricted funds are income funds or endowments which can only lawfully be spent for purposes specified by the donors. During 2019–20 the Group used its restricted funds on a variety of activities, including capital projects and research activities funded by grants.

Designated funds are unrestricted income funds held for specific future projects of high strategic value. During 2019–20 the Group has used its designated funds on a variety of capital projects and infrastructure investments, in line with budget, though it retains designations for work on the One Collection project at the National Collections Centre and the Special Exhibition Gallery in Manchester.

The increases in restricted funds arose from funding received in advance of activities, including grant income from the Gatsby Foundation for the Technicians Gallery at the Science Museum. Owing to the exceptional circumstances prevailing in March 2020, there are also restricted fund balances associated with the One Collection and Manchester Power Hall programmes supported by DCMS.

Funds, split into expendable and non-expendable reserves

			2019–20
	Restricted	Unrestricted	Total
	£k	£k	£k
Expendable	45,891	9,420	55,311
Non-expendable	229,957	275,916	505,873
Total	275,848	285,366	561,184

			2018–19
	Restricted	Unrestricted	Total
	£k	£k	£k
Expendable	43,933	8,096	52,029
Non-expendable	195,195	263,253	458,448
Total	239,128	271,349	510,477

Income and expenditure

The Group's net result (before investment results and revaluations) was a surplus of £33,083k (2019: a deficit of £107k). The 2018–19 figure included a £4,500k loss on the disposal of the RPS Collection to the Victoria and Albert Museum.

The unrestricted result for the year was a deficit of £7,069k, compared with £11,718k in 2018–19.

This was due to increases in commercial income and sponsorship income in the year, albeit offset by higher staff costs and costs of sales, described in more detail below.

Restricted income has increased significantly in the year, partly because of the generous donation and grants noted above, but also as a result of increased Grant in Aid funding from DCMS for the One Collection and Power Hall projects. DCMS is a critical supporter of the One Collection project and has committed £40m of funding over the period to 2023, of which £25,843k was drawn down in the current year (2018–19: £7,500k) as construction continued on the main collections facility at Wroughton, Building ONE. DCMS also contributed £3,500k to the Group for the works on the Power Hall in Manchester and £440k to the National Coal Mining Museum for England (NCMME) from its Capital Infrastructure Fund. Further funding of £606k was received for the Group's *Top Secret* exhibition. The Group is grateful to DCMS for its continued support through the year.

Income and expenditure by fund

	Restricted £k	Unrestricted £k	2019–20 Total £k
Income	58,863	69,274	128,137
Expenditure, excluding disposals	(18,711)	(76,343)	(95,054)
	40,152	(7,069)	33,083
Disposals	–	–	–
Total	11,611	(11,718)	(107)

	Restricted £k	Unrestricted £k	2018–19 Total £k
Income	32,268	63,132	95,400
Expenditure, excluding disposals	(16,157)	(74,850)	(91,007)
	16,111	(11,718)	4,393
Disposals	(4,500)	–	(4,500)
Total	11,611	(11,718)	(107)

Use of expendable reserves

Expendable reserves

Expendable reserves comprise a mixture of restricted and unrestricted funds over the use of which the Group has discretion. These funds comprise general funds, restricted grants and donations reserves, the restricted proceeds of the sale of the Post Office Building, and designated funds.

As described above, the Group's expendable reserves remained flat in the year, and the weighting remained towards restricted funding. In addition to income and expenditure shown in the Statement of Financial Activities, expendable reserves were used for capital activities and transferred to non-expendable capital funds to meet future depreciation.

The 2019–20 year saw a marked increase in the level of capital activity across the Group, with the completion of *Medicine: The Wellcome Galleries*, the Smith Centre, a new shop and *Science City 1550–1800: The Linbury Gallery* in London, the construction of Building ONE at the National Collections Centre in Wroughton, as well as continued development of York Central and the Special Exhibition Gallery in Manchester. This activity resulted in net transfers to non-expendable reserves of £45,024k, compared with £24,138k in 2018–19. Notwithstanding the effects of the COVID-19 shutdown, the level of activity was expected to decrease over 2020–21, though Building ONE and the Special Exhibition Gallery were scheduled for completion.

Result for expendable reserves, including transfers

	Restricted £k	Unrestricted £k	2019–20 Total £k
Opening balance	43,933	8,096	52,029
Income	58,856	69,274	128,130
Expenditure	(10,429)	(67,985)	(78,414)
Investment result	(1,410)	–	(1,410)
Transfers	(45,059)	35	(45,024)
Closing balance	45,891	9,420	55,311

	Restricted £k	Unrestricted £k	2018–19 Total £k
Opening balance	40,678	11,674	52,352
Income	32,267	63,132	95,399
Expenditure	(8,595)	(63,898)	(72,493)
Investment result	909	–	909
Transfers	(21,326)	(2,812)	(24,138)
Closing balance	43,933	8,096	52,029

Details of significant transactions are given below.

Income and expenditure

The net result in 2019–20 was a surplus of £31.7m, compared with a surplus of £0.8m in 2018–19. The following transactions had a material impact on variation in the Group's outturn:

- £29.3m of Grant in Aid was received from DCMS in support of the One Collection and Power Hall projects, compared with £7.5m in 2018–19.

- £6.3m of donated heritage assets were recognised in the year, compared with £0.1m in 2018–19. These assets included the Barnard Tompion clock, a Eurostar and the *Sir Kenneth Grange* locomotive.
- In 2018–19 the RPS Collection was transferred to the Victoria and Albert Museum, resulting in a £4.5m loss on disposal.
- The Group also recorded a £1.4m loss on its investment portfolio, compared with a gain of £0.9m in 2018–19.

Income

Grant in Aid received from DCMS increased from £47.9m in 2018–19 to £70.5m in 2019–20. The allocation for core activities at the Group of £35.2m was in line with the £35.0m in 2018–19, and the non-capital Grant in Aid received for the National Coal Mining Museum for England (NCMME) was unchanged at £2.4m. This was supplemented by a core capital allocation of £2.5m (2018–19: £2.5m). Funding was also received for the One Collection programme of £25.8m (2018–19: £7.5m) and £3.5m for works on the Power Hall in Manchester (2018–19: £0.6m for the Special Exhibition Gallery on the same site). One Collection is a major programme to relocate collections currently stored at Blythe House in West Kensington to a purpose-built facility at the National Collections

Centre in Wiltshire that is anticipated to run until 2023, to which Government has committed £40.0m of funds and the Group £6.2m of its own reserves. The NCMME received an additional £0.4m from the DCMS Capital Infrastructure Fund.

Donations and legacies increased by £2.8m to £11.0m in 2019–20. Included within this figure is the value of donated assets, which fluctuate significantly from year to year. In 2018–19 the value of donations was £0.1m; in 2019–20 the value was £6.3m, as described above.

Other charitable income – mainly grants and ticket income – increased from £18.7m to £20.1m; significant grants were received from the Gatsby Foundation for the Technicians Gallery and from the Wellcome Trust and the NLHF for *Medicine: The Wellcome Galleries*, which opened in autumn 2019. Also included in grant income are amounts for the Special Exhibition Gallery in Manchester and the refurbishment of the IMAX cinema in London. In 2018–19 grant income included amounts for an immersive AR experience at the Science Museum and the tour of *Superbugs: The Fight for Our Lives*. Also included in charitable income is the payment of Museums and Galleries Exhibition Tax Relief.

Ticket income has remained stable at £2.6m (2018–19: £2.7m). Of this amount £1.6m (2018–19: £1.5m) relates to admission to *Wonderlab: The Statoil Gallery*, with a

further £0.2m (2018–19: £0.6m) from *The Sun: Living With Our Star* in London and Manchester.

The recognition of sponsorship income is closely related to significant projects across the Group. The current-year balance of £4.9m includes amounts in support of the Science Museum's *Medicine: The Wellcome Galleries* and the Science Museum Group Academy. In 2018–19 this balance included a contribution to Illuminate, as well as sponsorship of the Science Museum Group Academy, the exhibition *The Sun: Living With Our Star*, the Manchester Science Festival and York's Future Engineers programme.

Total resources expended were £95.1m (2018–19: £95.5m, including the £4.5m loss on disposal of the RPS Collection). Underlying expenditure (compared to 2018–19's £91.0m) increased owing to inflationary increases in staffing costs relating to the move towards paying the Real Living Wage and greater levels of project activity.

Balance sheet

Tangible assets increased by £33.9m in the year, driven by in-year additions of £36.5m, before disposals and impairments of £1.5m, an upwards revaluation of £14.1m and depreciation of £15.2m (2018–19: £8.9m after the upwards revaluation of the Group's property

of £5.1m). There was significant uncertainty around the valuation of the Group's land and buildings at 31 March 2020, as a result of the COVID-19 crisis, which affected construction indices used in the valuation of most of the Group's estate, and market prices, which are the basis of the valuation of land in York. More detail is provided in Note 3 *Significant judgments and estimates* and in Note 14 *Tangible fixed assets*. The additions (2018–19: £25.2m) represented a variety of capital projects under way across the Group, including One Collection, *Medicine: The Wellcome Galleries* in London and the Special Exhibition Gallery in Manchester.

Investments of £13.3m were held at year end (2018–19: £17.3m), representing holdings in investment funds of the part of the proceeds from the 2015 sale of the Post Office Building identified as long term. The remainder of the proceeds were held as current investments, short-term deposits or cash and cash equivalents at year end. The balance on the sales proceeds fund at year end was £24.8m (2018–19: £28.4m).

Net current assets increased by £4.8m in the year to £35.6m, with increases in current investments and short-term deposits after the sale of some long-term investment holdings supplemented by reductions of £1.9m in deferred income with the recognition of income on opening of capital galleries including *Medicine: The*

Wellcome Galleries. Trade debtors have reduced by 28% from £6.1m to £4.4m.

Current creditors include the advance receipt of £5.7m for the sale of land in York to Homes England as part of the York Central development project. As explained in Notes 3 and 14, the sale is expected to complete later in 2020 or in 2021, at which point the Group will be entitled to a further payment calculated with reference to the market value prevailing at that date.

Accruals and deferred income have decreased from £12.6m to £9.6m, with the deferred sponsorship income within this decreasing from £2.6m to £0.7m. Accrued expenditure is marginally lower than in March 2019, with £2.4m of the balance relating to the significant construction project in train at the National Collections Centre in Wroughton and the associated billing cycles. Deferred sponsorship income relates to exhibitions and galleries due to open in future periods and to several learning projects across the Group where the activity – and therefore the benefit to sponsors – is scheduled for future years.

The Group repaid principal and interest on its three outstanding loan facilities with DCMS. As outlined in Note 20, the total loan balance of £5.4m (2018–19: £6.4m) is repayable over the next eight years and

relates to three loans designed to support the increase of commercial income generation across the Group.

The Group's pension liability decreased over 2019–20 from £6.4m to £4.1m at 31 March 2020. This is primarily due to remeasurements resulting from changes in financial assumptions, including reductions in the inflation-linked assumptions around future salary increases and pension payments. Following the acquisition of the Science and Industry Museum in 2012, the Science Museum Group became an admitting body of the Greater Manchester Pension Fund, a defined benefit scheme. Details are given in Note 22 of the accounts.

Future developments

Over 2020–21 the Group will focus on responding to the changes required of its operations as the world responds to the COVID-19 crisis and its consequences. As mentioned above, Government has implemented a number of measures, including making available additional non-capital Grant in Aid cover of up to £9.5m, that in combination have strengthened the Group's financial position for 2020–21. There are nonetheless likely to be significant changes in visitor numbers and behaviour, which will require us to change our offer to the public. This will have knock-on effects on not only our ability to generate income, but also on our cost

base. The Group will continue to monitor its operating model to ensure that it is as robust and efficient as possible, while maintaining our high standards for visitor safety and collections care.

Where possible, capital projects that are in train will continue, as successful delivery of these investments is crucial to our long-term health. This will see the completion of Building ONE at the National Collections Centre as part of the One Collection project and of the Special Exhibition Gallery in Manchester, continued work on the Vision 2025 programme in York and appropriate capital infrastructure works to address an existing maintenance deficit. This maintenance deficit has been estimated as over £100m over the course of the next decade and the Group is considering various options to manage the deficit. As also mentioned above, the Government's commitment of £3.6m in additional capital Grant in Aid for 2020–21 is most welcome in this area.

The 2020–21 year and those that follow are likely to be challenging for the Group and the wider economy. We are well placed to withstand these challenges, with a lean operating model and significant cash balances. Our museums will play a crucial role in the return to normality after the crisis, and we look forward to contributing to this exercise. Government announced a Comprehensive Spending Review covering the period

to 2024–25 over the summer, with a decision on funding anticipated in autumn 2020.

Financial policies

Creditor policy

The Science Museum Group operates a 30-days payment policy where no payment terms have been specifically agreed. Using a sampling method, 68% of payments were made within this policy during 2019–20 (2018–19: 44%). No allowance has been made within these statistics for disputed invoices.

Investment policy

The Trustees are empowered to invest by the Trustees Act 2000. Taking into account both best return, short-term availability and security, the Group ensures that all funds identified as surplus to working capital are reviewed daily and invested on short- to medium-term facilities to maintain their value over time.

The Trustees continued to invest in line with their policy, which allows for investment in equity and fixed-income funds aimed at preservation of value over the period to expenditure by seeking to produce the best financial return within an acceptable level of risk. The investment objective for the long-term reserves is to generate a return of 3% in excess of inflation over the

long term. The investment objective for the short-term reserves is to preserve capital value with a minimum level of risk. Assets should be readily available to meet unanticipated cash-flow requirements.

In 2019–20 the long-term portfolio lost 7.8% (2018–19: gained 7.9%), after a fall of 15% from mid-February. This is below the target return, but in line with wider equity markets, which suffered significant falls in the COVID-19 crisis in February and March 2020. Since inception in December 2015 the portfolio has returned a cumulative 28.4%.

Reserves policy

The Trustees seek to maintain unrestricted general funds not committed or invested in tangible fixed assets at a level equivalent to three months' worth of non-contractual income. This level of reserves is held as a safeguard against unpredictable income streams, which may be vulnerable to the wider economic climate, including retail income and visitor donations. The Trustees agreed at their meeting in March 2020 that £1.5m was an appropriate level of reserves to hold in this respect, taking account of the level of operating contingency included in the 2020–21 budget. The value of general reserves at 31 March 2020 was £1.5m.

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

Designated funds are unrestricted income funds held for specific future projects of high strategic value. The museum improvement fund represents the aggregate value of designated funds held for such projects, which include major capital works as well as exhibitions, research and educational projects. The majority of projects for which funds are held in the museum improvement fund will be undertaken during the coming financial year.

Going concern

Over the last weeks of 2019–20 the Group's operations were significantly affected by the COVID-19 pandemic and the associated actions of Government and the public to stem the spread of the virus. These measures included closing all the Group's museums to public and staff, which prevented any on-site revenue-generating activities. This disruption continued into the first few months of 2020–21 and the future forecasts for visitor numbers and the wider economy as we emerge from the first phase of the pandemic are profoundly uncertain. The Group has performed modelling and scenario planning to identify the most significant elements of its operating model and continues to

seek greater certainty where the expectations for these elements are currently unknown. This scenario planning includes a variety of assumptions around social distancing measures that could be applied in our museums and around future periods of lockdown in the event of a recurrence of the virus.

Advantage is being taken of Government support measures in place for business in the hospitality and leisure sectors, and we are performing monthly reforecasts of profitability and cash flow to manage the uncertainty as well as possible. This monitoring will continue until the long-term shape of society and the economy becomes clear again. In July 2020, a £1.57 billion support package was announced for the UK's cultural and heritage organisations; as part of this package, the Science Museum Group is allowed to access additional resource Grant in Aid funding over the financial year 2020–21 of up to £9.5m in order to mitigate possible deficits over the financial year.

After reviewing the Group's forecasts and projections, and despite the wider uncertainty resulting from the COVID-19 pandemic, the Trustees have a reasonable expectation that the Science Museum Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going-concern basis in preparing its financial statements.

4. Remuneration and Staff Report

Remuneration

The Remuneration Committee provides advice to the Board on the remuneration of the Director and the senior leadership team. The Committee met twice during 2019–20 to discuss Director and Senior leaders' remuneration, including discretionary pay awards.

The Remuneration Committee's responsibilities are to:

- Review annually the performance, pay and bonus of the Science Museum Group Director and agree recommendations for approval by the Group's Board
- Receive reports on performance of designated senior managers (those reporting to the Director and Managing Director) and agree recommendations as to their remuneration for approval by the Board
- Have oversight of the performance, effectiveness and wellbeing of the leadership team, providing support as necessary to Science Museum Group Director
- Approve and periodically review the design of any performance bonus scheme
- Keep succession planning under review

- Have oversight of severance awards for senior staff and ensure any payments are made in line with the appropriate guidance and policy
- Review annually a register of external income for which senior leaders are eligible (including retained and donated income where relevant)

Membership of Remuneration Committee

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

The Science Museum Group Director and Director of People and Culture attended meetings that reviewed senior remuneration (excluding discussion concerning their own pay and performance).

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

When determining salary levels generally, several factors are taken into account:

- The projected budget for the annual pay settlement for the wider organisation, which considers government guidance
- Salary levels internally and in the marketplace (through salary surveys and benchmarking)

- Job size and whether this has changed over the period

Performance-related pay for senior leaders

At the beginning of the year, senior leaders are set objectives based in line with business plans. At the end of the year they are assessed by the Director, Managing Director or a Group Executive member on the extent to which they have achieved their objectives and their performance is rated accordingly. The Chair of the Board of Trustees assesses and rates the Director's performance. All ratings are then reviewed by the Remuneration Committee. Senior leaders are eligible to be considered for a discretionary bonus, which is dependent on performance, within a range from 0 to 15% of their annual salary.

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

Policy on contractual terms

Senior employees are on permanent contracts with either the Science Museum Group ('Museum') or SCMG Enterprises Ltd ('Enterprises'). Notice periods for

senior employees are between three and six months, and six months for the Director. Termination payments are in accordance with Museum or Enterprises contractual terms.

All Museum employees, except those detailed below working at the Science and Industry Museum and Locomotion, are eligible to be members of the Principal Civil Service Pension Scheme (PCSPS) with associated redundancy and early retirement conditions. Civil Service pension details are given in notes to the accounts at Note 13. Museum employees working at the Science and Industry Museum are eligible to be members of the Greater Manchester Pension Fund, for which the Science Museum Group is an admitted body, with associated early retirement conditions. Employees working at Locomotion who transferred from Durham District Council under the Transfer of Undertakings (Protection of Employment) Regulations 2006 continue to participate in the Durham District Council pension scheme to which the Science Museum Group makes payments on a contributory basis.

All Enterprises employees have the option to join a group personal pension scheme, currently provided by Aviva. If they do not wish to join that scheme they are auto-enrolled into a stakeholder pension, currently provided by Now Pensions. In the event of redundancy they will be entitled to payments as defined under the

Employment Rights Act 1996 unless individual contracts define other terms.

The members of the Board of Trustees of the Science Museum, who hold overall responsibility for the Science Museum Group, are not remunerated. Expenses paid are disclosed in Note 13 of the annual accounts.

Remuneration information

The information below has been audited.

