The National Museum of Science & Industry

NATIONAL MUSEUM OF SCIENCE & INDUSTRY

ACCOUNT FOR 2001-02

FOREWORD AND ANNUAL REPORT

1 History

The Science Museum has its origins in the South Kensington Museum set up soon after the Great Exhibition of 1851. The National Railway Museum (NRM), which opened in 1975, was established as a result of the transfer of the British Transport Commission's railway collection to the Board of Trustees of the Science Museum. The National Museum of Photography, Film & Television (NMPFT) was established in 1983 with the support of Bradford City Council as part of the Council's economic redevelopment. Wroughton Airfield, a former World War II airfield, was made available to the Museum by the Ministry of Defence in 1979.

2 NMSI Now

The National Museum of Science & Industry (NMSI) is the world's pre-eminent museum devoted to the history and contemporary practice of science, medicine, technology and industry. It exists to engage people in a dialogue to create meanings from the past, present and future of human ingenuity. Its collections, in the fields of science, technology, medicine, industry, transport and media, are the largest, most comprehensive and most significant in their field anywhere in the world. NMSI incorporates the Science Museum, the Science Museum Library and the Wellcome Museum of the History of Medicine at South Kensington; the National Railway Museum at York; the National Museum of Photography, Film & Television at Bradford; Wroughton Airfield near Swindon; and Concorde 002 with its associated exhibition at Yeovilton. Collections stores are at Wroughton; Blythe House in West Kensington; Foundry Lane in York and Black Dyke Mills in Bradford.

3 Legal Status

NMSI was run directly by Government until 1984 when the Board of Trustees of the Science Museum was established under the National Heritage Act (1983). Thereafter, the Museum ceased to operate as part of a Government department. NMSI now has the status of a non-departmental public body, operating within the public sector but at arm's length from its sponsor department, the Department for Culture, Media and Sport. These Accounts fulfil the requirements of the 1983 Act. NMSI is an exempt charity under the Second Schedule of the Charities Act (1960) and is recognised as charitable by the Inland Revenue. NMSI has a wholly owned subsidiary trading company, NMSI Trading Limited (company registration no: 2196149) set up in 1988. This operates at all three Museums and covenants all taxable profits to NMSI. Bradford Film Limited is a company limited by guarantee whose sole member is NMSI Trading Limited.

4 Framework for Operation

The Department for Culture, Media and Sport (DCMS) issues a *Financial Memorandum* to the Museum; continuing receipt of the Grant is dependent upon the Museum's compliance. The *Memorandum*, last revised in February 1995, sets out DCMS policy and financial requirements which include the relevant provisions of *Government Accounting* and such other guidance as the Treasury, Cabinet Office or DCMS have issued. It also describes the delegated powers and limits. A Funding Agreement between DCMS and NMSI is now in place. This defines the commitments by each party for the future years.

5 Management

The Board of Trustees of the Science Museum is responsible for the whole of NMSI. The Trustees, who may number between 12 and 20, are appointed by the Prime Minister and are responsible to him or her through DCMS. The Director of NMSI, as Chief Executive Officer, is responsible to the Board of Trustees and is accountable to the DCMS for compliance with the *Financial Memorandum*.

The main decision-making body within NMSI is the Executive Committee made up of the Director of NMSI, the Head of each Museum, the Chief Executive of NMSI Trading Ltd and the heads of NMSI-wide functions: Masterplanning, Information Technology, Finance, Human Resources and Planning and Development. . The NMSI Executive Committee is accountable to the Board of Trustees and DCMS, and is responsible for resource allocation, leading strategic management, developing the cultural agenda and sustaining NMSI values. It was set up in 2001, following the completion of the NMSI Strategic Review(described in paragraph 6 below) and replaced the former Executive Management Committee.

The names of the Trustees and the members of the Executive Committee are set out in Appendix 1. Addresses are set out in Appendix 5. Advisory Committees, which comprise Trustees and specialists in the relevant subjects, have particular responsibility for NRM and NMPFT.

6 NMSI Strategic Review

In July 2000, the newly-appointed director, Dr Lindsay Sharp, instigated a fundamental strategic review of NMSI's direction and operations. In December 2000, NMSI engaged management consultants McKinsey, on a pro-bono basis, to support the Strategic Review and help to design a review process involving staff throughout NMSI. This work culminated in a new vision for NMSI, supported by strategic goals and a set of tools for managing the organisation and meeting those goals.

Proposals for fundamental and far-reaching changes across NMSI were formally presented to and approved by the Board of Trustees in Autumn 2001. Under these plans, the new vision for NMSI is focused on engaging the public in dialogues about the past, present and future of human ingenuity, with an audience focus driving everything NMSI does. By offering innovative and inspiring experiences which fully exploit the strength of its unique collections, NMSI seeks both to engage visitors with the past, and to stimulate dialogue on issues in science and technology, transport and the media, including photography, film and television, which affect the present and future fabric of society.

To implement the new vision, there is a change in the structural relationships between the three Museums, moving from a situation where the Science Museum was virtually synonymous with NMSI, to one where all three Museums have equal relationships with NMSI. These relationships are characterised by clear levels of autonomy and responsibility. A new post, Head of the Science Museum, brings the three Museums to a common relationship with the Director of NMSI and functions working across the NMSI group have been explicitly separated from the Science Museum structure. NMSI is adopting a new series of performance management tools to drive and manage activity more effectively.

7 NMSI Vision

Following the Strategic Review, the NMSI family of museums has collectively created an overarching vision of what the NMSI is all about: an agreed, transparent and coherent statement for the organisation which will drive all activity in a common direction.

'We engage people in a dialogue, to create meanings about the past, present and future of human ingenuity.'

To deliver this vision, NMSI will use its pre-eminent collections and its other assets to provide a unique forum for debate about society's relationship with science and technology, transport and the media, photography, film and television. There will be increased emphasis on the audience,

and on building social capital through delivering access and social inclusion agendas. NMSI will develop major multi-media, broadcast and electronic projects linked to all of the above to maximise outreach.

A simple 'Balanced Scorecard' planning tool is used to set targets for NMSI each year in implementing its vision and values. The scorecard leads the production of the Business Plans and balances targets for:

- Engaging with our **audiences** so that they learn things and enjoy themselves at the same time;
- Achieving our targets for **income** generation and financial efficiency;
- Providing opportunities for our **staff** to become more experienced and capable;
- Making sure the **organisation** continues to get better at how it does things and becomes more sustainable.

8 Staff Involvement

Much activity during 2001-02 focused on the Strategic Review and its implementation. All staff had the opportunity to participate in this and many did so, either in brainstorming groups or in 'breakthrough' teams working on detailed aspects of the Review. The work in progress and the outcomes were posted on the NMSI intranet with a forum for discussion and for questions and answers. Regular presentations were made by the Director of NMSI and senior staff. Trades Unions were consulted about changes affecting staff structures and posts.

The formal means for staff to raise matters of concern is through elected Trades Unions officials at joint meetings with Management. General Notices, Safety Notices and Vacancy Notices are issued to all staff for information and the Museum is now supplementing these traditional communication methods with IT-based systems including the Intranet. In addition, and as a cornerstone of staff communication and involvement, the NMSI Performance Management process has been reviewed and will be relaunched shortly.

In addition, and as a cornerstone of staff communication and involvement, the NMSI Performance Management process has been reviewed and will be relaunched shortly.

9 Review of Achievements in 2001-02

NMSI

www.heritage-images.com

The Science Museum, NMPFT and NRM were founding partners in a groundbreaking new web venture, the **Heritage Image Partnership,** along with the British Library, the National Monuments Record of English Heritage, the Corporation of London Libraries and Guildhall Art Gallery. Launched in April, the partnership was subsequently joined by other prestigious institutions, including the Royal Photographic Society.

The Heritage Image Partnership provides a full e-commerce system, which enables professional users of pictures to find and download pictures for their publications. The site is also an important resource for researchers to find images of Britain's cultural heritage contained within the partner institutions. The e-commerce model is simple and provides an important new revenue stream generated from the licence fees required for using the pictures commercially.

***Science, Invention and Nature* - Digitisation of NMSI Learning Materials (NOF-funded)**

The Science Museum, NMPFT and NRM were granted £1.2m from the New Opportunities Fund to support NMSI-wide digitisation of 20,000 images, 20,000 collections records and 15,000 book records as well as 50 online stories. Digitisation will creatively facilitate learning, communication, investigation and debate on themes ranging from flight to the human genome. This content will be accessed through a new electronic gateway on the web under the title ***Science, Invention and Nature*** (SIN).

(SIN) involves setting up a search engine and gateway which will link the NOF-funded websites of the NMSI and its consortium partners, the Natural History Museum, Wildscreen Trust (in Bristol) and Y Touring (the professional performance company of the central YMCA which has a programme of award winning plays which address bio-medical issues.) This gateway will provide access to nearly a half million digitised educational resources on physical and natural science themes.

Science and Culture, part of the SIN multi-institutional project and gateway is led by the Science Museum; it is an innovative ambitious creative/content project involving the Science Museum, NMPFT and NRM in a major interpretation and digitisation programme, primarily involving the collections. The Wellcome Trust Library, Royal Society and the RAF Museum are also involved in the programme as supporting content providers.

As an on-line knowledge resource, ***Science and Culture***, will encompass digitised images, records and interactive learning resources totalling over 120,000 items and will cover people, artefacts, events and subjects within a cultural and social context.

Science Museum

Awards

London Visitor Attraction of the Year 2001
The Science Museum won the **London Visitor Attraction of the Year Award 2001**.The judges particularly commended the Museum's innovative exhibitions and programmes, environmentally aware initiatives, information services, the explainer team, the Visitor Information Network (VINES) and disability access and services. The awards recognise many of the vital components of successful tourism - innovation, marketing strategy, access for all, customer service, facilities and environmental awareness.

Raymond Baxter Award for Science Communication
The Science Museum also won the **Tomorrow's World Raymond Baxter Award for Science Communication**. The Tomorrow's World Awards, presented in association with NESTA, celebrate the best of British innovation. At the first Tomorrow's World awards in 2000, Raymond Baxter received an award in recognition of his career-long contribution to the communication of science. For the 2001 presentation in July, Raymond himself chose the winner of the award now known as the Raymond Baxter Award for Science Communication.

A new gallery

The Wellcome Trust Temporary Exhibition Gallery

In December 2001, the Science Museum opened a new temporary exhibition gallery funded by the Wellcome Trust. This sprang from a proposal by the Wellcome Trust to create a gallery space (of approximately 500 square metres), to enable the Trust to sustain its exhibition programme during renovation of its Euston Road premises. The Trust proposed a series of two or three exhibitions a year for three to four years on contemporary biomedical work, historical practice and contemporary art.

The chosen site, formerly occupied by the east end of the Telecommunications Gallery has air-handling equipment capable of meeting international museological standards. The Gallery adjoins the current commercial exhibitions space and offers the long-term prospect of creating a suite of interlinked galleries capable of accepting major international exhibitions.

Exhibitions during 2001-02 included the following.

Moments of Intimacy, Laughter and Kinship - MILK

In October and November the Science Museum showed a very successful photographic exhibition, *Moments of Intimacy, Laughter and Kinship* (following its successful opening in New York). The exhibition presented a collection of 300 unforgettable images of human life, from its fragile first moments to its last, showing the universality of the sentiments which bind family and friends together. Photographers from around the world, from amateurs to Pulitzer prize winners contributed to the three categories of 'Family', 'Friendship' and 'Love'.

Alfa Romeo - Sustaining Beauty

This exhibition, which opened in December, was a spectacular display of 90 years of art in engineering. It featured seventeen of Alfa Romeo's most famous and prestigious cars, valued at more than £50m, from the Alfa Romeo Museum near Milan. The exhibition also included original designs, period advertising, technical blueprints and open engines demonstrating the engineering that made Alfa Romeo one of the world's most revered motoring marques. The exhibition traced the dramatic advances in technology and the improvements in engineering, safety and performance.

The exhibition also showed how car design evolved from the early 20th Century to the present day and presented the design processes undertaken at the Alfa Romeo Styling Centre. The acclaimed Nuvola prototype, selected blueprints and hand built and machined models illustrated the design process and philosophy of Alfa Romeo.

Japan: Gateway to the Future

This exhibition, which opened in February 2002, was presented in collaboration with the Japanese External Trade Organisation. It was the closing event of a yearlong UK festival of Japanese culture. The exhibition featured the latest advances in Japanese technology and covered mobile communications including 3G cell phones, intelligent driving systems and the cockpit of the future, home entertainment and robotics including cyberpets which proved to be the show-stealer. Public reaction, attendance, and media attention were excellent.

HEAD ON

This exhibition, which opened in March 2002, was the first to be shown in the new gallery sponsored by the Wellcome Trust. *Head On* presented artists' insights into the relationship between art and science using sculpture, painting and other installations. Well-known works such as "Camera Obscura" by David Hockney were shown along with specially commissioned collaborations between artists and high profile scientists such as Professor Susan Greenfield, Director of the Royal Institute.

Head On opened during National Science Week and National Brain Awareness Week. It focused on the human brain and mind with three key themes: *the anatomy of the brain* - looking at historical and contemporary examples of the study of anatomy; *face, form and character* - illustrating and answering questions about facial expressions and whether the shape of the head informs us what is happening inside and *models of the mind* - looking at models of and metaphors for the mind.

Collections

Notable objects acquired by the Science Museum included the following.

Teaching dolls from the 1938 polio epidemic

These dolls were used to communicate to child polio patients the nature of treatment they could expect to receive and were collected from the Lord Mayor Treloar Hospital, Alton, Hants, an orthopaedic hospital best known for the specialist treatment of children and young adults. The remainder of the acquisition comprises a selection of walking aids and a remarkable set of photographs documenting the patients of the hospital and the progress of their treatments. One of these children, Eric Marchant, became something of a celebrity, as it was his case, reported by the newspapers, which is said to have persuaded the motor manufacturer Lord Nuffield, in 1938, to offer to donate an iron lung to every hospital in the Empire.

Aluminium Mokume Gane bowl and sample pieces

These objects represent unusual and striking examples of manufacturing techniques. The term Mokume Gane derives from traditional Japanese sword-making techniques developed 300 years ago. It is a difficult and laborious production process and its use remains relatively rare. Named the "Dislocation Bowl", this unique example of the craft was created using modern fusion welding by Dr Ian Ferguson, an innovative metallurgist from the Melbourne Institute of Technology.

Fibre-optic bundle from CERN's DELPHI detector

This acquisition from CERN (the centre for particle physics research near Geneva) is associated with the Large Electron Positron (LEP) particle accelerator, the premier particle physics experiment of the last decade. This fibre-optic bundle was attached to the Inner Tracking Chamber of the DELPHI detector, which traced the movements of particles following their collisions at speeds close to that of light. This small component was the first part of a series of acquisitions relating to the project.

Mathematics teaching aids, c1964-1985

These teaching aids from Homerton Teacher Training College in Cambridge greatly enhance the Science Museum holdings, as mathematical educational items have not previously been well represented in the collections. The groups of objects acquired include: a Number Balance, c1985, Diene's Multi-Base Arithmetic Blocks, c1960, Centicubes with boards, c1975 and a Cuisenaire 'Numbers In Colour' set, c1964.

Microchip implant from the forearm of Prof. Kevin Warwick, University of Reading

Professor Kevin Warwick, from the Department of Cybernetics, Reading University had this chip implanted into his upper arm. The chip would respond to digital equipment in his office, so lights and his computer would turn on when he entered a room.

2002-233: Mobile telephone by NEC Corporation for the Manx Telecom 3G Project, 2001

Manx Telecom is trialling Europe's first ever live 3G site for telephone communications. 3G, or 'Third Generation', delivers very powerful data systems to the user, including WAP-based services, video conferencing, email and the web. Acquisition of a 3G mobile phone enables the Science Museum to showcase (in Digitopolis) the very latest communications technologies to our visitors, while at the same time enriching the historical collections of the future.

Publications

Published works by Science Museum members of staff in the last year include the following books in addition to numerous articles.

Books

Graham Farmelo, It must be beautiful. London: Granta

Millard, D. (2001). The Black Arrow Rocket: a satellite launch vehicle and its engines. London, Science Museum.

Kingsley, H, D. B. Pinniger, et al., Eds. (2001). Integrated Pest Management for Collections, Proceedings of 2001: A Pest Odyssey. London, James & James Ltd.

Lawrence, Ghislaine, Hospital beds by design: a socio-historical account of the 'King's Fund Bed', 1960-1975, doctoral dissertation, University of London

McWilliam, R. (2001). BSI: the first hundred years 1901-2001. London, The Institution of Civil Engineers.

Louise Wilson ed. Souvenir guide London:NMSI

Morris, P. and Benfey O.T. (2001). Robert Burns Woodward: architect and artist in the world of molecules. Philadelphia, Chemical Heritage Foundation.

Refereed article

Bunn, G. (2001). "'A flair for organization': Charles Myers and the establishment of psychology in Britain". History & philosophy of psychology **3**(1): 1-13.

Conferences and seminars during 2001-02 included the following

Locating the Victorians

This conference, in July, was the largest ever hosted at the Science Museum. It celebrated the 150 years since the Great Exhibition and a century since Queen Victoria's death. The conference was wide-ranging and interdisciplinary, aiming to foster communication between students of all branches of Victorian culture. It brought together interests traditionally associated with the Science Museum, the V&A and the Natural History Museum. The meeting was supported by the Commissioners of the 1851 Exhibition and the British Academy.

Some 550 people, including staff, took part, with participants from UK, USA, Canada, Australia, New Zealand, France, Germany, Sweden, India, Japan, Jordan and Singapore. Many of the papers were recorded and edited highlights were transmitted over the web through the Fathom consortium.

DCMS and Sustainability

In October the Science Museum hosted a seminar for DCMS officials and representatives of other DCMS sponsored bodies to examine their involvement in sustainable development. Representatives of DCMS' many sectors - the Royal Parks, museums, architecture and the built environment, tourism, libraries, the National Lottery, sport (which has an interest in green spaces) and its own procurement and property services and greening operations, all took part. DCMS officials gave a very strong endorsement of the event and the actions being undertaken by the participants. It was agreed to follow up this event with a further conference open to wider participation including funding bodies.

Science Year

The Science Museum hosted the national launch of Science Year in September and was centrally involved in ECSITE UK's Science and Discovery Clubs for children for which the Museum ran the on-line component. Museum staff also organised a programme of events for Science Year throughout the Year. These included running teenage science nights and a national consultation to gather the views of 6th formers to make recommendations to Ministers for changes to the National Curriculum in science.

NMPFT

Awards

England for Excellence Award

The NMPFT was delighted to accept the England for Excellence silver Award for Best Visitor Attraction, presented at the Savoy Hotel in November. The award attracted coverage from the key regional and trade press. A photo opportunity to launch the 2001 awards (Yorkshire) took place at the Museum on January 26.

New facilities

***Insight:* The Research Centre**

NMPFT opened this major new facility to the public in May 2001. Balancing best practice in the curatorial care of mixed format collections with state-of-the-art facilities aimed at encouraging access, the Museum is now able to offer unprecedented opportunities to view the national collections at close quarters. For the first time in its history, 90% of the Museum's holdings are stored under one roof.

Insight has welcomed both researchers and specialist and generalist groups and public response to *Insight* has been extremely positive. A web site has been developed and a programme of public events developed, including a range of educational workshops. Lunchtime tours, delivered by specialist staff now attract an average of 75% occupancy for every tour.

