NATIONAL MUSEUM OF SCIENCE & INDUSTRY

ACCOUNT FOR 2002-03

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, 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 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) agreed a *Management Statement and* revised *Financial Memorandum* with the Museum in 2002-03; continuing receipt of the Grant is dependent upon the Museum's compliance. This sets out DCMS policy and financial requirements which include the relevant provisions of *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 *Management Statement* and *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: Human Resources and Change Support, NMSI Planning & Development, Sustainable Development, Finance, Information Technology and Corporate Communications. 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.

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. The structure of Trustee sub committees was reviewed in 2002-03 and a new structure will be introduced during 2003-04.

6 Staff Involvement

The formal means for staff to raise matters of concern is through the elected trades unions officials at joint meetings with management. NMSI has maintained effective relations with the trades unions through regular consultation meetings and as a result of agreement of a set of protocols to support the modernisation programme.

General Notices, Safety Notices and Vacancy Notices are circulated to staff by email and put on the intranet. NMSI has also introduced staff briefings on strategic issues such as the modernisation programme, led by the Director of NMSI or a member of the Executive Committee.

As a cornerstone of staff communication and involvement, the NMSI Performance Management Process has been revised to create a system which helps managers and the people they manage to communicate better. This process follows an annual cycle linked to the strategic planning process; it incorporates objective setting that is consistent with the vision and values of the NMSI (as well as the aims and objectives of each museum or department) and is precise, specific and challenging but attainable. It also identifies training needs and ensures that these are addressed.

An annual staff survey, first carried out as part of the 2000 Strategic Review, has been established as a permanent part of performance management. It enables staff to voice their opinions and contribute to planning changes and strategies. Whilst responses are anonymous so that individual confidentiality is assured, analysis is done on an aggregated basis and a summary of the results is put on the intranet for all staff to see.

A page on the intranet for staff questions, comments and suggestions, gives all staff the opportunity to put these to the NMSI Executive Committee about any area of NMSI business at any time. Questions, comments and suggestions are posted onto the intranet whether or not they need an answer. Constructive criticism is welcomed and staff can remain anonymous if they choose. Management has given a commitment to give honest responses and to explain the reason if they are not able to answer a question.

7 NMSI Vision

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 Review of Activity throughout NMSI in 2002-03

Activity throughout the NMSI family of museums in 2002-03 has been carried out against a background of restructuring and modernising measures that will help NMSI to become more audience-focused and will improve efficiency and effectiveness in the delivery of services.

One of the outcomes of the 2000 strategic review was the setting up, in 2002, of NMSI-wide national functions to support all the NMSI family of museums. These national functions are Change Support, NMSI Planning & Development, Sustainable Development, Finance, Human Resources & Change Support, Information Technology and Corporate Communications.

Modernisation Programme

In 2002, the NMSI Human Resources and Change Support Unit began to implement a three-year modernising programme, which encompasses a management development programme, staff training and development and reviews of grading and of pay. It also includes consultation with the trades unions.

A management development programme, which deals with managing change, consistent with Management Charter Initiatives (MCI) was developed in response to feedback from the Strategic Review and from a staff survey. The feedback pointed to gaps in strategic thinking, people management and communication skills, resulting from under investment in management. The programme was successfully tested through a pilot project and is now being rolled out across NMSI. A range of staff development processes, including a 'Managing your Future' programme, has also been designed. A new performance management process has been established and rolled out across NMSI. A new Staff Charter has been established and a copy given to all members of staff each year as part of the performance review process.

The Human Resources and Change Support Unit carried out a complete review of pay and grading and reward systems across NMSI. It has also carried out a review of working practices leading to the introduction of new rotas designed to improve the work/life balance of staff and reduce costs to the organisation.

The Human Resources and Change Support Unit has also agreed a set of protocols with the Trades Unions to support the change process. These are policies that set out how the staffing implications of organisational change will be handled. These protocols, on the intranet for all staff to refer to, have contributed to the achievement of the modernisation programme without any industrial action or disputes procedures, so far and with minimal resort to compulsory redundancy.

An NMSI-wide Employee Assistance Programme has also been set up by the Human Resources and Change Support Unit and communicated to all staff by letter. This is not related directly to the modernisation programme and staff can seek advice on any personal issues.

The NMSI modernisation programme is an important contribution to the wider government initiative, Modernising Government.

Awards

Throughout this challenging year of change and modernisation the NMSI has continued to acquire awards, both to museums and to individual members of staff. Some examples are set out below.

Jehuda Neumann Prize
Jane Insley was awarded the prestigious Jehuda Neumann Prize to commemorate the work of Professor Jehuda Neumann (1915-1993) on the relationship between weather and historical events, by the Royal Meteorological Society.

Doctorates and Masters
Ghislaine Lawrence and Andrew Nahum have each been awarded doctorates this year. Their theses were *Hospital beds by design: a socio-historical account of the 'King's Fund Bed', 1960-1975*, and *World War to Cold War: Formative Episodes in the Development of the British Aircraft Industry, 1943-1965* respectively. Martin Bashforth was awarded an MA in local history at the University of York.

English Tourism Council Visitor Attraction of the Year 2002
The Science Museum was voted English Tourism Council Visitor Attraction of the Year 2002 becoming the only venue to win this prestigious title two years in succession.

Bradford & District Design Awards 2002
The NMPFT took top honours in the Bradford & District Design Awards 2002 (Architecture), which recognized the important contribution made by the Museum's *Imaging Frontiers* redevelopment in 1999 to the growth and vibrancy of the district.

Heritage Railway Association Award
Richard Gibbon, Head of 3D Collections was awarded the Heritage Railway Association Award for the person who has made an outstanding contribution to railway preservation during the year. This was a new award and takes the form of a replica bronze plaque of Mallard's steam speed record.

SHOT Dibner Award
The NRM won the Dibner Award for Excellence in Museum Exhibits for its display featuring the only Japanese 'Bullet Train' on show outside Japan. The judges praised the NRM's entry as 'setting new standards for multi-cultural and international approach to museum display' with an exhibition that 'will doubtless be regarded as a classic of its type for decades to come'.

Museums & Heritage Show Awards for Excellence
The Classic Award for 2003 was won by the NRM as part of the Museums & Heritage Show. This is a new award, given to an organisation that has been established for ten years or more and has shown continued growth, development and visitor interest over the long term. The judges were also particularly impressed by the vibrancy and continuing topicality of the museum.

Business Britain Award
Unique Conference Venue of the Year for 2003-04 was awarded to the NRM in January 2003. This is prestigious national award recognises excellence in customer service, quality of venue, the adaptability of the venue to customer needs and the marketing of the conference venue.

York Tourism Bureau Awards
The NRM won two York Tourism Bureau awards – one for Best Customer Care (for the second year running) and for Visitor Attraction of the Year (York-wide).

Throughout 2002-03 the NMSI museums have continued to achieve excellence in core areas. Examples are set out below.

Science Museum

Naked Science
The *Naked Science* series of dialogue events, supported by the Wellcome Trust, has been very successful in delivering innovative, stimulating and challenging events for adult audiences. Notable events included a debate with eminent scientists on animal experimentation in partnership with the British Association for the Advancement of Science (BA); a 'Kilroy' style debate and new exhibition on DNA testing of ancestral origins targeted at the black community (in collaboration with the BBC to support their documentary programme *Motherland)* and an afternoon of tours and demonstrations in the *Metamorphing* exhibition that produced detailed debate about the science behind beauty and cosmetic surgery.

Schools
The first year of the Science Museum's new schools' events programme provided science shows for 10,000 school children visiting the Museum covering topics in physics and chemistry. Feedback from teachers and pupils has been extremely positive and it is intended to increase provision by 20% in 2003-04. In addition Launch Pad science shows were provided for a further 100,000 visitors during the year.

The Science Museum Learning Unit presented their exhibition stand at the Association for Science Education Conference in Birmingham at the start of January. The team presented two science shows - *Feel the Force* and *The Supercool Show* - to rave reviews from teachers.

Science Nights
Science Nights were attended by 4,500 children during 2002-03, including 320 teenage girls at the ITB e-skills Pop Party that aimed to encourage girls to take up careers in IT. The event's finale, the *ITBeat*

concert, was held in the IMAX Cinema as a landmark event for the Science Museum. The concert was a great success with strong media coverage for the Museum, including a full page in *The Guardian Education Supplement*. The Brink Bursary Fund enabled 150 children from disadvantaged backgrounds to attend Science Nights during the year.

Families
Over 130,000 visitors attended events in the Museum during 2002-03 covering topics as diverse as DNA, code breaking and climate change. A collaboration between the Science Museum and the BBC resulted in a large-scale demonstration of special effects during the October half term.

Audience research
A collaborative research project has been established in March 2003 between the BBC's Creative Research & Development Division and the Science Museum. Highly innovative technology is being tested with visitors providing both valuable data and exciting, educational and unique experiences for our visitors.

Web
The Science Museum's website attracted a record 2.9 million web visitors last year, largely due to the publicity surrounding the *Bond*, *Tutankhamun* and *MMR* exhibits in the second half of the year.

Exhibitions
Grossology, which opened in summer 2002, was the first pay-to-enter exhibition after free admission to the Museum was introduced in December 2001. Combined with a general decline in tourism, this had caused concern, but the exhibition attracted 155,000 visitors during its 17 week run. At its busiest, 3,000 people a day were visiting the exhibition and on many days, particularly during the school holidays, the Museum's opening hours had to be extended to satisfy demand.

The *Bond, James Bond* exhibition, built by the NMPFT, featured an unrivalled assembly of Bond gadgets, storyboards and other objects and was a great success for the Science Museum. It attracted in excess of 260,000 visitors during its run and is now showing at the Henry Ford Museum, Detroit, USA.

The *Antenna* feature, *The MMR Files*, opened in October 2002. The exhibition and its website discussion board addressed parents' concerns over the safety of the MMR (measles, mumps and rubella) triple vaccine and has received an overwhelming response from parents. *The MMR Files* has been supported by a programme of events including a *Naked Science* dialogue event held in the *Antenna* gallery.

The *Rapids* programme covered nearly fifty science news stories in gallery and web exhibitions during the year, building on relationships with *Nature* magazine, the BBC and *New Scientist*. Stories covered included: medical trials for cannabis; the face of Tutankhamun (which resulted in an unprecedented number of hits to the Science Museum website); *The Motherland* genetics project enabling people of Afro-Caribbean origin to trace their ancestry and the U.S.A. Shuttle disaster - produced in just 48 hours following the *Columbia* tragedy.

Antenna Live events continued throughout the year, giving visitors the chance to meet the scientists behind the headlines. Visitors tried out a new audio tooth implant which allows the wearer to hear secret messages. A World Cup event presenting new football pitch technology and a pair of Michael Owens's football boots was a big hit with younger visitors. *Antenna* ran an event every day during August, one of which featured a live baby crocodile on the gallery and attracted hundreds of visitors. The team has been trialling new broadcast technology to support events, one of which transformed the gallery into a live TV studio for a day.

The Wellcome Trust temporary exhibition space hosted its first two thematic exhibitions exploring the culture of medicine. These exhibitions incorporate contemporary artworks and were especially designed to highlight the riches of the Wellcome collections curated by the Science Museum as well as the sister collections of images, archives and books curated by the Trust itself. *Head On: Art with the brain in mind* included a series of specially commissioned projects between young contemporary artists and world-famous neuroscientists. *Metamorphing: Transformation in science, art and mythology*, running from October to February was curated by writers Marina Warner and Sarah Bakewell. It explored the theme of bodily transformation in mythology, art and science. This strand of exhibitions is doing excellent work to broaden the "offer" to audiences, and the exhibitions have been especially successful in attracting a new art gallery audience to the Science Museum.

Collections
Notable acquisitions this year include a Mini Clubman developed in the 1970s for use by a person affected by Thalidomide. This car demonstrates the role of technology in coping with physical disability and will be incorporated into a narrative for *Ingenious*, the NOF(New Opportunities Fund)-funded project, on living with artificial limbs. The Museum acquired GLORIA, an iconic oceanographic and geophysical surveying instrument capable of mapping in a day an area of the sea bed the size of Wales and two boats from the National Maritime Museum arrived for long-term storage on public display at Wroughton, an Admiralty barge and the steam launch *Donola*.