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

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

Senior directors

This Remuneration Report has been prepared in accordance with the Government Financial Reporting Manual, which requires disclosure of information about directors' remuneration, where 'directors' is interpreted to mean those having authority or responsibility for directing or controlling the major activities of the

Science Museum Group. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or sections within the entity.

It is the view of the Science Museum Group that this requirement encompasses the two posts listed below, whose emoluments and pension details are disclosed. The Group considers that no other key management staff details need to be disclosed under this guidance for 2019–20.

Remuneration	Salary £000	Bonus payments £000	Benefits in kind Nearest £100	Pension benefits £000	Single total figure of remuneration £000
Sir Ian Blatchford, Director and Chief Executive					
2019-20	175-180	20-25	-	20 ^[1]	215-220
2018-19	170-175	20-25	-	58 ^[1]	250-255
Jonathan Newby, Deputy Director and Chief Operating Officer					
2019-20	140-145	15-20	1,100	10 ^[2]	165-170
2018-19	135-140	15-20	1,100	10 ^[2]	165-170

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

[2] Non-PCSPS employee; the figure is the employer's contributions in the year.

Pension benefits (PCSPS scheme members only)	Total accrued pension and related lump sum at pensionable age 31/03/20 £000	Real increase in pension and related lump sum at pensionable age £000	CETV at 31/03/20 £000	CETV at 31/03/19 £000	Real increase in CETV £000
Sir Ian Blatchford	55-60	0-2.5	1,017	966	1

Cash-equivalent transfer values

A cash-equivalent transfer value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in his/her former scheme. The pension figures shown relate to the benefits that individuals have accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of his/her purchasing additional pension benefits at his/her own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

Real increase in CETV

The real increase in CETV reflects the increase effectively funded by the employer. It takes account of the increase in accrued pension that is due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Median remunerations

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. The midpoint for the banded remuneration of the highest-paid director in the Science Museum Group in the financial year 2019–20 was £197,500 (2018–19: £197,500). This was 7.9 times (2018–19: 8.3 times) the median remuneration of the workforce, which was £24,959 (2018–19: £23,853). The ratio has decreased mainly because of the increase in the median remuneration of the workforce in the pay settlement for 2019–20.

In 2019–20 no employee received remuneration in excess of the highest-paid director. Remuneration ranged from banded midpoint of £17,500 to £197,500 (2018–19: £12,500 to £197,500) on a full-year basis.

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

Employees

The information below has been audited.

Details of employee numbers, employees receiving remuneration over £60,000 and the remuneration of key management personnel are provided in Note 13.

Civil Service and other compensation schemes – exit packages

The numbers of exit packages agreed during the year, split by cost band, are shown in the table below:

Exit package cost band (£)	Number of compulsory redundancies	Number of other departures	Total number of exit packages for 2019–20	Total number of exit packages for 2018–19
<10,000	–	11	11	19
10,001–25,000	–	5	5	1
25,001–50,000	–	1	1	3
Total	–	17	17	23
Cost (£000)	–	146	146	134

The information below has not been audited.

Sickness absence

The average number of days lost from sickness for each full-time equivalent employee was 6.2 days (2018–19: 5.7 days).

Off-payroll arrangements

There were four off-payroll arrangements in 2019–20 lasting longer than six months, for more than £220 a day (2018–19: one).

One of the off-payroll arrangements described above related to a member of the Group Executive. This had ended at the date of reporting and existed for less than one year.

All off-payroll arrangements have been subject to a risk-based assessment as to whether assurance needs to be sought that the individual is paying the right amount of tax, and where necessary this assurance has been sought.

Trade union facility time

Relevant union officials

	2019–20	2018–19
Number of employees who were relevant union officials	22	17
Full-time equivalent employees	2.6	2.3

Percentage of time spent on facility time

Employees who were relevant union officials employed during the relevant period spent the following proportion of their working hours on facility time:

Percentage of time	Number of employees	
	2019–20	2018–19
0%	–	–
1–50%	22	17
51–99%	–	–
100%	–	–

Percentage of pay bill spent on facility time

	2019–20	2018–19
Total cost of facility time (£000)	75	62
Total pay bill (£000)	36,390	34,939
Percentage of the total pay bill spent on facility time	0.21%	0.18%

During 2019–20 Prospect union members took industrial action in a dispute over pay. This unpaid time has not been factored into the calculations above. Trade union membership among the Group's

employees increased by over 100% over the past year. As a result of this, there has been an increase in both the number of committee members and the total cost of facility time in the year.

Paid trade union activities

	2019–20	2018–19
Time spent on paid trade union activities as a percentage of total paid facility time hours	20%	20%

Composition of staff by sex

	2019–20		2018–19	
	Male	Female	Male	Female
Directors	31.6%	68.4%	31.2%	68.8%
Employees	34.9%	65.1%	35.9%	64.1%
Total	34.8%	65.2%	35.8%	64.2%

Gender pay gap

The Group normally reports the gender pay gap for employees of the two legal entities within the Group (the Board of Trustees of the Science Museum and SCMG Enterprises Limited) in line with its statutory obligations. In March 2020 the Government suspended the reporting requirement for the present year as a result of the COVID-19 situation. The Science Museum Group will voluntarily publish its overall gender pay gap for the Group and this will be available on the Group's website. At the snapshot date of 31 March 2019, the

overall mean gender pay gap for the Group was 0.2% and the median was 3.9%.

Expenditure on consultancy

There was no expenditure on management consultancy during 2019–20 (2018–19: nil).

Employee engagement

The Science Museum Group continues to operate various ways of facilitating effective communications with employees. Regular colleague briefings from the Group Director, the Directors of museums and other senior managers on strategic and topical issues are supplemented by Group-wide and museum-specific announcements and news on the Group's intranet and by email as well as an annual conference.

The Group runs engagement surveys to monitor employee engagement and has also introduced open forum sessions led by Executive Directors to seek feedback across a range of issues as well as providing important updates on business issues. This data is used to inform Group-wide and local improvements. During 2019–20 the survey revealed lower levels of employee satisfaction than in previous years; steps taken to address these matters included the Executive Director open sessions, additional allocations of annual

leave for all staff and a commitment to meet the Real and London Living Wages in April 2020.

There are a number of forums where the Group engages with employee representatives and officials from the trade unions on matters of mutual interest and concern. These forums are used for the usual business of addressing pay and benefits but also for the development of policies and health and safety matters. In summer 2019, Prospect union members took industrial action over two days in response to a dispute over pay; this situation was managed through constructive dialogue between the Science Museum Group and Prospect trade union, early engagement on the pay settlement for 2020–21 and exceptional provision for additional leave. The Group continues to monitor levels of engagement among its staff and to mitigate emerging matters of concern.

The Group operates a performance development process that considers performance against objectives that are aligned to wider business goals as well as providing an opportunity to consider the development and support that employees require to deliver their objectives.

The Group continues to focus on supporting managers and employees in dealing with change, including offering career transition support where appropriate.

Equality, diversity and inclusion

‘Open for all’ is one of five core values for the Science Museum Group, and this reflects the Group’s commitment to equality, diversity and inclusion. The Group aims to create and maintain a culture which is inclusive and diverse, providing equality of opportunity for all. There should be no discrimination on the basis of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation.

This financial year the Group has continued to work with occupational health providers, Access to Work and a range of other specialist advisers to make reasonable adjustments to the workplace for employees and potential recruits with disabilities.



Dame Mary Archer
Chairman of the
Board of Trustees
13 October 2020



Sir Ian Blatchford
Accounting Officer
and Director
13 October 2020

5. Sustainability Report

Summary of performance

Sustainability is being embedded across the Science Museum Group, including a focus on both public engagement and colleague engagement. In terms of colleague engagement, a Sustainability Guiding Team has been established with colleagues from across all work strands within the Group. We also created a new Group-wide Sustainability Advisory Board in 2019, with both internal and external expert advisers, to advise us on all aspects of sustainability.

On public engagement we announced the Group's Year of Climate Action on 4 February 2020 on the same day that we hosted Prime Minister Boris Johnson for the announcement of the UK's presidency of the COP26 climate summit in Glasgow and the UK Year of Climate Action. We are also exploring how we embed sustainability practice into all of our projects. To do this we are learning from others across the sector and sharing our own best practice. Our Exhibitions teams have focused on reducing and reusing the waste generated by our projects. Meanwhile our Retail team opened a new shop at the Science Museum in May 2019, with new product lines which support the circular economy.

We continue to embed sustainability into our learning and events programming across the organisation. At the Science and Industry Museum we have engaged our visitors in sustainable fashion, greenhouse gases, low-carbon cities and smart technologies. Both the Science and Industry Museum and the National Science and Media Museum have engaged adult audiences with sustainability through Lates events including conversations with experts, discussions on regional projects and hands-on activities. Through the Future Engineers programme at the National Railway Museum, schoolchildren have been engaging with the topic of sustainability and adaptability in the railway industry.

We have also embraced biodiversity projects across the Science Museum Group, and in December 2019, at the launch of our new sustainability blog, we announced a commitment to plant 1,000 trees a year. We will be working with our new partner, the Woodland Trust, to achieve this goal.

Greenhouse gas emissions

	2020	2019	2018
Non-financial indicators (tCO ₂ e)			
Gross emissions			
Scope 1 – direct energy emissions	2,705	2,702	2,745
Scope 2 – indirect energy emissions	3,494	3,798	4,741
Scope 3 – other indirect emissions	779	761	962
Total gross emissions	6,978	7,262	8,448
Reduction in Scope 2 for zero-emission supply ^[1]	(3,415)	(3,714)	(4,741)
Total net emissions	3,563	3,548	3,707
Related energy consumption (see individual metrics)			
Electricity – non-renewable (kWh)	13,673,803	13,120,911	13,485,898
Gas (kWh)	13,011,728	11,892,526	13,438,759
Oil (litres)	59,788	80,926 ^[2]	21,669
Biomass – wood pellets (tonnes)			
	53	53	25
Financial indicators (£000)			
Expenditure on energy	1,979	1,811	1,597
CRC expenditure	114	134 ^[3]	130
Expenditure on business travel	715	854	562

[1] Reduction for zero-carbon electricity from REGO-certified supply to all sites except Blythe House, London.

[2] Oil consumption data restated.

[3] CRC expenditure restated.

Performance

We have seen a 1.2GWh increase in our gas use this year. This was due in part to a significant drop in usage at the Science Museum in 2018–19 resulting from a delay to turning on the heating over winter. Additionally, space heating demand has grown with the opening of new galleries and previously back-of-house museum space at the Science Museum and the National Railway Museum. Our successful event hire across the organisation has required more space heating outside our standard operating hours. At the National Science and Media Museum a new boiler unit has led to a 20% decrease in total gas use. As further plant reaches end of life across our estate, we will seek to maximise energy savings by prioritising efficiency.

Over the same period we have seen a 0.6GWh increase in electricity demand. At the Science Museum alone we saw a 0.3GWh increase due to the first year of operation for our new Illuminate and Smith Centre event spaces, as well as the opening of the world's largest medicine galleries covering 3,000m² and our new *Science City* gallery. All of these projects have sought to minimise mechanical intervention by embracing natural lighting and optimising climate controls. Elsewhere in the organisation we have seen decreases in electricity use through optimising our building management systems to proactively tailor our

systems to our museum programmes, ensuring spaces are not drawing power while not in use.

From last year, consumption and emissions data from Blythe House has been included. We have restated the oil consumption for 2018–19 which omitted the usage from Blythe House.

Direct and indirect impacts

Space heating is by far the largest contributor to our greenhouse gas emissions. We are therefore actively looking for technological solutions and passive interventions which can help us to address this challenge. We see a direct correlation between our programming and our energy consumption, and through working together in new ways we hope to be able to reduce the power demand of object-rich galleries.

Our estate continues to improve through investment in our plant and insulation. More needs to be done across the estate. However, major progress is limited by the building fabric and is linked to our larger, long-term capital projects.

Reduction in oil usage resulted from the oil-based heating system at Blythe House failing in autumn 2019. This caused an increased reliance on electrical heaters. Oil use at the National Collections Centre in Wroughton has remained consistent, at around 20,000 litres per

year. The environmental impact from this equipment, both in terms of greenhouse gas emissions and air pollution, is significant. As part of our One Collection project (which will see objects moved from Blythe House to a new collections facility at the National Collections Centre) we are looking to eliminate our reliance on oil-fired heating and expand our biomass capacity.

The Carbon Reduction Commitment scheme was phased out in 2019, replaced with the Climate Change Levy as part of our energy supply.

At Blythe House and the National Collections Centre we are operating oil-fired boilers for space heating.

KPI	2020	2019	2018
Total net emissions per thousand visitors (tCO ₂ e)	0.71	0.68	0.70

Waste

	Non-financial indicators (tonnes)			Financial indicators (£000)		
	2020	2019	2018	2020	2019	2018
Total waste	849.1	770.2	742.1	126.1	120.1	142.3
Hazardous (including waste electric and electronic equipment)	–	–	5.2	4.6	1.1	3.0
Non-hazardous						
Landfill	34.0	66.0	38.8	9.4	18.1	13.4
Energy from waste	237.4	180.9	317.6	38.4	29.8	73.9
Mixed recycling	420.1	436.8	317.6	64.8	67.4	49.1
Wood recycling	60.9	8.3	1.2	0.0	1.1	0.1
Metal recycling	2.3	0.7	1.9	0.2	0.0	0.0
Glass recycling	94.4	77.6	39.2	9.0	2.7	2.8

Performance

Our total waste has increased slightly over the year. In 2019–20 only 4% of our total waste went to landfill, a significant improvement on the previous year. This has been achieved through procurement of a new waste management contract at the Science and Industry Museum which has increased recycling rates and diverts all other waste to energy from waste. There has also been an improvement in waste segregation with fewer items recycled as mixed recycling and an increase in segregated waste streams.

However, as with previous years, the data shown does not include skip waste at all sites as that data is not available. From next year we aim to report our skip waste across the Group so that we can identify what it is and set targets to reduce it.

Direct and indirect impacts

The most significant direct impact on the volume of waste comes via our visitor services. We encourage visitors to recycle in clearly marked bins and work closely with our caterers and suppliers to minimise waste production. In future we aim to significantly reduce unrecyclable material from our catering outlets and further incentivise reusable cups and bottles.

We have seen multiple examples of good practice in reduction of project waste. Following the closure of temporary exhibitions, materials have been donated to the local community or to other internal projects. Group touring exhibitions have seen setworks being designed for reuse. As part of the IMAX cinema refurbishment at the Science Museum, we have successfully found new homes for all the old seats.

Finite resources

		2020	2019	2018
Non-financial indicators (see individual resource for metrics)	Water – including locomotive operations (m ³)	76,173	70,850	73,447
	Coal – locomotive operations (tonnes)	47	100	74
	Non-fuel oils (litres)	380	333	1,669
	Diesel – rail operations (litres)	4,370	5,953	8,177
Financial indicators (£000)	Water supply – including locomotive operations	196.5	128.6	139.5
	Coal – locomotive operations	13.2	21.6	17.3
	Lubricating oil – locomotive operations	0.0	0.1	2.0
	Diesel – rail operations	7.4	8.8	8.5

Performance

We are delighted that there has been a significant decrease in coal use as a direct response to our approach to operating heritage rail vehicles at the National Railway Museum and Locomotion. Through using smaller steam vehicles for our visitor experiences, we are able to maintain a valuable visitor offer while reducing the environmental impact of our operations.

However, where large vehicles have operated at one-off events we have seen an increase in coal consumption. We will therefore be using this information to inform our future programming for larger vehicles.

Our paper consumption to date has not been measured. We will now ensure we gather all our paper consumption data and include this next year.

Direct and indirect impacts

The operations of site vehicles, visitor experiences and heritage vehicles are the main direct impact on finite resource consumption across the Group. Coal and diesel consumption are unique to our operations and are key to telling the story around our largest fleet of operating historic locomotives in the UK. Showing our collections in action is one of the most direct tools we have to share our key values with visitors: revealing wonder, igniting curiosity and sharing authentic stories.

Finite resource consumption is difficult to reduce. We therefore intend to gain a greater understanding of the true environmental impact of these operations and investigate methods to increase efficiency and mitigate the environmental effects.

Biodiversity enhancement

Performance

Several biodiversity projects have taken place in the last year, including wild flower planting at Locomotion, installation of bird boxes at the National Railway Museum and establishing a community engagement project to maintain a pond at the National Collections Centre.

To date we have planted 43,000 trees at the National Collections Centre. We have also committed to plant 1,000 more trees per year for the next ten years and will be working with partners to achieve this ambition.

Direct and indirect impacts

Biodiversity varies greatly from site to site. The urban environments in which our museums are located can pose a challenge to increasing biodiversity.

The National Collections Centre is located in an Area of Outstanding Natural Beauty (AONB) and offers an opportunity to promote biodiversity. This includes improving tree cover and habitats for bats and continuing to work with a local farmer on grazing projects.

As we progress our Masterplan across our estate, we are seeking opportunities to promote and encourage

biodiversity, particularly at the National Railway Museum and Locomotion as a part of Vision 2025.

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

Sustainable procurement

Performance

Our procurement tenders and contracts include criteria for sustainability and energy performance where appropriate. Good practice is in place on a case-by-case basis, but further work needs to be done to embed a sustainable procurement mindset across the organisation.

We will be doing further work to gain a better understanding of our supply chain to inform our approach.

Direct and indirect impacts

Our procurement tenders and contracts include criteria for sustainability and energy performance where appropriate.

Rural proofing

The National Collections Centre in Wroughton and Locomotion in Shildon are both located in rural communities (fewer than 10,000 residents). Community engagement is a vibrant strand of our work and at Locomotion we operate a very successful volunteering programme.

At the National Collections Centre, community links, both social and physical, feature in our programming plans for the site. We anticipate that once open to visitors the National Collections Centre will be an additional source of employment and volunteering for the local community.

Climate change adaptation and sustainable construction

Renovation of the Power Hall at the Science and Industry Museum has identified that the roof guttering is no longer fit for the increased levels of rainfall as a direct impact of climate change. We anticipate further need for adaptation and impacts will continue to be monitored. For long-term planning, sustainability is embedded into our capital projects, ensuring that our estates are fit for the future. This includes a commitment to renewable and alternative

energy sources, and designing for efficient internal climate control.

In March 2020 we announced the winner of the design competition for a new building at the National Railway Museum. The winning design is based on a low-tech philosophy which reduces the embodied carbon of the building and seeks to use passive design to reduce the reliance on mechanical systems in operation.

Strategy for the future

We will be launching our Group Sustainability Strategy in late 2020 and will be using independent consultants to audit our current performance and support us to set a carbon reduction target which is in line with the Intergovernmental Panel on Climate Change's recommendations in order to limit warming to 1.5°C above preindustrial levels.

In 2020–21 we will aim to build back in a sustainable way following the period of closure as a result of the COVID-19 pandemic. We know that closure of our museums will lead to reduced greenhouse gas emissions across energy, rail operations and business travel. Our challenge for future years is to maintain a lower level of environmental impact, while offering a full and rich visitor experience.