TV Heaven

The main refurbishment of the *TV Heaven* gallery was completed, including improved headphones, a larger screen in the Viewing Room, and lockable cupboards for DVD players and tape copying equipment. A further batch of about 30 programmes is awaited from the BBC and there has also been a recent request to Granada Television for 5 additional titles.

Exhibitions during 2001-02 included the following

In a Lonely Place

In a Lonely Place, which opened in May 2001, took loss, melancholy, loneliness and isolation as its central themes. Twelve of Europe and America's most exciting contemporary photography and video artists showed challenging and cutting edge work, making its debut in the UK. The exhibition, which included three video installations, continued NMPFT's remit to support living artists and show work offering new perspectives on photography, art and new media. The exhibition was supported by a catalogue - the third in the new NMPFT series - illustrating the artists' work and expanding on the themes in the exhibition.

***Symptomatic:* recent works by Perry Hoberman**

Perry Hoberman, the tenth Bradford Fellow, has established a formidable reputation for producing highly ambitious multi-user art installations, which both use and reflect upon an eclectic mix of technologies. *Symptomatic,* a major show of Hoberman's work, was launched at NMPFT in September 2001. The exhibition consisted of three interactive, multi-user, installation art works, each of which created an environment of images, sound, objects and space, taking new technologies out of their original commercial and industrial environments and working with them in new ways.

A publication and international symposium accompanied the exhibition. The symposium, *Interventions: Reframing the Interface*, in October, attracted numerous eminent international speakers. It was followed by an evening performance by Hoberman called *Let's Make a Monster!*, a live spectacle combining fragments of film, television, web sites and advertisements. The *Symptomatic* book included an interview with Hoberman and a foreword by Patrick Henry, NMPFT's Curator of Exhibitions, who curated *Symptomatic.*

Martin Parr Retrospective

This exhibition was curated by the eminent independent photography curator and writer Val Williams and contained work from all of Parr's most influential projects. It included early work he created while living in Yorkshire and his groundbreaking colour project, *The Last Resort,* a wry look at Britons on holiday on Merseyside. This exhibition resulted from collaboration between the NMPFT, the Barbican Art Gallery and Magnum Photos. After NMPFT, the Parr retrospective toured Europe under the Barbican/NMPFT/Magnum banner.

Cameron Exhibition

This exhibition followed NMPFT's immensely successful research partnership with the Getty Museum to produce a catalogue raisonné of the work of Julia Margaret Cameron. NMPFT collaborated with the Getty and the National Portrait Gallery to create this definitive exhibition of Cameron's finest portraits. Drawn from collections around the world, including those of the three partners, the exhibition highlighted the exquisite beauty of Cameron's images, and accounted for her extensive and enduring influence in the history of photography.

Paul Strand: *Tir a'Mhurain*

Paul Strand is widely considered to be one of the 20th century's major influences on creative and documentary photography. This important exhibition, presented in collaboration with the Aperture Foundation in New York, opened in December 2001. It provided a rare opportunity to appreciate Strand's exploration of art and politics in his engaging study of life in the Outer Hebrides in the 1950s. *Tir a'Mhurain* ('land of bent grass'), the result of that study brought together 85 original vintage prints for the first time in the history of the project, spotlighting Strand's exceptional technical eloquence and artistic originality. The exhibition also responded to public requests for classic works by the masters of photography.

Bond, James Bond

This spectacular new exhibition opened in March 2002, celebrating the 40th anniversary of the first Bond film, *Dr No*. It explored the Bond genre and focussed on the film production processes behind it using iconic Bond themes - the assignment, rogues, villain's lairs, action and chase sequences, women and the classic denouement. A surprise element of the exhibition was an interactive trail - using new technology designed by NMPFT - that allowed each visitor to be registered as a special agent. Issued with a swipe card, they were invited to test their skills throughout the exhibition, finally being issued with their own double 'O' rating.

A dedicated exhibition website (www.jamesbondexhibition.com) was created with a secret element only accessible to visitors of the show. Film showings, seminars, interviews with film industry professionals who have worked on the Bond movies and an Education Pack and related education web site also accompanied the exhibition. These combined to promote the Museum's unique perspective on film through the cinema, traditional gallery exhibition and linked events - a facility not possible in any other UK venue.

Film Festivals during the year included the following.

Bradford Film Festival

The 2001 Bradford Film Festival was possibly the best to date. Admissions were 32% up on 2000, with a 65% increase in income. The programme offered an excellent array of American, European and world cinema. The opening night featured the British premiere of *Enemy at the Gates*. Particularly satisfying was the revival in audiences for European cinema.

The focus of the retrospective section was a celebration of 60 years in film for Lord Attenborough who visited the Museum during the first week of the event. The other key retrospective section was an investigation of the current state of film classification in Britain for which NMPFT welcomed Robin Duval from the British Board of Film Classification. As well as looking at recent controversial decisions, e.g. *Baise-Moi*, the Museum initiated a debate on the implications of the single European market and consideration of a single European film classification system, which would allow freedom of movement of videos, DVD and film.

The Shine Awards drew good submissions from across Europe in both short and feature films. The features were the best set of submissions ever and the award went to *Lise et Andre* by Denis Dercourt, a film yet to go into distribution in Britain.

Co-operative Film-Makers Festival

The third Co-operative Young Film-Makers Conference organised and hosted by NMPFT, took place in October. Young people from across the country made films for entry to this festival and the 104 groups that were selected had their films screened over two days. The reward for those concerned included watching their films on the big screen, taking part in free workshops at the Museum and perhaps watching an IMAX film. Film professionals, NMPFT and freelance staff led the workshops.

***Bite the Mango* Film Festival 2001**

At the *Bite the Mango* Film Festival, a celebration of Asian and Black culture, the guest of honour was Shah Rukh Khan. The Festival featured a retrospective of his work and a booklet was produced celebrating his career.

A key event was the first screening of the Indian version of *Who Wants to be a Millionaire.* Hosted by Bollywood star Amitabh Bachchan, it has been the expected success on the sub-continent but still awaits screenings in Britain.

Collections

Royal Photographic Society – NMPFT Partnership

In July 2001, following extensive negotiations, the Museum announced a major collaborative venture with the Royal Photographic Society (RPS) in Bath. Agreement was reached for the RPS Collection, one of the most significant photographic collections in the world, to transfer from the Society to national ownership - subject to procurement of funding from private and public sources. The collection was entrusted to the NMPFT to safeguard its future for the public's benefit. The collection, comprising 270,000 images and over 8,000 items of photographic technology, plus extensive library holdings, is to be relocated to *Insight.*

Notable objects acquired included the following.

The Donald Fleming Collection of Historic North American Television Receivers

The Museum acquired the Donald Fleming collection of historic North American television receivers with the generous support of the Heritage Lottery Fund. The Fleming collection comprises over eighty television receivers, including mainstream sets by major manufacturers such as RCA and Philco and more unusual examples such as 'suitcase sets', which were fitted into rigid suitcases to allow personal transportation and 'Atomic Age' receivers of revolutionary and futuristic design. These had a chromium-plated chassis and were designed to be operated without a protective cabinet so all the internal mechanisms and glowing valves could be viewed.

This has enhanced significantly the Museum's existing television holdings and created a television technology and design resource unrivalled in the world. It enables the public to evaluate British receiver design and technology in an international context.

Ainslie Ellis archive of photographs, contact sheets and documents from the 1960s & 1970s.

This small archive, assembled by the photographic critic and writer, Ainslie Ellis, contains much information relating to Tony Ray-Jones, a British photographer who studied in the UK and then at Yale with Alexey Brodovitch and Richard Avedon. After some time as a photographer in America, he returned to Britain and spent five years photographing the odder aspects of the British at leisure. This archive, which perfectly compliments the Museum's existing holdings of his work, includes a series of photographs of Ray-Jones taken by Ainslie Ellis, constituting the majority of portraits ever taken of him. It also includes important letters from the eminent photographer, Paul Strand.

Ciné equipment from Pinewood Studios

The Museum acquired two important historic projectors from Pinewood Studios, used there under the direction of Charles Staffell from the 1950s onwards. They projected backgrounds onto screens in front of which actors were lit and filmed. Familiar examples include shots of actors driving cars, sitting in railway carriages or in front of exotic backgrounds but in many cases the background screens formed part of elaborate sets. These projectors were used for scenes in hundreds of films, including *A Town Like Alice*, *The 39 Steps,* the Bond films and, recently, for the New York sequences in Stanley Kubrick's last film, *Eyes Wide Shut*. The Museum also acquired a collection of photographs and film clips that illustrate how the projectors were used.

Collection of film posters printed by W E Berry

The Bradford-based firm of W E Berry established a national reputation for the design and printing of classic film posters until the mid-1980s. At one time, they produced an estimated 75% of all film posters produced in this country. To date the Museum has been able to acquire 78 original posters, the earliest dating back as far as 1953. This latest addition of fifteen, bringing the Museum's Berry holdings to 93, came from a former cinema projectionist in Chester, who heard about the Museum's Berry project through a national appeal. It includes unusual double posters such as those combining Bond films with Spaghetti Westerns and *Goldfinger* printed alongside *For a Few Dollars More.*

The BBC Collection of Historic Television Equipment

In January 2002 NMPFT acquired the BBC Heritage Collection, part of which was formerly on display at the BBC's own *Experience* attraction. This collection comprises some 300 objects, many unique or very rare, relating to broadcasting. Important items include examples of the earliest electronic television cameras and the Blattnerphone, an early magnetic recorder that recorded sound on to steel tape. It is believed that this particular machine was used to record Chamberlain's declaration of war against Germany in 1939. This has been placed on immediate display within Insight.

Spitting Image puppet

The Museum now proudly owns the Lord Puttnam Spitting Image puppet, generously donated by Lord Puttnam himself. The satirical puppet show featuring famous names form the world of politics, music, and television ran from 1984 until 1992, attracting a huge following. The essence of the show was its topicality, with only 5 days between the start of recording and transmission.

Publications

Books

In a Lonely Place (2001) exhibition catalogue, pub. by NMPFT

Symptomatic (2001) exhibition catalogue, pub. By NMPFT

Articles

Harding C. 'Swimming in a Cork Jacket? Edward Linley Samborne & Photography'. Public Artist, Private Passions: The World of Edward Linley Samborne. Ed Robin Simon. Published by The British Art Journal, September 2001

Harding C. `A Day with an East End Photographer'. Living Pictures: The Journal of the Popular and Projected Image before 1914). Volume 1, No.2, pp84-94.

Vigors S. Untitled (TV Heaven). TV Heaven article for inclusion in BFI education publication

Roberts R. 'Huella de Luz: El Art los Experimentos de William Henry Fox Talbot'. Published by Museo Nacional Centro de Arte Reina Sofia, Aldeasa

Roberts R. & Wright P. 'Tracing Echoes'. Published by Wild Pansy Press, University of Leeds in association with University of Northumbria Sept 2001

Roberts R. 'Tracing Echoes: A Critical Romance'. Portfolio, Edinburgh, May 2002

Henry, P. Some trends in Contemporary Photography, Video and Film Art'. Paper presented at the Riksutstillingers Formidlingsseminar, Oslo 18-19 June 2001

The Modern Art Museum as a Reference Work. Portfolio, Edinburgh, May 2002. King's College, Cambridge, February 2002

Education

Photo Work – Photography and Visual Literacy in the primary classroom - CD-ROM

A new CD-ROM for primary children produced by children and staff at a local primary school working with the Museum's Education Officer has been pressed and published and is available to primary teachers. Originally a pilot study funded by the Arts Council of England this CD-ROM aims to encourage visual literacy in English, art, geography, history and science. It is full of practical project ideas about how photography can be used right across the primary curriculum.

Television Production Workshops

A formal partnership was established with the South Bradford Education Action Zone. Museum staff joined the Action Zone committee to explore ways in which more links could be established between the NMPFT and schools in the Zone area. As a direct consequence of this, 14-16 year old pupils have been offered a course of six Sky television production workshops in the television studio. Pupils from local schools have attended these workshops, funded by the South Bradford Learning Credits Scheme.

Game and Chat Show Day

The executive producer of the *So Graham Norton* show, Graham Stuart, was the lead presenter on this very successful day attended by 230 A' Level media students in April 2001. Graham gave a very informative, lively and frank presentation describing how the concept and approach for the show came about. He screened a series of clips of openings to highlight the way in which Graham Norton has increased in confidence since the beginning of the series and how this has then affected show itself. Plans are underway to repeat this event to satisfy demand from teachers.

BFI/NMPFT A' Level Media Studies Conference

This joint BFI and NMPFT conference in October was aimed at A level Media and Film Studies teachers and attracted approximately a hundred teachers. This conference offered teachers opportunities to discover new teaching approaches, locate resources and to network. Speakers and workshop leaders included NMPFT and BFI staff and media professionals including Paul Abbott (scriptwriter 'Cracker' and 'Coronation Street'*),* Steve Abbott (Chairman, Prominent Features and Prominent Television) and Bridget Boseley (Controller of Features, Yorkshire-Tyne Tees Television).

Bradford Heads of Art INSET session

All Heads of Art in Bradford schools attended a joint session led by NMPFT's Head of Education and the Art Advisor from Cartwright Hall in Bradford. They were introduced to all the facilities on offer in the Museum, particularly those in *Insight*: The Collections Centre and were given the opportunity to plan how they might make use of the vast array of resources and facilities on offer in future.

New photographic award

Bradford & Bingley Award for Photographic Arts

Bradford & Bingley plc (formally Bradford & Bingley Building Society) have confirmed £600,000 sponsorship for a prestigious new award for photographic art for young and emerging European photographers. It will showcase new work from artists with limited exposure through print or exhibitions. The emphasis will be on high quality work and securing public recognition for the artists concerned through a careful nomination and selection process, high calibre judging, substantial prizes and promotion by an appropriate media partner. Central to the project is a collaborative relationship with a London venue and the Victoria & Albert Museum in London has confirmed that they will partner the NMPFT in this.

NRM

Awards

European Museum of the Year

The National Railway Museum's year as winner of the 2001 European Museum of the Year award added a new international dimension to a string of national accolades. The award recognised both the innovative approaches found in *The Works* and the NRM's focus on Museum services and access to the collections. This was the first time in the award's 25-year history that the overall winner was a transport museum.

White Rose Award

In September the NRM won the Yorkshire Tourist Board's White Rose Award for Visitor Attraction of the Year 2001 (Yorkshire Region). The Museum was also voted Unusual Conference Venue of the Year 2001.

Exhibitions

Two new permanent exhibitions were installed.

Shinkansen* – *Japan's Bullet Train - with the help of funding from many sources - JR West, JR Central and Abbey National PLC in particular - the Bullet Train display was opened in July. The display brings to the NRM for the first time an example of innovative overseas railway practice and features a Series 'O' car in a unique series of displays which sets the Shinkansen in the context of world-class high speed passenger transport. This is the first vehicle that is regularly accessible to the visiting public and provides an opportunity to watch footage of Japanese transport while seated in the power car itself.

A BBC2 documentary about the Bullet Train's journey from Hakata in Japan to York was broadcast on the evening of the exhibition launch and has so far been repeated three times.

Wish You Were Here

This exhibition featured a sand sculpture of Blackpool Beach, a reminiscence area with personal accounts of going on holiday by rail and a display case containing bathing costumes worn on set by Marilyn Monroe.

Temporary exhibitions included the following.

Speed to the West

This exhibition took visitors on a journey aboard the *Cornish Riviera Express* from London to Penzance. '*Speed to the West*' opened in the Balcony Gallery in December. Although it was primarily a poster exhibition, there were also archive photographs, models and a 'slip lamp' on show. The Platform 4 Theatre Group developed a new 'one person' play to be performed in the gallery at selected weekends during the exhibition's run.

***Inspired* – Roy Wilson's Railway Art**

This exhibition featured work by Roy Wilson, a Friend of the Museum, who encapsulated the work of the Museum and staff in a stunning exhibition on the balcony gallery. To accompany the exhibition, Roy designed a limited edition souvenir leaflet which is available to visitors.

Steaming On

Steaming On presented evocations of holiday travel and rail preservation schemes, celebrating 50 years of Heritage Railways.

Other events

Thomas the Tank Engine

February saw an extended and improved *Thomas* event. Improvements for visitors included new characters – *James* (in steam with access to the footplate), *Rusty, The Tractor*, and three characters based on figures pictured in the books (and in the costume of the 1950s). *Mrs Uppity Toots* and her dog *Poopsie* proved a particularly big hit with young visitors. Storytelling took place every half-hour throughout the day with the programme being shared between *The Fat Controller* and the acting troupe providing the actors in 1950s costume.

In addition the *Thomas* train ran from a permanent platform with music on the train. There were also two large screens showing *Thomas* and Friends footage. Improvements to the event were noted and appreciated by visitors.

Cab It

March saw the annual *Cab It* event. This year the event included the chance to visit the cab of the Shinkansen. The media were particularly interested in a journey in virtual reality over the Settle & Carlisle Railway with *Mallard*. This (with permission) used the Microsoft Game package and a senior representative of the company attended the performance given a member of Museum staff.

Collections

National Archive of Railway Oral History (NAROH) project

In partnership with the Friends of the Museum, the NRM's HLF-funded oral history project has so far collected 328 interviews and completed 155 transcripts. It is on programme to complete 500 interviews to add to the archive on completion of its current phase.

Examples of notable objects acquired include the following.

Shinkansen Bullet Train Series Zero car

The major acquisition during this period has been the Shinkansen Bullet Train Series Zero car 22-141 of 1974 from the West Japan Railway Company.

Bringing this vehicle from the JR West Depot at Hakata in Japan to its final resting place in the Great Hall of the NRM was a major logistical project. The journey involved the car being shipped from Japan via the Panama Canal to Southampton where it was assembled and taken by road for temporary storage at Wroughton. The oversize nature of the load meant that it could not enter NRM on road transport but had to be run overnight, as an out-of-gauge load on the East Coast Main Line, taking seven hours. Obstructions such as point levers, telephones and speed restriction signs had to be dismantled and re-erected afterwards.

From the moment the Shinkansen docked in Southampton until it moved into its final position in the Museum the journey was covered with still photography and on its arrival in York, video film. Photographs and video clips were subsequently used in the displays, and sold in the Shop.

Railway Posters

A British Railways poster, *Festiniog Railway in Centenary Year,* by Terence Cuneo, 1965. A North Eastern Railway poster, *Circular Tours,* c.1920 and a South East & Chatham Railway poster, *England by Short Sea Routes,* c.1900 (Purchase) are good examples promoting different types of regional leisure travel early in the last century. A collection of contemporary Arriva posters and notices including recent Special Strike Notices was also donated.

Travel Guide

This North Eastern Railway (NER) travel guide, *Alice in Holidayland*, (1910) accompanied an NER advertising campaign which promoted resorts in the north east of England using characters from Lewis Carrol's popular books. The Museum has several examples from the associated poster campaign in which Frank Mason re-worked the book illustrator, Sir John Tenniel's prints.

Festiniog Railway in Centenary Year

A British Railways poster, *Festiniog Railway in Centenary Year*, by Terence Cuneo. The Museum holds a fine collection of original artworks and posters by Cuneo (1907-1996) who was one of the most significant artists working in railway advertising in the post-war period. This poster commemorated the centenary of one of Britain's oldest narrow-gauge railways which was taken over by a preservation group in the 1950's and is still in operation with steam locomotives today.