In the communications field, an Offset Target Indicator System (OTIS), the predecessor to the Airborne Warning and Control System (AWACS), was acquired as an example of Cold War technology. A BBC '2LO' transmitter, used in the first ever BBC transmission in 1922 was acquired for display, along with a 'dowry' of £25,000 from BBC Heritage.

Three artificial limbs made for landmine victims in Cambodia in 2000-02 and designed to be made from low-cost materials by local people will be used in a narrative for *Ingenious,* the NOF- funded digitisation project and will feature in a future display.

Science Museum Library
During this year the library acquired 1,723 books, and continued to subscribe to over 600 current journals, in the history of science and technology and related subjects. Library and Archive staff answered nearly 8,800 reference enquiries for information from external users, and helped a further 7.000 users to use the collections. The Library has supported the *Ingenious* project by adding to the online library catalogue 19,200 records for the Science & Technology Studies, the Rare Books and 19th Century Astronomy collections and 560 images digitised from library books. In March a survey of Library users was carried out, which has provided valuable information about our user base.

Partnerships and collaboration
The *Naked Science* team worked closely with the BA to deliver the very successful, innovative event, Animal Experimentation. They also produced events in collaboration with the BBC, the Department for International Development and the Samaritans. This year the *Antenna* team worked with EDAB (European Dana Alliance for the Brain) and Imperial College to facilitate a week of events in the Science Museum for Brain Awareness Week 2003.

An Economic and Social Research Council (ESRC) Collaborative Research Studentship concerning The Geography of Enthusiasm: Public History, Museums and Spaces, has been established between the Science Museum and the Royal Holloway College, University of London.

The Science Museum entered into a landmark collaboration with BT to communicate to wide audiences on the history of communications. A BT *Connected Earth* Senior Research Fellow is being appointed to generate a range of research products aimed at making a real impact on the public's understanding of the role of telecommunications in our history.

NMPFT

Bond, James Bond
This spectacular exhibition, created by NMPFT, was launched in March with a theatrical Bond-themed private view attended by many of the directors, artists and other industry professionals who contributed to the making of the Bond legend. It showed until September 2002.

A partnership between the NMSI and Eon Productions, *Bond, James Bond* was an exciting and intriguing exhibition celebrating the 40th anniversary of the first Bond film, *Dr No*. The show explored the Bond genre and focused on the film processes behind it using iconic Bond themes - the assignment, rogues, villain's lairs, action and chase sequences, glamorous women and the classic denouement - to interpret the Bond phenomenon. An interactive trail allowed each visitor to register as a special agent and complete a series of challenges and tasks on their tour of the gallery, to be issued with their personal special agent rating as they left the gallery. A dedicated website offering additional information and elements accompanied the exhibition.

The exhibition was supported by film screenings, seminars, interviews with film industry professionals linked to the Bond movies and educational resources and activities, providing a uniquely rich perspective on film. *Bond, James Bond* went on to a hugely successful run at the Science Museum.

Unknown Pleasures: Unwrapping the Royal Photographic Society Collection
January 2003 brought *Unknown Pleasures,* a landmark exhibition celebrating the 150th anniversary of the Royal Photographic Society (RPS). It celebrated the history of the RPS Collection and the transfer of the RPS Collection to NMPFT later in 2003.

Eclectic and unexpected in its content and presentation, *Unknown Pleasures* celebrated the different ways of seeing that are represented in the RPS Collection. It included many unique items and combined some of the finest photographs with important examples of the equipment and processes that allowed them to be produced. The exhibition reflected mainstream histories of photography as well as the vernacular, the amateur and commercial uses of the medium.

The exhibition marked the beginning of the NMPFT's long-term commitment to sharing the treasures of the RPS Collection through improved access and a rich programme of exhibitions, publications, events and scholarship.

Film Festivals

Bite the Mango
Bite the Mango returned in June 2002 for its 8th year to celebrate the best of black and Asian cinema worldwide. The festival was timed to coincide with and complement the annual Bradford Festival, adding a new dimension to its exploration of different cultures through film. Mira Nair opened the festival with a preview of *Hysterical Blindness*, straight from the Cannes Film Festival and *Bite The Mango* went on to present a rich mix of premieres and previews from around the world. The prolific career of the legendary Bengali filmmaker, Ritwik Ghatak, was celebrated through a special series of screenings and lectures and the festival turned the spotlight on two outstanding but hitherto undervalued screen actors, Denzel Washington and Halle Berry.

BAF!
Bradford Animation Festival (BAF) attracted a record number of student and animation industry delegates to the largest animation festival at the NMPFT so far. Now firmly one of the UK's top three animation events, *BAF!* staged masterclasses, seminars and special events with some of the industry's leading figures including Oscar-winning animator Michael Dudok de Wit, Pixar Animation Studio's Scott Clark (the directing animator on *Monsters, Inc*) and the storyboard artist for *the Animated Mr. Bean*, Chris Butler. It also presented numerous special film programmes, retrospectives and events with representatives from some of the industry leading agencies and organisations.

The *BAF!* Awards, which closed the festival, saw a record number of submissions and were hosted by celebrated stop-motion animator Barry Purves. The Awards presented the very best new animation from around the world – some of which later went on to be shortlisted for the year's Academy Awards.

Bradford Film Festival
The 9th Bradford Film Festival in March 2003 was a spectacular success thanks to a packed programme of film screenings, premieres, sneak previews, retrospectives and live appearances by some of the biggest names in film. In an emotional tribute at the Festival's gala opening, Jean Simmons received a Lifetime Achievement Award honouring her immense contribution to film. Audiences were also delighted by appearances from Sally Burton, director Alex Cox, controversial film-maker Gualtiero Jacopetti, and the director Peter Yates of *Bullitt* fame - to name just a few. The festival featured more UK premieres and industry guests than ever before. Themes included a celebration of a half-century of CinemaScope, the 50th anniversary of the death of Dylan Thomas, the annual and popular Widescreen Weekend, the Shine short film award and a special focus on Dutch cinema in *Eurovisions*.

The Bradford Film Festival is not only an important event in the NMPFT's diary, but also acts as a significant boost to tourism and the local economy in Bradford by attracting over 10,000 film-goers and industry professionals from across the UK and abroad within a single fortnight.

The Royal Photographic Society Collection
The Royal Photographic Society (RPS) Collection is a historically significant collection of over 300,000 images, items of photographic apparatus and archives. Its acquisition will increase the NMPFT's photographic holdings by 10%, representing a substantial impact on the Museum's collections overall and making it pre-eminent among international photographic institutions.

In December 2002, the RPS-NMPFT Acquisition Agreement and the Heritage Lottery Fund award contracts were signed. This was just a year after submission of the funding application to the HLF and only 17 months after the announcement of the collaboration between the RPS and NMPFT. In anticipation of this, a dedicated team of Museum staff had, throughout 2002, consolidated and prepared the RPS Collection for its move to Bradford. Collections at the RPS main premises in Bath were identified as being at particular risk so these were given priority.

A dedicated, physically and environmentally secure space within *Insight*, the NMPFT's collections and research centre, was specially prepared to receive and house the RPS Print Collection which, due to the sensitive nature of early photographic material, requires tight collections management controls to specific standards. The collection will move to a new area of *Insight* in 2003. Other material from Bath was temporarily stored at NMPFT's Black Dyke complex and will be transferred to the main NMPFT site for installation later in 2003.

Evacuation of the RPS Collection from Bath was completed in by the end of 2002, leaving the remaining reserve material housed at the RPS store at Wansdyke, near Bath; this will be relocated to Bradford by October 2003 following reconfiguration of *Insight* (Phase 2), subject to funding and compliance with the terms of acquisition as set out in the contract.

Acquisition of works by Lewis Carroll (Charles Lutwidge Dodgson)
In 2002, the Museum made a successful case for deferring the export of historically valuable Lewis Carroll photographs, including a number of images of Alice Liddell, sold at Sotheby's in June 2001. This sale was one of the most important ever for photography as it was drawn from the personal property of Alice Liddell - the child who inspired two classics of children's literature - and her family. Alice's role as muse for Lewis Carroll can be traced to his first experiments with photography in the 1850s. Prior to writing *Alice in Wonderland*, Carroll produced a series of remarkable portraits of Alice and her sisters that are amongst the finest example of portrait and genre studies in the 19th century.

These portraits, a mixture of prints and negatives, were acquired through the joint efforts of NMPFT and the National Portrait Gallery. With support from the Art Fund (National Art Collections Fund) and the National Heritage Memorial Fund, NMPFT raised over £570,000 to secure the future of photographs depicting one of the most intriguing and complex relationships between photographer and subject. Most of Dodgson's photographic work is held outside the UK and it was important that these images, with immaculate provenance, remain in a national collection.

The display will combine the NMPFT's existing holdings of Dodgson's photographs with the new acquisition. It will illuminate further the relationships between the literary and visual worlds of this seminal figure in British cultural history and highlight the importance of the NMPFT collection.

NRM

British Rail - A Moving Story
A new permanent exhibition, *British Rail - A Moving Story* opened in the Great Hall in November 2002. Supported by BRB (Residuary) Ltd, it charts the *BR Years*, and included many first person accounts from railway workers, mostly taken from the National Archive of Railway Oral History (NAROH). Situated around the Turntable, the exhibition included four large objects (*Evening Star*, EM1, Class 31 and the HST prototype) as well as many small objects from everyday working lives.

Treasures from the Deep
This exhibition opened on the balcony of the Great Hall in July, telling the story of shipwrecked locomotives off Islay. It was launched with the help of many of the divers who took part in the 20-year 'Operation Iron Horse' archaeological project. A major element of the interpretation is through video interviews and the objects are put in context by use of a large scenic painting of one of the shipwrecked locomotives.

Jubilee Garden
The Jubilee Garden, next to the Museum's City entrance, was created to celebrate the Queen's Golden Jubilee and was an immediate hit with visitors. Having been created by generous contributions of time and materials from many local organisations, the garden will now be cared for mainly by volunteers.

A Day Out with Thomas
February saw a repeat of the extended and improved 'Thomas the Tank Engine' event. Wristbands were introduced for visitors paying to take part in the Thomas activities, so that a distinction could be made

between Thomas visitors and those free admission visitors entering the Museum to view the national collection only.

Japan Week
To celebrate the first anniversary of the arrival of the Bullet Train at the NRM, Japan Week was held in July. The week long run of activities included the dressing of a Samurai warrior, Japanese name painting, calligraphy (hugely popular with visitors), bonsai and kimono displays, a Japanese antique furniture display, kite making, a display of ancient Japanese poems and text, Origami, Kendo and Iaido demonstrations and a concert which featured a group of Taiko drummers.

Collections
Notable objects acquired included both two and three-dimensional objects. A collection of over 1,200 posters from British Railways covering the period from the 1950s until the 1990s was the NRM's largest ever poster acquisition and included many key examples from the nationalised industry. This acquisition was an important addition to the collection covering the last thirty years of poster design. The Peter Bawcutt collection of 1,280 negatives featured railways, especially British built locomotives in North Africa, the Middle East and the Indian sub-continent from 1942-1981. The E.D.Burton photographic collection comprised a further 450 photographic prints, bequeathed to NRM by the photographer. The design archive from Wilkes & Ashmore (Industrial Designers), consultants to BR, c.1960s was also acquired for the collections.

A further seven '0' gauge fine-scale model coaches from the J.P.Richards bequest, was acquired representing the very impressive 12-wheeled bogie coaches built for the famous 14.00 'Corridor' express service from Euston to Scotland on the West Coast Route. NRM also acquired the Jack Whitaker collection of railway uniform badges, comprising 190 badges dating from 1949 to 1990.

Learning on the Move
The *Learning on the Move w*ebsite which aims to bring science, technology, history and much more to life through the story of travel, was launched at the NRM. This is a joint initiative between the NRM, London's Transport Museum in Covent Garden, the National Waterways Museum in Gloucester, the National Motor Museum at Beaulieu and the National Tramway Museum in Crich, Derbyshire, funded through the DfES Museums and Galleries Education Programme.

National Children's Art Day
The NRM took part in National Children's Art Day in June 2002, a day of events to celebrate art in schools and galleries, museums, art centres and science and discovery centres, as well as in unusual places all over the country. Two hundred and fifty children and their families worked on a mural, which has been put on display in the Station Hall.

Early Years
The DfES Early Years Development and Childcare Partnership was launched to a positive visitor response. It comprises story-telling sessions based on railway stories such as *The Chips Express* and a series of *I-Spy* sheets.