We will support our colleagues and visitors to use active travel to visit our museum sites including through introducing a cycle to work scheme and expanding our cycle parking. As the stock within our cafés is replenished, we will remove plastic bottles from our catering outlets and through the introduction of video conferencing across the organisation we will reduce our business travel and encourage a more flexible approach to home working.

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

Under Sections 9(4) and (5) of the Museums and Galleries Act 1992, the Secretary of State for Digital, Culture, Media & Sport with the consent of HM Treasury has directed the Science Museum Group to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Science Museum Group and of its net resource outturn, application of resources, changes in funds and cash flows for the financial year.

In preparing the accounts, the Board of Trustees and Accounting Officer are required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- Make judgments and estimates on a reasonable basis.

- 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 Science Museum Group will continue in operation.

The Accounting Officer for the Department for Digital, Culture, Media & Sport has designated the Director as the Accounting Officer of the Science Museum Group. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Science Museum Group's assets, are set out in *Managing Public Money* published by HM Treasury.

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

The Annual Report and Accounts as a whole is fair, balanced and understandable and the Board of

Trustees and the Accounting Officer take responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.



Dame Mary Archer
Chairman of the
Board of Trustees
13 October 2020



Sir Ian Blatchford
Accounting Officer
and Director
13 October 2020

7. Governance Statement

The governance framework

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

The recruitment of Trustees takes place in accordance with the procedures defined by DCMS and the Office of the Commissioner for Public Appointments. Descriptions of the roles required are advertised, interviews conducted and recommendations made to DCMS for appointment by the Prime Minister in accordance with the National Heritage Act 1983.

To help support a diverse and complex organisation, the Board has chosen to delegate some of its activities to a number of advisory boards and committees, each with a defined remit and terms of reference. The structure that operated in 2019–20 is briefly summarised in the table below:

	Type	Remit
Board of Trustees	Board	Determine all matters requiring Board approval
Audit and Risk Committee	Board subcommittee	Provide assurance on risk, control and governance
Collections and Research Committee	Board subcommittee	Advise Board of Trustees on all aspects of collections and research
Finance Committee	Board subcommittee	Advise Board of Trustees on all financial matters and make financial decisions within its remit and delegated limits
Masterplan and Estate Committee	Board subcommittee	Advise Board of Trustees on all the Group's capital development plans and make financial decisions within its remit and delegated limits
Remuneration Committee	Board subcommittee	Advise Board of Trustees on remuneration of Director and senior executives
Science Museum Advisory Board	Board subcommittee	Advise Group Director and Board of Trustees on cultural offer
Science and Industry Museum Advisory Board	Board subcommittee	Advise local Director and Board of Trustees on cultural offer
National Railway Museum Advisory Board	Board subcommittee	Advise local Director and Board of Trustees on cultural offer
National Science and Media Museum Advisory Board	Board subcommittee	Advise local Director and Board of Trustees on cultural offer
Locomotion Advisory Board	Board subcommittee	Advise local Director and Board of Trustees on cultural offer
Digital Advisory Board	Board subcommittee	Advise Board of Trustees on digital matters
Railway Heritage Designation Advisory Board	Board subcommittee	Make recommendations to Board of Trustees on designation and disposal of railway heritage artefacts and archives
Board of Directors of SCMG Enterprises Ltd	Board of Directors of trading subsidiary	Make decisions regarding commercial operations and monitor progress against budget

Trustees who served during the year and their attendance at meetings are shown in the table below. A full list of membership of subcommittees and advisory boards can be found at the end of this Governance Statement.

		Attendance							
Chairman	Term	Date of current appointment	Expiry of current appointment	Board ^[1]	Collections and Research Committee			Masterplan and Estates Committee	Remuneration Committee
					Audit and Risk Committee	Finance Committee	Research Committee		
Dame Mary Archer DBE	2	01.01.19	31.12.23	5/5	3/4	3/4	4/5	2/2	
<i>Members</i>									
Professor Brian Cantor CBE	1	01.06.16	30.11.20 ^[2]	4/5		2/4	4/5		
Mrs Judith Donovan	1	01.02.19	31.01.23	5/5					
Dr Sarah Dry	1	01.06.16	31.05.20	1/1 ^[3]	2/2				
Ms Sharon Flood	2	01.04.19	31.03.23	5/5		4/4		1/1	
Dr Jo Foster	1	01.07.19	30.06.23	4/4					
Professor Russell G Foster CBE	2	01.04.19	31.03.22	4/5	3/4				
Dr Hannah Fry	1	01.07.19	30.06.23	3/4					
Mr Andreas J Goss	2	01.08.15	31.07.19	1/1		0/1			
Lord Grade of Yarmouth CBE	2	01.08.15	31.07.19	1/1				1/1	
Sir Peter Hendy CBE	1	01.07.19	30.06.23	3/4					
Professor Ludmilla Jordanova	3	01.08.19	31.07.21	5/5					
Professor Ajit Lalvani	1	01.02.19	31.01.23	5/5	2/4				
Mr Iain McIntosh	1	08.08.18	07.08.22	5/5	4/4	4/4			

		Attendance							
		Term	Date of current appointment	Expiry of current appointment	Board ^[1]	Audit and Risk Committee	Collections and Research Committee	Finance Committee	Masterplan and Estates Remuneration Committee
Ms Lopa Patel	MBE	1	01.06.16	30.11.20 ^[2]	5/5	4/4			
Professor David Phoenix	OBE	2	01.04.19	31.03.23	5/5				2/2
Ms Sarah Staniforth	CBE	1	08.08.18	07.08.22	5/5	4/4			1/5
Mr Steven Underwood		1	08.08.18	07.08.22	4/5				5/5
Mr Anton Valk	CBE	2	01.04.19	31.03.21	4/5				5/5
Dame Fiona Woolf	CBE	2	01.04.19	31.03.22	5/5	3/4			

[1] The Science Museum Group Board meets four times a year; a strategy day was also held in October 2019.

[2] First terms extended by six months owing to delays in the reappointment process caused by COVID-19.

[3] Dr Sarah Dry on sabbatical for the period of the academic year 2019–20.

Reports from Board committees

Board of Trustees

Significant issues considered by the Board of Trustees in 2019–20 included:

- **Sound and Vision galleries** – The Board approved the budget for the *Sound and Vision* galleries at the National Science and Media Museum in Bradford.
- **National Collections Centre** – The Board endorsed the direction of travel for the development and income generation of the National Collections Centre in Wroughton.
- **Group Learning Strategy 2020–30** – The Board approved the strategy which represented a ten-year view for the Learning department and was aligned with the Group’s strategic priorities, Inspiring Futures, as well as being structured around the principles of science capital.
- **Group Collections Services Strategy** – The Board approved the strategy and commended the significant improvements made since the first strategy was approved by the Board in 2015.
- **Inspiring Futures five-year review** – The Board agreed with the approach to the Inspiring Futures five-year review. Trustees were invited to express interest in taking an active role in the new Inspiring

Futures Steering Group to define the scope of the review.

- **Group Exhibition Strategy** – The Board devoted a significant portion of the annual strategy day to reviewing the Group Exhibition Strategy. The Board approved the strategy and praised the Group-wide, visitor-focused approach.

At each meeting of the Board of Trustees, the standing agenda includes the following matters:

- The Chair's Report on recent activity
- The Director's Report on recent activity
- Updates from Board subcommittees
- Science Museum Group plan updates
- Health and safety updates
- Recommendations from the Board of Survey

Audit and Risk Committee

The Audit and Risk Committee kept the management of risks under review throughout the year. Members of internal and external audit attended each meeting of the Audit and Risk Committee and their work was considered by the committee.

Collections and Research Committee

The Collections and Research Committee advised the Board on the suitability and appropriateness of strategy and policy for the Group's collections and research, including acquisitions and disposals of objects and the management and care of the collection.

Finance Committee

In addition to its continuing work to provide the Board with assurance on the financial management and performance of the Group, the Finance Committee reviewed and approved a number of major projects.

Masterplan and Estate Committee

The Masterplan and Estate Committee provided focused technical and strategic advice to the Board on the Group's capital development plans. The committee reviews and manages the execution and completion of the Group's capital development plans.

Remuneration Committee

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

Digital Advisory Board

The Digital Advisory Board provided oversight and guidance on the development and implementation of the Group's digital strategy, with the aim of helping to shape the long-term digital transformation of the Science Museum Group.

Railway Heritage Designation Advisory Board

The Railway Heritage Designation Advisory Board (RHDAB) advised the Board on the designation of certain artefacts and records related to railways as being of significant heritage value.

The RHDAB met three times in the financial year 2019–20 and recommended 23 items for designation, 28 items for disposal and 5 for de-designation. Among these have been 3 class designations and 7 items through its voluntary agreement with Transport for London.

Board effectiveness and appraisals

In 2019–20 the Science Museum Group Chairman conducted appraisal meetings with individual Trustees to review their performance and specific contribution to the Board. The Chairman's appraisal was conducted by the Group's Deputy Chairman.

The Board has high standards in terms of the data it expects to receive to support it in discharging its duties. Data relating to the delivery of the Group's objectives, including financial control and the management of risk, is regularly reviewed by the Board and its committees. The Group's advisory board structure was subject to a specific internal audit review over 2019–20; this report was classified as 'low risk' with three low-risk findings relating to consistency of terms of reference, onboarding documentation and frequency of meetings. The Board has concluded that it operated effectively over 2019–20.

Group Executive

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

The Group Executive is accountable to the Director of the Science Museum Group, and comprises senior managers, most of whom report directly to the Director. The Group Executive is responsible for resource allocation, leading strategic management, developing the cultural content and programmes, and sustaining the Group's values. Senior managers who served on the Group Executive during the year were:

Ian Blatchford	Lydia Lee	Jonathan Newby
Peter Dickinson	Karen Livingstone	Joann Passingham
Sarita Godber	Michelle Lockhart	Jo Quinton-Tulloch
Roger Highfield	Sally MacDonald	Susan Raikes
Helen Jones	Judith McNicol	John Stack
Linda Kilroy	Shri Mukundagiri	Sian Williams
Julia Knights	Deborah Myers	

Risk management framework and risk assessment

The Board of Trustees believes considered risk-taking is a necessary feature of the entrepreneurialism that is essential to success; the decision-making approach balances potential consequences against the scale of opportunity. The Board of Trustees' risk appetite varies according to the nature of the risk, but in general the Science Museum Group takes a moderate approach to risk and the system of internal controls is structured accordingly.

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

The Board of Trustees places assurance on reports from the Chairs of the Audit and Risk Committee and Finance Committee and the Director concerning matters affecting internal control. The minutes of all subcommittees are distributed to Trustees.

The Audit and Risk Committee places assurance on the work of the internal auditor. Internal audit services in 2019–20 were provided by PricewaterhouseCoopers LLP, in accordance with Public Sector Internal Audit Standards. The work of the internal audit provider is informed by an analysis of the risk to which the body is exposed, and annual internal audit plans are based on this analysis, which is endorsed by the Audit and Risk Committee. The Head of Internal Audit (HIA) provides the Audit and Risk Committee with regular reports on internal audit activity, which include the HIA's independent opinion on the adequacy and effectiveness of the system of internal control, together

with recommendations for improvement. The HIA's opinion for 2019–20 is given below. Actions arising from all the audits are addressed by the Group Executive and progress is monitored through the Audit and Risk Committee.

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

Response to COVID-19 crisis

In April 2020, an Extraordinary Steering Committee was established to oversee matters of strategic importance to the organisation on behalf of the Board during the COVID-19 crisis. The membership of this committee comprised the Chair and Deputy Chair of the Board of Trustees, and the Chairs of the Audit and Risk, Collections and Research, Finance, and Masterplan and Estate Committees. This committee took on the responsibilities of the named committees during the period of closure.

In addition, an Audit and Risk Committee Working Group was established to maintain oversight of the business-critical risk management and the external and

internal audit functions during the period of operation of the Extraordinary Steering Committee.

System of internal control

The system of internal control has been in place in the Science Museum Group throughout the year ended 31 March 2020 and up to the date of approval of the Annual Report and Accounts, in accordance with Treasury guidance. The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability.

In particular, it includes:

- A Group Executive management team, as described above, which met regularly throughout the year to review progress against plans, make operational and policy decisions and to consider the management of identified and emerging risks.
- Regular reports from managers to the Audit and Risk Committee, Finance Committee and Board of Directors of SCMG Enterprises Ltd or management team (as appropriate) on the steps they are taking to manage risks in their areas of responsibility, including progress on key projects.

- Annual completion of internal control schedules by senior managers to confirm their compliance with the Group's internal control standards.
- Comprehensive budgeting systems, with an annual budget which is reviewed and agreed by the Board of Trustees.
- Regular reviews by the Board of Trustees of progress against the key performance indicators that measure attainment against objectives, and of regular financial reports that track financial performance against forecasts.
- Quarterly assurance returns by control owners on the effectiveness of the controls in their departments or areas.
- A Corporate Risk Group, chaired by the Director of Corporate Services and reporting to the Audit and Risk Committee, responsible for
 - Raising the profile of management awareness and accountability for the risks faced by the Group
 - Supporting the ongoing development of risk management and implementation of the risk management process
 - Acting as a source of advice on risk management to aid embedding of risk management across the organisation

- Reviewing departmental risk registers on a cyclical basis and assessing the need for escalation of those risks
- Identifying emerging risks and reviewing and assessing existing corporate risks and appropriate actions to manage those risks
- Reporting corporate risks and recommended actions to the Group Executive (for validation) and to the Audit and Risk Committee
- Identifying the need for investment to fund high-priority risk response actions
- Maintenance of a register of interests for Trustees, Directors of SCMG Enterprises Ltd, subcommittee advisers and senior staff.

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

Risk profile and significant risks

The most significant risks faced by the Group and considered by the Audit and Risk Committee in 2019–20 were around financial sustainability, the state of the Group’s estate, the possible impacts of the UK’s departure from the European Union (‘Brexit’) and, in the last weeks of the year, the COVID-19 pandemic.

The COVID-19 crisis necessitated the closure of the Group’s museums to visitors and staff in March 2020. Extensive business continuity and crisis management planning facilitated the safe closure of sites and the transition to remote working. Planning around remobilisation and the return to a ‘new normal’ was performed, including modelling of financial and non-financial impacts of differing visitor levels and methods of operation. The Group has taken advantage of the Government’s Coronavirus Job Retention Scheme and has conducted bottom-up replanning of its future public programme and operations in order to inform strategic and operational decision-making over the coming months. It is likely, however, that the uncertainty resulting from the crisis and its response will remain significant for the foreseeable future.

Risks around future levels of Grant in Aid create challenges for medium-term financial planning, but the Group will advocate for a positive settlement in

any future Comprehensive Spending Review (CSR) and continue to seek ways to both increase self-generated income and reduce expenditure in order to secure longer-term financial sustainability. This risk has increased as the fiscal and wider economic response to the easing of the COVID-19 crisis remains uncertain.

In response to the risks facing its estate, the Group has developed and reviewed a ten-year maintenance plan, performed detailed condition surveys and actively responded to the deteriorating condition of certain critical buildings across the estate, particularly in Manchester. Capital infrastructure funding received from DCMS was used to commence a project to refurbish the Power Hall on the site. Investment in these areas will continue over the coming financial years and has been included in the business plan for 2020–21 and beyond.

The UK's withdrawal from the European Union ('Brexit') created additional uncertainty not only around the potential direct impacts on visitor numbers, supply chains and international working, but also in terms of the possible effects on the wider economic environment, the Government's upcoming CSR, and funding priorities in the public and private sectors over the next few years.

Standing risks resulting from a failure to care for, manage and appropriately develop the collection have

been addressed through the continuing programme of location audits and further progress in the One Collection programme to vacate the Group's shared storage facility at Blythe House, with work now started on a new purpose-built storage facility at the National Collections Centre in Wroughton.

Other areas of risk identified during the year included the operational capacity to deliver an ambitious programme of project activity over the medium term, staff welfare, and management of the financial aspects of the portfolio of capital projects including One Collection and the York Central development. The Group's employees took industrial action on two days in response to a dispute over pay for frontline staff; this situation was managed through constructive dialogue between the two sides, early engagement on the pay settlement for 2020–21 and exceptional provision for additional leave. The Group continues to monitor levels of engagement among its staff and to mitigate emerging matters of concern.

Internal audit

Internal audit work during the year looked at the Group's key payroll and retail controls, advisory board structure, management reporting and compliance with the General Data Protection Regulations (GDPR). The internal audit team also conducted a review of IT

disaster recovery processes, assessing the Group's maturity against benchmarked comparators.

Internal audit assessment of risk management framework

The opinion of the Head of Internal Audit was that governance, risk management and control in relation to business-critical areas are generally satisfactory with some improvements required. There are some areas of weakness and/or non-compliance in the framework of governance, risk management and control which potentially put the achievement of objectives at risk. Some improvements are required in those areas to enhance the adequacy and/or effectiveness of the framework of governance, risk management and control. The Head of Internal Audit noted that the impact of COVID-19 on all organisations had been significant and, for many, its full extent had not yet been determined. As such the opinion was subject to the identification of future issues arising from the emergency response to the pandemic.

No severe findings were recorded, but higher-risk findings were made in the following areas: records management, visibility of the data processing landscape, inventory management processes, payroll data checking and management accounts formats. Management has accepted these control findings

and has agreed timetables with internal audit for implementing response actions.

Whistle-blowing arrangements

The Group upholds the core values detailed in the Code of Professional Ethics of the Museums Association and the International Council of Museums, and actively promotes their implementation. In line with these commitments, the Group encourages employees and others with serious concerns about any aspects of the Group's work to come forward and voice those concerns. The whistle-blowing policy, which has been reviewed and updated this year, is now being implemented.

Information security

During the year no breach notifications were made to the Information Commissioner's Office relating to personal data.

Immunity from seizure requested

The Science Museum Group has approved status under Part 6, Section 136 of the Tribunals, Courts and Enforcement Act 2007. This was granted by the Secretary of State for Digital, Culture, Media & Sport on 9 November 2009. Part 6 of the Act confers protection

on objects loaned from abroad for temporary public exhibitions, provided the conditions set out in Section 134 of the Act are met when the objects enter the UK. If the conditions of this legislation are met, a court cannot make an order to seize an object that has been loaned from abroad for an exhibition, except where required to under EU law or the UK's international obligations. The Group provides information regarding immunity from seizure on the Science Museum Group website: <https://group.sciencemuseum.org.uk/about-us/policies-and-reports>

This year the Science Museum hosted one exhibition for which protection under the legislation was sought:

The Sun: Living With Our Star – 6 October 2018 to 6 May 2019, Science Museum, Exhibition Road, London SW7 2DD; 5 objects

Details of the objects were published on the Science Museum Group website at least four weeks before the objects were imported into the UK. Up to 31 March 2020 no enquiries or claims had been received with respect to these objects under Section 7 of the Protection of Cultural Objects on Loan (Publication and Provision of Information) Regulations 2008.