Blackpool is so Barking

A political cartoon *Blackpool is so Barking,* by Paul Thomas, produced for the Daily Mail's coverage of the 1998 Conservative Party Conference is a parody of the *'Skegness is so Bracing'* posters and features a representation of Baroness Thatcher. John Hassall produced the original design for the first *Skegness is so Bracing* poster featuring the Jolly Fisherman character for the

Great Northern Railway in 1908 and it has become one of the most enduring British advertising images of the twentieth century. It is still used to promote Skegness and regularly features in contemporary parodies and topical newspaper cartoons.

Robert Johnson archive

A small archive of correspondence relating to the work of Robert Johnson (c1829-91), a British civil engineer working on railway and road building in Portugal in the 1850 and 60s was purchased. This archive is representative of the influence that even small-scale British engineers had in developing the railway networks in Europe. It shows something of contemporary business practices and professional networks during a period in which railways were a boom industry.

Polemical pamphlets

These three polemical pamphlets from 1846 satirise and ridicule Brunel's broad gauge railway and the 'Battle of the Gauges'. Isambard Kingdom Brunel (1806-59) completed his broad gauge line between London and Bristol in 1841. Lobbying for the rival broad gauge and standard gauge railway systems reached a high level in the 1840s and a Royal Commission was appointed to look into their comparative merits in 1845. Debate was sometimes bitter with both sides producing propaganda material such as this. Broad-gauge was finally abolished in 1892.

Mallard model

A sterling silver 7mm model of *Mallard,* the former LNER locomotive designed by Sir Nigel Gresley, which in July 1938 set a new speed record for steam traction, a record which has never been beaten, was presented by the Sheffield Assay Office (Donation).

Publications

Books

Divall C. & Scott A. Eds. Making Histories in Transport Museums (2001) published by Continuum

Ashby H. McKenna G. & Stiff M. SPECTRUM Knowledge Standards for cultural information management, published by mda

Refereed article

A Guy and J Rees. Reflections on the iconography of early railways, "Early Railways", Ed. (Papers from the Early Railways, Durham 1998) Newcomen Society pp. 342-354, D Hopkin

Education

The Institute of Railway Studies

Some 55 students from Certificate to postdoctoral level now benefit from teaching and research opportunities with the Institute.

Teacher's days

Fifty teachers from North Yorkshire schools attended two teacher days held at the Museum on in November 2001. These were very successful with a number of the teachers expressing an interest in taking part in the STEM project and one teacher being interested in working on producing a teachers' pack to link with the Shinkansen exhibition.

The event was part of a partnership with North Yorkshire Business and Education Partnership (NYBEP) who fund different aspects of teacher training. They distributed the invitations to all schools in North Yorkshire and are helping arrange the secondment of teachers for a number of projects.

Conferences

International Early Railways Conference

Colin Divall gave the keynote address, 'Beyond the History of Early Railways', at the Second International Early Railways Conference held in Manchester from 7-9 September. Richard Gibbon also gave a paper, and John Liffen from the Science Museum talked about the nineteenth century origins of the National Collection. The conference was organised by the IRS in conjunction with a number of other bodies.

Slow Train Coming

In September, the IRS, in conjunction with the Heritage Railway Association, ran a major conference at the NRM called 'Slow Train Coming: Heritage Railways in the Twenty-First Century'. The event was attended by academics and senior figures from heritage railways and railway museums from around the world.

Railway Engineer's Forum

NRM hosted the annual Railway Engineer's Forum in October with a series of evening lectures on the subject of *Re-engineering the Railway.* During the day 120 schoolchildren were treated to a selection of four interactive lectures on the same theme, to encourage their interest in engineering.

10 Sponsorship, Grants and Donations

The support of corporate and non-corporate third parties is sought for the benefit of the family of museums, enabling them to undertake priority projects including gallery renewals and capital developments. The Museums seek to cultivate long term mutually beneficial partnerships with these third parties such that the total value added is greater than the sum of the purely financial support. Where sponsorship arrangements are entered into, the Museums extend sponsorship benefits, as part of a negotiated sponsorship package, at a level commensurate with the value of the financial support received.

The fundraising commitments secured across the three Museum sites in the year April 2001 to March 2002 total £3,057,313. Some of the year's notable achievements are listed below.

- The New Opportunities Fund gave a grant of £1,200,000 for a major NMSI programme involving the Science Museum, the NMPFT and the NRM, as well as a Science Museum led external consortium. The project will put in place a pre-eminent on-line gateway to create one of the richest and most significant science and culture on line resources, providing information, interactives and an educational forum for lifelong learners and the general public of all ages. As part of this, the three Museums will also digitise a percentage of their own collections using innovative technology in order to place them in new contexts thereby making them more accessible to the general public.

- Lloyds TSB Foundation, Deutsche Bank and an anonymous donor together contributed £157,500 to support vital outreach projects managed by the Science Museum's Learning Unit.

- The Wellcome Trust gave a grant of £138,000 to fund the research, development and delivery of a number of informed debates, in the Naked Science series, relating to current biomedical research.

- NRM received £174,325 from various Japanese and UK companies, trusts and individuals for the display of the Shinkansen bullet train. A partnership with Abbey National and Porterbrook Leasing secured a further £26,900 award from Arts and Business to develop Shinkansen education resources.

- With the support of a £10,000 donation from Lloyds TSB Foundation and a £50,000 donation in-kind from SERCO Rail Property, the NRM opened a new platform in time to welcome 63,000 Thomas the Tank Engine visitors.

- NMPFT received two grants of £342,000 and £100,000 from the National Art Collections Fund to fund the respective acquisitions of the Royal Photographic Society's Collection and important negatives and photographs by Charles Lutwidge Dodgson (better known as Lewis Carroll), which would otherwise have left the country.

11 Voluntary Help

NRM continues to make extensive use of volunteers and a new Volunteer Recruitment and Development Officer has recently been recruited to enhance the role of volunteers at NRM and to develop plans for volunteering within the NMSI family and at Shildon.

The new Volunteer Recruitment and Development Officer will review the NRM's volunteer policy and systems, recommend changes/improvements and implement these accordingly, after consultation with the local Trades Unions. Once this important groundwork is completed, a model will be developed which she can roll out throughout the NMSI Museum family. She will act in an advisory capacity for new volunteering programmes and is likely to become involved in specific projects such as the National Railway Vehicle Reserve Collections Centre, Shildon, where she will work with Sedgefield Borough Council to develop a volunteer policy.

2001-02 saw an increase in volunteer numbers across the NRM, including 12 new volunteers in key front-of-house roles, bringing the total to 150. Volunteers continue to carry out a wide range of activities to support the Museum, for example volunteers from the Friends of NRM contributed significantly to archival work on the photographs and negatives from the Ian Allan collection. This Microsoft Access database contains approximately 5,500 entries and makes access to these photographs possible for the first time.

Volunteers also help to ensure that the popular miniature railway continued to run well, taking part in the driving and guarding teams.

NMPFT has taken on Movie Volunteers, who distribute the monthly film programme in return for a 'film gold card', giving free admission to Pictureville and Cubby Broccoli. With the aim of building a stronger relationship with the group the volunteers were hosted at the Film Festival Shine Awards in March and will be invited to future appropriate events.

The NMPFT marketing department has become the main contact for the film volunteers, with the aim of maximising their support for the Museum in terms of promoting the venue and the programme.

12 Policy and Measures for People with Disabilities

Current NMSI policy requires that all public areas shall be accessible to people in wheelchairs and that all new exhibitions are developed with the needs of people in wheelchairs in mind.

NMSI supports and implements policy issued by the Cabinet Office on employment of people with disabilities. NMSI is committed to equal opportunities for all its employees and potential employees, including people with disabilities and applies its equal opportunities policy to recruitment and selection; training and development and promotion. It has a positive attitude towards employing people with disabilities and is committed to considering applicants solely on the basis of ability to do the job. NMSI will give consideration as far as practicable to making training, equipment and other facilities available in order to help employees or potential employees with disabilities to become fully effective in their employment in any of the NMSI family of museums.

The Personal Guide Scheme at the Science Museum, for visitors with disabilities when enables them to book a trained guide in advance of their visit, continued to have very positive feedback from visitors and staff.

Special Educational Needs (SEN) open days in the Science Museum interactive galleries continued to be run on a monthly basis. This has allowed many more SEN groups to access

these galleries. In addition the Audience Development and Outreach team are forging links with Special Educational Needs (SEN) schools and community groups – taking shows and demonstrations to them as well as encouraging these groups to visit the Museum.

Training in Access and Disability Awareness, with a particular emphasis on front of house staff has continued at all sites. At NMPFT, new induction evenings for all new staff include Welcoming Visitors and Dealing with Diversity modules. 'Dealing with Diversity' is a module within the induction programme that deals with equal opportunities in terms of ethnic background, culture and disability.

As part of the sponsorship of The Art of Star Wars, the district of Bradford's 2020Vision organised two special access days for disabled groups in Bradford, offering private guided tours of the Art of Star Wars free of charge on two consecutive Mondays when the Museum was closed to the general public. In addition to the tours, led by the Museum's Access team, refreshments, lucky dips and souvenir photographs were provided for the participants. The days were fully booked, with nearly 200 people benefiting from the event. This was an excellent opportunity for 2020Vision to demonstrate a commitment to access and a desire to hear the views of this community. As part of the event, Museum facilitators explained the 2020Vision 'mission' to the group leaders and encouraged them to participate in presentations and discussions about the needs of disabled groups in Bradford, which Bradford Council will be running in future.

At NRM the annual Please Touch evening focussing on the needs of people with disabilities was run in June 2001 and was as popular as ever. Lloyds TSB Foundation has given NRM £10,000 towards providing a platform with full disabled access to the newly opened Education Coaches.

13 Admissions Policy

On 1st December 2001 free admission for all was introduced at the Science Museum and National Railway Museum.

Science Museum

During the period April - November the Science Museum's, admission charges were £7.95 for adults and £4.95 for students and while all children aged 16 and under and people aged 60 and over were admitted free.

Charges are levied for IMAX, Simulators and Temporary Exhibitions. Season tickets were available until 1 December providing unlimited access for a year and are priced as follows:

Science Museum only	Adult	£18
	Joint Adult (admits 2)	£30
	Student	£10
Joint Museums	Adult	£29
	Joint Adult (admits 2)	£49.50
	Student	£16

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

NRM

At the NRM, prior to the re-introduction of free admission for all in December 2001, charges were adults £7.50 and concessions £5 (concessions are made for students, the disabled and the unemployed). As at the Science Museum, all children aged 16 and under and all adults aged 60 and over were already admitted free.

NMPFT

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

14 NMSI and the Wider Museum Community

The Science Museum continued to administer the Preservation of Industrial and Scientific Material Fund (PRISM) successfully, amongst other things grant aiding the conservation of the "Evelyn Tables" (a set of four seventeenth century tabletops on which are mounted preserved dissections of human circulatory and nervous systems, made in Padua for John Evelyn) at the Museums of the Royal College of Surgeons, and the purchase of Thrust Supersonic Car, holder of the World Land Speed Record, at the Museum of British Road Transport, Coventry.

Science Museum staff worked together with the V&A, British Museum and Institute of Education to run an MA course on Museum and Gallery Education. The students are drawn from a wide variety of backgrounds and include those who are from museums, galleries and schools.

In the past year, NMSI museums were represented in nine awards made by the "Sharing Museum Skills Millennium Awards" scheme; the Science Museum accepted five applications to come in on secondment, and won one award for an outgoing placement, the NRM received one secondee, and two of its own staff benefited from placements elsewhere.

NMPFT is committed to supporting the activities and programmes of local museums and galleries while making objects of national importance more accessible through outreach. NMPFT has supported numerous non-national and local authority organisations throughout the UK.

Equally, NMPFT's contribution to such regionally-based shows affirms its commitment to establishing partnerships with local galleries attempting to establish more innovative visual media exhibitions.

The continued exposure of NMPFT through contributions to external exhibitions to museums of all status has ensured a high profile for the Museum and its Collections, attracting many plaudits from the borrowing institutions.

Regular requests for specialist advice have been received at NMPFT from the wider Museum community. Specialist staff are often approached to provide advice and guidance on matters relating to strength of collections content, subject specialism, collections management and acquisition policies, loans procedures, funding bids (including the provision of specialist advice to the National Heritage Lottery Fund) and registration.

NRM staff continued to work successfully with the Heritage Lottery Fund (HLF), accepting ten commissions to provide advice in the last year. The Head of NRM sits on the Heritage Lottery Fund Expert Advisory Panel for Museum, Library and Archive Projects

NRM played a full part in the work of York Museums Council and worked in partnership with it on training projects and on advisory services to transport museums in the region.

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

- NRM provides the bulk of collections at two Museums - North Road Station Museum in Darlington and ***Steam***, the museum of the Great Western Railway in Swindon; in addition, the Museum has material on loan to more than 80 regional museums across Britain;
- NRM has developed a strategic partnership with Sedgefield Borough Council to create a new facility for the storage and display of its reserve railway vehicle collections at Shildon in County Durham. This partnership has been awarded Stage 1 approval for a grant of £4.575M from the Heritage Lottery Fund towards the £6.1M scheme. It is hoped to complete the project in 2003.

NRM played a major role as a partner in the National Railway Carriage Register listing project. This project, which sees the NRM working in partnership with five independent museums, the Heritage Railway Association and the Transport Trust, has, with the aid of grant aid from re:source and the Carnegie UK Trust, produced for the first time a detailed register of some 8,000 railway vehicles held in public and private collections. This is now available on the internet and is playing a strategic role in prioritising conservation for this type of material nationwide

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

NRM staff also continued to take an active role in the development of the Eurotracks Networks Railways Invention Culture and Co-operation (ENRICO) project, joining other museum staff from Sweden, Finland and Hungary at a four-day conference at the Finnish Railway Museum. The ENRICO project, which has been led by the NRM, will result in the production of a gallery interactive featuring content from all four participating national railway museums, and will 'go live' later in 2002.

15 Access and Outreach

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

A new post has been created in the Science Museum – that of Community Liaison Officer, funded by Lloyds TSB. This has resulted in contact being made with a large number of community groups in Kensington and Chelsea. Plans are now in place for us to deliver outreach activities to these groups before they visit the Museum. These organisations include centres for families, day centres for the elderly, supplementary schools, etc. Similar links will be developed with community groups in boroughs such as Tower Hamlets and Newham.

The community side of the Museum's work has increased through a growing partnership with the local borough, Kensington and Chelsea. The Museum now supports activities promoted by the local council such as Adult Learners' Week and Family Learning Weekend. The Museum also ran a series of events for Black History Month. A carnival-based art and science workshop was carried out in the Museum and in a local youth centre.

Staff have started a one-year project working with 'gifted and talented' children in schools in socially excluded areas. The objective is to assist these children in reaching their full potential in science. The project will enable Museum staff to work in a total of six primary schools. Each school will receive a series of six workshops.

The Science Museum contributed to 'Karrot', a Southwark Youth 'Smart Card' organised by the Metropolitan Police, Southwark Council and the Government's Invest to Save Budget, which rewards children between the ages of 11-15 years for positive behaviour including good citizenship. The Museum also contributed workshops in *On Air* – one of the hands-on-spaces, and outreach science shows and workshops.

Notschool.net is an Internet research project looking at ways of re-engaging teenagers into learning when they have been out of school in the long term. It is designed for young people for whom neither school, nor the traditional alternatives (such as home tutoring) have worked - for whatever reason. The Science Museum has provided staff time and expertise to run the Science and Technology learning area of *Notschool.net.*

The South Kensington Programme, sponsored by Lucent Technology Foundation, began in February 2001. After-school science and technology clubs, which also focussed on developing communication skills, were run in two local secondary schools. This is a pilot project set up to look at a range of approaches to working with teenagers. This pilot project enabled us to develop a range of approaches for engaging teenagers in science and will feed into our day-to-day work with this age group. This project targeted schools in disadvantaged areas of Kensington and Chelsea.

The Carlton Project (2000-2001) was completed in July 2001. This project funded by the Carlton TV Trust, enabled us to work with over one thousand Key Stage Two children in twenty schools in disadvantaged areas of London (as identified by low SATs scores). In addition to two outreach sessions, the schools visited the Museum, using the free transport provided.

The delivery of the DfES funded project in Hackney Primary schools was concluded in July 2001. This project entailed a partnership between Hackney Museum, The City Lit Parent Education Unit and the Science Museum. In each of five schools, two classes of Key Stage Two pupils and their parents participated in a series of workshops based on the theme of forces. The schools were selected from the areas of the borough with the highest social needs. Museum staff continue to work with City Lit and a number of London-based museums and galleries to develop a project based on the findings of our work and similar work at Tate Britain.

Once a year for the last three years the Science Museum has held weekends for families with adopted and fostered children. For the last two years as part of this commitment, the Museum has hosted the launch of National Adoption Week. This was run in conjunction with Adoption UK and BAAF (British Agencies for Adoption and Fostering). Discussion panels and information points were organised so that families in all stages of the adoption process could discuss with experts and other families, issues such as the emotional and social needs of many adopted children. The Museum also ran storytelling and science shows for the families. Adoption UK and BAAF advertised this weekend to their members in their magazines and some families were referred by social services departments.

Museum staff continued to work with the Ragged School Museum to deliver activities as part of their holiday programmes for their local community in Tower Hamlets. We are also initiating projects with other community-based organisations in this borough.

The outreach team continued to provide events for the holiday programmes at the Ragged School Museum in Mile End. This enables family audiences from Tower Hamlet's diverse communities, in particular from the Bangladeshi community, to experience science-based shows and workshops.

The Museum continued to run special needs days for schools on a regular basis. Special schools are invited to come in and take part in specially designed programmes. The Outreach team has delivered activities in special schools and for an organisation of families with special needs children – Contact a Family.

Bradford Youth TV Project

After NMPFT reopened in 1999, increased vandalism, verbal and even physical abuse by disaffected youths was reported by staff. This happened mainly on Saturday afternoons, despite additional staff training, gallery alterations and increased CCTV coverage. Working with community workers from the Bradford Foyer, which has good cross-cultural relationships, Museum staff consulted young people on what they wanted. The messages were clear and simple…'computer games, video, TV and hands-on production' and the atmosphere began to change from confrontation to co-operation.

It was decided, with agreement, to divert some of the SKY sponsorship for TV programme workshops to provide workshops for young people on Saturdays. It soon became clear that this was a successful formula, so it was followed by a more in-depth TV production course over six weeks. Over a four-month period, the level of vandalism dropped by an estimated 70%. Museum staff spent much less time on security and even received help in liaising with some of the more difficult youths. 75% of participants completed the pilot programme and are keen to continue as a group and to use their new-found skills and set up a production office to co-ordinate fundraising and project developments.

The young people were very proud to discuss the Youth TV Project and view their video with the Prince of Wales when he visited the Bradford Foyer in September 2001. They debated local issues, particularly the recent disturbances, and discussed how they could move the project forward to help ease tensions in the community and improve community relations with the police. It was suggested that the Prince's Trust would welcome an application for funding. So far, the project has been enabled by minimal funding and considerable voluntary contributions over the weekend by NMPFT staff. Officials from DCMS and DFES have also considered the project and have expressed an intention of seeking funding from the Social Exclusion Unit. There is a waiting list of 50 hopefuls.

National Archive of Railway Oral History (NAROH) project

The NRM is working on the National Archive of Railway Oral History (NAROH) project in which former railway workers are interviewed about their experiences, which are recorded. The Project Co-ordinator attended a study day on Oral History and Cultural Diversity at the Museum of London in February and subsequently gained the agreement of four interviewees from minority ethnic backgrounds to give interviews for the Archive.