Annual Teacher's Weekend
An annual teacher's weekend was held in November. Over 180 children and their parents enjoyed the six story-telling sessions, while 250 people took part in the weekend's gallery tour programme.

The Big Draw
Over 300 people worked on a mural of *Mallard*, as part of the national 'Big Draw' 2002 event in October. The 'Big Draw' invited museums, galleries, libraries and archives to feature drawings (architectural, engineering, scientific as well as fine art) and to provide a range of activities for the widest public. Part of the 'Campaign for Drawing' initiated by the Guild of St George to celebrate the centenary of its founder John Ruskin, the annual initiative is driven by Ruskin's belief in drawing as a key to understanding and knowledge. People were encouraged to draw their favourite item in the Museum and visiting artist Caroline Jariwala then collated these images into a mural in the shape of *Mallard*.

Track Wise
A safety event with Arriva Trains Northern and Partners Against Railway Crime took place in January and was attended by 170 children and their teachers. The links made through this event will be long lasting: the designers for Partners Against Railway Crime have visited the Museum to discuss the possibility of the NRM hosting a plasma screen showing information on the workings and safety measures of the railways.

The Rainhill Trials
Stephenson's *Rocket* sparked a worldwide revolution when it steamed ahead of its rivals at the Rainhill Trails in 1829. The trials were staged by the directors of the soon to be completed Liverpool and Manchester Railway to find the most appropriate locomotive to use on their railway. More than 170 years later, a team from NRM took part in an experiment at Llangollen Railway in Wales to discover whether *Rocket* really did deserve its place in history.

The experiment, conducted for the BBC's flagship history series, *Timewatch*, pitted a replica *Rocket* against replicas of its old arch-rivals - *Sans Pareil*, based at the Timothy Hackworth Museum in Shildon and *Novelty* specially shipped over for the project from the Sverige Jarnvagsmuseum in Sweden and put into running order at the NRM's workshops. After technical modifications at NRM, *Novelty* was steamed successfully for the first time in September 2002 and approved by Her Majesty's Railway Inspectorate, part of the Health & Safety Executive.

The results of the trials at Llangollen remained a closely guarded secret until the BBC2 documentary *Rocket and its Rivals* was broadcast nationwide in January 2003. The results showed that it was no accident that the original *Rocket* won the Rainhill Trials. Although the *Sans Pareil* and *Novelty* acquitted themselves well, *Rocket's* steaming properties proved to be superior due to its multi-tube boiler.

Two days of activities with local schools were held to link with the TV programme and activities included comparing *Novelty* with *Rocket* and then riding behind *Rocket.*

Science Week
The ever-popular *Rocket into Science* was delivered as part of National Science Week to 24 schools (a total of 280 pupils) and a number of sessions were delivered to general visitors. National Science Week aims to celebrate the importance of science. Each year the British Association for the Advanncement of Science, (BA) organises Science Week briefing evenings around the UK giving people from across the UK a chance to participate in science activities and experiments and to engage in science discussions in their local area.

Conferences
NRM staff participated in numerous national or international conferences. Ralph Harrington opened *Off the Rails*, a conference on the history of railways and public order organised by Nottingham Trent University and held at the NRM. Barbara Schmucki spoke on *Safe Roads for Pedestrians!,* a history of 'the endangered species of the 20th Century', at the annual meeting of the Society for the History of Technology in Toronto. Helen Ashby and Richard Gibbon presented papers on the conservation of railway artefacts at an international symposium: *The Study of Modern Cultural Heritage - Preservation and Restoration of Railways and Railway Facilities,* at the National Research Institute for Cultural Properties, Tokyo.

Institute of Railway Studies
The Institute of Railway Studies and Transport History, founded in 1995 (as the Institute of Railway Studies) is a joint initiative of the NRM and the University of York. It has become the leading centre for the study of railways and other transport modes. The Institute is located on the campus of the University of York and at NRM.

The IRS' international reputation in the sphere of transport history was confirmed when Professor Colin Divall was invited to attend the inaugural conference in Lisbon, of the COST 340 Action, *Towards European Trans-national Transport Networks: Lessons from History*. Founded in 1971, COST is the intergovernmental framework for European co-operation in the field of scientific and technical research, allowing the co-ordination of nationally funded research at a European level. COST 'Actions' cover basic and pre-competitive research as well as activities of public utility.

Colin Divall gave a keynote address, *Railway imperialisms, railway nationalisms* to the Internationality of Railways 1850-1970 Conference, held at the Museum of Transport and Communication, Luzern, and Dieter Hopkin gave a paper on *The National Interest: Blinkered or balanced approaches in the world's railway museums* at the same Conference.

Two IRS masters dissertations were finished in September: Mike Esbester's study of *The Representation of the Railway in Cartoons* and Martin Cooper's analysis of *the Role of Railway Museums in Contemporary Brazilian Culture.* Both students will be returning for doctoral work. Graduate recruitment over summer 2002 was strong with five new research students joining the IRS.

Creative Planet

A 'Vision, Concept and Master Plan' document on the project with the working title Creative Planet, was given approval by the Board of Trustees approximately a year ago and since then, staff have focused on planning the transformation of NMSI Wrougton into Creative Planet.

Work has centred on concept development, market research, transport & access, infrastructure and the landscape. Concept development has focused on a new idea: the 'knowledge farm', a place that brings together people from all walks of life, science, technology and business enterprise in a collaborative atmosphere that cultivates nurtures and harvests innovation, creativity and invention. Typically a knowledge farm will have three aspects: visitor attractions, business enterprise and research and development. Five knowledge farms are proposed for the site, all set in a landscape of pasture, woodland, farmland, water and wetlands.

Extensive work has been carried out on researching the market, including the 'brand', the market profile, creating a visitor centre, using public and landscape art and creating conference and retreat facilities. This work will continue in a second phase that will examine how the market for Creative Planet can be built and sustained, how the message can be disseminated, the loyalty of visitors established and, very importantly, how the 'product' on offer to audiences can be renewed.

Sustainable transport issues are key to making Creative Planet a sustainable site and proposals have been and will be developed. These include park and ride schemes to link the site to public transport, improved road access, incentives to encourage the use of public transport and transport on the site itself.

A strategy has been drawn up for site infrastructure, based on localised 'closed loop' resource cycles and stand-alone renewable energy generation systems. Creative Planet energy objectives will aim to repay the 'carbon debt', become a net exporter of renewable energy, act as a catalyst for a carbon neutral local energy economy, promote a local energy partnership and eliminate on-site utility costs. In conjunction with this, a landscape masterplan has been drawn up to provide an integrated, comprehensive yet flexible framework for responsible economically sound development over time.

A successful three-day 'hot house' brought together designers, environmentalists and others from UK, Europe, America and the Far East to develop plans for Creative Planet. Plans for Creative Planet were presented to the public as part of the October open weekend with help of Kandu Arts sustainable development theatre group.

As well as planning the development of the site, work has also continued to deliver core activities. Four open weekends attracted over 6,000 visitors, including events for Heritage Open Days and National Science Week. Three temporary exhibitions were held: *Items from 1952*, to coincide with celebration of the Royal Jubilee; *Ability to Drive*, exploring development of the 'invalid carriage' and *100 Years of Powered Flight*, for Science Week. Part of the aero engine collection has been re-displayed and re-interpreted. Agricultural machinery experts gave valuable feedback at a special day in November and the Museum hosted a trade event for agricultural machinery. Members of the Guild of Aviation Artists had a 'paint-in day' amongst objects from the air transport collection. The Design Council held a regional design in business conference at Wroughton in November 2002.

Planning and Development Unit

The NMSI Planning and Development Unit was set up as a small planning team working across the organisation to shape future planning, policy and projects for the family of museums.

In 2002-03 PDU developed framework agreements for the new NMSI national functions, clarifying relationships and accountabilities and reviewed their location. PDU supported the Museums and national functions in developing their Business Plans, managed the development and use of the Balanced Scorecard - which highlights the strategic priorities for the coming year - and reported quarterly to the Trustees on the scorecard priorities.

PDU carried out internal consultancy throughout NMSI including a review of Trustee roles, facilitating 'masterplanning' events at NRM and NMPFT and carrying out reviews of the Science Museum workshops, Library and Blythe House store. PDU also advised on the intranet and website front page, supported the

Electronic Record Management project (linked to the Modernising Government initiative) and developed an e-strategy.

PDU took over responsibility for liaison with DCMS, a key stakeholder, including the Funding Agreement and the performance indicator information they require. PDU worked with DCMS on their Collections Storage Review, co-ordinated consultations across NMSI and contributed to the DCMS Annual Report.

PDU has led the development of the NMSI Cultural Agenda by defining and co-ordinating a programme of public exhibitions, programmes, virtual products and other activities. The unit developed an NMSI master programme of cultural content, provided support for major projects and has managed projects including *icon.net*, NRM^2 and the NOF-funded digitisation project *Ingenious.*

Sustainable Development Unit

NMSI aims to be one of the leading international institutions championing sustainable development by 2010. The NMSI Sustainable Development Unit (SDU), a new national function, was created to drive this agenda forward. In 2002-03, NMSI produced a sustainable development strategy and action plan for the next five years. In the future the museums will be set challenging targets against agreed sustainable development performance indicators.

In 2002-03, SDU worked with Estates to reduce overall NMSI energy use by 5.66% in comparison to 2001-02. The SDU team is following this up by identifying longer term measures to save energy, save money and reduce greenhouse gas emissions at every site. A carbon and energy management plan will be produced for the organisation. The team has also completed 'Green Team' pilot schemes at NMPFT, Wroughton and Blythe House. Staff in Green Teams spend one day a month working on sustainable development projects and staff in the Science Museum and NRM will get a chance to join these teams in 2003.

At NMPFT, the Green Team has audited office energy use and focussed on recycling including sending old computers to a local charity to be recycled. The team is researching how new projects could be made more sustainable and planning to expand the recycling scheme. At Wroughton, the Green Team set up a recycling scheme for metals, wood, plastics, cardboard, paper, electrical equipment and organics. Also an exhibition on sustainable shopping was mounted in late 2002. At NRM, the Shildon project team and the SDU have been assessing options for sustainable transport on the site.

The Science Museum produced a comprehensive sustainable development exhibition and website, *Climate Change*. Students from Imperial College conducted an environmental review of the main Science Museum buildings and an action plan has been developed based on the students' recommendations. Research on creating more sustainable exhibitions is continuing and SDU has set up a South Kensington Forum so that the Science Museum can share experience and expertise with neighbours such as the Natural History Museum, the Royal Parks and Imperial College.

Corporate Communications Unit

The Corporate Communications Unit was established in September 2002 to develop an effective internal and external communications and marketing and fundraising strategies for the NMSI family of museums.

From September to March 2003, CCU activity has been focused mainly on some of the immediate tactical needs of the family of museums. While that role will continue through the year ahead, the CCU will also develop an NMSI-wide corporate communications strategy. That strategy will reflect three initial priorities:

- to create or improve NMSI external communications;
- to strengthen NMSI internal communications;
- to facilitate and support NMSI fundraising and marketing.

The Unit, set up with just two members of staff, will be enlarged to create a team that will support the NMSI family of museums in the areas of NMSI corporate communications, NMSI marketing communications, NMSI internal communications, NMSI fundraising.

Information Technology Unit

Communication has also been facilitated by the team making up the Information Technology national function, for whom it has been a very busy year. Major achievements include replacing and modernising the

NMSI's failing e-mail system, which could no longer cope with the rising volume of use. All users were trained to use the new system.

The IT Unit has also installed a faster, more cost effective and streamlined telephony network for the Wroughton site to improve communications. The Unit has also installed Microsoft Office 2000 software in each desktop computer across NMSI and implemented new Network Monitoring, Help Desk and desktop management and delivery systems for NMSI.

The installation of increased bandwidth across all sites via an educational partnership with BT has resulted in greatly increased capacity at the Science Museum which now compliments the recent increases at all other sites and gives spare capacity for future requirements.

Finance

During 2002-03, a new finance system was introduced to replace the old system that was suffering support issues. The new system enabled the direct input of orders by non-finance staff and will be able to despatch orders and invoices by email or fax. Report layouts are much improved and paper use has been reduced. Staff can access and print their own reports directly.

A review of the trustee committee structure was undertaken in parallel with the Museum restructuring and the new committee structure will be implemented during 2003-04.