Membership of Trustee subcommittees, subsidiary company boards and advisory boards

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

Audit and Risk Committee

<i>Chair</i>	Mr Iain McIntosh (Trustee)
<i>Members</i>	Mr Paul Feldman Ms Lopa Patel MBE (Trustee) Dame Fiona Woolf CBE (Trustee)

Collections and Research Committee

<i>Chair</i>	Ms Sarah Staniforth CBE (Trustee, Chair for academic year 2019–20) Dr Sarah Dry (Trustee, on sabbatical for academic year 2019–20)
<i>Members</i>	Professor Jon Agar Dr Katrina Dean Professor Russell G Foster CBE (Trustee) Professor Ajit Lalvani (Trustee) Professor Melissa Terras, from 01.04.19

Finance Committee

<i>Chair</i>	Ms Sharon Flood (Trustee)
<i>Members</i>	Professor Brian Cantor CBE (Trustee) Mr Andreas J Goss (Trustee), to 31.07.19 Mr Iain McIntosh (Trustee) Mr Deian Tecwyn

Masterplan and Estate Committee

<i>Chair</i>	Mr Steven Underwood (Trustee)
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Audit and Risk Committee

<i>Members</i>	Professor Brian Cantor CBE (Trustee) Mr Nick Kirkbride Mr Steve McGuckin Mr Ken Shuttleworth Ms Sarah Staniforth CBE (Trustee), from 25.04.19 Mr Anton Valk CBE (Trustee)
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Remuneration Committee

<i>Chair</i>	Professor David Phoenix OBE (Trustee)
<i>Members</i>	Dame Mary Archer DBE (Trustee) Ms Sharon Flood (Trustee), from 01.08.19 Lord Grade of Yarmouth CBE (Trustee), to 31.07.19

Subsidiary company Board of Directors

SCMG Enterprises Ltd

<i>Directors</i>	Sir Ian Blatchford Mr Shri Mukundagiri, from 01.03.20 Mr Jonathan Newby
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Advisory boards

Income Advisory Board

Chair Lord Grade of Yarmouth CBE (Trustee)

Members Mr Charles Coates
Mrs Judith Donovan (Trustee)
Ms Sharon Flood (Trustee)

Digital Advisory Board

Chair Mr James Bilefield

Members Mrs Lopa Patel (Trustee)
Mr Iain McIntosh (Trustee)
Dr Hannah Fry (Trustee)
Mr Matt Locke
Ms Nicki Sheard

Science Museum Advisory Board

Chair Professor Russell G Foster CBE (Trustee)

Deputy Chair Sir Paul Nurse

Members Mrs Jane Atkinson
Professor Dame Athene Donald DBE, to 31.07.19
Dr Hannah Fry (Trustee), from 01.07.19
Professor Lucie Green
Lord Justice Kitchin
Professor Ajit Lalvani (Trustee)
Dr Robert Parker
Professor Chris Rapley CBE, from 01.08.19
Professor Simon J Schaffer
Professor Molly Stevens, to 11.02.20

Science and Industry Museum Advisory Board

Chair Professor David Phoenix OBE (Trustee)

Income Advisory Board

<i>Members</i>	Mr Mark Ball
	Mr David Brown
	Professor Danielle George, from 11.07.19
	Ms Clare Hudson
	Professor Andy Miah
	The Rt Hon Baroness Morris
	Ms Lopa Patel MBE (Trustee)
	Ms Angela Saini, from 23.07.19
	Ms Sheona Southern
	Mr Steven Underwood (Trustee)

National Railway Museum Advisory Board

<i>Chair</i>	Mr Anton Valk CBE (Trustee)
<i>Members</i>	Mr Philip Benham
	Ms Carolyn Griffiths, from 01.01.20
	Sir Peter Hendy CBE (Trustee), from 01.07.19
	Professor Ludmilla Jordanova (Trustee)
	Dr Ellen McAdam
	Mr Paul Plummer, to 01.01.20
	Professor Clive Roberts
	Mr Christian Wolmar

National Science and Media Museum Advisory Board

<i>Chair</i>	Lord Grade of Yarmouth CBE (Trustee)
<i>Members</i>	Ms Samira Ahmed Ms Yvonne Baker, to 12.05.19 Professor Brian Cantor CBE (Trustee) Ms Amanda Dickins, from 20.05.19 Mrs Judith Donovan (Trustee), Chair from 01.08.19 Dr Sarah Dry (Trustee, on sabbatical for academic year 2019–20) Baroness Margaret Eaton DBE Professor Elizabeth Edwards Ms Kersten England Mrs Sally Joynson Dr Annette Nabavi Ms Nicki Sheard

Locomotion Advisory Board

<i>Chair</i>	Professor Ludmilla Jordanova (Trustee)
<i>Members</i>	Mr Philip Benham Dr Simon Bradley Miss Rowan Brown Mr Tom Dower Mr James Grierson Cllr Simon Henig Cllr Ossie Johnson, to 31.08.19 Mr Geoff Paul Mr Ian Thompson, to 31.01.20

Railway Heritage Designation Advisory Board

<i>Cochairs</i>	Ms Sarah Staniforth CBE (Trustee) Lord Faulkner of Worcester
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National Science and Media Museum Advisory Board

<i>Members</i>	Mr Edmund Bird
	Dr David Brown
	Mr Ian Brown CBE, to 02.10.19
	Mr Neil Butters
	Mr Ian Gilbert
	Ms Elizabeth Hallam Smith
	Sir Peter Hendy CBE (Trustee), from 01.07.19
	Mr Mark Hopwood, to 01.10.19
	Ms Louise Innes, to 02.10.19
	Dr David Jenkins, to 02.10.19
	Mr Mike Lamport
	Mr Andrew McLean
	Mr Peter Ovenstone
	Mr Andy Savage, to 02.10.19
	Ms Vicky Stretch
	Mr Anton Valk CBE (Trustee), to 30.06.19

Records and enquiries

Corporate records

As a public body the Science Museum Group has a responsibility to catalogue and preserve organisational records, including some collections records. This year the Corporate Information team catalogued 1,180 new records and 370 legacy records. We retrieved 2,989 corporate files for colleagues and researchers, as well as reviewing existing files.

Having contributed to the National Railway Museum's successful award of Archive Service Accreditation and the Science and Industry Museum's successful award of Place of Deposit status, the team continue to work on Public Records Act compliance across the Group.

Freedom of Information

The Science Museum Group's statutory responsibility to respond to enquiries under the Freedom of Information Act and Data Protection Act was met by responding to 60 requests for information, which focused on income-generating activities, museum security, procurement, visitor experiences and other high-profile projects and activities.

Data protection

We responded to 38 requests for individuals to exercise their rights under the Data Protection Act 2018 by providing access to, rectification of and deletion of personal data as requested.

Compliance with the Corporate Governance Code

While the Board of Trustees has different responsibilities and is appointed in accordance with the relevant Acts, the Science Museum Group confirms that its governance processes comply with the intentions of 'Corporate governance in central government departments: Code of good practice 2017'. The Board is well balanced in composition and supports the Director in leading the Group through strategic direction, monitoring activity and achievement of objectives, and ensuring good governance is in place. The work of the Board is well supported by strong committee management. Regular evaluation by the Board of its effectiveness, including the views of senior staff, ensures that the Board is reviewing its activities and processes to continue to improve its performance. The Trustee register of interests is available for inspection on the Group's website or on application to the Science

Museum Group Directorate at the Science Museum,
Exhibition Road, London SW7 2DD.

Conclusion

The Accounting Officer and Board of Trustees have to maintain a balance between the strength of internal control systems and the cost of their implementation and improvement. At present the Accounting Officer and Board of Trustees consider that the framework of internal controls and risk management is proportionate and effective.



Dame Mary Archer
Chairman of the
Board of Trustees
13 October 2020



Sir Ian Blatchford
Accounting Officer
and Director
13 October 2020

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

Opinion on financial statements

I certify that I have audited the financial statements of the Science Museum Group for the year ended 31 March 2020 under the Museums and Galleries Act 1992. The financial statements comprise: the Consolidated Statement of Financial Activities, the Group and Museum Balance Sheet, the Consolidated Statement of Cashflows and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). I have also audited the information in the Remuneration and Staff Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the group's and of the Science Museum's affairs as at 31 March 2020 and of its net income/ (expenditure) for the year then ended; and
- the financial statements have been properly prepared in accordance with the Museum and Galleries Act 1992 and Secretary of State directions issued thereunder.

Emphasis of matter

I draw attention to Note 3 to the financial statements, which describes the basis for valuing the Museum's property. Management consider that there is a 'material valuation uncertainty' associated with this balance. Consequently, less certainty and a higher degree of caution should be attached to management's valuation than would normally be the case. Our opinion is not modified in respect of this matter.

Opinion on regularity

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

financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Science Museum and the group in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the Science Museum Group's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Science Museum Group has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Science Museum Group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Trustees and Director

As explained more fully in the Statement of Board of Trustees' and Director's Responsibilities, the Trustees and the Director are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence

that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the Science Museum's internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements.
- I am responsible for the direction, supervision and

performance of the group audit. I remain solely responsible for my audit opinion.

- conclude on the appropriateness of the Science Museum Group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Science Museum Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Science Museum Group to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament

and the financial transactions conform to the authorities which govern them.

Other information

The Trustees and Director are responsible for the other information. The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with

Secretary of State directions made under the Museums and Galleries Act 1992;

- in the light of the knowledge and understanding of the group and the Science Museum and its environment obtained in the course of the audit, I have not identified any material misstatements in the Annual Report; and
- the information given in the Annual Report which we provide a positive consistency opinion on for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or

- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

15 October 2020

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

9. Financial Statements

Consolidated Statement of Financial Activities

for the year ended 31 March 2020

All activities are continuing activities	Notes	2020			2019		
		Unrestricted £000	Restricted Endowment £000	Total £000	Unrestricted £000	Restricted Endowment £000	Total £000
Income from:							
Government Grant in Aid							
Grant in Aid for Science Museum Group	5	35,243	32,450	67,693	34,843	10,676	45,519
Grant in Aid for NCMME	5	–	2,849	2,849	–	2,409	2,409
Donations and legacies	6	3,558	7,395	10,953	3,467	4,662	8,129
Charitable activities	7	4,466	15,644	20,110	4,605	14,054	18,659
Trading activities							
Commercial activities		18,658	–	18,658	15,481	–	15,481
Sponsorship		4,883	–	4,883	1,663	–	1,663
Rental income		1,209	–	1,209	1,169	–	1,169
Investments	8	68	518	593	77	466	544
Other income	9	1,189	–	1,189	1,827	–	1,827
Total		69,274	58,856	128,137	63,132	32,267	95,400
Expenditure on:							
Charitable activities	11						
Care for and research into collections		13,306	4,457	17,763	13,668	5,361	19,029
Science education and communication		28,952	11,676	40,628	31,616	9,207	40,823
Visitor services		15,064	1,186	16,250	14,393	863	15,256

All activities are continuing activities	Notes	2020			2019		
		Unrestricted £000	Restricted Endowment £000	Total £000	Unrestricted £000	Restricted Endowment £000	Total £000
Raising funds	11						
Activities for generating funds		3,978	1,054	5,032	4,240	131	4,371
Commercial activities		15,043	338	15,381	10,933	595	11,528
Grant of RPS Collection to Victoria and Albert Museum		-	-	-	-	4,500	4,500
Total		76,343	18,711	95,054	74,850	20,657	95,507
Net gains/(losses) on investments	17	-	(1,410)	(1,410)	-	909	909
Net income/(expenditure)		(7,069)	38,735	31,673	(11,718)	12,519	802
Transfers between funds		2,022	(3,082)	1,060	33	(33)	-
Other recognised gains/(losses):							
Gains/(losses) on revaluation of fixed assets	14	14,075	-	14,075	5,061	-	5,061
Actuarial (losses)/gains on defined benefit pension scheme	22	2,339	-	2,339	(912)	-	(912)
Net movement in funds	25	11,367	35,653	48,087	(7,536)	12,486	4,951
Reconciliation of funds:							
Total funds brought forward	25	271,349	239,048	510,477	278,885	226,562	505,526
Total funds carried forward	25	282,716	274,701	558,564	271,349	239,048	510,477

Notes 1 to 30 form part of these accounts.

Balance sheets as at 31 March 2020

	Notes	Group 2020 £000	Group 2019 £000	Museum 2020 £000	Museum 2019 £000
Non-current assets					
Tangible fixed assets	14	483,472	449,557	479,251	445,250
Heritage assets	15	29,132	22,188	29,132	22,188
Intangible assets	16	433	632	433	632
Investments	17	13,307	17,303	13,718	17,714
Debtors	18	5,930	1,599	7,223	2,892
Total non-current assets		532,274	491,279	529,757	488,676
Current assets					
Stock		1,890	1,268	–	–
Debtors	18	17,292	21,059	17,247	20,612
Current asset investments	17	8,078	5,052	8,078	5,052
Short-term deposits	17	3,039	1,027	3,039	1,027
Cash and cash equivalents	19	24,937	25,215	19,515	17,723
Total current assets		55,236	53,621	47,879	44,414
Creditors: amounts falling due within one year	20	(19,639)	(22,735)	(12,755)	(13,709)
Net current assets		35,597	30,886	35,124	30,705
Total assets less current liabilities		567,871	522,165	564,881	519,381

	Notes	Group 2020 £000	Group 2019 £000	Museum 2020 £000	Museum 2019 £000
Creditors: amounts falling due after one year	20	(4,555)	(5,278)	(4,255)	(5,278)
Provisions for liabilities and charges	21	(620)	(40)	(620)	(40)
Defined benefit pension liability	22	(4,132)	(6,370)	(4,132)	(6,370)
Net assets		558,564	510,477	555,874	507,693
<i>Represented by:</i>					
Restricted funds					
Grants and donations fund		21,090	15,260	21,090	15,260
Collection purchases fund		–	250	–	250
Buildings sale fund		24,801	28,423	24,801	28,423
Capital assets fund		228,810	195,115	228,789	195,008
Total restricted funds	25	274,701	239,048	274,680	238,941
Unrestricted funds					
Designated funds					
Museum improvement fund		7,663	6,357	7,663	6,357
Collection purchases fund		208	202	208	202
Capital assets fund		24,715	24,374	24,715	24,374
Capital asset revaluation fund		252,713	245,249	249,756	242,291
		285,299	276,182	282,342	273,224
Defined benefit pension deficit fund		(4,132)	(6,370)	(4,132)	(6,370)
General funds		1,549	1,537	1,837	1,818
Total unrestricted funds	25	282,716	271,349	280,047	268,672

	Notes	Group 2020 £000	Group 2019 £000	Museum 2020 £000	Museum 2019 £000
Endowment funds	25	1,147	80	1,147	80
Total funds		558,564	510,477	555,874	507,693

Notes 1 to 30 form part of these accounts.

Mary Archer

Dame Mary Archer

Chairman of the Board of Trustees
13 October 2020

Sir Ian Blatchford

Sir Ian Blatchford

Accounting Officer and Director
13 October 2020

Consolidated Statement of Cash Flows

	Notes	2020 £000	2019 £000
Net cash provided by operating activities	28	39,767	15,720
Cash flows from investing activities			
Purchases of fixed assets	14/16	(36,467)	(22,752)
Purchases of heritage assets	15	(611)	(22)
Purchases of investments		(3,450)	(416)
Sales of fixed assets		10	–
Sales of investments		3,000	–
Short-term deposits placed		(2,000)	–
Redemptions of short-term deposits		–	12,730
Interest received from investments		593	544
Net cash (used in) investing activities		(38,925)	(9,916)
Cash flows from financing activities			
Drawdown of DCMS loan funding	20	–	1,987
Repayment of DCMS loan funding	20	(1,120)	(1,106)
Net cash provided by financing activities		(1,120)	881
Change in cash and cash equivalents in reporting period		(278)	6,685
Cash and cash equivalents at beginning of reporting period		25,215	18,530
Cash and cash equivalents at end of reporting period		24,937	25,215

Notes 1 to 30 form part of these accounts.

Notes to the consolidated accounts for the year ended 31 March 2020

1. Basis of preparation and consolidation

1.1. Basis of preparation

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

The Group's financial statements have been prepared in compliance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (**FRS 102**) – and with 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland' (effective 1 January 2015, the **Charities SORP**), as amended in Update Bulletins 1 (published February 2016) and 2 (published October 2018).

The Group, as a charitable arm's-length body of Government, complies with regulations issued under

charities legislation and the Charities SORP, but also follows the principles in the Government's Financial Reporting Manual for 2019–20 (**FReM**), issued by HM Treasury, and provides the additional disclosures required by the FReM where these go beyond the SORP.

The financial statements have been prepared under the historic cost convention as modified by the revaluation of certain fixed assets. The financial statements are prepared in sterling, which is the functional currency of the Group and rounded to the nearest £000.

Public benefit

The Trustees have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission on public benefit. The Trustees consider the Group to be a public benefit entity.

Going concern

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a 'global pandemic' on 11 March 2020, impacted global financial markets. Travel restrictions were implemented by many countries. Market activity was impacted in many sectors. The Group's museums were shut to the public on 18 March 2020 and remained closed until late summer 2020. The Group took advantage of the Government's Coronavirus Job Retention Scheme and the reduction in business rates available to charities

in order to protect its financial position. The UK Government further indicated its willingness to support the Group by making available additional resource (non-capital) Grant in Aid funding of up to £9.5m in 2020–21. The Group has performed a zero-based budget for 2020–21 and beyond, taking into account its balance sheet at 31 March 2020 and a range of scenarios for visitor numbers and operational activities.

After reviewing these forecasts and projections, the Directors have a reasonable expectation that the Science Museum Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going-concern basis in preparing its financial statements.

1.2. Basis of consolidation

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

2. Principal accounting policies

2.1. Revenue recognition

Grant and donation income

Grant and donation income, including Lottery income, is recognised as income when the Group is entitled to the funds, when the receipt is probable and when the value of income can be measured reliably. In certain agreements, including those with the National Lottery Heritage Fund, performance conditions exist that prevent recognition of income until specified activities have been completed and outputs delivered.

Grant in Aid income

Grant in Aid from DCMS is recorded in the Statement of Financial Activities and recorded in the year in which it is received. Except where it has been allocated for a specific purpose, it is disclosed as unrestricted income.

Exchange transactions

Revenue from contractual arrangements is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sale of goods – Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods, when the amount of revenue can be measured reliably, it is

probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Exhibition sponsorship income – The Group recognises the costs and income of a charged exhibition in the year(s) in which the exhibition takes place. Income received for an exhibition taking place in a future period is treated as deferred exhibition income and costs treated as deferred exhibition costs. These are included in deferred income and prepayments respectively on the balance sheet.

All other income is accounted for on a receivable basis.

Furlough recovery

The Group recognises amounts expected to be recovered in relation to the United Kingdom Government's Coronavirus Job Retention Scheme during the related period of employment. These amounts are shown in grant income due from the UK Government in Note 5.

2.2. Expenditure

Expenditure is classified under the principal categories of charitable and other expenditure rather than the type of expense, in order to provide more useful information to users of financial statements. An analysis of resources expended is set out in Note 11.

Costs of raising funds include fundraising and publicity costs incurred in seeking voluntary contributions to the Group.

Charitable expenditure comprises direct expenditure, including direct staff costs attributable to the activity, and, where costs cannot be directly attributed, an allocation of indirect costs on a basis consistent with the use of the resources as set out in Notes 11 and 12. The costs of publicising the museums are included in the cost category 'Science education and communication'.