The Project Co-ordinator attended a steering group meeting for the National Waterways sound Recording Project, which is being led by the Waterways Trust, to advise on the development and structuring of the project in the light of experiences on the NAROH project.

16 Capital Projects

The Wellcome Wolfson Building

Work is progressing on time and to budget on the Wellcome Wolfson Building at the west end of the Science Museum site at South Kensington. The building, with a frontage on Queens Gate, will house the Dana Centre and should be complete by March 2003. After fitting out, the building should be ready for occupation by the British Association for the Advancement of Science and the European Dana Alliance for the Brain (EDAB) in September 2003. The target date for opening the Dana Centre to the public is late September 2003.

In the meantime, the Museum is developing programmes of the type that will be presented in the Wellcome Wolfson Building. These programmes, known as the *Naked Science Programme* of experimental public-science dialogue events, with a complementary evaluation programme, are continuing. Results of the evaluation to date have demonstrated that these have been successful with the target audience of adults in the age range 18-40. The evaluation is proving extremely useful in planning for the Dana Centre and its events.

The Museum has been awarded a grant of £138k from the Wellcome Trust towards the delivery and evaluation of further pilot events on biomedical themes, to complement the Naked Science series. The first meeting of the Advisory Panel took place on 26 March, under the chairmanship of Dr Lindsay Sharp.

National Railway Vehicle Reserve Collections Centre, Shildon

The NRM is working with Sedgefield Borough Council to develop a new reserve collections centre as an extension to the Timothy Hackworth Victorian & Railway Museum at Shildon in County Durham. The development will address the problem of inadequate housing for part of NRM's railway vehicle collection. Of the 280 vehicles in the collection, 220 are well housed and displayed at York or elsewhere, while the remainder, some 60 vehicles from humble goods wagons to royal coaches, either stand outdoors in all weathers or are housed in inadequate accommodation. It will also significantly enhance access to part of the national collection through the partnership with the Hackworth Museum.

The project is seen by Sedgefield Borough Council as crucial to its policies of stimulating economic development in a de-industrialised community and bolstering a programme of developing tourism and civic pride in the area. Thickley Ward, in which the project is situated, scores highly in a number of deprivation indices and the project has been welcomed for the boost it provides to the area.

A further benefit of the scheme for NRM is that it will increase very considerably the flexibility of the York site. At present, the NRM's displays are limited because there is nowhere safe to put any precious and fragile vehicle if taken off display. With Shildon, the ability to make changes at York and the freedom to use more constructively the outdoor spaces at the Museum will be much enhanced. Movements to and from York, together with regular movement of vehicles being placed on and returning from loan elsewhere will ensure that there will be a high degree of change in the displays at Shildon, helping to maintain the site's attractiveness as a visitor centre. The HLF grant will allow us to introduce some sustainability elements into the scheme in the form of a rainwater harvesting system to fill the locomotives and to use for general site watering.

The Shildon project has gained final approval from the Heritage Lottery Fund which confirmed awards totalling £5,047,500 and a decision is awaited on an application to the European Regional Development Fund for £0.5m to complete the funding of the project.

York Central

The National Railway Museum site is surrounded by some 30 hectares of underused and derelict 'brown field' land, comprising mainly railway tracks and suffering from a lack of the essential infrastructure necessary to allow development to proceed.

The *York Central* scheme envisages the commercial development of this land as an extension to York's city centre. It is expected to provide the highest quality commercial environment together with new housing at the periphery of the site all to take place within a comprehensive redevelopment scheme. The project is seen as having the potential to transform aspects of York's economy.

The Museum is a key member of a partnership, which has been working to see the development of this area as a high quality extension to York's city centre. Partners include other landowners, principally Railtrack plc (in Administration), Jarvis plc, Yorkshire Forward (the Regional Development Agency) and the City of York.

Jointly funded consultancy work has established that a commercial development is viable given the involvement of Yorkshire Forward in investment in the necessary communications infrastructure. Attention has now turned to creating the delivery mechanisms necessary, although it is recognised that the project will take some years to deliver. Since the publication of the feasibility study report undertaken for the consortium of stakeholders including the NRM, a smaller steering group has been shaping a way forward.

Key to the successful development of this land will be a major investment in improved access - a new station entrance and new pedestrian and highway routes, the latter unconstrained by the existing low bridges.

Other major projects

Creative Planet

NMSI is in the early stages of a development for sustainability, under the working title of Creative Planet. This will be an exemplar of best practice, a source of expertise, and a centre for dialogue and discussion of both national and international significance. It will extend the values of Sustainable Development across NMSI and will be developed through imaginative partnership arrangements with all stakeholders – government, industry, academia, and the general public.

Located at our Wroughton Airfield site near Swindon in Wiltshire, it will also have a co-ordinating role for NMSI's other activities as they relate to sustainability – both the public side (collecting, display and research) and our internal practices, procedures and organisational matters as a family of museums.

***'Icon.net'* - A New Cultural Electronic Backbone**

The NMSI Strategic Review identified use of electronic media as a key future part of the NMSI's programme of activities. This will comprise a range of broadcast and new media cultural products that individually and collectively will be recognised as innovative, creative, distinctive and sector leading by the target audiences, stakeholders and our peers. The potential range of electronic product, and the audiences to be reached, are broad, but fall under two main aims:

- Expansion of the repertoire of interpretational/communication channels employed by the family to include more intelligent, sophisticated use of the interactive possibilities of these media for new forms of meaning making and dialogue.
- To capitalise on the potential for 'traditional' broadcast, interactive broadcast, Web and other interactive electronic media to expand access to a wide variety of targeted audiences beyond the museums' walls.

The full potential and long-term implementation plans for this initiative are being developed in a new NMSI-wide project entitled 'Icon.net (Electronic Backbone)'. The NMSI family of Museums has long pioneered the innovative use of electronic or 'new' media. The Museum's interest is in how this enables new ways of meaning making, and can generate social capital through reaching out to socially, geographically or educationally excluded individuals to create new communities of interest. The success of such programmes is evaluated to enable us to continuously improve our audience response.

'Icon.net' will be an innovative 'electronic backbone' concept providing 'totally joined up' electronic working and content delivery using contemporary and emergent digital technologies or new media. This 'virtual/e-museum' offer will closely complement the 'real' physical offers provided through the Science Museum, National Museum of Photography Film & Television and the National Railway Museum.

Icon.net will link and integrate the electronic outputs from a range of projects within the NMSI family, including exhibitions, rapid-response web narratives, television, radio and wireless systems, and live audience participation. For example, a punchy, live debate at one site on future energy and sustainability could be relayed to other sites (both within the NMSI and in partner networks), streamed through the electronic backbone to other audiences who can engage to create a wider, richer dialogue.

BNFL Project Online

The Science Museum is producing a new exhibition at the Sellafield Visitor Centre in an exciting departure in science communication. BNFL has given the Science Museum complete editorial control in order to produce a unique exploration of the role of nuclear power and other sources of energy, in generating electricity now and in the future. Visitors of all ages in families, school groups or visiting alone will have an interactive, informative and fun experience. They will explore a wide breadth of issues and will feel empowered to play a part in the debate after they leave the exhibition. The exhibition is an exemplar of innovative new ideas being put into practice. It includes:

- Europe's first Immersion Cinema, an engaging, empowering, large-screen immersive experience about the role of nuclear power, and the impact this will have on people's lives, allowing the visitor the ability to influence the show through touch screen consoles;
- large scale, fully updateable audio-visual presentations and exhibits showcasing ideas and quotes on nuclear power from all sides of the debate, and a virtual newspaper that will feature the latest nuclear stories;
- an information-rich database resource, incorporating a public feedback mechanisms and educational projects and downloadable materials relating to the exhibition and Web content
- a website that mirrors and complements the features of the exhibition, allowing surfers the opportunity to engage with and influence the exhibition without actually visiting the centre.

It is a crucial part of the project ethos that the exhibition is highly flexible, and there are plans and resources in place to carry out frequent updating. An electronic content update engine is being developed which allows the exhibition content to be created, manipulated and managed from the Science Museum. The update engine will enable the exhibition team to change, update and vary the content of the digital media exhibits within the exhibition and website. This will draw on electronically derived usage data and user/public feedback on nuclear power issues from the Immersion Cinema, database kiosks, virtual newspaper and website.

The system allows the exhibition team to respond to the debate as public opinion changes; significantly this means that substantial changes can be made to the content of the exhibition throughout its lifetime that reflect the public's current interests and concerns. Another unique feature of the system is that as other BNFL visitor centres are connected to the system, the update engine will be able to support their digital exhibits in the same manner.

This project once completed, will we hope function as a pilot project to explore how immersive collaborative experiences, coupled with opportunities to debate key issues of the day, could be used in a variety of settings. One possibility is a series of travelling exhibitions that could be offered to regional museums and science centres across the country, linked via the electronic backbone to a menu of high-quality content sourced by NMSI and partner organisations.

17 Attendance

Annual admissions for the Science Museum were 1.65 million, 823k for NMPFT, 588k for the NMPFT and for Wroughton, 42k.

18 Performance Indicators

Underpinning our mission statement is a series of performance indicators agreed with the Department for Culture, Media and Sport as being representative measures of our organisational health. These are set out in Appendix [4].

19 Creditor Policy

The Museum creditor policy follows the government-wide standard of meeting agreed payment terms (or by 30 days where no payment terms has been specifically agreed). In 2001-02, 70% of payments were made within this policy, the same as 2000-01, arresting the deterioration of the previous year.

20 Investment Policy

The Trustees are empowered to invest by the Trustees Act 2000. NMSI makes the best use of limited cash investment opportunities by ensuring that all funds identified as surplus to working capital are reviewed daily and invested on short to medium term facilities in a secure manner to maintain their value over time. Until longer-term surplus cash can be identified, investment of a more permanent nature is not planned but the position is reviewed on a periodic basis.

21 Reserves Policy

Funds have been allocated to a Contingency Reserve to provide a reserve for use when significant unforeseen costs arise. The Reserve is kept at a level between £1m and £2m depending on the recent calls on the Fund and the size of the current capital programme. The level of the Fund is reassessed annually as part of the budget activity and also when any major change in the level of activity in planned. Unrestricted general funds usually arise from the previous year's surplus and are allocated for expenditure or to a designated reserve in the following year.

22 Review of Financial Position and Salient Features of the Accounts

The format of these Accounts reflects the revised Statement of Recommended Practice, "Accounting and Report by Charities", issued by the Charity Commissioners in October 2000 and complies with the form directed by the Secretary of State with the consent of Treasury in accordance with Sections 9(4) and 9(5) of the Museums and Galleries Act 1992.

The Statement of Financial Activities (page 50) shows incoming resources of £149,133,497 in 2001-02 of which £46,859,425 represented unrestricted funds and £102,274,072 restricted funds.

The restricted funds held within the Sponsorship, Grants and Donations Reserve have increased to £2,576,817, the major elements being funds held in respect of final payments for the Wellcome Wing and Challenge of Materials and Antenna ongoing exhibitions. The Museum Improvement Fund representing amounts designated by the Museum for specific projects at £2,049,271 remains close to the previous year's level. Major allocations are for plant renewal and energy reduction programmes, the Wellcome Wolfson building and IT and Finance systems replacement.

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

23 Fixed Assets

The major change to Fixed Assets is the transfer of the Science Museum site on 14 August 2001. The five yearly full revaluation of the land and buildings forming part of NMSI was undertaken as at 31 March 2002. As a result of this, the Science Museum site and buildings are valued at £116m and the net effect of the overall revaluation was an increase in asset value of £3.3m. A small portion of land valued at £40k at the National Museum of Photography, Film and Television had also been donated and formed part of the Imaging Frontiers project. Initial expenditure of just under £2m has started on the Wellcome Wolfson building.

For the first time, valuation of object purchases has been included in the Balance Sheet on purchases or donated objects. The most significant item was the donated Shinkansen Japanese Bullet train valued at £1.5m.

Rt Hon Lord Waldegrave of North Hill …… Date ……

Dr Anne Grocock…… Date ……

Dr Lindsay Sharp …….. Date …….

Appendix 1

The Board of Trustees to the Science Museum

		Date of Current Appointment	Expiry Date
Chairman	Sir Peter Williams CBE FRS FREng (2) (3) (7) - to 30/06/02	01.01.01	30.06.02
	The Rt, Hon Lord Waldegrave of North Hill	01.07.02	30.06.06
Members	Professor Ann Dowling CBE FREng FIMechE FRAeS (4)	25.08.99	24.08.04
	Mr Greg Dyke	03.10.00	02.10.05
	Baroness Susan Greenfield CBE	22.07.98	21.07.03
	Dr Anne Grocock MA (1) (3)	08.03.01	07.03.06
	Mrs Joanna Kennedy OBE MA HonDSc FREng (1)	22.11.01	21.11.02
	HRH The Duke of Kent KG GCMG GCVO ADC	20.05.96	19.05.01
	Dr Bridget Ogilvie DBE ScD FI Biol	05.03.02	04.03.03
	Dr Nathan Myhrvold	22.07.98	21.07.03
	Lord Puttnam of Queensgate CBE LLD DLitt (6) (4)	12.09.01	11.09.06
	Sir Michael Quinlan GCB (1) (3)	22.10.97	21.10.01
	Mr David Rayner CBE (1) (5)	28.01.02	27.01.06
	Professor Michael A Richards MA MD FRCP	05.08.97	04.08.03
	Mr Martin G Smith MA MBA MA (Econ) (2) (3) – from 1/01/02	25.08.99	24.08.04
	Sir Christopher Wates FCA (2) (3)	05.02.97	04.02.02

Executive Management Committee – until 31/12/01

Dr Lindsay Sharp (7)	Director	
Mr Jon Tucker (until 31/12/01)	Assistant Director	Resource Management
Dr Graham Farmelo Acting (until 31/12/01)	Assistant Director	Science Communication
Mr Robin Cole-Hamilton (7) (until 31/12/01)	Assistant Director	Public Affairs
Mr Doron Swade (until 31/12/01)	Assistant Director	Collections
Mr Andrew Scott	Head of National Railway Museum:	
Mrs Amanda Nevill	Head of National Museum of Photography, Film & Television:	
Ms Fiona Kirk (until 15/08/01)	Head of Corporate Relations	

Executive Committee – from 1/01/02

Dr Lindsay Sharp (7)	Director
Ms Mel Burns	NMSI Head of Information Technology
Ms Anne Caine (7)	NMSI Head of Finance
Ms Janet Carding	Interim Head of NMSI Planning and Development Unit
Mr Robin Cole-Hamilton (7)	Chief Executive, NMSI Trading Ltd
Mr Clive Gordon	NMSI Head of Masterplanning and Sustainable Development
Dr Roland Jackson	Acting Head of Museum, Science Museum (until 30/06/02)
Mrs Ann Mather	NMSI Head of Human Resources/Change Support
Mrs Amanda Nevill	Head of National Museum of Photography, Film & Television:
Mr Andrew Scott	Head of National Railway Museum
Mr Jon Tucker	Head of Science Museum (from 1/07/02)

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

(1) Audit Committee (Chair – Dr Anne Grocock)

(2) Finance & General Purposes Committee (Chair – Sir Peter Williams until 31/12/01)
Chair – Mr Martin Smith (from 1/1/02)

(3) Remuneration Committee (Chair – Mr Martin Smith)

(4) Wellcome Wing Committee (Chair – Sir Christopher Wates until 15/01/01, thereafter Lord Puttnam) - Committee dissolved 01/12/01

(5) NRM Advisory Committee (Chair – Mr David Rayner)

(6) NMPFT Advisory Committee (Chair – Lord Puttnam of Queensgate)

(7) Board of Directors of NMSI Trading Limited (Chair – Sir Peter Williams until 31/12/01)
Chair – Mr Martin Smith (from 1/1/02)

Appendix 2

Corporate Partners

SCIENCE MUSEUM

PATRON	GlaxoSmithKline Tag McLaren Holdings Ltd
BENEFACTOR	Consignia plc ExxonMobil Gas Marketing Kyocera Fineceramics GmbH
MEMBER	Akzo Nobel American Express BT plc Cable and Wireless plc Drivers Jonas N M Rothschild & Sons Ltd Smiths Group plc
ASSOCIATE	CMS Cameron McKenna DS Print and Redesign Farrer and Co Ove Arup Partnership Tranter Lowe Walfords

NATIONAL RAILWAY MUSEUM

PATRON	The Abbey National Group British Telecommunications plc Central Japan Railway Company English Welsh & Scottish Railway Mitsui and Co., Ltd Railtrack PLC West Japan Railway Company Eurostar
BENEFACTOR	Pioneer Corporation
MEMBER	Corus Rail Consultancy Ltd Fluor Ltd GNER Hitatchi Ltd Mott McDonald Ltd Saville Audio Visual Thrall Europa Norwich Union Serco Rail minimodal
ASSOCIATE	CheethamBellJWT Ltd Fuji Photo Film (UK) Ltd JTB Europe Ltd Milburns Restaurants Ltd Nick Derbyshire Architects Dulay Seymour Creative Communications Honeywell Control Systems Ltd

NATIONAL MUSEUM OF PHOTOGRAPHY, FILM AND TELEVISION

Aagrah Restaurants
Austin-Smith:Lord
HH Calmon
Hallmark
James Robinson Ltd
Last Cawthra Feather
Provident Financial
Rex Procter & Partners
Spellman Walker
Walker Morris

Appendix 3 – Sponsorship, Grants and Donations

Aagrah Restaurant
Abbey National Treasury Services
Angel Trains
Arts & Business New Partners
ASW Holdings PLC
At Bristol Limited
Aventis Cropscience UK Limited
Benson Clegg Legacy
Bowtell Estate Bequest
Bradford & Bingley PLC
Bradford Trident
British Nuclear Fuels Limited
Canadian High Commission
Canon (UK) Limited
Carlton Television
Catherine Meadows Bequest
Charity Aid Foundation America
Corus
Daily Mail Trust
Dentsu Incorporated
Department for Education and Employment
Department for International Development
Department of Trade and Industry
Deutshe Bank
Dolland & Aitchison
European Regional Development Fund
Education for Scientific Literacy
Engineering & Physical Sciences Research Council
European Commission
European Museum Forum
European Space Agency
Exxon Mobil Gas Marketing
Film Council for Bradford
Fuji Photo Film (UK) Limited
Great North Eastern Railway Limited
Goldman Sachs International
Guild of Railway Artists
Heritage Lottery Fund
Heritage Lottery Fund (National Heritage Memorial Fund)
Higher Education Funding Council of England
Hilstone Limited
Hitachi Limited
Honeywell Control Systems
Intel Corporation (UK) Limited
Japanese Railway Society
JTB Europe Limited
Kajima Construction Europe (UK)
Kodak Foundation
Lex Service PLC
Lloyds TSB Foundation for England & Wales
Lloyds TSB PLC
Marubeni Corporation
Matsuri Restaurant
Meteorological Office
Mitsubishi Corporation (UK) PLC
Mitsui & Co UK PLC
Museo de la Cienca de la Fundacio 'La Caixa'
National Arts Collections Funds
National Tramway Museum
Natural Environment Research Council
Natural Environment Research Council
New Opportunities Fund
Nishimatsu Construction Co Ltd
Pioneer GB Limited
Pioneer Technology UK Limited
Porterbrook Leasing Company
Private Donations
Serco Rail Property
Science Year
South West Trains Limited
Stanley Krelle Legacy
Sumitomo Corporation Europe PLC
SW Durham Training Limited
Taisei Corporation
The Daiwa Anglo-Japanese Foundation
The Great Britain Sasakawa Foundation
The National Endowment for Science, Technology & the Arts
The Souldern Trust
The Wellcome Trust
The Wolfson Foundation
Tinsley Wire Limited
Toshiba
Toshiba of Europe Limited
Unisys Corporation
York Inward Investment Board

Appendix 4 – Performance Indicators

Achievement of performance targets

DCMS OBJECTIVE 1

No Objective 1 targets have been agreed for NMSI as this objective is being satisfied by other DCMS organisations.