Lengthy discussions between DCMS and NMSI resulted in a revised Management Statement and Financial Memorandum being signed by both parties during 2002-03.

The implementation of resource accounting and capital charging continue to raise concerns as the exact processes have not yet been determined.

NMSI Trading Co Ltd

NMSI Trading Ltd (NMSIT) has continued to support the activities of the NMSI family of Museums throughout a year when museums, galleries and visitor attractions across London in particular have seen the number of visitors (particularly overseas tourists) affected by global uncertainty and the continued threat of terrorist activity.

NMSIT successfully marketed and managed two temporary exhibitions at the Science Museum during 2002-03, *Grossology,* which ran from May – September and *Bond, James Bond,* which ran October – April following an initial run at NMPFT (March – September). These two exhibitions collectively attracted approximately 430,000 visitors. The *Bond, James Bond* exhibition in particular performed well in excess of budget against all commercial performance indicators.

Key offsite commercial achievements included the completion of *Sparking Reaction*, the BNFL visitors' centre contract and the sale of a replica *Science of Sport* exhibition for the Athens Olympics 2004.

Science Museum
Within this overall environment of uncertainty, free entry, a very strong temporary exhibition programme and the implementation of successful campaigns supporting marketing communications have had the effect of maintaining visitor levels ahead of budget.

Imax Cinema
The Trading Company launched several new films at the Science Museum during 2002-03, including *Space Station 3D*, which raised the profile of the cinema at the Museum as well as general brand awareness of IMAX. The company also pioneered the first IMAX film festival in the UK which was supported by BNFL and which was extremely popular with the education market. Having learned key lessons from the festival, another is planned for 2003-04 to establish the place of IMAX at the Science Museum.

Non educational film
The Trading Company also carried out a trial run of a non-educational film - *Santa vs. the Snowman* and found that visitors were pleased to have a variety of films on offer at the Museum, including non science-based ones. Overall, with increased press interest in the films and a better quality product on offer there were 309,000 visitors to the Science Museum Imax cinema, an increase on last year.

NMPFT
NMSIT started and ended 2002-03 on a high note and the year was punctuated by a series of landmark events and achievements, which took the Museum into 2003-04 with confidence and enthusiasm.

Bond, James Bond
March 2002 saw the opening of *Bond, James Bond*, an exhibition that epitomised the benefits of partnership working. The NMPFT not only nurtured a close and productive relationship with Eon Productions, who agreed to fund the development of the exhibition, but the NMPFT curatorial team also created and designed the exhibition, which drew over 53,000 visitors in Bradford before moving to the Science Museum for October half-term. The value of press coverage secured by NMPFT alone exceeded £1.2m.

Film Cinemas
35mm (non IMAX) film shown in the Pictureville and Cubby Broccoli Cinemas performed well, exceeding budget by over 11% in a difficult trading environment.

Sponsorship
In response to increasing demand, a funding bid to DCMS and the Wolfson Foundation was successful, together with sponsorship from Bradford & Bingley in permitting the creation of a permanent gallery for photographs, scheduled to open in November 2003.

NRM
Corporate Partners
The NRM's Corporate Partnership programme now has 28 organisations on board and reached its target of £100,000. NRM also received significant in-kind support from new members. Wabtec will provide the Museum with £20,000 of restoration and become a Benefactor. The readers of *Steam Railway* magazine are now Patrons, having raised over £50,000 for the restoration of the *City of Truro* locomotive. Eurostar continues to match its cash donation with £10,000 worth of tickets.

Mail Order Catalogue
The first NRM Mail Order catalogue was successfully launched in time for the Christmas period 2002. Strategies for the maximisation of future NRM Mail Order programmes are being evaluated.

Auction
A successful fundraising auction was held at the NRM that raised a total of £69,000 for the Museum, to provide £35,000 for the conservation programme and to fund associated education programmes.

9 Sponsorship, Grants and Donations

The support of corporate and non-corporate third parties is sought for the benefit of the family of Museums. The Museums seek to cultivate long-term mutually beneficial partnerships with these third parties such that the added value 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.

It has been an exceptional fundraising year across all three Museum sites and funding commitments secured in 2002-03 have exceeded all targets with a total of £11,865,342. Some of the year's notable achievements are listed below;

- £250,000 donation from Vodafone Group Foundation was committed to support the Energy Exhibition priority project.

- Deutsche Bank made a commitment of £67,000 to continue and expand the 'Science Show Outreach Programme'. The programme will be expanded from 20 schools to 35 in central and greater London from September 2003. Lloyds TSB Foundation also continued their support of Outreach activity by donating a further £23,000.

- BT plc committed £120,000 for sponsorship of a Research Fellow based at the Science Museum and for telecommunications exhibits (for which they have donated a large number of objects) as part of their Connected Earth project.

- The South West Regional Development Agency gave a grant of £250,000 to support development of Creative Planet at Wroughton.

- A grant of £1,400,000 was promised from the Treasury's Invest to Save Fund to finance the creation of a rich on-line interactive exploration of the *Making the Modern World* gallery.

- Following successful completion of the £7,800,000 capital campaign for Shildon, NRM has received verbal confirmation that the bid for £2,000,000 to the ERDF (in partnership with Sedgefield Council) for the interpretation and display elements of the project has been successful. A further £150,000 from the Northern Rock Foundation has also been committed to the revenue stream for Shildon.

- Fundraising for the conservation of Queen Victoria's carriage has been completed with donations of £5,000 from NRM Friends; £10,000 from the Golden Jubilee Prize Draw; £50,000 from the Heritage Lottery Fund and £35,000 from an auction on site.

- NMPFT has successfully raised full funding for two priority projects, the Lewis Carroll acquisition £571,500 and the Photography Gallery £500,000.

- NMPFT has secured £137,000 from Kodak and the Esmé Fairbairn Foundation for the acquisition and transfer of the Royal Photographic Society Collection. To the end of 2002-03 the Museum had raised £4,780,000 against a target of £5,000,000. Decisions are awaited on bids totalling £356,500 submitted to other funding bodies.

10 Voluntary Help

Science Museum
The Science Museum has not used volunteers in 2002-03 while the modernizing and restructuring programme is underway. However the Museum is creating a new post of volunteer co-ordinator, who will have a remit to set up a sustainable volunteer programme by Autumn 2004.

NMPFT
NMPFT has used voluntary help mainly on a project by project basis. However, the establishment of a systematically organised volunteer scheme is seen as important in delivering effective care and management of NMPFT's collections. It will supplement the Museum's existing resources and make the collections intellectually and physically available through *Insight.* There is a rich seam of knowledge and reserves of goodwill that is currently under-used, but if these resources can be harnessed and effectively controlled and deployed, the benefits to collections care, research and access will be enormous.

In 2002-03, NMPFT has been investigating a number of pilot programmes leading to the eventual establishment of a cohesive volunteers scheme. Collaboration with the Royal Photographic Society, which has a number of regional and specialist affiliated groups attached to its membership, may offer an invaluable font of knowledge and commitment which could sustain discrete elements of the proposed scheme, and these will also be considered in due course.

NRM
The appointment of the Volunteer Recruitment and Development Officer at NRM in 2001, made possible a thorough review of the volunteer policy and systems during 2002. A new Voluntary Help Policy and a new Volunteer Agreement have been developed (currently awaiting approval from the Trades Unions before being launched NMSI-wide) and discussions have started with all the other NMSI museums about rolling out a volunteer programme.

The scope of volunteering at NRM is becoming much wider, with roles for volunteers in the Education Department and in Collections. Recruitment, selection and induction procedures are now better established across NRM and recent recruitment drives have resulted in 39 new volunteers. NRM currently benefits from the services of 185 volunteers, which represents an increase of 23% on the same period last year.

A new approach to volunteers includes an open-door personnel service for all volunteers, a volunteer Recognition Evening, a new forum for communication in the form of a new newsletter for volunteers. More training has been established as a key need for volunteers. The profile of volunteers being recruited at the NRM has changed to include more women, younger volunteers and more overseas volunteers.

Wroughton
Members of Wiltshire Agricultural Machinery Group have provided volunteers to staff open weekends and to help to restore some of the tractor collection.

11 Policy and Measures for People with Disabilities

It is NMSI policy that all eligible people shall have equal opportunity for employment and advancement in the NMSI on the basis of their ability and qualifications and fitness for the work. There must be no direct discrimination based on sex, race, religion, age, physical disability or sexual orientation against any eligible person whether in recruitment, training, promotion or in any other way.

This policy pursues and builds on the statutory position. The intention is to comply as much with the spirit as with the letter of the legislation and to establish and pursue an effective policy of promoting equal opportunity. It aims to reduce job segregation (that is where people of one sex are concentrated in particular areas of work) and to make best use of the potential of all employees, men and women of whatever race and whether or not they have any physical disability

NMSI began to develop a plan to respond to equality issues in personnel procedures, pay and conditions, actively seeking to identify any discriminatory practice and, if found, to draw up an action plan to address it over the next 2-3 years.

Science Museum
The Science Museum has made every effort to ensure that staff throughout the Museum are sensitive to specific needs that visitors may have. On entry, a Ticket Plan is issued showing the position of stairs, lifts, ramps, eating areas and toilets. Staff are on hand to give assistance and can also provide help with the lifts for groups of visitors. A large print access and facilities guide, the *Floor by Floor Access Guide,* details the physical accessibility of all floors. To help visitors with disabilities to plan their visit, information can be obtained in advance from a Minicom Line, a disabled persons helpline or from the Education Department.

Wheelchairs are available at the main entrance, which can be booked in advance by telephone or borrowed on the day of the visit. Wheelchair-accessible toilets are available on all five principal gallery levels. There are four parking spaces for use by visitors with ‘orange badges’ on Exhibition Road outside the Main Entrance to the Science Museum. (There are twelve in total on Exhibition Road.) These are controlled by the Royal Borough of Kensington & Chelsea rather than the Museum and cannot be booked in advance.

There are a number of exciting 'hands-on' galleries for children throughout the Museum. Most of these areas are staffed by Explainers - professional science communicators who provide personal guidance, explanations and demonstrations on gallery. Visitors with special needs are advised to contact the Enquiry Line or Education Bookings Department before visiting these galleries as they can sometimes become very crowded.

The Personal Guide Scheme offers people with disabilities a personal two-hour tour of the Museum's galleries including over 2,000 hands-on exhibits. The individual visitor can decide what he or she would like to see in the tour. Personal Guides need to be booked in advance by calling the disabled persons helpline. All public telephones have been fitted with induction loops (phonecards only). Assistance dogs are welcome throughout the Museum and water bowls for these dogs are available on request

NMPFT
NMPFT staff induction for new staff includes Equal Opportunities Policy and Equal Opportunities awareness in recruitment, selection and performance management is delivered as a key part of management development training. Induction training for ‘front of house’ staff includes further disability awareness training. In 2002 the Personnel Manager attended a number of development events related to Equal Opportunities, specifically, disability employment issues.

NMPFT recruitment and selection policy was overhauled only last year to ensure systematic open and fair appointment of staff and training emphasizes the importance of good Equal Opportunities practices. However, further work is needed to review staffing statistics and determine whether under representation occurs and how to respond to it. This work is scheduled for 2004.

The Museum caters for all needs - ramps, lifts, toilet facilities, tactile and Braille signage, cinema and telephone hearing systems, wheelchair user spaces in all cinemas and 'easy grip' cutlery in the restaurant and staff are fully trained in access awareness. There is a large car park at the side of the Museum, with a

ramp to the main entrance and a large drop off-area at the front of the building with dedicated parking spaces for disabled visitors. The entire Museum is accessible using lifts, which can carry several wheelchairs. A digitised announcement in the lift indicates the different floor levels. Unique tactile guides combining an illuminated floorplan and Braille signage are located on every floor.

The new IMAX auditorium has a level entrance and eight wheelchair spaces. There is also fixed seating, which wheelchair users can transfer to. There are wheelchair spaces in both *Pictureville* and the Cubby Broccoli cinemas, which can be booked in advance. *Pictureville* and IMAX cinemas are equipped with the Sennheiser infrared hearing system.

Museum information leaflets are available in standard and large print formats, Braille and on a pre-visit computer disc. An interactive guide in the foyer offers up-to-date information on the Museum. The box office in the main foyer is fully accessible with wheelchair height counters and an induction loop. The Intermission, a café/restaurant on the ground floor is fully accessible and easy grip cutlery and crockery is available.