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

2.3. Fixed assets valuation and depreciation

Fixed assets are defined as assets costing £5,000 or more with a useful life of greater than one year. Where staff costs are directly incurred to bring a tangible fixed asset into its intended working condition, these are included in the measurement of cost.

All property assets are subject to quinquennial valuations in accordance with the RICS Appraisal

and Valuation Manual. These revaluations are supplemented by independent desktop valuations in the third year of the five-year cycle. As part of the revaluation process asset lives are evaluated and re-estimated; the restated expected useful life is then applied to the original historic cost, and to any previous revaluation movements, for the purposes of calculating depreciation. These revaluations are supplemented by annual indexation adjustments in relevant property cost categories.

Non-specialised properties are valued on an existing use basis. Specialised properties, including the five museums within the Science Museum Group, are valued on a depreciated replacement cost basis. The freehold land subject to the sale agreement with Homes England described in Note 14 is valued on a market basis.

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

Depreciation is provided on all tangible fixed assets, other than freehold land and collection items, at rates calculated to write off the cost or valuation, less the

estimated residual value, on a straight-line basis for each asset over its expected useful life as follows:

Asset category	Estimated useful life in years
Freehold, leasehold and residential buildings	5–50
Plant and machinery	3–30
Galleries and exhibitions	5–15
Information technology and audiovisual equipment	2–25
Fixtures and fittings	2–30

A full year of depreciation is charged in the year of capitalisation and none in the year of disposal.

2.4. Heritage assets

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

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

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

Heritage assets are not subject to depreciation or revaluation and are reviewed at the reporting date for impairment.

2.5. Intangible assets

Intangible assets with an economic life of more than one year and value greater than £5,000 are capitalised. All intangible assets are measured at cost. Costs relating to assets developed internally are capitalised in accordance with the requirements of FRS 102.

Amortisation is provided on all intangible assets, at rates calculated to write off the value of each asset evenly over its expected useful life, with no residual value assumed. Amortisation is charged to the business function responsible for the acquisition of the assets; where the charge forms part of costs apportioned over charitable purposes, the basis of apportionment is as explained in Notes 11 and 12.

Asset category	Estimated useful life
Purchased software licences	Licence period
Databases and developed software	2–5 years

A full year of amortisation is charged in the year of capitalisation and none in the year of disposal. Impairment reviews are carried out at the end of each reporting period in accordance with FRS 102 to ensure that the carrying values of the assets do not exceed their recoverable amounts.

2.6. Stock

Stock is stated at the lower of the cost, using the weighted average method, and the price less costs to complete and sell.

2.7. Leases

Costs relating to operating leases are charged to the Statement of Financial Activities evenly over the life of the lease. There are no assets held under finance leases.

2.8. Employee benefits

PCSPS pension scheme

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), which is a contributory and unfunded scheme. Although the scheme is a defined benefit scheme, liability for payment of future benefits is a charge to the PCSPS. The Science Museum Group and other bodies covered by the PCSPS meet the cost

of pension cover provided for the staff they employ by payment of charges calculated on an accruing basis.

There is a separate scheme statement for the PCSPS as a whole. Pension contributions are paid at rates determined from time to time by the Government Actuary and advised by the Treasury.

GMPF pension scheme

The Science Museum Group is an admitting body of the Greater Manchester Pension Fund, which is a defined benefit scheme. The expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the Statement of Financial Activities so as to spread the cost over the service lives of the employees in the scheme, in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

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

Pension scheme assets are valued at market value at the balance sheet date. The pension scheme deficit relating to Science and Industry Museum employees is recognised in full on the balance sheet because the Group is able to identify its share of the deficit.

The Group recognises the cost of the defined benefit plan as follows:

- The change in the net defined benefit pension liability arising from employee service rendered during the reporting period in profit or loss
- Net interest on the net defined benefit pension liability during the reporting period in profit or loss
- The cost of plan introductions, benefit changes, curtailments and settlements in profit or loss
- Remeasurement of the net defined benefit liability in other comprehensive income

Interest income on plan assets is a component of the return on plan assets, and is determined by multiplying the fair value of the plan assets by the discount rate.

The difference between the interest income on plan assets and the return on plan assets is included in the remeasurement of the net defined benefit liability.

Remeasurement of the net defined benefit liability comprises:

- Actuarial gains and losses
- The return on plan assets, excluding amounts included in net interest on the net defined benefit liability

SCMG Enterprises Ltd pension schemes

SCMG Enterprises Ltd operates two defined contribution pension schemes, the assets of which are held separately in independently administered funds.

Contributions are charged to the Statement of Financial Activities as they become payable, in accordance with the rules of the schemes.

Provision for annual leave

The Group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the cost payable for the period of absence.

2.9. Early retirement scheme

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

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

2.10. Taxation

The Science Museum Group is exempt from corporation tax on its charitable activities under the provisions of the Corporation Tax Act 2010.

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

SCMG Enterprises Ltd has covenanted to distribute all taxable profits, provided there are sufficient accounting reserves to do so.

2.11. Investments

The value of the Museum's investment in its trading subsidiary is disclosed at cost.

Funds identified as surplus to working capital in the short or longer term are invested to maintain their value over time. The Science Museum Group has investments in equity and fixed-income funds, and places funds on short-term deposit, as explained in Note 17. These investments are actively traded and are held at fair value, as reported by the Group's fund managers.

2.12. Financial instruments

Financial investments comprise investments in equity and fixed-income funds which are measured at fair value. Changes in fair value are recognised in profit or loss, in accordance with FRS 102, Section 11.

The nature and extent of the risks associated with the financial instruments are disclosed in accordance with FRS 102. Other financial instruments (trade debtors and creditors, cash and cash equivalents) are initially recognised at fair value plus or minus material transaction costs directly attributable to their acquisition or issue; and subsequently measured at cost, less impairment where material.

2.13. Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand. Current investments that comprise money market deposits or highly liquid interest-bearing securities with maturities of three months or less are included in cash equivalents.

2.14. Foreign currencies

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

2.15. Provisions

Provisions are made when an obligation exists for a future liability in respect of a past event, where the amount of the obligation can be reliably estimated, and where the outflow of resources is probable. Discount rates provided by the Treasury are used in current value calculations for long-term commitments. Details of the discount rates used are provided in Note 21.

2.16. Reserves

The Science Museum Group has the following categories of reserves:

- General funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the museum.
- Designated funds comprise unrestricted funds which have been set aside at the discretion of the Trustees for specific purposes.
- Restricted funds are funds subject to specific restrictions imposed by donors.
- Endowment funds are funds which the donor has stated are to be held as capital or expended over the long term.

The major funds comprising each category, the summary result for the year and a description of the movements between the funds are described in Note 25.

3. Significant judgments and estimates

3.1. Judgments and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Revenue recognition – sponsorship

The timing of revenue recognition on long-term sponsorship contracts depends on the assessed stage of completion of contract activity at the balance sheet date. For exhibitions and galleries that are not completed, sponsorship is deferred until opening. At the balance sheet date, £0.7m of income had been deferred, in relation to the *Cancer* and *Top Secret* exhibitions and multiyear learning projects (2019: £2.6m, primarily in relation to *Medicine: The Wellcome Galleries* and multiyear learning projects). These amounts are shown in current liabilities.

Revenue recognition – grant income

Revenue is recognised on grant agreements when the Group is entitled to the funding. In certain agreements, including those with the National Lottery Heritage Fund (NLHF), performance conditions exist that prevent recognition of income until specified activities have been completed and outputs delivered. This income is expected to be recognised in future periods, as the projects are delivered. At the balance sheet date, £0.2m of Wellcome Trust funding for the Special Exhibition Gallery in Manchester (31 March 2019: £0.8m) was yet to be recognised because of these conditions and £0.3m of NLHF funding for the Science Museum's *Medicine: The Wellcome Galleries*. At 31 March 2019 £4.1m of NLHF funding for the Science Museum Medicine Galleries and *Science City 1550–1800: The Linbury Gallery* was yet to be recognised because of these conditions.

Valuation of property, plant and equipment (PPE)

Property, plant and equipment represents a significant proportion of the asset base and therefore the estimates and assumptions made to determine their carrying value and related depreciation are critical to the reported financial position and expenditure. Revaluation of PPE requires management to rely on the expertise of professional surveyors. The freehold and leasehold properties comprising the Group's estate were valued as at 31 March 2019 and 2020 by an external valuer, Gerald Eve LLP, a regulated firm

of chartered surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards 2020 (2018–19: Global Standards 2017) and UK national standards (November 2018), the Charities SORP and FRS 102. Specialised properties were valued by reference to the depreciated replacement cost method; other operational properties have been valued on the basis of current value in their existing use. In 2018–19 this exercise resulted in an upwards revaluation of £1.6m. In 2019–20 an interim update valuation resulted in an uplift of £14.1m.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a ‘global pandemic’ on 11 March 2020, impacted global financial markets. Travel restrictions were implemented by many countries. Market activity was impacted in many sectors. As at the valuation date, the Group and its surveyors were able to attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that there existed an unprecedented set of circumstances on which to base a judgment. The valuation was therefore reported as being subject to ‘material valuation uncertainty’ as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. For the avoidance of doubt, the inclusion of the ‘material valuation uncertainty’ declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration was included to ensure transparency

of the fact that – in the extraordinary circumstances prevailing at the balance sheet date – less certainty could be attached to the valuation than would otherwise have been the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.

Further detail is provided in Note 14.

Disposal and valuation of land in York

On 24 April 2017 the Group completed an agreement to dispose of surplus land in York to the Homes and Communities Agency (now Homes England), but there are conditions attached to the agreement which enable either party to exercise different buy-back options under which the land and buildings would be transferred back to the Science Museum Group and the consideration returned. Legal title has passed to Homes England, but the transaction will not complete until the conditions attached to buy-back provisions, under which the transaction can be reversed by either party, have been met. At this point the final transaction value will be determined. £5.7m of consideration was received in the financial year 2017–18. These amounts are shown in current liabilities.

The fair value of the York land is considered to be the market value of the right to receive the proceeds of the land sale, including subsequent payments to which the Group will be entitled once buy-back options are released and a development partner identified for

the land. In order to calculate the market value of the anticipated proceeds at 31 March 2020, the Group determined a valuation date based on the requirements of the contract between the two parties. This date was prior to the outbreak of the COVID-19 pandemic in the UK. In order to reflect the market uncertainty which prevailed at the balance sheet date, management then applied a reduction of 30% to the market value calculated in the previous stage.

At 31 March 2019 and 2020, a valuation was prepared by an external valuer, Montagu Evans LLP, a regulated firm of chartered surveyors, in accordance with the RICS Definition of Market Value. In 2018–19 this resulted in an upwards revaluation of £3.5m; in 2019–20 this resulted in an upwards revaluation of £2.6m. As described above, management then reduced the pre-COVID valuation to reflect the material impact of COVID-19 uncertainty on the real estate market. This reduction eliminated the upwards revaluation over 2019–20 and the properties are shown at 31 March 2020 at the same value as at 31 March 2019.

4. Museum Statement of Financial Activities

<i>All activities are continuing activities</i>	Notes	2020			2019			
		Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000
Income from:								
Government Grant in Aid								
Grant in Aid for Science								
Museum Group	5	35,243	32,450	–	67,693	34,843	10,676	45,519
Grant in Aid for NCMME	5	–	2,849	–	2,849	–	2,409	2,409
Donations and legacies								
Gift Aid from subsidiary, SCMG Enterprises Ltd		6,547	–	–	6,547	3,750	–	3,750
Other donations and legacies		3,200	7,395	–	10,595	3,300	4,662	7,962
Charitable activities		4,292	15,642	–	19,934	4,605	14,054	18,659
Trading activities								
Commercial activities		472	–	–	472	256	–	256
Sponsorship		5	–	–	5	–	–	–
Rental income		1,093	–	–	1,093	1,095	–	1,095
Investments		62	518	7	587	79	466	546
Other income		4,181	–	–	4,181	4,290	–	4,290
Total		55,095	58,854	7	113,956	52,218	32,267	84,486
Expenditure on:								
Charitable activities								
Care for and research into collections	[A]	13,306	4,457	–	17,763	13,668	5,361	19,029
Science education and communication		28,952	11,676	–	40,628	31,616	9,207	40,823
Visitor services		15,064	1,186	–	16,250	14,393	863	15,256
Raising funds								
Activities for generating funds		4,048	968	–	5,016	3,747	131	3,878
Commercial activities		785	338	–	1,123	521	510	1,031

<i>All activities are continuing activities</i>	Notes	2020			2019			
		Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000
Grant of RPS Collection to Victoria and Albert Museum		–	–	–	–	4,500	–	4,500
Total		62,155	18,625	–	80,780	63,945	20,572	–
Net (losses)/gains on investments		–	(1,410)	–	(1,410)	–	909	–
Net (expenditure)/income		(7,060)	38,819	7	31,766	(11,727)	12,604	1
Transfers between funds		2,020	(3,080)	1,060	–	33	(33)	–
Other recognised gains/(losses):								
Gains/(losses) on revaluation of fixed assets		14,076	–	–	14,076	2,361	–	–
Actuarial gains/(losses) on defined benefit pension scheme		2,339	–	–	2,339	(912)	–	–
Net movement in funds		11,375	35,739	1,067	48,181	(10,245)	12,571	1
Reconciliation of funds:								
Total funds brought forward		268,672	238,941	80	507,693	278,917	226,370	79
Total funds carried forward		280,047	274,680	1,147	555,874	268,672	238,941	80

[A] The £2,849k (2018–19: £2,409k) grant from the Group to the National Coal Mining Museum for England (NCMME) is categorised as ‘care for and research into the collections’.

5. Grant in Aid

	Unrestricted £000	Restricted £000	2020 Total £000	Unrestricted £000	Restricted £000	2019 Total £000
Resource Grant in Aid	35,243	–	35,243	34,843	125	34,968
Capital Grant in Aid	–	2,501	2,501	–	2,501	2,501
One Collection	–	25,843	25,843	–	7,500	7,500
Special Exhibition Gallery	–	–	–	–	550	550
DCMS Capital Infrastructure Fund	–	3,500	3,500	–	–	–
Other projects	–	606	606	–	–	–
	35,243	32,450	67,693	34,843	10,676	45,519
National Coal Mining Museum (NCMME)	–	2,409	2,409	–	2,409	2,409
DCMS Capital Infrastructure Fund	–	440	440	–	–	–
	–	2,849	2,849	–	2,409	2,409

6. Donations and legacies

	Unrestricted £000	Restricted £000	2020 Total £000	Unrestricted £000	Restricted £000	2019 Total £000
Value of donated goods and services	–	93	93	–	73	73
Corporate donations	53	445	498	1	3,404	3,405
Individual donations and memberships	3,505	143	3,648	3,466	1,120	4,586
Legacies	–	380	380	–	–	–
	3,558	1,061	4,619	3,467	4,597	8,064
Value of donated heritage assets	–	6,334	6,334	–	65	65
	3,558	7,395	10,953	3,467	4,662	8,129

7. Charitable income

	Unrestricted £000	Restricted £000	2020 Total £000	Unrestricted £000	Restricted £000	2019 Total £000
Lottery funding	–	3,716	3,716	–	3,599	3,599
European Union grants	–	(6)	(6)	–	234	234
UK Government grants, excl Grant in Aid	387	371	759	–	1,487	1,487
Other grant income	550	11,562	12,112	600	8,734	9,334
Ticket income	2,610	–	2,610	2,699	–	2,699
Museums and Galleries Exhibition Tax Relief	919	–	919	1,306	–	1,306
	4,466	15,643	20,110	4,605	14,054	18,659

8. Investment income

	Unrestricted £000	Restricted/ Endowment £000	2020 Total £000	Unrestricted £000	Restricted/ Endowment £000	2019 Total £000
Dividends from equity funds	–	370	370	–	321	321
Interest on fixed-interest funds	–	60	60	–	61	61
Interest on cash and cash equivalents	68	95	163	77	85	162
	68	525	593	77	467	544

£7k (2018–19: £1k) of interest income earned on endowment funds is included in restricted income above.

9. Other income

Other income includes conference and educational events, locomotive hire, cloakroom fees and reimbursement of costs.

10. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£000	£000
Auditors' remuneration: Comptroller and Auditor General	70	60
Auditors' remuneration: subsidiary company audit fee	26	26
Internal audit fees	81	75
Lease rentals on land and buildings	11	11
Lease rentals on vehicles	36	45
Lease rentals on equipment	63	47
Movement on bad debt provision	98	13
Cost of sales	7,044	4,918
Movement on stock provision	–	5

No fees (2018–19: nil) were paid to the Group's auditors for non-audit services

11. Total expenditure

	Direct costs £000	Grants awarded ^[A] £000	Support costs ^[B] £000	Total costs £000
2020				
Care for and research into collections	6,762	2,849	8,152	17,763
Science education and communication	28,598	–	12,030	40,628
Visitor services	8,522	–	7,728	16,250
Charitable activities	43,882	2,849	27,910	74,641
Generating donations and legacies	4,179	–	853	5,032
Trading activities	14,786	–	595	15,381
Total expenditure	62,847	2,849	29,358	95,054
	Direct costs £000	Grants awarded ^[A] £000	Support costs ^[B] £000	Total costs £000
2019				
Care for and research into collections	7,912	2,409	8,708	19,029
Science education and communication	29,358	–	11,465	40,823
Visitor services	7,542	–	7,714	15,256
Charitable activities	44,812	2,409	27,887	75,108
Generating donations and legacies	3,412	–	959	4,371
Trading activities	11,528	–	–	11,528
Grant of RPS Collection to Victoria and Albert Museum	–	4,500	–	4,500
Total expenditure	59,752	6,909	28,846	95,507

[A] Grants awarded comprise the transfer of the RPS Collection to the Victoria and Albert Museum in 2018–19 and the grant to the National Coal Mining Museum for England (NCMME) in both 2019–20 and 2018–19.

[B] Support costs include the depreciation charged on support activities.

12. Support costs

2020	Collections £000	Education £000	Visitors £000	Fundraising £000	Trading £000	Total £000
HR	387	1,171	401	169	348	2,477
ICT	667	1,773	343	347	192	3,321
Estates	6,092	6,092	6,092	–	–	18,277
Management	520	1,547	461	174	29	2,731
Finance	393	1,168	348	131	22	2,062
Governance	93	278	83	31	5	490
Total expenditure	8,152	12,030	7,728	853	595	29,358

2019	Collections £000	Education £000	Visitors £000	Fundraising £000	Total £000
HR	503	1,093	409	168	2,173
ICT	742	1,976	396	579	3,693
Estates	6,362	6,362	6,362	–	19,086
Management	296	548	148	57	1,049
Finance	676	1,247	335	130	2,388
Governance	129	239	64	25	457
Total expenditure	8,708	11,465	7,714	959	28,846

HR costs are allocated in proportion to the number of full-time equivalent staff in each area, ICT costs in proportion to the number of PCs/terminals used by each area. Estates costs are allocated equally across the three charitable activities. Management, governance and finance costs are allocated in proportion to the direct costs in each area. For 2019–20 an allocation of support costs has been made to the trading activities for the first time as more granular information has become available.