DCMS OBJECTIVE 2

Broaden access for all to a rich and varied cultural and sporting life and to our distinctive built environment; and encourage conservation of the best of the past.

Strategic Purpose 1: Being approachable and relevant to society

Outcome: The NMSI has a positive public perception amongst its users, measured by public opinion surveys.
Activity: The NMSI champions itself and its sector.

2.1.1 Core targets:

(I) numbers of visitors making repeat visits (thousands)

Thousands	Target 2001-02	Actual at end of Year
SM	1,044	657[1]
NMPFT	480	494
NRM	269	382
Wroughton	35	22
Total	**1,828**	**1,555**

1. Please see explanation of variation at 2.2.1 on lower visitor numbers generally. In addition to this, we have moved to a more accurate (in house) means of measuring repeat visits and to a shorter definition of repeat (within 3 years rather than 5 years) which is likely to show a lower figure. We expect this figure to rise however, now that free admission has been introduced.

2.1.2 Museum Targets

(I) percentage of visitors who are satisfied or very satisfied with their visit

% very/satisfied	Target 2001-02	Actual at end of Year
SM	95	96
NMPFT	96	98
NRM	95	97
Wroughton	90	N/A[1]

1. This information is now being collected for 2002-03, via visitor surveys.

(II) number of enquiries about the collections from the public.

Number	Target 2001-02	Actual at end of Year
SM	18,000	15,903[1]
NRM	18,500	22,821[2]
NMPFT	4,200	3,217[3]
Total	**40,700**	**41,941**

1. **SM** - This is an outcome over which we have no direct control, but we consider this outcome to be within a random fluctuation band.
2. **NRM** -Improved access to all collections, particularly since the opening of the Warehouse, and the development of archival catalogues and hand lists, has lead to greater public awareness of the resources held by the NRM. This in turn has caused an escalation in the number of curatorial enquiries.
3. **NMPFT** - We have launched a new initiative, encouraging enquiries via the web by making available information sheets and answers to the FAQs. This additional service has been offered as a result of analysis of visitor enquiries and we believe this is a welcome addition to, and improves, the service we offer. This has, however, impacted on the number which come as separate directly addressed enquiries. It is NMPFT strategy to move to a less staff resource dependent service.

Strategic Purpose 2: Encourage the widest possible audience

Outcome: The NMSI has a larger and more diverse audience visiting it.
Activity: The NMSI will produce a visitor development strategy, will remove physical barriers to improve access and barriers to remote access.

2.2.1 Core target:

(I) total number of visitors

Thousands	Target 2001-02	Actual at end of Year
SM	1,800	1,653[1,2]
NMPFT	750	823
NRM	480	588
Wroughton	60	42[3]
NMSI total	**3,090**	**3,106**

1. Visitor figures in London were severely affected by the effects of September 11, particularly with regard to overseas tourists. The visitor figures for September, October and November were the lowest for those months since 1993-94. We were also affected by lower number of UK visitors travelling into London during the foot and mouth disease epidemic (FMD), which lasted into this Financial Year in some parts of the country.
2. This includes 539 visitors to Blythe House.
3 . Wroughton visitor figures were hit very hard by FMD, resulting in the cancellation of three major events (Wiltshire Steam & Vintage gathering, Try Drive 2001 & the Festival of Free Flight). Visitor numbers for these three events combined would have been expected to be 15-20,000.

(II) numbers of children visiting the NMSI

Thousands	Target 2001-02	Actual at end of Year
SM	900	769[1]
NMPFT	255	272
NRM	130	193[2]
NMSI total	**1,285**	**1,234**

1. Please see explanation of variation at 2.2.1 - total number of visitors.
2. Includes education numbers

(III) numbers of over 60s visiting the NMSI

Thousands	Target 2001-02	Actual at end of Year
SM	54	76
NMPFT	41	83
NRM	81	79[1]
NMSI total	**176**	**238**

1. This figure has been taken from entry receipts. However as entry charges were abolished on 1st December an accurate count of 60+ audience is no longer possible. If we extrapolated the figures from the annual visitor survey the 60+ visitor number would be 105,815.

(IV) website visits

Thousands	Target 2001-02	Actual at end of Year
SM	775	1,710
NMPFT	220	528
NRM	40	433
NMSI total	**1,035**	**2,671[1]**

1. Explanation of variation:
We have been measuring the statistics in a very much more accurate way since April 2001. We have also installed a new web server which has meant a dramatic improvement in performance. These factors build on the general increase of the internet use across the UK.

(V) no of objects internet accessible

Number	Target 2001-02	Actual at end of Year
SM	3,500	4,785
NMPFT	1,500	130[1],[2]
NRM	450	479
NMSI total	**5,450**	**5,394**

1. Owing to new technological developments, implementation of the next phase of putting NMPFT objects on line was moved to 2001/2 but was dependent on funding bids to deliver this objective. This funding has now been received some 6 months later than anticipated. Accordingly significant improvements will now occur from spring 2002 onwards with full impact in 2002/3.
2. A 'micro web site' for *Insight*, depicting several of the objects from the NMPFT Collection, has been developed. Since the launch of *Insight* on 30 November 2001, this site has been a major vehicle for future on-line availability of objects from the Collection and it is expected that the number of objects accessible through the internet will increase as a consequence of this.

(VI) time open - percentage of a 12 hour day

% open	Target 2001-02	Actual at end of Year
SM	68	68
NMPFT main galleries	59	59[1]
NMPFT film interpretation/ education progs	92	92[1]
NRM	66	79.8[2]

1. NMPFT main galleries are open 59%, but including the evening film interpretation/ education programmes, NMPFT is open 92%
2. This figure reflects the increase in evening events over the year.

Museum Targets

2.2.2 NMSI target

- **percentage of visitors from ethnic minorities**

Science Museum - statement of aims
During this financial year we are carrying out an extensive survey to enable us to have a full in-depth profile of our current visitors. To complement this a number of visitor panels will be established, including minority ethnic groups, which will provide input and advice to the museum, inform all our work and enable us to determine which barriers exist to certain groups visiting.

We are delivering a project funded by the **Lucent Technology Foundation** working with local secondary schools in Kensington and Chelsea. These schools have high proportion of minority ethnic groups and a wide range of mother tongue languages spoken. Between 25-40% of the children are

entitled to free school meals (families who are in receipt of income support or income-based Job Seekers Allowance are entitled to free school meals).

Science Museum - report of achievements in 2001-02

Visitor research
Visitor research during 2001-02 included audience profiling, new audience research and research into the SM website. This work will, over time, allow us to track changes; it is helping to define marketing strategy and identify new audiences and it will help in the planning and redevelopment of galleries and events such as the Black History month events for 2002. The audience profiling is, in particular, helping to identify new audiences to aim for e.g. socially excluded groups such as the African Caribbean community. Results of the evaluation of the website are guiding the re-design of the website and helping to define new on-line resources.

Outcomes of evaluation of the Science and Culture programme are contributing directly to the development of the new website. Outcomes of evaluation of Naked Science events will contribute to the development of the Naked Science programme. At Wroughton, evaluation of open day events and public reactions to the early proposals for Creative Planet will be incorporated into bids and will contribute to the planning of Creative Planet.

The results of evaluation in the Wellcome Wing are being used for many purposes including developing new alternative systems of electronic outreach, helping to re-design interactive games and electronic labels and in planning Antenna exhibitions.

The Lucent funded project
The South Kensington Programme, sponsored by **Lucent Technology Foundation**, is reaching completion now. This pilot project enabled us to develop a range of approaches for engaging teenagers in science and will feed into our day to day work with this age group. This project targeted schools in disadvantaged areas of Kensington and Chelsea.

NMPFT - targets

% visitors	Target 2001-02	Actual at end of Year
NMPFT	13	13

NRM - statement of aims 2001-02

The percentage of visitors from ethnic minorities in the NRM's visitor profile is very low, reflecting an even lower percentage in the sub-regional population surrounding the Museum. Relative to its sub-region, the NRM is able to attract a higher percentage of ethnic minorities because of the long-distance visitors and overseas tourists that it is able to attract.

The NRM aims to increase the level of UK ethnic minorities that it attracts by increasingly reflecting more of the contribution of ethnic minorities to the operation of Britain's railways in its displays and by seeking ways to extend the reach of its education programmes to a wider range of schools in the one - two hour travel zone.

NRM- report of achievements in 2001-02

During the financial year 2001-02 we have continued to target schools within a 1 to 1/2 hour drive to York. This area includes many educational establishments, which are highly populated with ethnic minorities.

Market Research work has also commenced to enable us to start to build a better understanding of the barriers, which exist, to visitors from ethnic minority groups. This work will continue in the coming year and will inform and assist the development of displays and exhibitions and enable the NRM to generate targeted marketing activities.

The visitor exit surveys will now monitor the numbers of visiting ethnic minorities to enable us to monitor our success in this area.

- **Percentage of visitors from C2D and E socio-economic groupings**

Science Museum - statement of aims

The Science Museum is committed to encouraging the widest possible audience and in particular to increasing the number of visitors from socio-economic groups C2D&E, not traditionally well represented among museum visitors. We believe that the Science Museum can play an important part in combating social exclusion by giving people the knowledge, skills and confidence to engage more fully with society.

To reach the widest possible audience we first need to understand the interests, concerns and aspirations of the full range of our potential audiences through specialist visitor research. We aspire to reach the widest possible audience by making the Science Museum's galleries, exhibitions, programmes, website, publications and marketing strategies reach out and relate the widest social spectrum. We aim to ensure that all staff have the skills to enable the Museum to meet the needs of existing and new audiences; front of house staff, in particular, play a vital role in making the building welcoming to visitors.

Abolishing charging will remove a barrier for many people and we see this as an important element in making the Museum accessible to the widest possible audience.

Science Museum - report of progress against aims

A new post has been created in the Science Museum – that of Community Liaison Officer. This post is funded by Lloyds TSB. From January 2002 the post holder started contacting local community groups (community centres, supplementary schools, day clubs for the elderly, etc.), with a view to delivering outreach projects to these organisations prior to the groups visiting the Museum. We are developing similar links with community groups in boroughs such as Tower Hamlets and Newham.

Please also see Visitor Research (above).

NMPFT - targets

% visitors	Target 2001-02	Actual at end of Year
NMPFT	20	21

NRM - statement of aims

The NRM already has a very high level of C2,D and E socio-economic group visitors within its visitor profile. We aim to continue to develop this strength through accessible programmes attracting the widest possible audiences**.**

NRM - report of progress against aims

The NRM has continued to increase its audiences of C2D and E socio economic visitors. This reflects the populist appeal of its subject and the NRM's role as the museum of a large people-intensive industry.
Market Research has taken place to allow us to continue to develop our understanding of these audiences. The conclusions drawn from this research have enabled the museum to target its display development and marketing activities to appeal to this group of visitors.

We will continue to develop this strength through accessible programmes attracting the widest possible audiences.

Strategic Purpose 3: Enriching cultural and sporting life through acquisition, preservation, support for facilities, art forms, etc

Outcome: The NMSI will preserve and add to its collections for future generations in line with its institutional objectives.
Activity: The NMSI will achieve the outcome through implementing our acquisition, conservation, and storage policies.

2.3.1 Core target:

(I) percentage of collections stored to Resource's standards.

Category %	Target 2001-02	Actual to end of year
Large objects	**87**	**87**
General collections	**94**	**94**
Archive & Library	**84**	**84**
Photographic collections	**93**	**93**

Storage Note. NMSI is currently reviewing the assessment criteria for determining the figures in the light of professional collections care and Resource standards. This is in progress and will be presented at the next Financial Year. In the light of the current museums review NMSI is intending to present individual sets of figures for the museums in the same way that other performance indicators are shown. This will present a clearer overall picture of storage and collections care across the family of museums. In the last Financial Year both NRM and NMPFT have made substantial improvements to areas of their collections as can be seen in *the Works,* at York and *Insight,* the new research centre, at Bradford.

2.3.2 Museum target: objects: number of acquisitions.

Number	**Target** 2001-02	Actual to end of year
SM	1,000	782[1]
NRM	280	1,779[2]
NMPFT	250	164[3]
Total	**1,530**	**2,725**

1. In alignment with our new strategy, we are collecting selectively for quality of acquisition rather than aiming at a quantity target.
2. This increase in acquisitions is due to the collection of material acquired from the British Railways Board due to the disbanding of the Board.
3. Encompassing approximately 800 items. The above accession numbers encompass several small collections of photographs, printed ephemera and archive material. Please see additional note on NMPFT acquisitions at Appendix E.

DCMS OBJECTIVE 3

Develop the educational potential of the nation's cultural and sporting resources; raise standards of cultural education and training; and ensure an adequate skills supply for the creative industries and tourism.

Strategic Purpose 1: Promoting educational potential and promoting and raising quality of provision

Outcome: Better educated audiences and visitors.
Activity: Identify how our education strategy will help deliver better educated audiences and visitors.

3.1.1 Core target: number of learners in on site programmes

Thousands	Target 2001-02	Actual to end of year
SM	469	554[1]
NMPFT	80	73[2]
NRM	40	38[3]
NMSI total	**589**	**625**

1.The increase in this is almost entirely down to reshaping Science Shows and making them more frequent, particularly in response to the increase in visitor numbers since free admission.
2. The recent unrest and social disturbances in Bradford gave rise to a notable drop in educational visits in the latter half of 2001/2. Many teachers, considering booking school visits to the Museum, sought reassurance that we would be able to guarantee the safety of school parties visiting Bradford. These reassurances were needed

for school governing bodies but unfortunately we were unable to guarantee this and visitor numbers fell as a result.
3. This figure is slightly below target due to the staffing gap during the recruitment of the Head of Education position.

Strategic Purpose 2: Ensuring an adequate skills supply for the creative industries and tourism

Outcome: To ensure a properly skilled museum/gallery workforce.
Activity: The NMSI will develop a comprehensive training programme for all staff. It will assess the skills needs of the organisation and develop a plan for achieving it. Indication of collaboration with the Cultural Heritage National Training Organisation, if appropriate.

3.2.1 Museum target: training and development - statement of aims

Each year, across NMSI we will:

- give an average of at least 2 training and development days per member of staff (this is an average of all members of staff at all sites)
- sponsor a minimum of 15 people to study for work-related qualifications and
- give all new staff comprehensive induction training within 3 months.

Report of achievements in year

- An average of 2.3 training and development days were provided per member of staff.
- 24 people were sponsored to study for work-related qualifications in the reporting period.
- 85% of all new staff received comprehensive induction training in the reporting period.
- Since 24 September 2001, all new joiners at the Science Museum have undergone a comprehensive induction process. Prior to this, comprehensive induction was only offered to Explainers and Warders/ Visitor Services Assistants.

The buddy scheme was introduced as part of the new induction programme to provide additional support to new joiners at NMSI. Buddies were selected from across the organisation and trained accordingly for the role. All new joiners are assigned a buddy for the duration of their induction period and they provide help, support and advice, while setting excellent standards. Feedback from new staff has been positive, as they appreciated having a friend outside their immediate work environment, which also helped them to appreciate the diversity of roles within the organisation.

DCMS OBJECTIVE 4

Ensure that everyone has the opportunity to develop talent and to achieve excellence in the areas of culture, media and sport

Strategic Purpose 1: Supporting individual excellence

Outcome: Developing and sustaining new talent through investment to deliver high quality services throughout the Museum.
Activity: The NMSI will provide the necessary training and facilities to support and nurture new talent.

This outcome is addressed through the targets in Objective 3 Strategic Purpose 2 (above).

Strategic Purpose 2: Achieving and encouraging institutional excellence

Outcome: Delivering excellence in the services provided, and being responsive to regional needs and issues.
Activity: The NMSI will introduce quality initiatives, both internally and with its partner organisations, to facilitate delivery of successful outcomes. This will include developing the business planning process, providing support for national and regional initiatives and working with other governmental institutions to deliver government programmes successfully.

4.2.1 Core target: numbers of UK and overseas loan venues

Number	2001-02	Actual to end of year
SM	114	140[1]
NMPFT	14	14[1,2]
NRM	117	91[1]
NMSI total	**245**	**245**

1. The loan of material from the National collections is a reactive activity. It is therefore difficult to predict and quantify the phasing of loans.
2. This includes 6 loans from the Royal Photographic Society (RPS). As a direct result of NMPFT's partnership with RPS, since October 2001, NMPFT has agreed to assume responsibility for admin of its loan programme. A list of NMPFT key loans is at Appendix A.

4.2.3 NMSI specific target: temporary exhibitions and updates

Year	Target 2001-02	Actual to end of year
SM	55	51[1]
NMPFT	9	9
NRM	6	5[2]
NMSI total	**70**	**65**

1. lower than target due to less Antenna Rapids in the Wellcome Wing than planned.
2. NRM has also introduced two new permanent displays during the year, details at Appendix B.

Temporary exhibitions and updates are listed at Appendix B

Strategic Purpose 3: Harnessing cutting edge research

Outcome: Maximising and widening the contribution that the research that the NMSI is carrying out in supporting education and excellence.
Activity: The NMSI will develop and implement a research strategy. This strategy will be linked to supporting its work on promoting education and excellence within its sector.

4.3.1 Museum target: number of books and refereed articles published (1 book = 5 refereed articles)

Year	Target 2001-02	Actual to end of year
SM	30	31
NMPFT	20	18[1]
NRM	12	11
NMSI Total	**62**	**60**

1. *Insight* NMPFT's Collections & Research Centre

A very significant step towards the Museum's commitment to collections research and access was achieved this year with the formal opening of '*Insight*' on 1 December 2001. The Centre has considerably enhanced the Museum's national and international standing and powerfully reinforced its commitment to research and access. The acquisition of the Royal Photographic Society (RPS) Collection is a clear endorsement of this.

'Insight' is the heart of the Museum, will help raise its authoritative integrity and acts as a catalyst for a broad range of outcomes. It promotes internal and external debate, disseminates knowledge to both specialist and generalist audiences and influences every aspect of the Museum's activities.

DCMS OBJECTIVE 6

Promote the role of the DCMS' sectors in urban and rural regeneration, in pursuing sustainability and in combating social exclusion

Strategic Purpose 1: Enhancing sustainable economic regeneration

Outcome: Maximising through partnerships the resources levered into the NMSI to enable new and improved services and facilities.
Activity: The NMSI will develop and implement a fundraising policy to lever in additional resources to deliver new services

6.1.1 NMSI target: the number of urban regenerative projects to which NMSI is contributing.

Science Museum

Urban Regenerative Projects - aims

We continue to deliver on a **Carlton TV Trust funded project** working with primary schools in the Inner London Area. These schools have been identified as having social needs or disadvantage and less than average SATs results. This finished in July 2001.