Assistance dogs are welcome in both Museum and auditorium and water bowls for them are available at reception. Standard wheel chairs are available at the main reception and access guides are available to download in pdf format in both standard and large print. An html version is also available.

NRM
As part of its strong support of the Equal Opportunities Policy, NRM holds an annual 'Please Touch' evening, which brings the Museums collections to life for people with hearing, sight, mobility or learning difficulties (free of charge). Activities include rides behind an historic diesel engine, wheel-tapping, signalling and live theatre. Information is available in the Access Leaflet, on the website or from the Visitor Services Manager.

Six free parking spaces at the City Entrance to the Museum are designated 'disabled driver only' and free parking for orange badge holders is also available in the main visitor car park. A ‘Road Train’ shuttle service runs to and from York Minster equipped with a lift, which can accommodate two wheelchairs.

Automatic doors provide easy access at both entrances. Wheelchairs are available free of charge at both entrances. The NRM now has power packs available for standard wheelchairs, enabling the wheelchair to become motorised in the Museum.

Ramps and chair lifts provide access to most areas of the Museum. The recent installation of automatic doors to the entrances and a lift to the balcony gallery has made further improvements to access. A new ramp leading up to the model railway in The Great Hall of the NRM now allows much better access for wheelchair users. Lifts with audible floor indicators, audible warnings, and tactile control buttons provide access to exhibition galleries. Emergency exits use symbols to aid reading by the visually impaired. Assistance dogs are welcome.

Wheelchair-accessible toilet facilities in all areas are equipped with handrails and emergency cords. Public telephones are wheelchair-friendly and suitable for use by people with impaired hearing. Large print boards at each entrance indicate where the main exhibits and facilities are located. Large plans of the NRM with symbols aid use by visually impaired visitors are produced following the RNIB's 'See it Right' clear print guidelines. The NRM Soundguide has proved very popular with partially sighted visitors, and NRM has commissioned a new tactile leaflet to accompany the Soundguide so that visually impaired visitors can make better use of this facility

Wroughton
Wroughton is wheelchair accessible throughout and the newly refurbished administration offices include accessible toilets and ramps. In the summer of 2002 an exhibition was held of the Museum's unique collection of disability vehicles, including a Mini Cooper adapted for a limbless person affected by thalidomide. The Museum consulted the local disabled community widely when designing the exhibition, which attracted many disabled visitors and considerable publicity both locally and in the disability press.

Distances are very long at Wroughton, both within and between hangars, it is therefore intended to examine the potential for obtaining electric buggies for loan or hire. In addition, seating will be reviewed as part of the development plans for the site. Further wheelchair accessible toilets will be obtained for special exhibitions and open days. It is also intended to include Braille signage for new exhibitions, and a hearing loop system for the meeting facilities on site.

In the longer term, all briefs for architects for all buildings planned as part of the development of Creative Planet include state-of-the-art provision for visitors and staff with sensory and physical disabilities of all kinds. The Creative Planet development will be planned and built to enable full accessibility for all, and it is our intention to become a showcase of best practice in this field.

12 Admissions Policy

General public admission to The Science Museum, National Railway Museum and National Museum of Photography Film & TV remained free during the period 2002-03. Free admission to NMSI Museums supports DCMS' and the broader Government policy of widening public access.

Science Museum
At the Science Museum general Museum admission is free but charges are levied for IMAX Cinema, Simulator Rides and selected temporary exhibitions. The Science Museum Library is free to the public for reference.

NRM
At the NRM general Museum admission is free but charges are levied for selected temporary exhibitions and events.

NMPFT
At the NMPFT general Museum admission is free but charges are levied for the IMAX, Pictureville and Cubby Broccoli cinemas and selected temporary exhibitions.

13 NMSI and the Wider Museum Community

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As well as strengthening links with regional bodies such as the Area Museum Councils and networking groups, the NMSI is an active promoter and supporter of regional and national collaborative initiatives such as collections listing projects. The Museum has also developed training initiatives, forging links at all levels with non-national museums. A few examples are set out below. NMSI staff also regularly work with the Heritage Lottery Fund to provide advice.

Science Museum
In November 2002 the Science Museum and the Natural History Museum co-hosted the Annual European Collaboration for Science, Industry& Technology (ECSITE) Conference attended by 550 people from European science centres and science museums and other international institutions.

The Museum secured the Preservation of Industry and Scientific Material (PRISM) Fund's future in a time of great change and negotiated its successful transfer to a new administrative arrangement provided by Resource from April 2003. Prior to its transfer, during 2002-03 the PRISM fund provided support and expertise to 54 non-national institutions in England and Wales and supported sectoral initiatives including a review of Registration scheme.

The *Naked Science* team worked closely with the British Association for the Advancement of Science to deliver a very successful and innovative event, *Animal Experimentation*. The team has also produced events in collaboration with the BBC, the Department for International Development and the Samaritans.

This year the *Antenna* team worked with EDAB (European Dana Alliance for the Brain) and Imperial College to facilitate a week of events in the Science Museum for Brain Awareness Week 2003.

The Science Museum has joined *Connected Earth*, a landmark collaboration with BT and other museums to communicate to wide audiences on the history of communications. A BT *Connected Earth* Senior Research Fellow is being appointed to generate a range of research products aimed at making a real impact on the public's understanding of the role of telecommunications in our history.

As part of the wider Library community, the Science Museum Library acts as a back-up library for the British Library interlibrary loans scheme, and records from the online catalogue are added to COPAC, the national online catalogue of the university and research libraries, which has already generated increased use of the Library by academics from all over the country.

NMPFT

NMPFT is committed to engaging with the wider museum community in a variety of ways. Support for independent and local authority organisations is becoming increasingly important since publication of the *Renaissance in the Regions* report, following which Resource will establish Regional Agencies (RAs) as strategic bodies responsible for museums, libraries and archives in each of the nine English regions by April 2004. (Resource is also developing concordats with the devolved administrations of Wales Scotland and Northern Ireland that will set out ways of working and areas of collaboration.) Throughout 2002-03, the Museum has supported these moves by activities directly benefiting colleagues and organisations across the sector.

NMPFT has lent numerous objects to a range of non-national museums throughout the UK, including Gunnersbury Park Museum in west London, *@Bristol*, the Mead Gallery at the University of Warwick and the Ironbridge Gorge Museums. It has also entered into partnerships with other national museums for acquisitions and loans of objects (such as the partnership with the National Portrait Gallery leading to acquisition of a significant body of work by Lewis Carroll and the loan of objects to the V&A for its *Art Deco* and *Cheating…*exhibitions).

The Museum accepted the placement of a curator from Harewood House as part of the Re:source-sponsored *Sharing Skills* scheme and took students on placements from the University of Leeds' MA course in Museum Studies as part of the wider concordat between the Museum and the University. Numerous regional, national and international organisations wishing to use *Insight*, NMPFT's collections access and research facility, have been made welcome and staff have facilitated the research of many other curatorial colleagues.

Specialist professional opinion and support has been provided to organisations such as Yorkshire Film Archive, the Chambre-Hardman Trust in Liverpool, the National Trust and independent funding bodies (e.g. the Art Fund, HLF). NMPFT has also brokered and provided independent professional opinions for Bradford Museums and Art Galleries to support acquisition of a significant local photographic archive.

Reaching out to the wider museum community, NMPFT contributed to the Re:source sponsored *A2A* (Access to Archives) website initiative through the *Yorkshire Signpost Project*; facilitated a touring programme to make the work of contemporary practitioners Martin Parr and David Bailey accessible to a wider audience and sent a member of staff to deliver a paper on collections access at the Museums Association Conference in 2002.

NMPFT has also dispensed advice and guidance to the wider museum community on specific matters such as acquisitions and stewardship of mixed format multi-media collections, digitisation and access techniques. In the process it helped organisations to achieve professional excellence and encouraged innovation. NMPFT also continued to offer its facilities to key local professional bodies (e.g. Yorkshire & Humberside Museums & Art Galleries Federation) and specialist groups (e.g. the Art Libraries Society, ARLIS).

NRM

The National Railway Museum has recently taken over from the Science Museum in being the DCMS grant provider to the National Coal Mining Museum for England (NCMME).

The NRM has continued to provide a wide range of advisory services within the railway and industrial heritage sector. Advice was given on numerous projects to the Heritage Lottery Fund and other funding agencies and, until December 2002, the Head of NRM sat on the HLF expert advisory panels for Museums, Libraries and Archives. Three members of staff sit on the statutory Railway Heritage Committee or its sub-committees and close informal links are maintained with a wide range of transport museums and their co-ordinating bodies. NRM staff play a leading part in the co-ordination of nation-wide railway heritage policy in partnership with the Heritage Railway Association, the Railway Heritage Committee and others.

The NRM has ensured that it has close links with the members of the newly formed Yorkshire Regional Museums Hub. The Deputy Head of Museum is a board member of the new Yorkshire Museums, Libraries and Archives Council and links are in place at NMSI Trustee and staff level with the new York Museums Trust**,** which has taken over the operation of the former City Museums in York.

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

Strong partnerships have been developed in some 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; NRM also has material on loan to more than 80 regional museums across Britain.

A key development during the 2002-03 was the publication of the *Railway Object Names Thesaurus*, the culmination of several years work by a group including the Museums Documentation Association and a number of participating railway museums; it was chaired by NRM staff.

Wroughton

Wroughton has continued to maintain positive relationships with neighbouring museum services. A vintage bus service has been run between the Museum and STEAM the museum of the Great Western Railway in Swindon on open weekends. Staff have also attended meetings of the South Western Federation of Museums & Arts Galleries and Wiltshire Museums Group. An open weekend was held during Museums & Galleries Month. Discussions have been held with representatives of the South West regional 'hub' group regarding future collaborations.

14 Access and Outreach

Science Museum

Schools
During 2002-03 the Science Museum provided outreach activities for 13,500 pupils from 100 different schools around the country. Following the success of the outreach team during the last year, sponsorship for the Deutsche Bank Schools' Outreach Project has been extended until end of the summer holidays in 2005. This will allow the Science Museum to reach 60% more school children than last year.

Communities
A panel of people from the Afro-Caribbean and Gujarati communities was established to provide advice and guidance on broadening the Museum's audience. The panel has been advising on and helping to develop content for the redevelopment of the Space Gallery, contributing to re-development of the Upper Wellcome Gallery, contributing to the Dana Centre's *Naked Science Programme* and to the development of the NOF funded *Ingenious* web site.

The community outreach team has developed a partnership with South Bank University's Language and Literacy Unit to provide museum programmes for Turkish and Bangladeshi families in Islington and Southwark. In addition a pilot project was developed to work with teenagers from the Golborne Youth Center in North Kensington to produce internet radio programmes. Collaborative events were also run with the Ragged School Museum and the Cuming Museum in Southwark, south east London.

NMPFT

Loans and Collections
A key component of the NMPFT's successful access and outreach strategy has been its loan programme. Objects loaned by NMPFT formed the centrepiece of many exhibitions, reinforcing the Museum's commitment to supporting the activities and programmes of national and international museums and galleries and making objects of national importance more accessible. NMPFT's contribution to regionally based shows affirms its commitment to establishing partnerships with local galleries attempting to establish more innovative visual media exhibitions.

Insight
The NMPFT's flagship collections access facility, *Insight,* has continued its free daily public tour programme, which was regularly oversubscribed in 2002-03. A thriving and innovative public schedule of talks and educational activities during the past year has contributed to the NMPFT's aims of learning development (from Key Stage 1 to lifelong learning) encouraging enjoyment and fulfilment and promoting the collections' availability for the benefit of all. Where practicable, these activities have been related to other NMPFT events such as the Bradford Film Festival or external events (e.g. Museums and Galleries Month, Adult Learners Week, Heritage Open Days).

Schools
Digital Imaging in Schools was a programme of 10 digital imaging/photography-based projects and associated teacher training for schools in the South Bradford Education Action Zone. This Kodak-sponsored research project followed the *Children as Photographers* project undertaken in 2000-01. The NMPFT developed, tested and disseminated effective models of digital imaging for use in the classroom, designed to help deliver national curriculum objectives at primary and secondary level, in a variety of subjects. A web-site (http://www.nmpft.org.uk/digitalschools/), paper and educational resource pack were produced and outcomes were disseminated to QCA and other relevant organisations.