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

13. Staff costs

	Group 2020 £000	Group 2019 £000	Museum 2020 £000	Museum 2019 £000
Wages and salaries	30,250	28,578	25,782	24,839
Bonuses	162	125	119	71
Social security costs	2,836	2,622	2,526	2,315
Pension costs	2,137	1,841	1,999	1,725
	35,385	33,166	30,425	28,950
Early retirement and redundancy	301	265	301	265
	35,686	33,431	30,727	29,215
Agency staff	703	336	667	296
Total staff costs	36,390	33,767	31,393	29,511

Staff costs are charged to unrestricted or restricted funds on the basis of the activities that the staff perform.

Previously included in the above was a figure (2018–19: £1,645k) in respect of staff costs which had been capitalised. Staff costs are capitalised only where the costs are directly attributable to the development of capital assets; no allocation of costs relating to general functions is made. These figures have been removed from the table above and are instead presented below.

	2020 £000	2019 £000
Wages and salaries	1,721	1,445
Social security costs	154	144
Pension costs	79	53
	1,954	1,642
Agency staff	32	3
Total staff costs	1,987	1,645

Pension schemes

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as ‘alpha’ – are unfunded multi-employer defined benefit schemes, but the Science Museum Group is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2016. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservicepensionscheme.org.uk).

For 2019–20 employer’s contributions of £1,138,436 were payable to the PCSPS (2018–19: £932,802) at one of four rates in the range 26.6–30.3% (2018–19: 20.0–24.5%) of pensionable earnings, based on salary bands. The number of employees who were members of the schemes in the year was 124 (2018–19: 152).

The scheme actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2019–20 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer’s contributions of £9,882 (2018–

19: £10,602) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% of pensionable earnings from 1 October 2015. Employers also match employee contributions up to 3% of pensionable earnings.

In addition, in 2019–20 employer contributions of £315 (2018–19: £263), 0.5% of pensionable pay from 1 October 2015, were payable to the PCSPS to cover the cost of the future provision of lump-sum benefits on death in service or ill-health retirement of these employees.

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

Local Government Pension Scheme – Durham County Council

After the transfer of Locomotion staff from Durham County Council, effective 1 December 2017, the Group became liable for contributions to the Local Government Pension Scheme on a contributory basis. Contributions of £41,672 (2018–19: £39,969) were made on behalf of 16 (2018–19 monthly average: 17) employees.

SCMG Enterprises Ltd pension schemes

SCMG Enterprises offers a contracted-in group money-purchase scheme with optional contracted-out pensions to which the employer contributes 7% and the employees 5%. Employer pension contributions of

£599,793 were paid in the year (2018–19: £511,907). The number of employees who were members of the scheme in the year was 306 (2018–19: 268).

Employees not opting to join the scheme are auto-enrolled in a stakeholder pension scheme. Employer pension contributions of £496,521 were paid in the year (2018–19: £173,883). The number of employees who were members of the scheme in the year was 864 (2018–19: 769).

Greater Manchester Pension Fund pension scheme

Details of employer's contributions in respect of the Greater Manchester Pension Fund in respect of employees of the Science and Industry Museum are contained in Note 22.

Employee numbers (full-time equivalents), analysed by activity

	Permanent contract		Other staff		Total	
	2020	2019	2020	2019	2020	2019
Care for and research into collections	143	182	–	1	143	183
Science education and communication	431	394	4	4	435	398
Visitor services	133	133	16	16	149	149
Generating income and sponsorship	62	60	1	1	63	61
Trading activities	124	111	5	5	129	116
Support activities	152	137	5	4	157	141
Total	1,045	1,017	31	31	1,076	1,048

The average head count, calculated quarterly and excluding casual, agency and contract staff was 1,222 (2018–19, excluding agency and contract staff: 1,268).

Employees receiving remuneration over £60,000

	2020	2019
60,001–70,000	13	17
70,001–80,000	7	4
80,001–90,000	4	3
90,001–100,000	4	4
100,001–110,000	2	4
110,001–120,000	1	–
120,001–130,000	1	1
150,001–160,000	1	1
180,001–190,000	1	1
	34	35

The figures above exclude pension costs. Contributions were paid to a defined contribution scheme on behalf of 23 (2018–19: 25) employees. For 9 (2018–19: 9) of the staff included in this table retirement benefits accrued under a defined benefit scheme. For 14 (2018–19: 14) of these employees total remuneration includes BUPA contributions.

Key management personnel

If employer contributions to defined benefit pension schemes were included rather than the single figure for pension benefits given in the Remuneration Report, the total remuneration of the key management personnel, Ian Blatchford and Jonathan Newby, would be £397,066 (2018–19: £386,421).

Trustees

The Chairman and Trustees (listed in the Annual Report) received no remuneration for their services, but travel expenses totalling £9,201 were paid to 12 Trustees (2018–19: £6,176 paid to 11 Trustees). Amounts paid to third parties in the financial year relating to Trustee activities totalled £18,693 (2018–19: £7,011).

14. Tangible fixed assets

Group assets

	Land and buildings £000	Plant and machinery £000	Galleries and exhibitions £000	Fixtures and fittings £000	ICT and AV £000	Assets under construction £000	Total £000
Current cost							
At 1 April 2019	342,362	79,466	26,552	5,889	4,018	27,744	486,031
Additions	3,666	1,423	2,093	4,351	403	24,611	36,547
Reclassifications	11,323	5,611	805	2,629	–	(20,368)	–
Disposals	–	(668)	–	(7)	–	(142)	(817)
Revaluation	1,771	3,458	–	–	–	–	5,229
At 31 March 2020	359,122	89,290	29,450	12,862	4,421	31,845	526,990
Depreciation							
At 1 April 2019	5,571	10,283	15,259	3,188	2,173	–	36,474
Charge for the year	6,245	5,185	2,103	1,069	629	–	15,231
Disposals	–	(285)	–	(7)	–	–	(292)
Impairment	688	264	–	–	–	–	952
Revaluation	(4,532)	(4,315)	–	–	–	–	(8,847)
At 31 March 2020	7,972	11,132	17,362	4,250	2,802	–	43,518
Net book value							
At 31 March 2020	351,150	78,158	12,088	8,612	1,619	31,845	483,472
At 31 March 2019	336,791	69,183	11,293	2,701	1,845	27,744	449,557

	Land and buildings £000	Plant and machinery £000	Galleries and exhibitions £000	Fixtures and fittings £000	ICT and AV £000	Assets under construction £000	Total £000
Current cost							
At 1 April 2018	333,612	84,307	26,557	5,512	3,990	11,487	465,465
Additions	2,478	4,146	1	770	28	17,826	25,249
Reclassifications	1,282	6	(6)	–	–	(1,282)	–
Disposals	–	(143)	–	(393)	–	(287)	(823)
Impairment	–	–	–	–	–	–	–
Revaluation	4,990	(8,850)	–	–	–	–	(3,860)
At 31 March 2019	342,362	79,466	26,552	5,889	4,018	27,744	486,031
Depreciation							
At 1 April 2018	1,884	9,542	12,945	2,810	1,618	–	28,799
Charge for the year	7,371	5,301	2,314	761	555	–	16,302
Reclassifications	–	–	–	–	–	–	–
Disposals	–	(82)	–	(383)	–	–	(465)
Impairment	402	357	–	–	–	–	759
Revaluation	(4,086)	(4,835)	–	–	–	–	(8,921)
At 31 March 2019	5,571	10,283	15,259	3,188	2,173	–	36,474
Net book value							
At 31 March 2019	336,791	69,183	11,293	2,701	1,845	27,744	449,557
At 31 March 2018	331,728	74,765	13,612	2,702	2,372	11,487	436,666

Museum assets

	Land and buildings £000	Plant and machinery £000	Galleries and exhibitions £000	Fixtures and fittings £000	ICT and AV £000	Assets under construction £000	Total £000
Current cost							
At 1 April 2019	338,162	77,490	26,552	5,843	4,018	27,744	479,809
Additions	3,666	1,423	2,093	4,351	403	24,611	36,547
Reclassifications	11,323	5,611	805	2,629	–	(20,368)	–
Disposals	–	(399)	–	(7)	–	(142)	(548)
Revaluation	1,771	3,458	–	–	–	–	5,229
At 31 March 2020	354,922	87,583	29,450	12,816	4,421	31,845	521,037
Depreciation							
At 1 April 2019	5,571	8,414	15,259	3,142	2,173	–	34,559
Charge for the year	6,245	5,100	2,103	1,068	629	–	15,145
Disposals	–	(16)	–	(7)	–	–	(23)
Impairment	688	264	–	–	–	–	952
Revaluation	(4,531)	(4,315)	–	–	–	–	(8,846)
At 31 March 2020	7,972	9,447	17,362	4,203	2,802	–	41,786
Net book value							
At 31 March 2020	346,950	78,136	12,088	8,613	1,619	31,845	479,251
At 31 March 2019	332,591	69,076	11,293	2,701	1,845	27,744	445,250

	Land and buildings £000	Plant and machinery £000	Galleries and exhibitions £000	Fixtures and fittings £000	ICT and AV £000	Assets under construction £000	Total £000
Current cost							
At 1 April 2018	332,061	82,337	26,551	5,383	3,990	11,487	461,809
Additions	2,479	4,146	1	770	28	17,826	25,250
Reclassifications	1,282	–	–	–	–	(1,282)	–
Disposals	–	(143)	–	(310)	–	(287)	(740)
Impairment	–	–	–	–	–	–	–
Revaluation	2,340	(8,850)	–	–	–	–	(6,510)
At 31 March 2019	338,162	77,490	26,552	5,843	4,018	27,744	479,809
Depreciation							
At 1 April 2018	1,833	7,759	12,945	2,681	1,618	–	26,836
Charge for the year	7,371	5,216	2,314	761	555	–	16,217
Reclassifications	–	–	–	–	–	–	–
Disposals	–	(82)	–	(300)	–	–	(382)
Impairment	402	357	–	–	–	–	759
Revaluation	(4,035)	(4,836)	–	–	–	–	(8,871)
At 31 March 2019	5,571	8,414	15,259	3,142	2,173	–	34,559
Net book value							
At 31 March 2019	332,591	69,076	11,293	2,701	1,845	27,744	445,250
At 31 March 2018	330,228	74,578	13,606	2,702	2,372	11,487	434,973

Land and buildings – sale of land in York

On 24 April 2017 the Group signed an agreement to dispose of surplus land in York to the Homes and Communities Agency (now Homes England), but there are conditions attached to the agreement which enable either party to exercise different buy-back options under which the land and buildings would be transferred back to the Group and the consideration returned. Legal title has passed to Homes England, but the transaction will not complete until the conditions attached to buy-back provisions, under which the transaction can be reversed by either party, have been met. At this point the final transaction value will be determined. £5.73m of advance consideration was received in the financial year 2018–19 and is shown in other creditors on the balance sheet.

Valuations of this land as at 31 March 2020 and 2019 were carried out in accordance with the RICS Appraisal and Valuation Manual by chartered surveyors Montagu Evans LLP. These valuations reflected the market value of the land, including the potential for development given the current progress of a related planning application.

Revaluation of land and buildings

The freehold and leasehold properties comprising the Group's estate were valued at 31 March 2020 and 2019 by an external valuer, Gerald Eve LLP, a regulated

firm of chartered surveyors. The 2019 valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards 2017 and UK national standards (November 2018), the Charities SORP and FRS 102. The 2020 valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards 2020 (2018–19: Global Standards 2017) and UK national standards (November 2018), the Charities SORP and FRS 102.

Specialised properties were valued by reference to the depreciated replacement cost method; other operational properties have been valued on the basis of current value in their existing use.

The historic cost of the land and buildings and certain plant and machinery is not known.

The COVID-19 pandemic created a higher level of valuation uncertainty than in previous periods. Refer to Note 3 for further details around this uncertainty.

15. Heritage assets

15.1. Overview of the collections

Science Museum, London

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

Office Museum, the Special Loan Collection of Scientific Instruments and the Wellcome Trust.

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

Additionally, there are significant holdings of prints, drawings, paintings, printed ephemera, technical drawings, maps, photographs, postal items, sculpture and contemporary art, and in the library and archive collections comprising important collections of rare

books and documents, which span the full history and development of science and technology.

Science and Industry Museum, Manchester

The museum was founded in the mid-1960s when Manchester's traditional industries, particularly engineering and textile production, were undergoing major changes. The collections reflect Manchester's pre-eminence as the world's first industrial city, and the city's role in an international exchange of goods, people and ideas. They demonstrate the role of Manchester and northwest England as a nexus of industrialisation. As a whole the collections also reflect the effects of science, technology, industrialisation, urbanisation and deindustrialisation on the lives of inventors, designers, workers and consumers.

At the core of the museum is the historic site itself, a very rare example of the development of a working station and railway yard over 150 years. Several of the city's internationally known scientific endeavours and personalities are represented in the object collections, from the pioneering work of John Dalton and James Joule, to graphene, Manchester's latest global scientific export.

Manchester's role as the centre of the Lancashire textile industry is also covered, alongside power for the Industrial Revolution, and the development of precision engineering and machine tools that laid the foundations for a new age of mass production. The

collections cover the technologies that affected life in industrial Manchester, including electricity, gas, water supply and sanitation. Communications and information technologies form a major theme, ranging from early photographic material through to ground-breaking calculating and computing machines. Bringing the story up to date, material from the broadcasting, music and animation industries represents the growth of creative industries in the postindustrial city.

National Railway Museum, York Locomotion, Shildon

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

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

National Science and Media Museum, Bradford

Founded in 1983 as the National Museum of Photography, Film & Television, the National Science

and Media Museum inherited collections from its parent institution, the Science Museum.

The collection currently numbers in the region of 3.5 million individual objects. These range from one-off individual donations of ephemeral material such as instruction manuals, to family photographic portraits, to the most significant collection of American television receivers in the UK, to the Kodak Museum collection, comprising photographs and equipment dating back to the very beginnings of photography.

The museum curates its collection in three main areas: photography (encompassing photographic technology and photographs) cinematography and television.

15.2. Acquisitions, management, preservation and disposals

Acquisitions

Acquisitions are made in accordance with the collecting policies agreed for each museum by the Board of Trustees and may be by purchase or donation.

Further details of policies can be found at www.sciencemuseumgroup.ac.uk.

Collections management and preservation

The Science Museum Group exists, under the terms of the National Heritage Act 1983, to develop, manage and make its collection useful for the public. The Act requires it to preserve, care for and add to the objects in its collection, to exhibit them to the public and to make

them available for study and research, and to promote the public's enjoyment and understanding of science and technology and of the development of those subjects.

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

The collection is displayed and stored according to the Group's standards for the prevention of material deterioration; these are based on international standards and current research in alignment with PAS 198:2012 'Specification for managing environmental conditions for cultural collections'.

Library and archive storage facilities and exhibitions are based on and informed by the requirements of BS 5454, PAS 198 and the National Archives Standard for Record Repositories.

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

The Science Museum Group will:

- Keep all objects in conditions in which deterioration is minimised.

- Undertake conservation so that objects may be made accessible to audiences.
- Manage hazards in the collection with clear and effective systems to ensure public, staff and object safety.

The Group's museums demonstrate their commitment to managing collections effectively as Arts Council England accredited museums, and by following the SPECTRUM standard and PAS 197:2009, the code of practice for cultural collections management.

Records proving title or relating to the history of objects in the collections are managed in accordance with the requirements of the Public Records Act and the Group's status as a designated Place of Deposit.

Information relating to the history and management of objects in the collection is held within the collections management system. This constitutes the primary record of the collection and is subject to regular review.

Information relating to the Group's library and archive collections is held within local management systems. It is made accessible to the public subject to relevant legislation.

The Group will have secure title to all objects in the collection, hold basic data on every object so that it can be uniquely identified and the collection audited regularly, and ensure records relating to objects in

the collection are enhanced and made available to audiences.

Further details of policies adopted by the Group in the management of its collections can be found at <https://group.sciencemuseum.org.uk/about-us/policies-and-reports>.

Disposals

The Science Museum Group actively manages its collection in order to ensure its long-term sustainability, significance and safety. The Group's museums have a long-term purpose, and except for sound curatorial (including collections management) reasons, there is a strong presumption against the disposal of any item in the collection. However, the breadth of the collection, and the ways in which it has been developed, mean that the Group is currently holding material that is duplicate, unsuitable or unusable.

Disposals will be guided by the National Heritage Act 1983 (as amended) and the Museums Association's Code of Ethics (as amended). The Group will dispose of material that is unsuitable for retention in the collection and can be disposed of without detriment to the interests of students or other members of the public.

Material may be unsuitable for retention if:

- It is a duplicate of another accessioned item in the collection, beyond the number of similar items that

would reasonably be of interest and necessary for future use.

- It is more suitable for transfer to the collection of another national museum, other accredited museum or other organisation in the public domain that can improve access to or the use, care or context of the material.
- It is otherwise unsuitable for the collection, because it falls outside the scope and content of the Group's collection.
- It is useless for the purposes of the collection because it is in a poor or hazardous condition by reason of damage, physical deterioration or infestation by destructive organisms. All material that is in such poor condition as to render it unusable will be destroyed to remove the risk of contamination or infestation.

The Group recognises that financially motivated disposal risks damaging public confidence in museums and the principle that collections should not normally be regarded as financially negotiable assets.

The Group accepts the principle that sound curatorial reasons for disposal must be established before consideration is given to the disposal of any item in the collection. The Group will not undertake disposal principally for financial reasons, except in exceptional circumstances, when it can be demonstrated that:

- It will significantly improve the long-term public benefit derived from the remaining collection.
- It is not to generate short-term revenue (for example to meet a budget deficit).
- It is as a last resort after other sources of funding have been thoroughly explored.
- Extensive prior consultation with sector bodies has been undertaken.
- The material under consideration lies outside the museums' established core collection.

The proceeds of disposal through sale, if this exceptional circumstance arises, will be applied solely and directly for the benefit of the museums' collection. Money raised will be restricted to the long-term sustainability, use and development of the collection.

15.3. Heritage assets on the balance sheet (Group and Museum)

In the opinion of the Trustees, reliable information on cost or value is not available for the Group's collections prior to 2001. This is owing to the lack of information on purchase cost, the lack of comparable market values, the diverse nature of the objects and the volume of items held.

In the Trustees' opinion, conventional valuation approaches lack sufficient reliability and any valuation is likely to incur significant cost that is likely to be onerous. Even if valuations could be obtained this would not

be at a cost commensurate with any benefits to the Group's management, curatorial staff, the public or users of the financial statements.

For this reason the collections assembled up to the end of the 20th century (before 2001), large proportions of which were gifted to the museums at nil cost and are incomparable in nature, are not recognised as assets in the Group's balance sheet.

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

Summary of heritage assets on balance sheet

	Purchased		Donated		Total	
	£000	No.	£000	No.	£000	No.
2002–15	3,827	50	10,371	73	14,198	123
2015–16	134	8	3,708	13	3,842	21
2016–17	1,169	12	2,247	21	3,416	33
2018–19	120	7	525	18	645	25
2019–20	22	3	65	7	87	10
2020–21	610	7	6,334	23	6,944	30
At 31 March 2020	5,882	87	23,250	155	29,132	242

Summary analysis of heritage asset transactions

	2020 £000	2019 £000	2018 £000	2017 £000	2016 £000
Purchases	611	22	120	1,169	134
Donations	6,334	65	525	2,247	3,708
Total additions	6,945	87	645	3,416	3,842
Disposals ^[A]	–	4,500	290	605	–

[A] During 2018–19 the RPS Collection was transferred to the Victoria and Albert Museum.