We also continue with our **community based school outreach projects** to areas such as Hackney, Tower Hamlets, Lambeth and Hammersmith & Fulham and continue to work with other local museums such as Hackney and Ragged School on outreach projects in the local communities. Our specific **DfEE funded project** with Hackney museums finished in July 2001. This involves similar schools, all in Hackney, with high levels of social disadvantage and is a collaborative project with a local museum.

In addition, the **Lucent Technology funded project**, mentioned above, started Spring 2001, completing Spring 2002. This project pilots a range of approaches for engaging teenagers in science and feeds back into our day to day work with this age group.

A number of other **collaborations with schools** who are in receipt of NOF and/or Excellence in Cities funding will take place. These started in September 2001 and ran through the academic year.

Statement of progress against aims

The **Carlton Project** came to an end in July 2001. This project, funded by Carlton TV Trust, enabled us to work with 20 primary schools with less than average SATs results in disadvantaged areas of London.

The **DfES funded project**, which enabled us to work with Hackney Museum and The City Literary Institute in 5 Hackney Schools to deliver science shows and activities based on forces to Year 5 and 6 children and their parents, was also completed by July 2001.

The South Kensington Programme, sponsored by **Lucent Technology Foundation**, is reaching completion now. This pilot project enabled us to develop a range of approaches for engaging teenagers in science and will feed into our day to day work with this age group. This project targeted schools in disadvantaged areas of Kensington and Chelsea.

We have continued to work with **The Ragged School Museum** to deliver activities as part of their holiday programmes for their local community in Tower Hamlets. We are also initiating projects with other community-based organisations in this borough.

We are halfway through a year's sponsored project which focuses on developing the abilities of 'gifted and talented' year 5 and 6 children in primary schools. We are working in **six schools in disadvantaged areas** of Camden and Kensington and Chelsea. Each school receives six sessions based on a scientific theme selected by the teacher. This project is due to finish in October 2002.

The appointment of a **Community Liaison Manager** (mentioned in 2.2.2) in January 2002 has resulted in contact being made with a large number of community groups in Kensington and Chelsea. There are plans now in place for us to deliver outreach activities to these groups prior to the groups

visiting the Science Museum. These organisations include centres for families, day centres for the elderly, supplementary schools, etc.

NMPFT - targets

No of projects	Target 2001-02	Actual to end of year
NMPFT	5	6

NMPFT - note
Since its birth the NMPFT has been closely associated with the Bradford & Humberside regional and economic development. This continues with 6 significant programmes in which the Museum is engaged:
Bradford New Media Steering Group,
South Bradford Education Action Zone,
City of Culture Bid 2008,
Bradford Breakthrough,
Culture, Culture BBC,
Youth TV Project.

NRM - aims

Shildon
The NRM is working with Sedgefield Borough Council to develop a new reserve collections centre as an extension to the Borough's Timothy Hackworth Railway Museum at **Shildon** in County Durham.

The project has received Stage 1 approval from the Heritage Lottery Fund for a grant of £4.575M and the remaining funding, some £1.6M is being sought from Single Regeneration Budget, the Regional Development Agency and European Regional Development Fund (see page 23 for latest position).

The project is seen by Sedgefield as crucial to its policies of stimulating economic development in a de-industrialised community and bolstering a programme of developing tourism and civic pride in the area. Thickley Ward, in which the project is situated, scores highly in a number of deprivation indices and the project has been welcomed for the boost it provides to the area.

It is intended to set up a skills training workshop under the auspices of South West Durham Training Ltd to provide training opportunities for young people linked to the Museum's conservation programme.

York Central
The National Railway Museum site is surrounded by some 30 hectares of underused and derelict 'brownfield' land, surrounded by railways and suffering from a lack of the essential infrastructure necessary to allow development to proceed.

The Museum is a key member of a partnership which has been working to see the development of this area as a high quality extension to **York's city centre**. Partners include other landowners, principally Railtrack and Jarvis plc, Yorkshire Forward (the Regional Development Agency) and the City of York. Jointly funded consultancy work has now established that a commercial development is viable given the involvement of Yorkshire Forward in investment in the necessary communications infrastructure. Attention has now turned to creating the delivery mechanisms necessary, although it is recognised that the project will take some years to deliver.

Report of progress against aims

Shildon
The Shildon project upholds the NMSI's mission statement to champion sustainability through the use of gabion walls using stone from local quarries, a rainwater harvesting system linked to wind power for the Museum's water supplies and for filling steam locomotives with boiler friendly water. The team is also exploring the use of PV roof panels and environmentally friendly transport and fuels.

The NRM has joined the "Planet York" initiative by making a pledge to contribute to energy savings. We are including energy efficiency advice as part of our staff induction process for new staff. This not only ensures that all entrants understand our sustainable culture, but it also sets the tone and standard for their time at the Museum. Advice will include switching off lights when not needed, reporting faulty heating, plumbing and lighting and keeping windows closed when the heating is on.

Strategic Purpose 2: Promoting sustainable engagement with under-served audiences.

Outcome: Delivering projects that are sustainable and engage under-represented audiences.
Activity: The NMSI will develop and implement a regional programme

Museum specific target: see statements and targets relating to ethnic minorities and C2,D,E visitors under Objective 2, Strategic Purpose 2.

EFFICIENCY AND EFFECTIVENESS MEASURES

Efficiency Target: Delivering the services provided as efficiently and effectively as possible, and for the least cost.

Outcome: Maximising efficiency and use of resources available.

Activity: The NMSI will, in partnership with the DCMS, conduct a value for money study by April 2002

Core Target

E1 Grant in Aid per visitor

Grant in Aid per visitor	Target 2001-02	Actual to end of year
Actual visitors	3,090	3,106
Virtual visitors	1,035	2,671
All visitors	4,125	5,777
GiA per visitor excluding capital	£6.63	£4.60
GiA per visitor excluding capital and admission compensation	£5.68	£4.04

N.B. With straight line Grant in Aid and actual visitor numbers, Grant in Aid per visitor remains similar, however the effect of inflation means that the real cost is reducing.

In 2002-03 the Grant in Aid per visitor appears to rise slightly as the full year effect of free admission compensation is included. The Grant in Aid per visitor excluding free admission compensation shows the underlying decline in cost per visitor.

E2 Core target: average days lost due to sickness per employee per year

Average	Target 2001-02	Actual to end of year
NMSI average	5	4.5

E3 Museum Specific target: sponsorship cost as a percentage of income generated

Rolling 3 year average	Target 2001-02	Actual to end of year
NMSI wide average	15%	8.2%

APPENDICES

A - NMPFT - Loans out
B- NMSI - List of temporary exhibitions
C- NMSI - List of publications

Appendix A: NMPFT Loans Out

- **Loan of Significant Early Historic Photographs to Tate Britain**
- **Loan of Talbot Works to Reina Sofia in Madrid**

1. Loans from NMPFT Collection

Institution	Dates	Items Requested
The Dock Museum, Barrow	5 April 2001 – 4 April 2004	Selection of 3 cameras (NMPFT Photographic Technology & Cinematography Collection)
Victoria & Albert Museum, London	***5 April 2001 – 29 July 2001***	***Two items of early camera equipment (NMPFT/ScM Photographic Technology Collection)***
The Lowry, Manchester	12 May 2001 – 22 July 2001	Eleven landscape photographs by Ray Moore (NMPFT Photographs Collection)
National Portrait Gallery, London	6 June 2001 – 7 October 2001	Five images by Julia Margaret Cameron and other practitioners (NMPFT Photo. Collection)
Museo Reina Sofia, Madrid	10 July 2001 – 7 September 2001	400 early photographic images by W H F Talbot (NMPFT/ScM Photographs Collection)
Leighton House Museum, London	12 September 2001 – 31 January 2002	Victorian Key magazine plate camera (NMPFT Photographic Technology)
Tate Britain, London	26 October 2001 – 28 February 2002	Selection of early photographic images (NMPFT Photographic Technology Collection)
Barbican Art Gallery, London	22 January 2002 – 30 April 2002	Loan of Ekco television receiver (NMPFT Television Collection)

2. Loans from Royal Photographic Society Collection (administered by NMPFT)

Institution	Dates	Items Requested
City Art Centre, Edinburgh	November 2001 – January 2002	4 early photographic works by Julia Margaret Cameron (RPS Collection)
Galeria d'Arte Moderna, Bologna	November 2001 – January 2002	One work by Roger Fenton (RPS Collection)
Palazzo delle Esposizioni, Rome	24 January – 8 April 2002	Selection of 120 early photographic works (RPS Collection)
Tate Britain, London Haus der Kunst, Munich Brooklyn Museum of Art	1 Nov 2001–27 Jan 2002 1 March – 2 June 2002 6 Sept 2002– 5 Jan 2003	Six early photographic works (RPS Collection)

Appendix B - NMSI temporary exhibitions

Details of major exhibitions are given within the Foreword.

Science Museum

Antenna Features, - Climate Change, Cybercrime
The Spare Room in the Basement - Santa in Luna Land

Ground floor Tech Futures showcase - CRT Diesel catalyst
Space Update Area - Helen Sharman's spacesuit
Picture Gallery - Seeing Red
Maths - Getting your sums right

Antenna Rapids

1.Brain transplants	(no title)	web
2.Mir update	Mir: end of a cosmic career	gallery
3.Ecohouse	An eco-friendly house worth living in?	gallery
4.Scuba	A scuba pack for Spy Kids?	gallery
5.Space tourist	2001: A Space Holiday	gallery
6.Lobster violins	Spiny lobsters play the violin	gallery
7.Foot and mouth 3	Foot and Mouth: is this the end for British farmers?	gallery
8.US defence shield	Son of Star Wars': a threat to Britain	gallery
9.Bones	Miracle fertiliser gets bones growing	gallery
10.Foot and mouth 3 update	(title unchanged)	gallery
11.SPF clothing	Dressed to kill	web
12.Scramjet	Stray rocket scuppers world's fastest jet	gallery
13.Wimbledon	Bigger balls mean better tennis	gallery
14.Neurology conference	Antenna reports daily from the 17th world congress of neurology conference	web
15.WTN awards	Tears and smiles: technology awards 2001	gallery
16.Paranormal	Cyberspace: a new haunt for ghostbusters	gallery
17.Cholera	Gnats hold key to cholera outbreaks	gallery
18.Virtual Signer	Has virtual TESSA got Lara licked?	gallery
19.Flapping planes	A micro-plane that flaps like a bug?	gallery
20.Human clone	First human clone due 2002?	gallery
21.Concorde risks	Would you take a chance on Concorde?	gallery
22.BA Festival of Science/ 23.Science Year launch	BA Festival of Science plus Jump Start for Science Year	web
24.US disaster	Role of Internet in aftermath of US disaster	gallery
25.Human Body	Close encounters with the Human Body	gallery
27.Concorde redesign	Concorde's safety makeover	gallery
28.Anthrax	Anthrax alert	web
29.Bioterror	Is Britain ready to beat bioterror?	gallery
30.Music	Cyber song searching made simple	gallery
31.Bins	Blast-proof bins put to the test	gallery
32.Harry Potter	Wizard scientists achieve teleportation magic	gallery
33.Human cloning II	The first human clone: it's a girl	gallery
34.Thieving jays	Thieving jays may read other birds' minds	web
35.Storing baby blood	Storing your baby's blood - the ultimate health insurance?	web
36.Racing driver	Racing drivers 'don't look where they are going'	gallery
37.Pogo legs	Horses' legs act like pogo sticks	gallery
38.Idaho aliens	Could hot new bugs have relatives on Mars?	gallery
39.Piggy transplant gery	This little piggy went to transplant surgery	web
40.Kitten clone	First kitten clone: but is it worth the waste?	web
39.Lightest batteries	Transplant patients 'plug in to mains' to recharge artificial organs	gallery
40.Ice collapse	Is climate change causing ice-cap collapse?	gallery

. **NMPFT**

1. The Art of Star Wars
2. Symptomatic
3. Grease, Paint and Gore
4. Victoria
5. Hammer Horror
6. Is That a Gun in your Pocket
7. In Memory: Photographs of the Queen Mother from the Daily Herald Collection

NRM

1. Evidence of Enterprise
3. Railart

Appendix 5 - Addresses

The Science Museum
Exhibition Road
London
SW7 2DD

The National Railway Museum
Leeman Road
York
Yorkshire
YO2 4XJ

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

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

Blythe House
23 Blythe Road
London
W14 0QF

Appendix 6 - NMSI Advisers and Company Information

Auditors

NMSI

Comptroller & Auditor General
National Audit Office
Buckingham Palace Road
London SW1W 9SP

NMSI Trading Limited and Bradford Film Limited

Tranter Lowe
6 Market Street
Oakengates
Telford
Shropshire TF2 6EF

Bankers

NMSI, NMSI Trading Limited and Bradford Film Limited

Barclays Bank plc
50 Pall Mall
PO Box No 15162
London SW1A 1QB

NMSI Trading Limited

N M Rothschild & Sons
New Court
St Swithin's Lane
London EC4P 4DU

Solicitors

NMSI, NMSI Trading Limited and Bradford Film Limited

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

Cameron McKenna
Mitre House
160 Aldersgate Street
London EC1A 4DD

Company Information

NMSI Trading Limited

Directors

Sir Peter Williams (until 01.01.2002)
Mr Martin Smith (from 21.02.2002)
Mr Robin Cole-Hamilton
Dr Lindsay Sharp

Secretary
Ms Anne Caine

Registered office
Exhibition Road
South Kensington
London SW7 2DD

Registered number

2196149

Bradford Film Limited
(a company limited by guarantee)

Directors

Lord Puttnam of Queensgate
Mrs Amanda Nevill
Mr Robin Cole-Hamilton

Secretary
Ms Anne Caine

Registered office
Exhibition Road
South Kensington
London SW7 2DD

Registered number

3309258

Statement of Trustees' and Director's responsibilities

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

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

- observe the accounts direction issued by the Secretary of State*, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates that are reasonably prudent;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Museum will continue in operation.

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

Rt Hon Lord Waldegrave of North Hill *18 July 2002*
Chairman of the Board of Trustees

Dr Anne Grocock *18 July 2002*
Trustee

Dr Lindsay Sharp *18 July 2002*
Director and Accounting Officer

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

Statement on the System of Internal Control

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that:

- supports the achievement of the objectives of the National Museum of Science & Industry
- safeguards the public funds and assets for which I am personally responsible in accordance with the responsibilities assigned to me in Government Accounting and
- ensures compliance with the requirements of the National Museum of Science & Industry's Financial Memorandum.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the Museum's policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of the Museum's policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. During 2001-02, NMSI completed the Strategic Review and adopted new objectives that were reflected in the business plans. These included a high level assessment of the major risks to achieving these objectives which will inform our actions in managing these risks efficiently, effectively and economically as we implement our plans to achieve the objectives over the coming years. Risk management has been incorporated more fully into the corporate planning and decision making processes of the Museum Following the Strategic Review process, we have addressed the major risks of adapting our organisation to attain the revised objectives resulting from the Review and are still in the process of implementing the necessary changes in a way that minimises the risks while not endangering the agreed objectives. With the new structure in place in 2002-03, we shall be able to formalise the risk management work that has already taken place to match the new organisational responsibilities.

The Board received reports from the Chairs of the Audit and Finance and General Purposes Committees and myself concerning matters affecting internal control. The Trustee Audit Committee reviewed its terms of reference in 2001-02 and extended these to include a wider brief of internal control in line with the increased requirements. During 2001-02, the Museum has focused particularly on improving standards of Health and Safety raising its profile through formal training and regular reporting and on resolving issues of risk in relation to Collections Management and Change Management. It has also undertaken informal training to disseminate the process of risk management through the management team.

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 management team comprising the Heads of Museums and of major national functions which meets monthly to consider the plans and strategic direction of the Museums;
- regular reports from managers to the Audit Committee, Finance & General Purposes Committee or management team (as appropriate) on the steps they are taking to manage risks in their areas of responsibility including progress on key projects;
- annual completion of internal control schedules by senior managers to confirm their compliance with NMSI's internal control standards;
- 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 Balanced Score card indicating attainment against objectives and of periodic and annual financial reports which indicate financial performance against the forecasts;
- a Funding Agreement between NMSI and Department for Culture, Media and Sport which includes performance measures for future years;
- clearly defined capital investment control guidelines
    - as appropriate, formal project management disciplines paying particular attention to risk and contingency levels.

The National Museum of Science & Industry uses the internal audit services of the South Kensington Museum Audit Consortium, based at the Natural History Museum, which operates to the Government Internal Audit Standards. The work of the internal audit unit is informed by an analysis of the risk to which the body is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by the Trustee's Audit Committee and approved by me. The Head of Internal Audit (HIA) provides me with regular reports on internal audit activity in the body. The reports include the HIA's independent opinion on the adequacy and effectiveness of the body's system of internal control, together with recommendations for improvement. In the Internal Audit annual report for 2001-02, the HIA gave the opinion that the Museum had a sound framework of internal control to manage the major risks to the achievement of the Museum's objectives and to help ensure the proper conduct of business.

My review of the effectiveness of the system of internal control is informed by he work of the Internal Auditors; the Audit Committee which oversees the work of the internal and external auditors; the Internal Control Statements of compliance completed by managers; and comments made by the external auditors in their management letter and other reports.

Dr Lindsay Sharp . 18 July 2002. . . . . .
Director and Accounting Officer.

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

I certify that I have audited the financial statements on pages 49 to 72 under the Museums and Galleries Act 1992. These financial statements have been prepared under the historic cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 54 to 57.

Respective responsibilities of the Trustees, the Director and Auditor

As described on page 46 the Trustees and the Director of the National Museum of Science and Industry as the Accounting Officer are responsible for the preparation of financial statements in accordance with the Museums and Galleries Act 1992 and directions made by the Secretary for Culture, Media and Sport thereunder and for ensuring the regularity of financial transactions. The Trustees and the Director are also responsible for the preparation of the Foreword and Annual Report. My responsibilities, as independent auditor, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements give a true and fair view, and are properly prepared in accordance with the Museums and Galleries Act 1992 and directions made by the Secretary of State for Culture, Media and Sport thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report, if in my opinion, the Foreword and Annual Report on pages 1 to 45 is not consistent with the financial statements, if the National Museum of Science and Industry has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the statement on page 47 reflects the National Museum of Science and Industry's compliance with the Treasury's guidance 'Corporate Governance: statement on internal control'. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements.

The maintenance and integrity of the National Museums of Science and Industry's website is the responsibility of the Accounting Officer; the work carried out by the auditor does not involve consideration of these matters and accordingly the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

Basis of audit opinion

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

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

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the National Museum of Science and Industry at 31 March 2002 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended and have been properly prepared in accordance with the Museums and Galleries Act 1992 and with the directions made thereunder by the Secretary of State for Culture, Media and Sport; and

- in all material respects the expenditure, income and resources have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General
23 October 2002

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

CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2002

	2002 £000	**2001** £000
Total Income (excluding capital income)	48,945	41,846
Total Expenditure	51,923	48,263
Total deficit for the year	(2,978)	(6,417)
Less movements on other funds	3,227	6,628
Operating surplus for the year	249	211

Income excludes contributions of £100,189k (2001, £10,911k) received by NMSI for capital purposes. The presentation for 2001 has been amended to exclude capital income. Other funds movements represent in year allocation by Trustees net of release of non capital expenditure to the current year.