Adult Learners Week
NMPFT was credited on the Adult Learners Week website www.niace.org.uk/ALW (core funded by DfES) for a pilot event held in *Insight: Collections and Research Centre*. Groups of older people from Age Concern were invited to look at Daily Herald Archive Word War II material to engage directly with the Collection. Following this successful pilot, NMPFT intends to establish a formal visit package for this economically active market and offer these *Insight* sessions on a regular basis.

Empowering the Learning Community
As part of Museums and Galleries Month 2002, NMPFT was awarded funds from 'Empowering the Learning Community' - a joint DfES/DCMS funded initiative to promote lifelong learning opportunities in libraries, museums and archives. A cross-cultural project entitled Belle Vue Re-visited: Studio Portrait Photography was undertaken by NMPFT in collaboration with Bradford Heritage Recording Unit (BRHU) and users of The Gulberg Centre. Local Bangladeshi and Pakistani people took part in a photographic project exploring the conventions of studio portraiture they were familiar with from the 1930s.

Self-Portrait UK
This project, produced and developed by media 19 in partnership with Channel 4, the National Portrait Gallery and Northern Arts, is an innovative, multi-platform, self-portrait project in which people were invited to create their own self-portraits. NMPFT invited people over 50 years of age to produce their own photographic self-portraits, linked to a personal photograph from their own private collection. Participants were filmed talking about themselves and their photograph.

Digital Workshops for Adults
A new programme of digital photography, video, web workshops and INSET has been launched aimed at culturally active audiences (both teachers/lecturers and general public). Offered as part of both the Learning and Public Programmes both the day schools and twilight models are proving to be very popular indeed.

NRM

Search Engine
Planning started for this major new project to increase access to the vast but under-used resources of information in the NRM Library and Archive. The objective is to develop Library and Archive functions at the NRM to become *the* national expert centre for railway archives. A new centre will be built, planned to open in 2006. A bid for funding has been made to the Restructuring and Collaboration Fund (RCF) of the Higher Education Funding Council for England (HEFCE). This is being undertaken in collaboration with the University of York.

Web-based access projects
Detailed planning for NMSI-wide digitisation work, which it is hoped will be funded by the New Opportunities Fund, has continued during 2002. The aim is to make approximately 10,000 NRM images accessible through a fully searchable web database by the end of the 18-month project.

NRM's involvement in a partnership undertaking two projects funded by the Public Record Office's *Access to Archives* initiative has resulted in some of the NRM archive-finding aids being converted into web-

readable form at no cost to the NRM. The Tracking Railway Archives project used a team of volunteers to work on NRM catalogues of the Doncaster Locomotive Works Archive and on the NRM list of British Rail Standard Locomotive drawings. Simultaneously, the *Yorkshire Signpost* consortium has converted the *NRM Guide to Photographic Collections* to web-readable form.

Work continued on the Highland Main Line phase of the *North by Northwest* web exhibition project with photography of signalling including a 90 year old Dalnaspidal signal man, retired LMS/BR drivers who all started work at Aviemore during World War II and Scot Rail Station staff at Pitlochry.

National Archive of Railway Oral History (NAROH)
The Archive collected 500 interviews and 250 transcripts during 2002-03. Cataloguing and administrative work remains the continuing priority until the Archive is handed over to the Museum in June 2003.

National Railway Community Archive
The National Railway Community Archive was launched at the NRM in November, enabling volunteers and visitors to input their own images and memories into a simple database near the Information Point in The Great Hall.

Visitor Research
In order to understand the lifestyles and needs of both our visitors and our potential visitors, the NRM has commissioned visitor and non-visitor research into the leisure lifestyles of C2,D,E socio-economic groups. This will inform any plans the NRM may make to attract more people from these socio-economic groups into visiting the Museum.

Education
The Education Team has been working with Collections Teams to create an Education Collection. This comprises objects from the collections, which can be handled by visitors and used to add value to the work with visitors. All events such as National Children's Art Day and Big Draw used items from the Education Collection as inspiration and these were put on display; they are usually in the stores. The Early Years Education Officer has also conducted story-telling sessions in York and North Yorkshire Libraries.

Theatre
Platform 4 Theatre Group has worked with the Museum of Science and Industry in Manchester and Guernsey Museum Service in writing and performing plays. These are now being used at the NRM.

Wroughton

Over 800 school children participated in education workshops held at the Museum and at local libraries. A partnership has been developed with a local secondary school, which is seeking Science Status. Four open weekends attracted over 6,000 visitors, including events for Heritage Open Days and National Science Week. For the ninth year Wroughton hosted the Junior Good Citizens programme run by the police authority.

15 Capital and Other Major Projects

NMSI

The NOF-funded Science and Culture Web project, *Ingenious*.
Ingenious is a website and digitisation project that will create connections between the people, innovations and ideas that have changed our lives and the way we see the world, from the industrial revolution to the present day. In doing so it will use a great variety of images and objects. The aim is to digitise 40,000 images and offer 50 topics that interpret them.

The project completion date is October 2003. The infrastructure is on time and more than 50% complete. Of the topics, 70% of content will be produced by October 2003 when the project will be launched. The delivery of a further 20% of topics by the end of 2003 is planned.

A strategy for the combined launch of *Ingenious* and *Making the Modern World Online* is currently being co-ordinated by marketing staff at the Science Museum. It is intended that the *Ingenious* launch in October 2003 will be narrowly focused on specialist users with a wider launch of NMSI's newly strengthened online presence in March 2004

Science Museum

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, which faces Queens Gate, will house the Dana Centre and will be occupied by the BA, the European Dana Alliance for the Brain (EDAB) and NMSI staff. The target date for opening the Dana Centre to the public is late 2003.

The Museum has continued to develop a programme of events of the type that will be presented in the Dana Centre. These events, known as the *Naked Science Programme* are experimental public-science dialogue events, with a complementary evaluation programme. The evaluation has 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.

NMPFT

Icon.net
Icon.net is an innovative 'electronic backbone' providing joined-up electronic knowledge-sharing and working across NMSI. It will use the best contemporary and emergent media to provide a nationally networked learning environment and experience that is innovative, creative, distinctive and sector-leading. The aim is to make *Icon.net* an effective engine for focused expertise and innovation across the NMSI, setting appropriate standards to drive continuous improvement across NMSI's electronic media output. The outputs will be a range of traditional broadcast, interactive broadcast, Web, broadband, wireless and other new-media programmes linked to museum display and outreach.

The project has three main aims:
- develop more intelligent, sophisticated use of e-media and interactive experiences for knowledge generation, meaning-making and public dialogue;
- capitalise on the potential of e-media to expand access to a wider variety of external targeted audiences and,
- research and exploit new e-business revenue-generating opportunities.

Two teams have been established: a core group, representing the main NMSI projects and activities, to co-ordinate opportunities with short timescales and a wider group, representing other stakeholders across the NMSI museums, to co-ordinate medium-term opportunities. This has also highlighted significant shared experience and e-media potential. Key live projects have been established as models for future *Icon.net* content, notably *Ingenious.* Capital projects including the Dana Centre and *Lightwave* are also being considered. There has also been a focus on bidding for new funding and partnerships – e.g. *Culture Online* for generic e-media content.

NRM

Shildon Railway Village
NRM is working in partnership 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. It will also significantly enhance access to part of the national collection through the partnership with the Hackworth Museum. The project is seen by the local 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.

In 2002-03 NRM were allocated a £5m grant from the Heritage Lottery Fund towards Shildon Railway Village (SRV) and a further £2m from the European Regional Development Fund (ERDF). Approximately £1m of this will be used to provide high quality displays throughout SRV. Subsequent awards from the Regional Development Agency and the ERDF have completed the funding requirements for construction elements of the scheme.

DTI has awarded £112,000 towards a photovoltaic roof, which will provide power to drive the interactive displays within the building. Northern Rock Foundation, the first non-statutory organisation to become involved in the project, has provided £150,000 to ensure that the project will contain many key elements of sustainability.

A Community Liaison Officer has been appointed to work with the community to develop relationships with community groups and interpretation plans are now being developed. DCMS has allocated £150,000 p.a. to operational costs to allow free admission for all. SRV is on track to open to the general public in the second half of 2004.

York Central

The NRM site is surrounded by some 30 hectares of underused and derelict 'brown field' land comprising mainly railway tracks and currently lacking the infrastructure necessary for development. The York Central scheme envisages the commercial development of this land as an extension to York's city centre. The Museum is a key member of a partnership in this project along with other landowners, principally Network Rail (in Administration), Jarvis plc, Yorkshire Forward (the Regional Development Agency) and the City of York.

The project is expected to provide the highest quality commercial environment, plus new housing at the periphery of the site, and is seen as having the potential to transform aspects of York's economy. 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.

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A masterplan for the site is currently under consideration by the partners while Yorkshire Forward is funding work by NMSI to shape proposals for the future of the NRM's site. York Central creates an opportunity for the NRM's role in York to expand very significantly through a mix of commercial and cultural developments currently being explored under the working title of *Rapid City*.

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Rapid City

With the building of York Central - a complex of buildings, public spaces and experiences with the future of mobility, travel, communication and transport as themes - will come a further opportunity to create a new complex at the heart of this major new development. It will enable NMSI, through NRM, to broaden the sweep of the already broad NMSI cultural agenda.

During the forthcoming ten-year York Central development NRM will, in parallel, move to a more story-led approach. It will increasingly consider current issues in travel and transport, while continuing to be a world leader on discussions of rail history.

A 3-day planning workshop in May 2002 brought together some 30 people from NRM, NMSI and beyond, to develop an outline vision for NRM, building on recent successes: being European Museum of the Year in 2001, the opening of *The Works* in 2000 and the successful bid for funding for the Shildon Railway Village project. The emphasis was on vision, on developing a framework for redeveloping the NRM displays and on setting out a concept of how NMSI should relate to and influence York Central. The *Rapid City* vision is that in ten years time, *Rapid City* will be the international focus for people's stories and questions about the past, present and future of travel and transport.

In the last year the conceptual basis for the new build element of the *Rapid City* project has been developed, leading to the production of an Intellectual Strategy and a Site Masterplan for the NRM estate. Work has also focused on stakeholder management, identification of potential funders, development of an outline funding strategy and building support for aligning the wider development with NMSI's strategic goals.

Yorkshire Rail Academy (COVE)

NRM and York College have formed a partnership to develop a new Academy for rail related studies. An agreement has been signed for a 99 year peppercorn lease on a redundant Railtrack building attached to NRM next to the East Coast Main Line. Design work for the conversion and equipping of the building is progressing on programme.

The £850,000 project is being funded by grants awarded by the North Yorkshire Learning and Skills Council. It will provide a new centre for vocational training for the railway industry. It will also broaden the range of learning provision at the NRM and enhance the facilities available for the Museum's existing learning programmes. It will place NRM at the heart of links between further, higher and lifelong education initiatives in York. COVE is planned to open in September 2003.

Search Engine

Planning started in 2002-03 for a major new project to increase access to the vast but under-used resources of information in the NRM Library and Archive. The objective is to develop the Library and

Archive functions at the NRM to become *the* national expert centre for railway archives. It is aimed at placing the NRM firmly at the centre of worldwide railway historical research.

The project includes a research and housing facility for archives and records. The budgeted cost of the project is £3.5 million. A bid for funding has been made to the Restructuring and Collaboration Fund (RCF) of the Higher Education Funding Council for England (HEFCE). This project is being backed by the University of York.

16 Attendance

Annual admissions for the Science Museum were 2,725,000, 769,000 for NMPFT 763,000 for the NRM and 68,500 for Wroughton, giving a total of 4,325,500.

17 Performance Indicators

Underpinning our vision is a series of performance indicators agreed with the Department of Culture, Media & Sport. These are set out in Appendix 4.

18 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). 71% of payments were made within this policy compared to 70% in 2001-02.

19 Investment 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 2002-03, 70% of payments were made within this policy, the same as 2001-02.

20 Reserves 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 Review of Financial Position and Salient Features of the Accounts

In 2002-03, NMSI drew upon reserves built up in previous years to start implementing the restructuring following the Strategic Review. Net commercial income was lower than in 2001-02 offset by constrained Museum expenditure.

Stock levels rose as a result of greater retail growth both at Museums and at off-site retail outlets. Debtors have risen marginally as a result of some longer term contract debts in place at year end, to be paid during 2003-04. Cash and investments have remained at a similar level. Creditors have fallen as a major contract underway at the end of 2001-02 was completed with a consequent reduction in purchases.