Analysis of heritage assets

	Cost £000	Valuation £000	Basis of capitalisation Total £000
Carrying amount at 1 April 2019	5,272	16,916	22,188
Additions	611	6,333	6,944
Carrying amount at 31 March 2020	5,883	23,249	29,132

	Cost £000	Valuation £000	Basis of capitalisation Total £000
Carrying amount at 1 April 2018	9,750	16,851	26,601
Additions	22	65	87
Disposals	(4,500)	–	(4,500)
Carrying amount at 31 March 2019	5,272	16,916	22,188

15.4. Collection subcategories

	Estimated number of items at 31 March 2020	Number of items capitalised at 31 March 2020
Science Museum		
Scientific instruments	26,152	20
Commerce and industry	43,808	59
Medical	19,393	11
Art	7,399	15
Coins and medals	904	1
Library and archive collections	707,206	12
National Railway Museum		
Railway origins	5,279	1
Locomotives and rolling stock	2,996	12
Railway life and work	20,304	20
Railway image and sound collections	18,153	4
Railways and culture	4,395	4
Library and archive collections	2,962,298	5
Handling collections	226	–
National Science and Media Museum		
Photographic collections	10,846	27
Printed materials and ephemera	352	–
Cinematography	3,033	5
Photographic technology	11,337	–
Television and broadcast	2,873	33
Library and archive collections	3,485,075	2
Science and Industry Museum		
Science and technology	2,907	3
Industrial heritage	5,380	5
Transport	1,357	1
Communications	2,842	–
Energy	5,016	–
Community history	7,144	2
	7,356,726	242

NB: The estimated number of total items includes individual figures for collections of objects which are split into parts, eg archive or photographic collections. The number of capitalised items includes those collections as one object with a combined total value.

16. Intangible assets

Museum and Group	Databases £000	Development £000	Assets under construction £000	Total £000
Current cost				
At 1 April 2019	1,036	123	20	1,179
Additions	–	146	–	146
Transfers	–	20	(20)	–
Disposals	–	(22)	–	(22)
At 31 March 2020	1,036	267	–	1,303
Amortisation				
At 1 April 2019	486	61	–	547
Charge for the year	247	76	–	323
At 31 March 2020	733	137	–	871
Net book value				
At 31 March 2020	303	130	–	433
At 31 March 2019	550	62	20	632

Museum and Group	Databases £000	Development £000	Assets under construction £000	Total £000
Current cost				
At 1 April 2018	682	123	488	1,293
Additions	247	–	20	267
Transfers	107	–	(107)	–
Disposals	–	–	(381)	(381)
At 31 March 2019	1,036	123	20	1,179
Amortisation				
At 1 April 2018	240	20	–	260
Charge for the year	246	41	–	287
At 31 March 2019	486	61	–	547
Net book value				
At 31 March 2019	550	62	20	632
At 31 March 2018	442	103	488	1,033

17. Investments

All fixed and current asset investments shown below are in quoted investment funds and are stated at fair value.

Group	Fair value at 31 March 2019 £000	Additions/ accumulated dividends ^[A] £000	Disposals £000	Investment gains/(losses) £000	Fair value at 31 March 2020 £000
<i>Fixed asset investments</i>					
<u>Funds</u>					
International equities	8,494	178	(2,500)	(446)	5,727
UK equities	4,668	192	(500)	(1,001)	3,360
Sterling corporate bonds	2,868	60	–	11	2,938
Cash funds	1,273	8	–	–	1,282
Total fixed asset investments	17,303	438	(3,000)	(1,435)	13,307
<i>Current asset investments^[B]</i>					
<u>Funds</u>					
Money market funds	5,038	3,000	–	26	8,064
Loans	14	–	–	–	14
Total current asset investments	5,052	3,000	–	26	8,078
Total investments	22,353	3,438	–	(1,410)	21,385

Group	Fair value at 31 March 2018 £000	Additions/ accumulated dividends ^[A] £000	Disposals £000	Investment gains/(losses) £000	Fair value at 31 March 2019 £000
<i>Fixed asset investments</i>					
<u>Funds</u>					
International equities	7,593	154	–	747	8,494
UK equities	4,419	167	–	82	4,668
Sterling corporate bonds	2,766	61	–	41	2,868
Cash funds	1,266	5	–	2	1,273
Total fixed asset investments	16,044	387	–	872	17,303
<i>Current asset investments^[B]</i>					
<u>Funds</u>					
Money market funds	5,001	–	–	37	5,038
Loans	14	–	–	–	14
Total current asset investments	5,001	–	–	37	5,052
Total investments	21,045	387	–	909	22,353

[A] Accumulated dividends – all dividends received from investment funds in the year were accumulated.

[B] Current investments – included in current investments is a £14k interest-free loan advanced to the Type Museum Trust for repairs and maintenance.

Short-term deposits

	Group 2020 £000	Group 2019 £000	Museum 2020 £000	Museum 2019 £000
Notice accounts	3,039	1,027	3,039	1,027
Total short-term deposits	3,039	1,027	3,039	1,027

Investments in trading subsidiary

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

The carrying value of the Science Museum Group's investment in SCMG Enterprises Ltd, which is held at historic cost in the parent's balance sheet, is £411k (2018–19: £411k).

SCMG Enterprises Ltd profit and loss

	2020	2019
	Total	Total
	£000	£000
Turnover	18,395	15,310
Cost of sales	(7,032)	(4,918)
Gross profit	11,363	10,392
Other operating income	30,940	24,415
Rental income	117	74
Administrative expenses	(35,888)	(31,119)
Operating profit	6,532	3,762
Interest receivable	28	20
Interest payable	(22)	(22)
Profit on ordinary activities	6,538	3,760

Operating profit includes sponsorship and consultancy activities of £4,263k (2018–19: £1,207k) and core trading activities of £2,275k (2018–19: £2,555k). Sponsorship and consultancy income in 2019–20 included amounts in support of *Medicine: The Wellcome Galleries* at the Science Museum and the *Top Secret* exhibition; in 2018–19 the balance included amounts relating to the Soyuz tour and the development of an interactive gallery in Queensland, Australia.

SCMG Enterprises balance sheet

	2020	2019
	Total	Total
	£000	£000
Fixed assets	4,221	4,307
Current assets	11,642	13,237
Creditors: amounts due within one year	(11,190)	(13,058)
Net current assets	452	179
Creditors: amounts due over one year	(1,593)	(1,293)
Provisions	–	(107)
Net assets	3,080	3,086
Share capital	–	–
Profit and loss account	123	129
Revaluation reserve	2,957	2,957
Total shareholder's equity	3,080	3,086

18. Debtors

	Group 2020 £000	Group 2019 £000	Museum 2020 £000	Museum 2019 £000
<i>Current debtors</i>				
Trade debtors	4,599	6,185	1,272	3,278
Provision for bad debts	(206)	(108)	(81)	(31)
<i>Net trade debtors</i>	4,393	6,077	1,191	3,247
Other debtors	318	405	118	145
Prepayments and accrued income	10,281	13,493	9,353	12,104
Taxation and social security	2,300	1,084	2,480	2,518
Intercompany current account	–	–	4,105	2,598
<i>Total current debtors</i>	17,292	21,059	17,247	20,612
<i>Non-current debtors</i>				
Accrued income	5,930	1,599	5,930	1,599
Loans to subsidiary	–	–	1,293	1,293
<i>Total non-current debtors</i>	5,930	1,599	7,223	2,892
Total debtors	23,222	22,658	24,470	23,504

Ageing of debtors

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

	Trade debtors £000	Less than 30 days £000	30–60 days old £000	More than 60 days £000
Group				
As at 31 March 2020	4,393	1,418	690	2,285
As at 31 March 2019	6,077	1,331	3,181	1,565
Museum				
As at 31 March 2020	1,191	247	322	622
As at 31 March 2019	3,247	298	2,417	532

Credit risk

The Science Museum Group's principal exposure to credit risk is primarily attributable to trade debtors. The amounts presented in the balance sheet are net of provisions for doubtful receivables estimated by the Group's management based on prior experience and their assessment of the current economic value.

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

	Group 2020 £000	Group 2019 £000	Museum 2020 £000	Museum 2019 £000
Provision at start of financial year/period	108	96	31	27
Utilised in the year	–	(20)	–	(14)
Increase in provision	98	37	50	19
Bad debts recovered	–	(1)	–	(1)
Reversal of provision	–	(4)	–	–
Balance at 31 March	206	108	81	31

Loan to trading subsidiary

Purpose of loan	2020 £000	2019 £000	Interest payable
Purchase of land at Leeman Road, York	1,293	1,293	1% above Bank of England base rate
	1,293	1,293	

The loan held by the trading subsidiary is repayable on demand and secured by a floating charge on all of the subsidiary's assets. The Museum has confirmed that it will not call for repayment of the loan until at the earliest

30 September 2021 and then subject to the ability of the subsidiary to make repayments.

19. Cash and cash equivalents

	Group 2020 £000	Group 2019 £000	Museum 2020 £000	Museum 2019 £000
Cash and cash equivalents	14,922	10,282	9,500	2,790
Money market funds	10,015	14,933	10,015	14,933
	24,937	25,215	19,515	17,723

20. Creditors

Amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Museum 2020 £000	Museum 2019 £000
Trade creditors	2,096	2,024	1,911	1,920
Other creditors	6,336	6,273	2,076	2,095
Accrued expenditure	7,760	8,694	7,148	8,111
Deferred income	1,584	3,909	394	331
Taxation and social security	754	715	117	132
Loans from DCMS	1,109	1,120	1,109	1,120
	19,639	22,735	12,755	13,709

Amounts falling due after one year

	Group 2020 £000	Group 2019 £000	Museum 2020 £000	Museum 2019 £000
Deferred income	300	–	–	–
Loans from DCMS	4,255	5,278	4,255	5,278
	4,555	5,278	4,255	5,278

The loan balance from DCMS comprises three loans for commercial activities at the Science Museum, National Railway Museum and National Science and Media Museum. The total agreed facility is £8.535m, which has been wholly drawn down. The loans are repayable in equal instalments over periods of three to ten years, with the first repayment on 1 April 2016 and the final on 1 April 2026. Interest on the outstanding principal is payable annually and is calculated for two of the loans at fixed rates and for the other at the relevant National Loans Fund Interest Rate prevailing at the date of drawdown. The interest rates payable on the loans range from 0.84% to 1.68% depending on the period of the loan and the date on which the agreement was entered into.

Deferred income balances comprise rental income received in advance and recognised over the lease term, income received in advance for events and rental contracts, and sponsorship for exhibitions or galleries not yet open. The table below summarises the movement in the year.

	Group 2020 £000	Group 2019 £000	Museum 2020 £000	Museum 2019 £000
<i>Current</i>				
Opening balance	3,909	1,239	331	203
Additions	1,573	2,609	394	331
Reclassification from non-current	–	1,300	–	–
Released to income	(3,898)	(1,239)	(331)	(203)
<i>Total current deferred income</i>	1,584	3,909	394	331
<i>Non-current</i>				
Opening balance	–	1,300	–	–
Additions	300	–	–	–
Reclassification to current	–	(1,300)	–	–
<i>Total non-current deferred income</i>	300	–	–	–
Total deferred income	1,884	3,909	394	331

21. Provisions (Group and Museum)

	Added- years pensions £000	Restructuring costs £000	Pension benefits £000	Total £000
2019–20				
Balance brought forward	40	–	–	40
Utilised	(7)	–	–	(7)
Reversed	1	–	–	1
Provision made in year	2	–	584	586
Balance carried forward	36	–	584	620
Due within one year	6	–	584	590
Due after one year	30	–	–	30
2018–19	£000	£000	£000	£000
Balance brought forward	53	31	–	84
Utilised	(7)	(17)	–	(24)
Reversed	(6)	(14)	–	(20)
Provision made in year	–	–	–	–
Balance carried forward	40	–	–	40
Due within one year	7	–	–	7
Due after one year	33	–	–	33

Restructuring costs

The 2018–19 balance reflected the best estimate of costs arising from two change programmes being undertaken by the Group at the period end. There were no change programmes in place at 31 March 2019 or 2020.

Added-years pension costs

In accordance with FRS 102 the sum provided is equivalent to the present value of expenditures expected to be required to settle the obligation to pay for the added-years benefits gifted to two former Science and Industry Museum employees. The amount of the provision anticipates annual increases of 2.50% (2018–19: 2.50%). In accordance with Treasury guidance the discount factor applied is 1.80% (2018–19: 2.55%).

Pension benefits

The sum provided is the best estimate of expenditure required to satisfy the transfer costs of eligible employees seeking to re-join the Principal Civil Service Pension Scheme (PCSPS) under the Government's New Fair Deal Scheme after a period of service in a private sector scheme.

22. Pensions (Group and Museum)

For details of the Civil Service and SCMG Enterprises Ltd pension schemes, see Note 13.

Greater Manchester Pension Fund

The Science Museum Group is an admitting body of the Greater Manchester Pension Fund ('the fund') which is part of the Local Government Pension Scheme ('the LGPS'). A defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme Regulations, it was contracted out of the State Second Pension until 6 April 2016. The last formal completed triennial valuation of the fund was carried out at 31 March 2019. The results of this valuation have been projected forward to 31 March 2020 using approximate methods. Results schedules were prepared by qualified independent actuaries Hymans Robertson LLP for 31 March 2020. The actuarial calculations are based on individual membership data submitted at 31 March 2019 for the purposes of the formal funding valuation at that date.

Major assumptions

The major assumptions used by the actuary were:

	2020	2019
Rate of increase in salaries	2.7%	3.3%
Rate of increase in pension	1.9%	2.5%
Discount rate	2.3%	2.4%

Mortality assumptions are identical to those used in the previous accounting period. The average life expectancies at age 65 are summarised below:

	2020		2019	
	Males	Females	Males	Females
Current pensioners	20.5 years	23.1 years	21.5 years	24.1 years
Future pensioners ^[A]	22.0 years	25.0 years	23.7 years	26.2 years

[A] Figures assume members aged 45 as at the last formal valuation date.

Fair value of employer's assets

	Fair value £000	2020 Proportion	Fair value £000	2019 Proportion
Equities	9,106	69%	10,164	69%
Bonds	1,980	15%	2,210	15%
Property	924	7%	1,178	8%
Cash	1,188	9%	1,178	8%
Total of net assets	13,197	100%	14,730	100%

Balance sheet liability

	2020 £000	2019 £000
Fair value of employer's assets	13,197	14,730
Present value of scheme liabilities	(17,329)	(21,100)
Net pension liability recognised on balance sheet	(4,132)	(6,370)

Statement of Financial Activities

	2020	2019
	£000	£000
Service cost		
Current service cost	300	284
Past service cost (including curtailments)	–	5
Total service cost	300	289
Net interest		
Interest income on plan assets	(354)	(356)
Interest cost on defined benefit obligation	506	495
Total net interest	152	139
Total defined benefit cost recognised in Statement of Financial Activities	452	428

Other comprehensive income

	2020	2019
	£000	£000
Remeasurements		
Changes in demographic assumptions	570	–
Changes in financial assumptions	1,738	(1,573)
Other experience	1,867	–
Return on assets excluding amounts included in net interest	(1,836)	661
Total remeasurements recognised in other comprehensive income	2,339	(912)

Movement in scheme obligation during the year

	2020	2019
	£000	£000
Opening defined benefit obligation	21,100	19,071
Current service cost	300	284
Past service cost (including curtailments)	–	5
Interest on scheme liabilities	506	495
Contributions by scheme participants	60	65
Benefits paid	(462)	(393)
Actuarial losses/(gains)	(4,175)	1,573
Closing defined benefit obligation	17,329	21,100

Changes in fair value of scheme assets during the year

	2020	2019
	£000	£000
Opening fair value of employer's assets	14,730	13,674
Interest income on plan assets	354	356
Contributions by members	60	65
Contributions by employer	351	367
Benefits paid	(462)	(393)
Return on assets, excluding amounts in net interest income	(1,836)	661
Closing fair value of employer's assets	13,197	14,730

Projected pension expense for the year to 31 March 2021

	£000	% of pay
Projected current service cost	291	32.8
Interest income on plan assets	(303)	34.2
Interest on obligation	397	44.8
Total	385	43.4

The estimate of the employer's contributions in the year to 31 March 2021 is approximately £351k.

At the last formal valuation, there was a shortfall of assets relative to the assessed cost of members' benefits on the target funding basis. Funding rates have been set for the triennial period to March 2023 and include annual deficit reduction payments of £153k. Total contributions in 2019–20 were £351k.

Sensitivities

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

	Approximate % increase to employer liability	Approximate monetary amount £000
0.5% decrease in real discount rate	10	1,732
0.5% increase in salary increase rate	1	110
0.5% increase in pension increase rate	9	1,612
One-year increase in member life expectancy	3–5	–

23. Commitments under operating leases

At the balance sheet date total minimum lease payments due under operating leases were as follows:

	Land and buildings £000		Vehicles £000		Equipment £000		Total £000	
	2020	2019	2020	2019	2020	2019	2020	2019
Within one year	11	11	13	45	146	44	170	100
In second to fifth year	44	44	18	32	368	121	431	197
After more than five years	445	456	–	–	–	–	445	456
	500	511	31	77	514	165	1,045	753

24. Capital commitments

At the balance sheet date, contracted commitments not recognised in the accounts totalled £11.3m, including £4.7m for One Collection, £2.2m for the upgrade of the Science Museum IMAX projector and £1.9m for the construction of the Special Exhibition Gallery in Manchester. At 31 March 2019, the corresponding balance totalled £31.4m, including £19.8m for One Collection, £3.5m for *Medicine: The Wellcome Galleries* and £1.0m for *Science City 1550–1800: The Linbury Gallery*.