The notes on pages 54 to 72 form part of these accounts

NATIONAL MUSEUM OF SCIENCE & INDUSTRY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 MARCH 2002

	Notes	2002 Unrestricted Funds	2002 Restricted Funds	2002 Total	2001 Total
Incoming Resources		£000	£000	£000	£000
Donations, Legacies and Grants					
Grant in Aid from DCMS	2	26,679	-	26,679	24,329
Grants, legacies and donations		32	3,624	3,656	5,021
Transfer of Science Museum site and NMPFT land		-	96,901	96,901	-
Activities in furtherance of NMSI's objectives					
Admissions	3	2,366	-	2,366	3,042
Lottery income		-	724	724	4,727
Sponsorship		-	1,025	1,025	1,910
Other operating income	4	697	-	697	639
Activities for Generating Funds					
Income from Commercial activities	7	16,759	-	16,759	12,866
Rental income		51	-	51	44
Investment income	5	275	-	275	179
Total incoming resources		46,859	102,274	149,133	52,757
Resources expended					
Charitable Expenditure					
Costs in furtherance of NMSI's Objectives					
Collections purchases		80	8	88	161
Care for and research into collections		5,632	673	6,305	5,751
Science education and communication		6,770	5,011	11,781	11,543
Visitor services		6,843	152	6,995	6,072
Support Costs		8,842	504	9,346	9,215
Management and administration of the Charity		1,148	6	1,154	911
Cost of generating funds					
Publicity and fundraising		417	-	417	427
Admission costs		460	-	460	1,840
Commercial costs		15,233	143	15,376	12,343
Total resource expended	6	45,425	6,497	51,922	48,263
Notional cost of capital	8	1,153	2,906	4,059	1,118
Net incoming/(outgoing) resources before transfers		281	92,871	93,152	,3,376
Reversal of notional costs		1,153	2,906	4,059	1,118
Transfer between Funds					
Net incoming/(outgoing) resources for the year		1,434	95,777	97,211	4,494
Gain/(Loss) on revaluation of assets		619	3,132	3,751	1,143
Net movement in funds		2,053	98,909	100,962	5,637
Fund balances brought forward at 1.4.01		18,359	80,942	99,301	93,664
Fund balances carried forward at 31.3.02		20,412	179,851	200,263	99,301

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

The notes on pages 54 to 72 form part of these accounts.

NATIONAL MUSEUM OF SCIENCE & INDUSTRY

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2002

	Notes	2002 £000	2001 £000
Fixed assets			
Tangible Assets	9	199,430	101,513
Current assets			
Stock		623	617
Debtors	12	8,282	5,740
Short term deposits	22	5,500	-
Cash in hand and at bank	22	351	5,399
		14,756	11,756
Creditors: amounts falling due within one year	13.1	(9,726)	(9,144)
Net current assets		5,030	2,612
Creditors: amounts falling due after one year	**13.2**	(1,302)	(1,630)
Provision for liability and charges			
Early Retirement Provision	14	(224)	(372)
Deferred income	15	(2,671)	(2,822)
Net assets		200,263	99,301
Represented by:			
Restricted funds:			
Sponsorship, Grants & Donations Reserve	19	2,577	2,037
Revaluation Reserve	16.1	4,994	1,863
Capital Projects Fund	18	172,316	77,042
Unrestricted funds:			
Designated funds			
Museum Improvement Reserve	20	2,049	1,918
Collections Purchase Fund	17	-	-
Revaluation Reserve	16.1	1,187	567
Capital Projects Fund	18	13,375	14,051
Contingency Fund	16.1	1,285	1,158
General funds:		2,480	665
Total funds		200,263	99,301

Rt Hon Lord Waldegrave of North Hill ……. Date 18 July 2002…….

Dr Anne Grocock ……. Date 18 July 2002…….

Dr Lindsay Sharp…….. Date 18 July 2002…….

The notes on pages 54 to 72 form part of these accounts

NATIONAL MUSEUM OF SCIENCE & INDUSTRY

MUSEUM BALANCE SHEET AS AT 31 MARCH 2002

	Notes	2002 £000	2001 £000
Fixed assets			
Tangible Assets	9	192,371	94,682
Investments	**7**	411	411
		192,782	95,093
Current assets			
Stock		-	-
Debtors	12	7,136	4,972
Short term deposits	22	5,500	-
Cash in hand and at bank	22	15	5,368
		12,651	10,340
Creditors: amounts falling due within one year	13.1	(5,195)	(5,894)
Net current assets		7,456	4,446
Provision for liability and charges			
Early Retirement Provision	14	(224)	(372)
Net assets		200,014	99,167
Represented by:			
Restricted funds:			
Sponsorship, Grants & Donations Reserve	19	2,577	2,037
Revaluation Reserve	16.1	4,994	1,863
Capital Projects Fund	18	172,316	77,042
Unrestricted funds:			
Designated funds			
Museum Improvement Reserve	20	2,049	1,918
Collections Purchase Fund	17	-	-
Revaluation Reserve	16.1	749	567
Capital Projects Fund	18	13,375	14,051
Contingency Fund	16.1	1,285	1,158
General funds:		2,669	531
Total funds		200,014	99,167

Rt Hon Lord Waldegrave of North Hill ……. Date 18 July 2002…….

Dr Anne Grocock …. ……. Date 18 July 2002…….

Dr Lindsay Sharp…….. Date 18 July 2002…….

The notes on pages 54 to 72 form part of these accounts

NATIONAL MUSEUM OF SCIENCE & INDUSTRY

CASH FLOW FOR THE YEAR TO 31 MARCH 2002

	Note	2002 £000	2001 £000
Net Cash flow from operating activities	22.1	5,486	16,038
Returns on investments and servicing of finance	22.2	182	50
Capital Expenditure	22.2	(4,105)	(13,089)
Management of liquid resources	22.2	(5,500)	-
Financing	22.2	(1,109)	(445)
Increase/(decrease) in cash		(5,046)	2,554
Increase/(decrease) in cash in the period	22.3	(5,046)	2,554
Cash (inflow)/outflow from (decrease)/increase in liquid resources	22.2	5,500	-
Decrease/(increase) in debt and lease financing	22.2	829	165
Change in net fund resulting from cash flow		1,283	2,719
New finance leases		-	-
Movement in net fund during the period		1,283	2,719
Net funds as at 1.4.01		2,914	195
Net funds at 31.3.02		4,197	2,914

The notes on pages 54 to 72 form part of these accounts

NOTES TO THE CONSOLIDATED ACCOUNT FOR THE YEAR ENDED 31 MARCH 2002

1 STATEMENT OF ACCOUNTING POLICY

1.1 Accounting Convention

The accounts have been prepared under a historical cost convention as modified by the revaluation of certain fixed assets. Without limiting the information given, the accounts meet the accountancy and disclosure requirements of the Companies Act 1995 and of the Accounting Standards issued or adopted by the Accounting Standards Board so far as those requirements are appropriate. It also meets the Statement of Recommended Practice, "Accounts and Reports by Charities", issued by the Charity Commissioners in October 2000.

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

1.2 Incoming Resources

All income is accounted for on a receivable basis. Grant in Aid from the Department for Culture, Media and Sport allocated to general purposes is taken to Statement of Financial Activities in the year to which it is received. Sponsorship and donation income including Lottery income is recognised as income when the conditions for its receipt have been met. (Notes 2, 3, 4, 5)

1.3 Expenditure

Expenditure is classified under the principal categories of charitable and other expenditure rather than the type of expense, in order to provide more useful information to users of financial statements.

Charitable expenditure comprises direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with use of the resources. Management and administration costs are those incurred in connection with the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements. Support costs comprise Estates, Personnel, Finance and Information Services. Costs of generating funds includes fund-raising and publicity costs incurred in seeking voluntary contributions to the Museum, and in publicising the Museum. (Note 6).

1.4 Fixed Assets Valuation and Depreciation

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

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

Fixed assets are defined as assets costing £5,000 or more with a useful life of greater than 1 year.

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

1.5 **Collection Objects**

As the collection is considered to be inalienable, no past valuation is attempted whether for purchased or donated objects and no amount is included for collections acquired on or before 31.3.01 in the Balance Sheet. Additions to the collections acquired since 1 April 2001 with a purchase price greater than £5,000 or objects donated with an estimated value greater than £50,000 are capitalised and recognised in the Balance Sheet, where such a cost or valuation is reasonably obtainable and reliable. Such items are not depreciated or revalued as a matter of routine.

Purchases of items at a price less than £5,000 for the collection are charged to the Statement of Financial Activities in the year of acquisition. (Note 17)

1.6 **Stock**

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

1.7 **Leases**

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

1.8 **Restricted Funds**

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

Sponsorship, Grants & Donations Reserve

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

Capital Projects Fund

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

Collections Purchase Fund

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

1.9 **Designated Funds**

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

Museum Improvement Reserve

Museum funds committed to specific future project activity are credited to the Museum Improvement Reserve and released in the year in which the related expenditure takes place. (Note 20)

Capital Projects Fund

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

Collections Purchase Fund

Museum funds committed specifically to the purchase of objects for the collections are credited to the Collections Purchase Fund and released in the year in which expenditure takes place. (Note 17)

Contingency Reserve

Funds have been allocated to a Contingency Reserve to provide a reserve for use when significant unforeseen costs arise. The Reserve is kept at a level between £1m and £2m depending on the recent calls on the funds and the size of the current capital programme. The necessary level is reassessed annually as part of the budget activity and also when any major change in the level of activity is planned.

1.10 **General Funds**

General Funds are available for use in furtherance of the general objectives of the Museum and are usually allocated for expenditure in the year after they arise. Specific general reserves are detailed under designated funds (Note 1.9)

1.11 **NMSI Trading Limited**

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

1.12 **Pensions**

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), which is a non-contributory and unfunded scheme. Although the scheme is a defined benefit scheme, liability for payment of future benefits is a charge to the PCSPS. The NMSI, and other bodies covered by the PCSPS, meet the cost of pension cover provided for the staff they employ by payment of charges calculated on an accruing basis.
There is a separate scheme statement for the PCSPS as a whole. Pension contributions are paid to the Paymaster General at rates determined from time to time by the Government Actuary and advised by the Treasury.

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

1.13 **Early Retirement Scheme**

The Museum operates an Early Retirement and Severance Scheme which gives retirement benefits on redundancy terms to certain qualifying employees. These benefits conform to the rules of the Principal Civil Service Pension Scheme. Under the Early Retirement Scheme the Museum bears the costs of these benefits until the normal retiring age. The Museum pays a one-off compensation payment to those employees retired under the early severance scheme.

The total pensions liability up to normal retiring age in respect of each employee is charged to the Statement of Financial Activities in the year in which the employee takes early retirement and an increase in the provision for future pension payments is made. Funds are released from the provision annually to fund pensions and related benefits payments to the retired employee until normal retiring age. (Notes 6.2, 14)

1.14 **Taxation**

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

For NMSI Trading Limited and Bradford Film Limited, provision is made at current rates of taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the Directors, there is reasonable probability that the liability will not arise in the foreseeable future. Under a deed of covenant with NMSI, all taxable profits are paid to the Museum and there is no liability to taxation.

1.15 **Investments**

Funds identified as surplus to working capital in the short or longer term are invested to maintain their value over time.

1.16 **Foreign Currencies**

Transactions in foreign currencies are recorded at the rate ruling at the time of the transaction. All exchange differences are taken to the Statement of Financial Activities. For significant purchases, an option to purchase currency at an agreed exchange rate at a forward date is secured at the time of contract.

1.17 **Notional Costs**

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

1.18 Accounts Direction

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

2. MUSEUM ACCOUNT

	2002 £	2001 £
Department for Culture, Media and Sport Request for Resources 1	26,678,799	24,329,000
Income		
Grant in Aid	26,678,799	24,329,000
Grants, legacies and donations	4,276,736	9,601,028
Transfer of Science Museum site and NMPFT land	96,900,535	-
Sponsorship	1,025,447	1,909,790
Admissions	2,366,115	3,042,172
Other operating income	748,220	682,411
Covenanted profit from NMSI Trading Limited	1,773,029	761,800
	133,768,881	40,326,201
Expenditure		
Staff costs	16,473,720	16,440,837
Other operating costs	13,378,850	13,408,880
Depreciation	6,605,171	5,909,294
Collections Purchases	88,195	160,821
	36,545,936	35,919,832
Operating surplus on museum activities	97,222,945	4,406,369
Interest received	311,074	234,516
	97,534,019	4,640,885
Revaluation of assets	3,312,721	1,143,323
Surplus for the year on museum activities	100,846,740	5,784,208

Income for the year includes £102,170,650 of restricted income received partly for expenditure on deferred activity, mainly of a capital nature. NMSI Trading Limited and Bradford Film surplus/(deficit) of £2,913,202 (2000-01 £2,524,744) is taken to the Statement of Financial Activities of which £1,025,447 (2000-01, £1,909,790) is consolidated into Sponsorship income, £143,422 (2000-01 £187,490) into Grants, Legacies and Donations income and £2,912,826 (as opposed to NMSI Trading Limited covenanted profit, £2,798,476) is consolidated fully into the Statement of Financial Activities. The difference of £114,350 (total surplus of £2,912,826 including revaluation of £437,890 less covenanted profit of £2,798,476 is eliminated as part of the consolidation. Interest charged by NMSI to NMSI Trading Limited of £52,026 had been netted from recharged costs and was eliminated in consolidation.

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

The Museum subsidised the activities of Bradford Film Limited to the sum of £40,000 in 2001-02

matching the property and services costs charged from the Museum to Bradford Film Limited.

3 ADMISSIONS

Admissions income of £2,366,114 (2000-01 £3,042,172) comprising £1,466,245 at the Science Museum and £899,869 at NRM was received during the year. From December 1, free admission was introduced at the Science Museum and the National Railway Museum.

4 OTHER INCOME

	Unrestricted 2002 £	Restricted 2002 £	2002 £	2001 £
Other Income	696,921	-	696,921	638,359

Other income arises from conference and educational events, locomotive hire and cloakroom payments. Restricted income relates to the proceeds of the sale of objects which must fund future acquisitions.

5 INVESTMENT INCOME

Investment income of £275,438 (2000-01, £178,693) arises through interest earned from investing surplus funds.

6 TOTAL RESOURCES EXPENDED

6.1 Analysis by functional purpose

	Staff Costs £000	Other direct costs £000	Depreciation £000	2002 Total £000	2001 Total £000
Charitable expenditure					
Collections Purchases	-	88	-	88	161
Collections	3,950	2,126	229	6,305	5,751
Science communication	4,159	2,684	4,938	11,781	11,543
Visitor Services	4,558	1,971	466	6,995	6,072
Support Costs	2,502	5,871	972	9,345	9,215
Management and administration	601	553		1,154	911
	15,770	13,293	6,605	35,668	33,653
Cost of generating funds					
Publicity & fundraising	342	75		417	427
Admission costs	361	99		460	1,840
Commercial costs	2,836	11,561	980	15,377	12,343
	19,309	25,028	7,585	51,922	48,263

Within the salary costs above, the Museum includes staff costs recharged to the Museum as part of the Trading Company services. Agency costs similarly recharged are included in Other Direct Costs. Museum staff and other direct costs recharged to the Trading Company are shown by the Trading Company within staff and other direct costs respectively.

6.2 Staff Costs

	2002 £	2001 £
Net Salaries & Wages	16,489,961	16,743,897
National Insurance	1,211,996	1,126,755
Superannuation (Museum only)	1,462,611	1,607,060
Pension contributions (NMSI Trading Limited and Bradford Film Limited)	133,692	70,106
Early Retirement – Note 14	10,984	74,027
Exceptional cost – Compensation payments	-	72,088
	19,309,244	19,693,933

Superannuation benefits are provided through the Principal Civil Service Pension Fund, a statutory scheme that provides benefits accumulated at a rate of 1/80th per year of pensionable salary on a 'final salary' basis with a normal retirement age of 60. Pension contributions of £1,462,611 were paid for 2001-02 for which the rate varied from 12%-18.5% (2000-01, 12%-18.5%) for the Museum.

The NMSI Trading Limited Pension Scheme is a Contracted In Group Money Purchase Scheme with optional Contracted Out Personal Pensions to which NMSI Trading Limited contributes 7% and the employee 5%. NMSI Trading Limited pension contributions of £133692 were paid for 2001-02

In relation to the Early Retirement provision, £10,894 (2000-2001, £74,027) was charged to the Statement of Financial Activities and credited to the Early Retirement provision. £159,320 (2000-01 £168,844) was charged against the provision to fund pensions and related benefits payments. (Note 14)

The Chairman and Trustees (listed in Appendix 1 to the Foreword) received no remuneration for their services but expenses were paid for travel to and from meetings.

Sir Peter Williams	£903
Dr Bridget Ogilvie	£119
Sir Michael Quinlan	£466
Dr Anne Grocock	£130
Mrs Joanna Kennedy	£130
Sir Christopher Wates	£139

The Director, Dr Lindsay Sharp, was appointed for a period of 5 years from 1 July 2000. His wife had use of a space made available by the Museum to operate a small kiln, (value of benefit in kind £1,500 pa) from March 2001.

	2002 **£**	**2001** **£**
Remuneration	116,388	72,407
Employer's pension contribution	18,757	7,885
Accommodation allowance	9,975	14,400
Accrued pension at year end	2,087	861
Real increase in pension	1,209	-

Employees analysed by activity are as follows;

	Total 2002	Total 2001
Care for and research into Collection	142	159
Science education and communication	187	181
Visitor Services	198	163
Support Services	88	121
Publicity and fundraising	38	31
Admissions	37	42
Commercial Activity	280	275
Management and administration	11	9
Total	981	981

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

Employees receiving remuneration over £50,000:

£	2002	2001
50,001-60,000	10	11
60,001-70,000	6	6
70,001-80,000	2	2
80,001-90,000	1	-
90,001-100,000		-
100,000-110,000		-
110,001-120,000	1	-

6.3 Other direct costs

Other direct costs included:	2002 NMSI	2002 NMSI Tr/ Bradford Film	2002 Total £	2001 Total £
Auditors remuneration	35,500	18,690	54190	54,475
Other financial services provided by the auditors comprised:				
Accountancy	-	65,171	65,171	59,246
Consultancy	-	45,643	45,643	55,954
Lease rental payments on land and buildings	68,875	-	68,875	68,875
Lease rental payments on vehicles	6,030	-	6,030	39,575
Travel, subsistence and entertainment	523,975	76,347	600,322	601,559

7 NMSI TRADING LIMITED

The Board of Trustees of the Science Museum owns the whole of the issued share capital of 411,000 shares of NMSI Trading Limited, a company registered in England and Wales. The company's principal activities are retailing, catering, corporate hire, corporate partnership, temporary exhibitions and interactive production and providing services to the Museum for admissions, public relations, sponsorship and fundraising. Bradford Film Limited is a company limited by guarantee for which NMSI Trading Limited is the sole member.

7.1 Income and Expenditure Account

	2002 £	2001 £
Turnover	16,758,785	12,866,356
Cost of sales*	(8,795,459)	(5,606,314)
Gross profit	7,963,326	7,260,042
Administrative Expenses*	(6,511,577)	(6,648,149)
Sponsorship Income (NMSI Trading Limited)	1,025,447	1,909,790
Grants and donations (Bradford Film Limited)	143,422	187,490
Trading Profit	2,620,618	2,709,173
Profit/(loss) on disposal of fixed assets	-	-
Other interest received	16,390	3,612
Other interest paid*	(161,696)	(188,041)
Net contribution	2,475,312	2,524,744
Amount covenanted to Museum	(2,798,476)	(2,671,590)
Revaluation	437,890	-
Retained in subsidiary	114,726	(146,846)

Turnover includes £166,888 (2000-01, £113,207) of rental income through letting part of the Post Office building to Royal Mail and £203,833 arising from Bradford Film Limited turnover, admission income.