22 Fixed assets

Major capital investments in 2002-03 were limited to the remaining building construction costs of the Wellcome Wolfson building, £4.2m, the initial payments to acquire the Royal Photographic Collection £3.4m, and renewal of office buildings at Wroughton, £1.1m. Overall fixed asset values rose by £14m being revaluation net of CCA depreciation, £11.9m and net additions to fixed assets of £10.4m offset by depreciation costs of £8.3m.

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) (6) - 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	Sir Ron U Cooke PhD DSc FRGS AcSS (4) (6)	06.06.02	05.06.06
	Professor Ann Dowling CBE FREng FIMechE FRAeS FRS(3)	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
	Mr Richard Haythornthwaite (6)	06.06.02	05.06.06
	Mrs Joanna Kennedy OBE MA HonDSc FREng (1) (until 21/11/02)	22.11.01	21.11.02
	Dr Bridget Ogilvie DBE ScD FI Biol FRS (until 04/03/03)	05.03.02	04.03.03
	Dr Nathan Myhrvold	22.07.98	21.07.03
	Lord Puttnam of Queensgate CBE LLD DLitt (5)	12.09.01	11.09.06
	Mr David Rayner CBE (1) (4)	28.01.02	27.01.06
	Professor Michael A Richards MA MD FRCP	05.08.97	04.08.03
	Dr Simon Singh MBE PhD	12.07.02	11.07.06
	Professor Rod A Smith MA PhD ScD FCGI FREng C Eng FIMechE FIM (1) (4)	23.04.02	22.04.06
	Mr Martin G Smith MA MBA MA (Econ) (2) (6)	25.08.99	24.08.04

NMPFT Advisory Committee

Chairman Ms Eve Arnold

Members Mr Peter Blackwell
Mr Richard Gregory
Ms Frances Dorrell
Mr Ian Stewart
Professor Chris Taylor FREng FIMechE FCGI
Mr Michael G Wilson

NRM Advisory Committee

Chairman Mr David Rayner CBE

Members Mr David Atkinson
Sir Ron U Cooke DSc
Mr Brian Greenwood MCMI
Mrs Denise Howard
Mr Simon Linnett
Professor J Allan Patmore CBE
Professor Peter Turnbull
Mrs Barbara Woroncow FMA

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 – Mr Martin Smith)
(3) Remuneration Committee (Chair – Mr Martin Smith)
(4) NRM Advisory Committee (Chair – Mr David Rayner)
(5) NMPFT Advisory Committee (Chair – Lord Puttnam of Queensgate)
(6) Board of Directors of NMSI Trading Limited (Chair – Mr Martin Smith)

Executive Committee

Dr Lindsay Sharp (6)	Director
Ms Mel Burns	National Head of IT
Ms Anne Caine	NMSI Head of Finance
Ms Janet Carding	NMSI Head of Planning & Development Unit
Mr Robin Cole-Hamilton (6)	Chief Executive NMSI Trading Ltd
Mr Clive Gordon	NMSI Head of Masterplanning & Sustainable Development
Mrs Ann Mather	NMSI Head of HR & Change Support
Ms Dawn Rotheram	NMSI Head of Development
Mrs Amanda Nevill	Head of National Museum of Photography, Film & Television
Mr Matthew Pudney	NMSI Head of Corporate Communications
Mr Andrew Scott	Head of National Railway Museum
Mr Jon Tucker	Head of the Science Museum

Appendix 2

Corporate Partners

SCIENCE MUSEUM

PATRON	GlaxoSmithKline Tag McLaren Holdings Ltd
BENEFACTOR	Royal Mail Group ExxonMobil Gas Marketing Kyocera Fineceramics GmbH The UK Steel Industry Intel
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	English Welsh & Scottish Railway Eurostar Network Rail Wabtec Rail Limited
BENEFACTOR	British Telecommunications plc
MEMBER	Arriva Trains Northern Corus Rail Consultancy Ltd Fluor Ltd GNER Saville Audio Visual Minimodal William Cook Cast Products
ASSOCIATE	Milburns Restaurants Ltd Nick Derbyshire Architects Dulay Seymour Creative Communications

Appendix 3 – Sponsorship, Grants and Donations

Aagrah Restaurants
Aggreko UK
Alan Moore
Arts & Business New Partners
AT Bristol Limited
Austin Smith-Lord
B. Schmucki
British Broadcasting Corporation
BBC Heritage
BBC North Yorkshire - Radio York
BBC Timewatch
Bradford & Bingley Plc
Bradford College
Bradford Metropolitan District Council
Bradford Trident
BRB (Residuary) Ltd
British Nuclear Fuels Limited
British Telecommunications plc
Department for Culture, Media and Sport
Department for International Development
Deutshe Bank
Dollond & Aitchison
Durham County Council
Europa Cinemas
European Space Agency
Film Council
Freightliner
Hallmark
Heritage Lottery Fund
HH Calmon & Co
Hilstone Limited
Imperial College
James Robinson Ltd
Kelda Group
Kodak
Last Cawthra-Feather
Lloyds TSB Foundation for England & Wales
Macromedi
Macmillan Publishers Ltd
National Arts Collection Fund
National Heritage Memorial Fund
National Tramway Museum
National Endowment for Science, Technology and the Arts Enterprises Ltd
New Opportunities Fund
Northern Rock Foundation
One North East (Single Program)
Porterbrook Rail Finance
Private Donations
Provident Financial
Rex Proctor & Partners
Royal Mail
Science Night
Science Year
Screen Yorkshire
Sedgefield Borough Council
Single Regeneration Budget
Skipton Building Society
Spellman Walker
Splash Fund
South West England Regional Development Agency
Swindon Group 11
Swindon Income
The Dana Foundation
The Wellcome Trust
The Wolfson Foundation
Thales
Toshiba of Europe Ltd
University of Bradford
Vodaphone Group Foundation
Walker Morris Solicitors
West Yorkshire Grants
York College
Yorkshire Forward
Yorkshire Screen

Appendix 4 – Performance Indicators

REPORT ON PERFORMANCE MEASURES AND TARGETS INCLUDED IN THE NMSI FUNDING AGREEMENT

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 target: Number of visitors making repeat visits (thousands)

Thousands	Target F/Y 2002-03	Actual to end March 2003
SM	800	1,145
NMPFT	450	523
NRM	275	458
Wroughton	25	27
Total	**1,550**	**2,153**

Footnote
SM, NRM, NMPFT - higher figures reflect the impact of free entry.

2.1.2 Museum Targets

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

% very/satisfied	Target F/Y 2002-03	Actual to end March 2003
SM	95	91
NMPFT	96	96
NRM	96	99
Wroughton	91	98

Footnote
SM - Free admission has been very successful in increasing our overall visitor numbers. However, at peak times the Museum receives more visitors than can be served at our usual high standards and thus, visitors experience a decline in the quality of their visit. We believe this to be the cause for the drop in visitor satisfaction. We have made a number of bids, including to DCMS, seeking funds to address this.

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

Number (not 000s)	Target F/Y 2002-03	Actual to end March 2003
SM	18,000	15,194
NMPFT	4,700	3,000
NRM	18,500	21,788
Total	**41,200**	**39,982**

Footnotes
SM - Lower figure is due to the greater availability of information on the Museum's website.
NMPFT - Though there is a shortfall in public enquiries, we have had 4,000 visitors to *Insight* (public tours, individual, group and educational events). Enquirers are also being directed to the Collection enquiries pages (which include regularly updated information sheets / FAQs) on the Museum's website.

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, which will remove physical barriers to improve access, and eradicate barriers to remote access as well.

2.2.1 Core target: Total number of visitors

Thousands	Target F/Y 2002-03	Actual to end March 2003
SM	1,900	2,725
NMPFT	750	769
NRM	600	763
Wroughton	60	69
NMSI total	**3,310**	**4,326**

Footnotes
SM - Higher figure due to popularity of free entry, also blockbusters such as *Bond* and IMAX promotions.
NMPFT - Higher figure due to popularity of exhibitions such as *Bond.*
NRM - Higher figure due to popularity of free entry.

(ii) numbers of children visiting the NMSI

Thousands	Target F/Y 2002-03	Actual to end March 2003
SM	900	976
NMPFT	255	269
NRM	167	246
NMSI total	**1,322**	**1,491**

Footnote- higher figures reflect the impact of free admission.

(iii) numbers of over 60s visiting the NMSI (thousands)

Thousands	Target F/Y2002-03	Actual to end March 2003
SM	80	132
NMPFT	90	99
NRM	70	92
NMSI total	**240**	**323**

Footnote
SM, NMPFT, and NRM - Very likely that the promotion of free admission for all has influenced this, as it is particularly appealing to this age group.

(iv) website visits (thousands)

Thousands	Target F/Y 2002-03	Actual to end March 2003
SM	2,000	2,978
NMPFT	600	1,114
NRM	500	602
NMSI total	**3,100**	**4,694**

Footnotes
SM - reflects publicity directly relating to *Bond*, Tutankhamun and MMR exhibits in the second half of the year.
NMPFT- the increase reflects publicity directly relating to *Bond*.
NRM - the increase reflects the greater actual visitor figures.

(v) number of objects internet accessible

Number	Target F/Y 2002-03	Actual to end March 2003
SM	12,000	9,000
NMPFT	2,500	2,500
NRM	500	34,494
NMSI total	**15,000**	**45,994**

Footnotes
SM - target has not been achieved due to slippage in the programme and the impact of the modernising programme.
NMPFT - As part of the NOF project NMPFT has digitised about 3,000 items. 2,500 of these records have already been exported to form part of the Science & Culture website. Whilst this site is not yet 'live', a prototype version (including our records) is available on the web via a link on the EnrichUK site. The total contribution to the NOF website will be 5,000 records delivered by the end of 2003. NMPFT is working on a 'collections online' section for the NMPFT website which will go live by the end of the first quarter of the current financial year. This will initially consist of about 2,000 records.
NRM - Significant archive collection catalogues been made available via the National Archive website.

(vi) Time open - percentage of a 12-hour day

% open	Target F/Y 2002-03	Actual to end March 2003
SM	68	80
NMPFT inc. film interpretation/ Education programs	59	59
NMPFT main galleries only	92	92
NRM	66	67

Footnotes
SM - increase due to number of corporate events in galleries, also some late openings eg. Bond)
NMPFT - the main galleries are open 59%, but including the evening film interpretation/ education programmes, NMPFT is open 92%

Strategic Purpose 2: Encourage the widest possible audience - Museum Target

2.2.2 Target: percentage of visitors from ethnic minorities

Science Museum: agreed statement of aims.
During this financial year, we carried 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, provide feedback on all our work and enable us to determine what barriers exist to deter 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).

Report to the end of March 2003:
By the end of this financial year, a consultation was completed with two panels from minority ethnic groups - the Black and the Gujarati community. This provided in-depth qualitative data on the barriers to visiting; the elements in the Museum, which could be potentially relevant, appealing and inspirational, and elements that they feel need to be changed. Part of that consultation

included discussions about forthcoming projects (Space gallery update for Black History Month; NOF funded Science and Culture Website; Dana adult events on controversial contemporary science issues), which led directly to developing content specifically targeted at these communities. Further new audience panels are being planned in the forthcoming year.

Additionally, the Museum is continuing an ongoing profile of its visitors including their socio-economic and ethnic background. The figures for this financial year are given below. A key finding is that our audience profile does reflect the ethnic composition of London and the South East. We will work towards representation of the ethnic composition of the Greater London area, and on improving the quality of visits for these groups.

Ethnicity/cultural identity profile for UK admissions visitors to the Science Museum:
White = 83.8%
Asian (Indian, Pakistani, Bangladeshi) = 5.3%
Asian Other = 1.4%
Black (Caribbean, African, Other) = 4.2%
Chinese = 0.9%
Mixed (White and Black Caribbean/African) = 1.8%
Mixed (White and Asian) = 0.2%
Mixed Other = 1.4%
Other Ethnic Groups = 1.0%

NMPFT - targets

% Ethnic minority visitors	Target F/Y 2002-03	Actual to end March 2003
NMPFT	**13**	**14**

NRM - statement of aims.
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.

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.

Report to the end of March 2003:

A major exhibition opened in November 2002, reflecting the history of BRB (British Railways Board). This includes the contribution of ethnic minorities to the operation of British Railways. Interpretation includes archive film footage and interviews with ethnic minorities.