25. Statement of funds (consolidated)

2019-20 (consolidated)	Brought forward £000	Income £000	Expenditure £000	Investment gains/ (losses) £000	Net income/ (exp) £000	Revaluation £000	Transfers £000	Carried forward £000
Restricted funds								
Grants and donations fund	15,260	51,758	(9,564)	–	42,194	–	(36,364)	21,090
Collection purchases fund	250	6,581	–	–	6,581	–	(6,831)	–
Buildings sale fund	28,423	517	(865)	(1,410)	(1,758)	–	(1,864)	24,801
Capital assets fund	195,115	–	(8,282)	–	(8,282)	–	41,977	228,810
Total restricted funds	239,048	58,856	(18,711)	(1,410)	38,735	–	(3,082)	274,701
Endowment fund	80	7	–	–	7	–	1,060	1,147
Unrestricted funds								
<i>Designated funds</i>								
Museum improvement fund	6,357	–	(96)	–	(96)	–	1,402	7,663
Collection purchases fund	202	–	(84)	–	(84)	–	90	208
Capital assets fund	24,374	–	(1,295)	–	(1,295)	–	1,636	24,715
Capital asset revaluation fund	245,249	–	(6,611)	–	(6,611)	14,075	–	252,713
	276,182	–	(8,086)	–	(8,086)	14,075	3,128	285,299
Defined benefit pension deficit fund	(6,370)	–	(452)	–	(452)	2,339	351	(4,132)
General funds	1,537	69,274	(67,805)	–	1,469	–	(1,457)	1,549
Total unrestricted funds	271,349	69,274	(76,343)	–	(7,069)	16,414	2,022	282,716
Total funds	510,477	128,137	(95,054)	(1,410)	31,673	16,414	–	558,564

	Brought forward £000	Income £000	Expenditure £000	Investment gains/ (losses) £000	Net income/ (exp) £000	Revaluation £000	Transfers £000	Carried forward £000
2018–19 (consolidated)								
Restricted funds								
Grants and donations fund	10,714	31,486	(8,392)	–	23,094	–	(18,548)	15,260
Collection purchases fund	–	315	–	–	315	–	(65)	250
Buildings sale fund	29,964	466	(203)	909	1,172	–	(2,713)	28,423
Capital assets fund	185,884	–	(12,062)	–	(12,062)	–	21,293	195,115
Total restricted funds	226,562	32,267	(20,657)	909	12,519	–	(33)	239,048
Endowment fund	79	1	–	–	1	–	–	80
Unrestricted funds								
<i>Designated funds</i>								
Museum improvement fund	10,026	–	(1,397)	–	(1,397)	–	(2,272)	6,357
Collection purchases fund	107	–	(89)	–	(89)	–	184	202
Capital assets fund	23,834	–	(1,938)	–	(1,938)	–	2,478	24,374
Capital asset revaluation fund	248,774	–	(8,586)	–	(8,586)	5,061	–	245,249
	282,741	–	(12,010)	–	(12,010)	5,061	390	276,182
Defined benefit pension deficit fund	(5,397)	–	(428)	–	(428)	(912)	367	(6,370)
General funds	1,541	63,132	(62,412)	–	720	–	(724)	1,537
Total unrestricted funds	278,885	63,132	(74,850)	–	(11,718)	4,149	33	271,349
Total funds	505,526	95,400	(95,507)	909	802	4,149	–	510,477

2019-20 (Museum)	Brought forward £000	Income £000	Expenditure £000	Investment income £000	Net income/ (exp) £000	Revaluation £000	Transfers £000	Carried forward £000
Restricted funds								
Grants and donations fund	15,260	51,756	(9,562)	–	42,194	–	(36,364)	21,090
Collection purchases fund	250	6,581	–	–	6,581	–	(6,831)	–
Buildings sale fund	28,423	517	(865)	(1,410)	(1,758)	–	(1,864)	24,801
Capital assets fund	195,008	–	(8,198)	–	(8,198)	–	41,979	228,789
Total restricted funds	238,941	58,854	(18,625)	(1,410)	38,819	–	(3,080)	274,680
Endowment fund	80	7	–	–	7	–	1,060	1,147
Unrestricted funds								
<i>Designated funds</i>								
Museum improvement fund	6,357	–	(96)	–	(96)	–	1,402	7,663
Collection purchases fund	202	–	(84)	–	(84)	–	90	208
Capital assets fund	24,374	–	(1,295)	–	(1,295)	–	1,636	24,715
Capital asset revaluation fund	242,291	–	(6,611)	–	(6,611)	14,076	–	249,756
	273,224	–	(8,086)	–	(8,086)	14,076	3,128	282,342
Defined benefit pension deficit fund	(6,370)	–	(452)	–	(452)	2,339	351	(4,132)
General funds	1,818	55,095	(53,617)	–	1,478	–	(1,459)	1,837
Total unrestricted funds	268,672	55,095	(62,155)	–	(7,060)	16,415	2,020	280,047
Total funds	507,693	113,956	(80,780)	(1,410)	31,766	16,415	–	555,874

2018–19 (Museum)	Brought forward £000	Income £000	Expenditure £000	Investment income £000	Net income/ (exp) £000	Revaluation £000	Transfers £000	Carried forward £000
Restricted funds								
Grants and donations fund	10,714	31,486	(8,392)	–	23,094	–	(18,548)	15,260
Collection purchases fund	–	315	–	–	315	–	(65)	250
Buildings sale fund	29,964	466	(203)	909	1,172	–	(2,713)	28,423
Capital assets fund	185,692	–	(11,977)	–	(11,977)	–	21,293	195,008
Total restricted funds	226,370	32,267	(20,572)	909	12,604	–	(33)	238,941
Endowment fund	79	1	–	–	1	–	–	80
Unrestricted funds								
<i>Designated funds</i>								
Museum improvement fund	10,026	–	(1,397)	–	(1,397)	–	(2,272)	6,357
Collection purchases fund	107	–	(89)	–	(89)	–	184	202
Capital assets fund	23,834	–	(1,938)	–	(1,938)	–	2,478	24,374
Capital asset revaluation fund	248,516	–	(8,586)	–	(8,586)	2,361	–	242,291
	282,483	–	(12,010)	–	(12,010)	2,361	390	273,224
Defined benefit pension deficit fund	(5,397)	–	(428)	–	(428)	(912)	367	(6,370)
General funds	1,831	52,218	(51,507)	–	711	–	(724)	1,818
Total unrestricted funds	278,917	52,218	(63,945)	–	(11,727)	1,449	33	268,672
Total funds	505,366	84,486	(84,517)	909	878	1,449	–	507,693

Funds

Fund	Description
Endowment funds	
Endowment funds	The Brink permanent endowment fund to advance the education of science in disadvantaged children and the expendable Evans Car Fund for the purchase and maintenance of pre-1940s motorcars
Restricted funds	
Grants and donations fund	Funds where donors or grant-makers have specified the uses to which they may be put or have placed certain restrictions on the use of the funds
Buildings sale fund	Disposal proceeds over which there are specific conditions relating to their application to certain capital projects in London, Bradford and the National Collections Centre at Wroughton
Restricted or unrestricted funds	
Collection purchases fund	Amounts restricted (in the restricted fund) or designated (in the unrestricted fund) for purchase of collection items
Capital assets fund	Funds relating to capital assets on the balance sheet which are fully employed in the operation of the Group and are not available for any other purpose
Unrestricted funds	
Museum improvement fund	Unrestricted funds set aside by the Trustees for specific projects, both capital and revenue, principally expected to be expended within the next year
Capital asset revaluation fund	Funds representing the revaluation of capital assets
Defined benefit pension deficit fund	Funds related to the Science and Industry Museum defined benefit pension liability
General funds	Expendable unrestricted funds

Grants and donations fund

	2020	2019
	Total	Total
	£000	£000
One Collection	6,105	594
Gatsby Foundation Technicians Gallery	5,838	–
Science and Industry Museum capital improvements	2,015	–
David and Claudia Harding Foundation Explainers	2,000	3,000
Science and Industry Museum Special Exhibition Gallery	1,564	2,204
Science Museum IMAX upgrade	508	–
Science and Industry Museum legacies	363	–
<i>Superbugs</i> tour	286	695
Audiences of the Future augmented reality	267	615
AHRC Heritage Connector	200	–
COMnPLAY	167	184
<i>Feeding Tomorrow</i>	153	153
Early Birds programme	117	–
SPARKS	100	100
Wellcome Trust medical fellowship	75	222
Time, Culture and Identity	56	186
National Railway Museum legacies	17	664
<i>Medicine: The Wellcome Galleries</i>	–	3,458
Evans Car Fund ^[A]	–	1,060
<i>Science City 1550–1800: The Linbury Gallery</i>	–	693
Science Museum shop redevelopment	–	286
Manchester International Festival <i>Atmospheric Memory</i>	–	150
Science Museum Smith Centre	–	–
<i>Other funds below £100k</i>	1,258	996
Total grants and donations fund	21,090	15,260

[A] The Evans Car Fund was reclassified as an expendable endowment fund in line with the likely use of the funds over the 20-year period of the applicable restrictions.

Museum improvement fund

	2020	2019
	Total	Total
	£000	£000
One Collection	5,268	4,436
Science and Industry Museum Special Exhibition Gallery	1,071	1,071
<i>Top Secret</i> exhibition	500	–
<i>Driverless: Who is in Control?</i> exhibition	300	–
Science Museum Group Academy	275	–
Locomotion capital improvements	134	528
Touring projects	–	173
<i>Other funds below £100k</i>	115	149
Total museum improvement fund	7,663	6,357

General funds

The Trustees seek to maintain unrestricted general funds not committed or invested in tangible fixed assets at a level equivalent to three months' worth of non-contractual income. The Trustees agreed at their meeting in March 2020 that £1.5m was an appropriate level of reserves to hold in this respect.

Transfers of funds

	Restricted						Unrestricted						Total unrestricted £000	Total endowment £000	TOTAL £000
	Grants and donations fund £000	Collection purchases fund £000	Buildings sale fund £000	Capital assets fund £000	Total restricted £000		Museum improvement fund £000	Collection purchases fund £000	Capital assets fund £000	Capital asset revaluation fund £000	Defined benefit pension deficit fund £000	General funds £000			
2019-20															
Collection fund income	-	-	-	-	-	-	205	-	-	-	(205)	-	-	-	-
Purchase of fixed assets	(33,282)	-	(1,864)	35,146	-	(1,155)	-	1,522	-	-	(367)	-	-	-	-
Accession of heritage assets	-	(6,831)	-	6,831	-	-	(114)	114	-	-	-	-	-	-	-
Release of funds	(2,022)	-	-	-	(2,022)	(224)	(1)	-	-	-	2,247	-	2,022	-	-
Designation of funds for future expenditure	-	-	-	-	-	2,781	-	-	-	-	(2,781)	-	-	-	-
Transfer of Evans Car Fund	(1,060)	-	-	-	(1,060)	-	-	-	-	-	-	-	-	1,060	-
Net pension costs incurred	-	-	-	-	-	-	-	-	-	351	(351)	-	-	-	-
Net transfers of funds	(36,364)	(6,831)	(1,864)	41,977	(3,082)	1,402	90	1,636	-	351	(1,457)	2,022	1,060	2,022	-
2018-19															
Collection fund income	-	-	-	-	-	-	205	-	-	-	(205)	-	-	-	-
Purchase of fixed assets	(18,548)	-	(2,713)	21,261	-	(2,000)	-	2,424	-	-	(424)	-	-	-	-
Purchase of heritage assets	-	(65)	-	65	-	-	(21)	21	-	-	-	-	-	-	-
Transfer of heritage asset funds	-	-	-	(33)	(33)	-	-	33	-	-	-	-	33	-	-
Release of spent restricted funds	-	-	-	-	-	(272)	-	-	-	-	272	-	-	-	-
Net pension costs incurred	-	-	-	-	-	-	-	-	-	367	(367)	-	-	-	-
Net transfers of funds	(18,548)	(65)	(2,713)	21,293	(33)	(2,272)	184	2,478	-	367	(724)	33	33	33	-

Transfers of funds (continued)

2019–20

Transfer	Description
Collection fund income	Designation of £205k for collection purchases in 2019–20
Purchase of fixed assets	Fixed assets purchased from restricted and unrestricted funds, including the buildings sale fund arising on the sale of the Post Office Building in London
Purchase of heritage assets	Heritage assets purchased or accessioned from restricted and unrestricted funds
Release of funds	Release of brought-forward designated funds no longer anticipated to be required, of restricted funds allocated to general overheads on research projects, and of restricted funds originally intended for a major capital project but subsequently released for general purposes
Designation of funds for future expenditure	Designation of funds for future expenditure on the One Collection project, <i>Medicine: The Wellcome Galleries</i> in London and a variety of future exhibitions
Transfer of Evans Car Fund	Reclassification of the Evans Car Fund as an expendable endowment fund in line with the likely use of the funds over the 20-year period of the restrictions
Net pension costs incurred	Transfer to the specific reserve of costs incurred in relation to the defined benefit pension scheme

2018–19

Transfer	Description
Collection fund income	Designation of £205k for collection purchases in 2018–19
Purchase of fixed assets	Fixed assets purchased from restricted and unrestricted funds, including the buildings sale fund arising on the sale of the Post Office Building in London – the transfer from restricted to unrestricted represents a change in the funding mix for specific assets
Purchase of heritage assets	Heritage assets purchased from restricted and unrestricted funds
Transfer of heritage asset funds	On transfer of the RPS Collection to the Victoria and Albert Museum, a realignment of the funds held against the heritage assets still on the balance sheet
Net release of funds designated for future expenditure	Designation of funds for future expenditure on the One Collection project and the Science and Industry Museum Special Exhibition Gallery, offset by the release of funds designated for infrastructure improvement works in 2018–19, these works being funded by Grant in Aid
Net pension costs incurred	Transfer to the specific reserve of costs incurred in relation to the defined benefit pension scheme

26. Analysis of net assets by fund

Fund balances at 31 March 2020 were represented by:

	Restricted £000	Endowment £000	Unrestricted £000	Total £000
Tangible assets	201,619	–	281,853	483,472
Heritage assets	26,959	–	2,173	29,132
Intangible assets	232	–	201	433
Investments	13,307	–	–	13,307
Non-current debtors	5,930	–	–	5,930
Current assets	30,625	1,147	23,464	55,236
Current liabilities	(3,971)	–	(15,668)	(19,639)
Long-term creditors	–	–	(4,555)	(4,555)
Provisions	–	–	(620)	(620)
Pensions liability	–	–	(4,132)	(4,132)
Total of net assets	274,701	1,147	282,716	558,564

Balances at 31 March 2019 were represented by:

	Restricted £000	Endowment £000	Unrestricted £000	Total £000
Tangible assets	174,559	–	274,998	449,557
Heritage assets	20,130	–	2,058	22,188
Intangible assets	427	–	205	632
Investments	17,303	–	–	17,303
Current assets	31,478	80	23,662	55,220
Current liabilities	(4,849)	–	(17,886)	(22,735)
Long-term creditors	–	–	(5,278)	(5,278)
Provisions	–	–	(40)	(40)
Pensions liability	–	–	(6,370)	(6,370)
Total of net assets	239,048	80	271,349	510,477

27. Financial instruments

Liquidity risk

Approximately 50% of the Science Museum Group's income is provided by Grant in Aid from DCMS and 15% of the Group's income is from a wide range of commercial activities. As the cash requirements of the charity are met largely through Grant in Aid, financial instruments have less potential for creating risk than they would in a non-public-sector body of a similar size. The majority of financial instruments relate to contracts to buy non-financial items in line with the Group's purchase and usage requirements and the Group is therefore exposed to little credit, liquidity or market risk.

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

Financial assets by category

	Note	2020 £000	2019 £000
Fixed asset investments	17	13,307	17,303
Current investments	17	8,078	5,052
Trade debtors	18	4,599	6,185
Other debtors	18	319	405
Short-term deposits	17	3,039	1,027
Cash and cash equivalents	19	24,937	25,215

The above figures exclude statutory debtors which relate to VAT due from HM Revenue & Customs. None of the financial assets have been subject to impairment

other than trade debtors in respect of provision for bad debts.

Financial liabilities by category

	Note	2020 £000	2019 £000
Trade creditors	20	2,096	2,024
Other creditors	20	6,336	6,273
Accruals	20	7,760	8,696
Museum loans (from DCMS)	20	5,364	6,398

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

28. Cash flow information

Reconciliation of net income/expenditure to net cash from operating activities

	Notes	2020 £000	2019 £000
Net income/(expenditure)		31,673	802
Adjustments for:			
Net (gains)/losses on investments	17	1,410	(909)
Investment income	8/17	(593)	(544)
Interest payable		85	97
Depreciation and amortisation charge	14/16	15,553	16,589
Loss on disposal of other fixed assets	14/16	547	739
Impairment of fixed assets	14	952	759
Loss on disposal of heritage assets	15	–	4,500
Donated fixed and heritage assets	15	(6,334)	(65)
Net movement on provisions	21	580	(44)
Greater Manchester Pension Fund scheme costs	22	101	61
(Increase)/decrease in stocks		(622)	(121)
(Increase) in debtors	18	(578)	(7,904)
(Decrease)/increase in creditors ^[A]	20	(3,007)	1,760
Net cash from operating activities		39,767	15,720

[A] Excluding loans and capital accruals.

Analysis of changes in net funds

	Notes	2019 £000	Cash flows £000	2020 £000
Cash at bank and in hand	19	25,215	(278)	24,937
Current asset investments	17	5,052	3,012	8,064
Short-term deposits	17	1,027	2,012	3,039
Museum loans (from DCMS)	20	(6,398)	1,034	(5,364)
Net funds		24,896	5,780	30,676

	Notes	2018 £000	Cash flows £000	2019 £000
Cash at bank and in hand	19	18,530	6,685	25,215
Current asset investments	17	5,001	51	5,052
Short-term deposits	17	13,742	(12,715)	1,027
Museum loans (from DCMS)	20	(5,422)	(976)	(6,398)
Net funds		31,851	(6,955)	24,896

29. Related-party transactions

Sponsoring department

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

Related entities

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

The Science Museum Group has a close relationship with the Science Museum Foundation (charity no. 1148691, 'the Foundation') whose objectives are to support the activities of the Group or any other organisation that advances related charitable purposes. This charity is independent of the Group and during the year only one Trustee served on the Boards of both the Group and the Foundation. None of the Foundation's activities or assets have been consolidated in this report, but an administration fee of £9k (2018–19: £4k) paid by the Foundation to the Group for company secretarial services was recorded as income for the Group in the year. The Foundation also made two grants with a combined value of £125k in support of the Group's activities.

Trustees and Executive

Trustees, Directors and employees of the Group are entitled to discounts on purchases from the Group's shops and cafés.

During the year Dame Mary Archer hired the Smith Centre for a private event.

A number of Trustees and their family members are Patrons of the Group.

The Group also entered into other material related-party transactions during the course of the year with bodies connected to Trustees, as shown below.

All transactions were at arm's length.

Related party	Nature of relationship	Income £000	Expenditure £000	Outstanding balances due from/ (due to) at year end £000	Nature of transaction
BBC	Dr Hannah Fry was employed by the related party during the year	6	–	–	Licensing fees
Hendy and Pendle Charitable Trust	Sir Peter Hendy was a trustee of the related party during the year	2	–	–	Donation towards purchase of collection item
Imperial College London	Dame Mary Archer served as Chair of the Imperial College Health Partners Advisory Council during the year; Professor Ajit Lalvani was Professor of Infectious Diseases at the related party during the year	56	22	–	Repairs to Science Museum structure and outreach fees; wireless network connection fees
Network Rail	Ms Sharon Flood served as a remunerated director and Sir Peter Hendy was Chairman of the related party during the year	–	38	–	Maintenance of and connection to UK railway network
Pricewaterhouse Coopers LLP	A member of Mr Iain McIntosh's close family was a partner at the related party during the year	49	92	–	Sponsorship of exhibition and event hire fees; internal audit services, tax advice
University College London	Dr Hannah Fry was employed by the related party during the year	22	6	–	Venue hire, teaching fees; course fees
University of Cambridge	Ms Sharon Flood was a non-executive council member of the related party during the year	–	1	–	Costs of science festival event
University of Oxford	Professor Brian Cantor was an emeritus professor and Professor Russell Foster was a professor at the related party during the year	1	–	–	School reception fees

30. Post balance sheet events

The financial statements were authorised for issue by the Trustees and Accounting Officer on the date they were certified by the Comptroller and Auditor General.

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