There are no sales to the Museum included in the turnover. Donations of £143,422 include £40,000 of donations from the Museum to Bradford Film Limited which are eliminated on consolidation giving £103,422 as external donation income. The interest includes £52,026 of interest charged by NMSI to NMSI Trading Limited which is eliminated on consolidation and excluded from expenditure on "Commercial costs" of £15,468,732 ("Commercial costs" comprise items marked*).

Other income and costs have been shown as "Income from commercial activities", "Investment income" and "Commercial costs" respectively.

7.2 Balance Sheet

	2002 £	2001 £
Tangible fixed assets	7,059,072	6,831,254
Current assets	4,146,345	3,143,768
Creditors due within one year	(6,572,308)	(4,949,295)
Creditors due after one year	(1,301,847)	(1,658,328)
Provision for liabilities & charges (Deferred income)	(2,671,367)	(2,822,229)
Net assets	659,895	545,170

7.3 Subsidiary Companies

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

8 NOTIONAL COSTS OF CAPITAL

Notional cost of capital is calculated as 6% of the average capital employed by the Museum excluding externally funded assets in the year and amounts to £4,059k (2000-01, £1,118k – restated after evaluating externally funded assets for 2000-01).

9 TANGIBLE FIXED ASSETS

9.1 Consolidated Assets

	Land & Buildings £000	Plant & Machinery £000	Galleries & Exhibitions £000	Fixtures & Fittings £000	Collection Objects £000	Assets under construction £000	TOTAL £000
Value as at 1.4.01	63,447	20,395	35,333	4,055	-	3,470	126,700
Additions during year	96,891	365	704	228	1,602	2,072	101,862
Revaluation	3,778	-	-	(9)	-	-	3,769
Transfers during year	1,454	90	-	(790)	-	(754)	-
Disposals during year	(75)	(56)	-	-	(7)	(92)	(230)
Value as at 31.3.02	165,495	20,794	36,037	3,484	1,595	4,696	232,101
Depreciation as at 1.4.01	3,896	7,027	12,156	2,108	-	-	25,187
Depreciation during year	1,203	1,841	4,309	232	-	-	7,585
Transfers		30	-	(30)	-	-	-
Depreciation due to revaluation	27	(6)	-	(2)	-	-	19
Depreciation written off	(64)	(56)		-	-	-	(120)
Depreciation as at 31.3.02	5,062	8,836	16,465	2,308	-	-	32,671
Net Book Value at 31.3.02	160,433	11,958	19,572	1,176	1,595	4,696	199,430
Net Book Value at 1.4.01	59,551	13,368	23,177	1,947	-	3,470	101,513

The net book value at 31 March 2002 represents fixed assets for

	Land & Buildings	Plant & Machinery	Galleries & Exhibitions	Fixtures & Fittings	Collection Objects	Assets under construction	TOTAL
Charitable activities	156,762	9,152	18,901	329	1,595	4,696	191,435
Other activities	3,671	2,806	671	847	-	-	7,995
Total	160,433	11,958	19,572	1,176	1,595	4,696	199,430

The only leasehold asset within Land and Buildings is the 99 year lease on the property known as “the Post Office”, Exhibition Road, South Kensington amounting to £950,913

These land and buildings have been valued by Drivers Jonas, Chartered Surveyors as at 31 March 2002 in accordance with the RICS Appraisal and Valuation Manual. The main site was valued on the

basis of depreciated replacement cost and the remaining property at open market value on the basis of existing use. The valuations were carried out in accordance with guidelines laid down by the Royal Institution of Chartered Surveyors.

The Science Museum was transferred from the Secretary of State for the Environment on 10 August 2001. Wroughton Airfield was transferred from the Secretary of State for Defence to the Science Museum on 27 July 1997. The buildings and land relating to the National Railway Museum was transferred from the Secretary of State for the Environment on 1 August 1997. The Royal Naval Air Yard was purchased from the Ministry of Defence on 31 March 2000. All are valued in accordance with valuations carried out, as above, at 31 March 2002.

The title to Blythe Road is still awaiting transfer to the Museum Trustees.

Property	Title	Valuation Date	Value £000
Blythe Road, Hammersmith	Freehold	31.3.97	6,500

9.2 Museum Assets

	Land & Buildings £000	Plant & Machinery £000	Galleries & Exhibitions £000	Fixtures & Fittings £000	Collection Objects £000	Assets under construction £000	TOTAL £000
Value as at 1.4.01	61,076	17,278	33,542	1,434	-	3,470	116,800
Additions during year	96,890	355	134	28	1,602	2,072	101,081
Revaluation	3,340	-	-	(9)	-	-	3,331
Transfers during year	1,454	-	-	(700)	-	(754)	-
Disposals during year	-	(51)	-	-	(7)	(92)	(150)
Value as at 31.3.02	162,760	17,582	33,676	753	1,595	4,696	221,062
Depreciation as at 1.4.01	3,842	6,822	10,980	474	-	-	22,118
Depreciation during year	1,193	1,665	3,795	(48)	-	-	6,605
Depreciation due to revaluation	27	(6)	-	(2)	-	-	19
Depreciation written off		(51)	-	-	-	-	(51)
Depreciation as at 31.3.02	5,062	8,430	14,775	424	-	-	28,691
Net Book Value at 31.3.02	157,698	9,152	18,901	329	1,595	4,696	192,371
Net Book Value at 31.3.01	57,234	10,456	22,562	960	-	3,470	94,682

10 COMMITMENTS UNDER OPERATING LEASES

As at 31 March 2002, NMSI had annual commitments under non-cancellable operating leases as set out below:

	2002 Land & Buildings	2002 Vehicles	2001 Land & Buildings	2001 Vehicles
Operating leases which expire:				
Within one year	350	48	350	6,557
In the second to fifth year	6,900	-	64,040	-
Over five years	61,625	-	61,625	-

There are no NMSI Trading Limited lease commitments.

11 CAPITAL COMMITMENTS

11.1 Projects

The major projects underway at present are as follows:

Shildon – National Railway Museum
A new National Museums Collection Centre is being built adjacent to the Timothy Hackworth Museum in Shildon, Co Durham on land provided by Railtrack. The Museum will house over 60 vehicles currently held in unsatisfactory standards of storage. The Centre and the Timothy Hackworth Museum will be managed on behalf of NRM by Sedgefield Borough Council. Total project costs are £6.1m.Funding has been secured from HLF and the result of an application to ERDF is awaited.

Wellcome Wolfson Building – Science Museum
A new building, which will face Queen's Gate to the west end of the site. will house the Dana Centre for Science and the Public and provide offices on the upper three floors. The Centre will further science communication and promote genuine dialogue between scientists and the public in which the public can shape the agenda. The Wellcome Trust has donated £3.25m, the Wolfson Foundation, £2m, the Dana Foundation £1.25m and Garfield Weston £1m. The building is under construction and will be opened in the autumn of 2003.

11.2 Outstanding capital commitments

At the Balance Sheet date, outstanding contracted commitments amounted to some £4,161,853 relating only to NMSI. There were no outstanding capital commitments for NMSI Trading Limited.

12 DEBTORS

	NMSI 2002	NMSI Trading/ Bradford Film 2002	Total 2002	Total 2001
	£	£	£	£
Trade Debtors	544,238	2,568,441	3,112,679	2,569,001
Provision for Bad Debts	(3,589)	(15,207)	(18,796)	(21,345)
Other Debtors	291,220	336,557	627,777	564,301
Prepayments & Accrued Income	3,341,408	298,382	3,639,790	2,628,341
Taxation recoverable (VAT)	920,931	-	920,931	-
	5,094,208	3,188,173	8,282,381	5,740,298

Total debtors include the Heritage Lottery Fund, £582,152, Wellcome Trust £2,224,594, Wolfson Foundation, £375,000 and Arts Lottery Fund, £128,789 Museum debtors exclude £2,041,806 of intercompany debtor eliminated on consolidation. NMSI Trading Limited debtors exclude £1 of intercompany debtor eliminated on consolidation with Bradford Film Limited.

13 CREDITORS

13.1 Amounts falling due within one year

	NMSI 2002	NMSI Trading/ Bradford Film 2002	Total 2002	Total 2001
	£	£	£	£
Trade Creditors	2,231,892	1,125,482	3,357,374	1,406,200
Other Creditors	167,058	-	167,058	102,812
Accruals and Prepaid Income	2,796,654	2,945,993	5,742,647	6,366,655
Taxation and Social Security Costs	-	107,027	107,027	413,467
Bank Loan	-	352,000	352,000	854,570
	5,195,604	4,530,502	9,726,106	9,143,704

NMSI Trading Limited creditors due within one year includes £2,041,806 of intercompany creditor eliminated on consolidation of which £27,907 represents the funding of *Science of Sport*. Bradford Film Limited creditors exclude £1 of intercompany debtor eliminated on consolidation with NMSI Trading Limited.

The bank loans of £1,653,846 from Barclays Bank plc include a loan of £803,049 secured against a purchase of land adjacent to the National Railway Museum.

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

	£
Bank Loans	1,301,846

13.3 Borrowings

	2002 £	2001 £
Loans not wholly repayable within five years:		
Loan – Barclays Bank Plc	850,797	1,982,421
Analysis of maturity of debt		
Within one year of demand	352,000	852,000
Between one and two years	352,000	352,000
Between two and five years	346,549	646,814
After five years	603,297	631,607
	1,653,846	2,482,421
Amount repayable by instalments any of which fall for payment after five years	603,297	631,607

The first Barclays Bank loan of £850,797 is unsecured and is repayable in equal instalments of £49,500 over 20 years at a fixed interest rate of 9.77% per annum. The expiry date is 19 December 2015.

The second Barclays Bank loan of £803,049 is secured upon land adjacent to the National Railway Museum and is being repaid over a period of 4 years. Interest is charged at 1.5% per annum above base rate. Barclays Bank plc hold the first legal charge over the site.

There are no obligations under finance leases and hire purchase contracts

14 PROVISION FOR EARLY RETIREMENT

	2002 £	2001 £
Balance at 1.4.01	371,834	466,651
Transferred from/(to) the Statement of Financial Activities	10,894	74,027
	382,728	540,678
Less payments	(159,320)	(168,844)
Balance at 31.3.02	223,408	371,834

15 DEFERRED INCOME

	£	£
Deferred income as at 1 April 2001	2,822,229	2,764,524
Grant received	-	187,224
Released to Statement of Financial Activities in year	(150,862)	(129,519)
At 31 March 2002	2,671,367	2,822,229

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

16 STATEMENT OF FUNDS

16.1 Movement of Funds

	Notes	At 1 April 2001 £000	Income £000	Expenditure £000	Transfer £000	At 31 March 2002 £000
Restricted income funds						
Capital Projects Fund	18	77,042	96,901	(4,988)	3,362	172,317
Revaluation Reserve		1,863	3,139	(8)	-	4,994
Collections Purchase Fund	17	-	1,579	(9)	(1,570)	-
Sponsorship, Grants & Donations Reserve	19	2,037	3,795	(1,460)	(1,795)	2,577
Total restricted income funds		80,942	105,414	(6,465)	(3)	179,888
Unrestricted funds						
Designated funds:						
Capital Projects Fund	18	14,051	-	(1,369)	693	13,375
Revaluation Reserve	1.4	567	629	(10)	-	1,186
Museum Improvement Reserve	20	1,918	665	(1,699)	1,165	2,049
Contingency Fund		1,158	-	(123)	250	1,285
Collections Purchase Fund	17	-	-	(80)	80	-
Total designated funds		17,694	1,294	(3,281)	2,188	17,895
General funds		665	46,195	(42,195)	(2,185)	2,480
Total unrestricted funds		18,359	47,489	(45,476)	3	20,375
Total funds		99,301	152,903	(51,941)	-	200,263

For details of individual funds see the attached notes on accounting policy 1.4, 1.8, 1.9, 1.10, 1.11

16.2 Analysis of group net assets between funds

Fund balances at 31 March 2002 are represented by:	Unrestricted Funds £000	Restricted Funds £000	Total 2002 £000
Tangible fixed assets	22,119	177,311	199,430
Current assets	11,497	3,259	14,756
Current liabilities	(9,047)	(679)	(9,726)
Long term liability	(4,197)	-	(4,197)
Total net assets	20,372	179,891	200,263

17 COLLECTIONS PURCHASE FUND

Purchases for the enhancement of the collection during the year amounted to £140,437 of which ££111,937 were financed from the Collections Purchase Fund and £28,500 from the National Heritage Memorial Fund. Movements on the Fund were as follows:

	2002 Unrestricted £	2002 Restricted £	2002 Total £	2001 Total £
Balance at 1.4.01	-	-	-	-
Cash Receipts in year:				
Grant in Aid (Note 2)	111,937		111,937	113,025
National Heritage Memorial Fund	-	28,500	28,500	47,300
Sale of Objects	-	-	-	496
Donated Assets	**-**	1,550,000	1,550,000	**-**
Income	111,937	1,578,500	1,690,437	160,821
Transferred to Capital Projects Fund (Note 18)	(32,243)	(1,570,000)	(1602,243)	**-**
Expenditure	(79,694)	(8,500)	(88,194)	(160,821)
Balance at 31.3.02	-	-	-	-

The Museum received a number of donated items. The items with a value over £50,000 were the Shinkansen Japanese Bullet train valued at £1.5m and the Magnetic Levitation train at £50k. Expenditure denotes objects with an individual purchase price of less than £5,000.

18 CAPITAL PROJECTS FUND

	Unrestricted 2002 £	Restricted 2002 £	Total 2002 £	Total 2001 £
Balance at 1.4.01	14,050,917	77,042,312	91,093,229	84,814,185
Income allocation	53,703	-	53,703	150,477
Transfers in:				
Transfers from Collection Purchase Fund (Note 17)	32,243	1,570,000	1,602,243	-
Transfers of Science Museum site and land at NMPFT	-	96,900,535	96,900,535	-
Transfers from Sponsorship Grants & Donations Reserve (Note 19)	-	1,795,123	1,795,123	10,966,462
Transferred from Museum Improvement Reserve (Note 20)	603,774	-	603,774	1,071,374
Movements between funds	3,211	(3,211)	-	25
	14,743,848	177,304,759	192,048,607	97,002,523
Less:				
Depreciation & disposals	(1,368,734)	(4,988,241)	(6,356,975)	(5,909,294)
Balance at 31.3.02	13,375,114	172,316,518	185,691,632	91,093,229

19 SPONSORSHIP, GRANTS & DONATIONS RESERVE

(All restricted funds)

	2002 £	2001 £
Balance at 1.4.01	2,037,286	3,360,970
Income	3,795,036	12,002,208
Less: Expenditure	(1,460,382)	(2,359,430)
Transferred to Capital Projects Fund (Note 18)	(1,795,123)	(10,966,462)
Balance at 31.3.02	2,576,817	2,037,286

20 MUSEUM IMPROVEMENT RESERVE

(All unrestricted funds)

	2002 £	2001 £
Balance at 1.4.01	1,918,212	1,975,148
Allocated income	2,433,851	2,091,331
Expenditure	(1,699,018)	(1,076,893)
Transferred to Capital Projects Fund (Note 18)	(603,774)	(1,071,374)
Balance at 31.3.02	2,049,271	1,918,212

21 CONTINGENT LIABILITIES

Contingent liabilities exist for those parts of the collection on long term loan to other institutions or where there is a commitment to acquire another collection under certain conditions. The potential cost of storage and care for these collections forms a contingent liability.

22 CASH FLOW INFORMATION

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

	2002 £	2001 £
Net incoming resources	97,210,855	4,494,039
Investment income	(275,438)	(178,693)
Interest payable	109,670	128,606
Depreciation	7,685,461	7,364,619
(Increase)/decrease in stocks	(5,001)	(52,882)
(Increase)/decrease in debtors	(2,558,245)	4,513,796
Increase/(decrease) in creditors	368,973	(137,156)
Increase/(decrease) in pension provision	(148,426)	(94,817)
Transfer of property	(96,901,535)	-
Net cash inflow from operating activities	5,486,314	16,037,512

22.2 Gross Cash Flows

Returns on investments and servicing of finance	2002 £	2001 £
Interest received	291,973	178,693
Interest paid	(109,670)	(124,113)
Interest element of finance lease rental payment	-	(4,493)
	182,303	50,087
Capital expenditure		
Payments to acquire intangible fixed assets		-
Receipt from sale of tangible fixed assets	11,169	201,145
Payments to acquire tangible fixed assets	(4,116,677)	(13,290,345)
	(4,105,508)	(13,089,200)
Management of liquid resources		
Cash (placed)/withdrawn from short term investments	5,500,000	-
Financing		
New loans raised	-	-
Loan repayments	(1,108,574)	(412,390)
Capital element of finance lease rental	-	(32,672)
	(1,108,574)	(445,062)

22.3 Analysis of changes in net funds

	At 1.4.01	Cash Flows	Non Cash Changes	At 31.3.02
	£	£	£	£
Cash at bank and in hand	5,398,836	(5,048,035)		350,801
Current asset investments	-	5,500,000		5,500.000
Debt due within 1 year	(854,570)	502,570		(352,000)
Debt due after 1 year	(1,630,421)	328,574		(1,301,847)
	2,913,845	1,283,109		4,196,954

23 FINANCIAL INSTRUMENTS

23.1 Liquidity risk

Excluding the donation of the Science Museum site by the Department of the Environment for £96,9m, approximately 51% of NMSI's income is provided by Grant in Aid from the Department for Culture, Media and Sport. 32% of the remaining income is from a wide range of commercial activities. As a result, NMSI is not exposed to significant liquidity risks**.**

23.2 Interest rate risk

97.5% of NMSI's financial assets and 94.3% of its financial liabilities carry nil or fixed rates of interest. NMSI is not therefore exposed to significant interest rate risk**.**

Financial liabilities

Sterling	**Total**	**Floating rate financial liabilities**	**Fixed rate financial liabilities**	**Non-interest bearing financial liabilities**
	£	**£**	**£**	**£**
At 31.03.02	4,196,621	803,049	850,797	2,542,775
At 31.03.01	4,823,484	1,103,314	879,107	2,841,063

The floating rate loan of £803,049 is being repaid over a period of 4 years. Interest is charged at 1.5% per annum above base rate.

The fixed rate loan of £850,797 over 20 years is at a fixed interest rate of 9.77% per annum. The expiry date is 19 December 2015.

23.3 Foreign Currency risk

NMSI's exposure to foreign currency is not significant.

24 RELATED PARTY TRANSACTIONS

The National Museum of Science & Industry is an executive Non Departmental Public Body whose parent body is the Department for Culture, Media and Sport. The Department for Culture, Media and Sport is regarded as a related party. During 2001-02, the National Museum of Science & Industry had a number of transactions in the normal course of business and at full arms length with the Department and with other entities for which the Department is regarded as the parent Department. Loans of objects were also made to other Museums within the DCMS NDPBs.

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

25 FINANCIAL PERFORMANCE INDICATORS

25.1 Sponsorship

E3 Museum Specific target: sponsorship cost as a percentage of income generated

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

Rolling 3 year average	Target 2001-02	Actual to end of year
NMSI wide average	15%	8.2%

25.2 Stewardship of assets

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