A new education programme was marketed to schools, including the distribution of a newsletter to schools within a 1-2 hour drive time from September 2002.The programme was primarily aimed at Key Stages 1 and 2 with additional activities for early years. The impact of this marketing which will reach a higher percentage of ethnic minorities than the sub-regional population surrounding the Museum and will feed through into the 2003-2004 academic year and should assist in increasing the current 3% of total visitors from ethnic minorities.

Strategic Purpose 2: Encourage the widest possible audience

Museum Targets

2.2.3 NMSI target: percentage of visitors from socio- economic groups C2D&E

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 an extensive 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 a wide-ranging audience by making the Museum's galleries, exhibitions, programmes, website, publications and marketing strategies, reach out and relate to a large 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 welcoming visitors. Abolishing charging removes a barrier for many people and we see this as an important element in making the Museum accessible to the widest possible audience.

Report to the end of March 2003:
The Museum continues to be committed to encouraging the widest possible audience, including people from socio-economic groups C2D&E, not traditionally well-represented in Museum visitors. Free entry has done much to increase the number of visitors from this group - while the percentage remains roughly at 20% of our total audience, we have doubled the total number of admissions therefore, twice the number of C2D&E visitors are coming through the Museum's doors. However, it must be noted that this group is still very under-represented in the Museum's audience.

The Science Museum aims to do more to encourage visitors from C2D&E socio-economic groups and to make them feel comfortable, engaged, and inspired by our cultural products. In order to understand how to do this we plan to run focused visitor research with this group to explore their attitudes to the Museum and barriers to visiting.

NMPFT - targets

% visitors C2DE	Target F/Y 2002-03	Actual to end March 2003
NMPFT	**25**	**28**

NRM - statement of aims
The NRM already has a very high level of C2D& E socio-economic group visitors within its visitor profile. This reflects the populist appeal of its subject and the NRM's role as the Museum of a large, people-intensive industry. We aim to continue to develop this strength through accessible programmes attracting the widest possible audiences.

Report to the end of March 2003:

Visitors from C2D&E socio-economic groups currently make up 35% of NRM annual visitors. Research is on hand into the leisure lifestyles of the C2D&E group, so that the NRM product can be made more attractive to these groups of society if possible.

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: percentage of collections stored to Resource's standards

Category %	Target F/Y 2002-03	Actual to end March 2003
Large objects	87	87
General collections	94	94
Archive & Library	84	84
Photographic collections	93	93

Statistics for this indicator are collated and interpreted NMSI- wide.

2.3.2 Museum target: Objects - number of acquisitions

Number	Target F/Y 2002-03	Actual to end March 2003
SM	1,000	370
NMPFT	280	63
NRM	300	440
NMSI Total	**1,580**	**873**

Footnotes
SM - the key reason for this lower figure is the change of focus in collecting since the Strategic Review, and reduced curatorial activity as result of restructuring.
NMPFT - Number of accession numbers allocated (63) includes the numerically large Royal Photographic Society Collection containing 300,000 items, which is reported as a single acquisition and other large photographic collections (e.g. Grant Brothers and Walter Nurnberg Archives).

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: learners in on site programmes (thousands)

Thousands	Target F/Y 2002-03	Actual to end of March 2003
SM	474	462
NMPFT	85	78
NRM	44	54
NMSI total	**603**	**594**

Footnotes
SM - This slippage (2.5%) could be the result of natural fluctuation. Many visits were cancelled as a result of the fire strikes and fears of terrorist activity in London preceding the war with Iraq.
NMPFT - The total of 78k is a 5k increase on 2001-02, however the ambitious target was not reached due to staffing problems and maternity leave in the Museums' very small Education Unit.
NRM - A new Head of Education has increased figures over target.

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 skill needs of the organisation and develop a plan for achieving it. Collaboration with the Cultural Heritage National Training Organisation, if needed.

3.2.1 Core 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 across 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 to the end of March 2003:

An average of 2.15 training and development days per member of staff were given. Major training initiatives included instructing all users on a new email package, a comprehensive Health and Safety programme, performance review (appraisal) training, and a Management Development Programme and the Managing Your Future programme. A total of 19 members of staff have been sponsored for work-related qualifications including completion of an MBA, studying for CIMA and AMA qualifications and starting an HND. All 137 new members of staff, who joined NMSI during the year, have received comprehensive induction within their first three months. Local managers and the Training and Development Team jointly delivered induction at the Science Museum and NMPFT sites. Induction at NRM was delivered locally.

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
This outcome is addressed through the targets included in Objective 3 Strategic Purpose 2.

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	Target F/Y 2002-03	Actual to end March 2003
SM	114	149
NMPFT	19	21
NRM	117	89
NMSI Total	**250**	**259**

Footnote - All sites - Loans are largely a responsive activity.

4.2.2 NMSI specific target: temporary exhibitions and updates

Number	Target F/Y 2002-03	Actual to end March 2003
SM	55	57
NMPFT	11	11
NRM	6	3
NMSI Total	**72**	**71**

Footnote - See lists at Annex B

Strategic Purpose 3: Harnessing cutting edge research

Outcome: Maximising and widening the contribution that the research that 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)

Number	Target F/Y 2002-03	Actual to end March 2003
SM	30	26
NMPFT	17	16
NRM	5	6
NMSI Total	**52**	**48**

Footnotes
SM - Targets were not achieved as resources were prioritised to galleries and exhibition work.
NMPFT - The proposed book to accompany the Bond Exhibition was not produced because NMSI considered it not to be commercially viable, however articles published were higher than expected.

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 - Statement of aims

We will 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. Finished July 2001. We will also persist with our community based school outreach projects in areas such as Hackney, Tower Hamlets, Lambeth and Hammersmith & Fulham, and continue to work with other local museums such as the Hackney and Ragged School on outreach projects in the local communities. Our DfEE funded project with Hackney museums ended in July 2001. This involved similar Hackney schools, with high levels of social disadvantage and is a collaborative project with a local museum. Additionally, the Lucent Technologies funded project, mentioned above, starts Spring 2001, completing in Spring 2002. This project pilots a range of approaches for engaging teenagers in science and will feed back into our day-to-day work with this age group. Numerous other collaborations with schools that are in receipt of NOF and/or Excellence in Cities funding will take place.

Report to the end of March 2003:
The Museum Club

The Science Museum is one of four larger museums and three local museums in London who are currently working with the London Museums Agency (LMA) to participate in a project delivering the new Basic Skills Curriculum. The aim of the project is to enable a variety of London's

museums to develop skills and experience in delivering high quality basic skills sessions at their institutions.

The London Language & Literacy Unit
We are working with the London Language & Literacy Unit at South Bank University, which helps organisations improve the quality of education and training by pioneering and disseminating innovative approaches and good practice, so that individuals with a wide range of language and learning needs can achieve success. The aim of the project is to enhance interest and achievement in science and maths through setting up and developing family activities in collaboration with the community and the Museum. Their targeted community groups are Turkish families in and around Islington, and Haringey and Bangladeshi families in Southwark. Since November we have organised a series of events and workshops for adults and families both in the Museum and the community.

Tower Hamlets College
The Pathfinder/Enrichment partnership involves developing entry-level ESOL (English as a second language) resources for students visiting museums and other free venues in order to encourage learners to return with their families. At a more strategic level, Tower Hamlets College want to produce a 'Best Practice' guide to encourage other ESOL organisations to develop links with museums.

St Clements and St James.
This project works with the local community to advance people's quality of life in an area of inner-city need. The Community Education Programme provides opportunities for local people, especially children, to extend their learning, pursue interests, develop talents, improve social skills and enjoy learning through recreation. Other projects include a community shop, community lunches, a community garden and various one-off events. Museum staff worked with 18 young people (10-14 years old) over their half term holidays. This project consisted of two outreaches to the centre and one visit in the Science Museum, with the teenagers gaining a certificate for completion of the three events.

Deutsche Bank Project
The outreach project fund by Deutsche Bank is now in its third phase. The project works with Year eight pupils (12-13 year olds) from a wide range of secondary schools in Greater London. For the first visit to the twenty schools involved in this project, a Science Show was performed to the whole year group. In the second phase, year eight pupils visited the Science Museum. We have received further funding from Deutsche Bank to continue the project next year, with the project increasing in size.

Videxhibits Project (Sponsored by Lucent Technologies)
This is a pilot project for a more substantial project which liased with our long-standing contact school, St Thomas More's, in Chelsea. The scheme involved five Year nine students (13-14 years old) who were given a brief to research two iconic exhibits in the Museum's *Making The Modern World* gallery. Students made a short film about the exhibits and edited it using the latest computer software and camera equipment. It is hoped that this project will be extended in the future. This pilot will form the basis of the evaluation soon to take place.

NMPFT - targets

No of projects	Target 2002-03	To end of March 2003
NMPFT	**5**	**6**

List of projects -
Bradford New media Group
South Bradford Education Action Zone
City of Culture Bid 2008
Bradford Breakthrough
Culture, Culture, BBC

Youth TV Project

In addition the Museum is now engaged with the Bradford City and Yorkshire Forward Regional Development Association's new Bradford Urban Regeneration Co., which is undertaking a comprehensive master plan of the city centre.

NRM

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 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 the Single Regeneration Budget, the Regional Development Agency and the European Regional Development Fund. Sedgefield sees the project 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, 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 to the end of March 2003:

A master plan for the site is under consideration by the partners, while Yorkshire Forward is funding work by NMSI to shape proposals for the future of the NRM site. York Central creates an opportunity for the NRM's role in York to expand significantly through a mix of commercial and cultural developments currently being explored under the working title of *Rapid City.*

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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.

E1 Core target: Grant in Aid per visitor

Grant in Aid per visitor	Target F/Y 2002-03	Actual to end of March 2003
Actual visitors	3,310	4,326
Virtual visitors	3,100	4,694
All visitors	6,410	9,020
GiA per visitor excluding capital	£4.64	£3.30
GiA per visitor excluding capital and admission compensation	£3.65	£2.60

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

Average	Target 2002-	Actual to end of

	03	March 2003
NMSI Average	5	6

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

Rolling 3 year average	Target F/Y 2002-03	Actual to end of March 2003
NMSI wide average	15%	5.5%

A - List of temporary exhibitions

Science Museum
Antenna exhibitions list 1 April 2002-31 March 2003:

Feature exhibitions for gallery and web (c. 7 month duration on gallery):
- *Climate Change: The burning issue*
- The MMR Files

***Rapids* News exhibitions** (c. 1 month duration on gallery) –
- 33 for gallery and web (listed below)
- 14 for web only (listed below)

Exhibition	Date Installed
First cloned baby due November 2002 *(Sergio Antinori's clone claims)*	11/04/02
'River breath' solves carbon puzzle *(Amazon carbon emissions)*	Web 12/04/02
Eye-spy goes underground *(new surveillance systems on the Tube)*	25/04/02
Mini bugs hitch a ride to survive *(Discovery of new type of microbe in deep-sea vents)*	02/05/02
Cattle cloning: what's at steak? *(Cloning calves from slaughterhouse carcasses)*	02/05/02
AIDS vaccine on trial *(clinical trials of new HIV vaccine)*	16/5/02
Fighter pilots wear insect armour *(flight suits based on the dragonfly)*	23/05/02
A new kind of science? *(Stephen Wolfram's new theory for fundamental science)*	Web 16/05/02
Perfect pitch for football fans *(Pitch-draining mechanisms)*	30/05/02
10,000 sleepy heads quizzed in Dream Lab *(Science Year Dream Lab project)*	10/06/02
Doctors deal drugs safely *(Trials of new release mechanism for cannabis extract, for painkillers)*	14/06/02
An espresso a day keeps slugs at bay *(killing slugs with caffeine)*	Web 27/06/02
Stem cell therapy *(Adult vs. embryonic stem cell research)*	Web 04/07/02
The missing link? *(Discovery of early hominid skull in Chad)*	11/07/02
Fight against malaria *(tests of new malaria vaccine)*	Web 19/08/02
Super fast swimwear *(New swimsuit coatings used in Commonwealth Games)*	Web 02/08/02
Transplant Nation *(Organ donation shortage)*	Web 07/08/02
A fairer future: who's responsible? *(The World Summit on Sustainable Development)*	28/08/02
Massive machine tunnels under London *(Channel Tunnel Rail link excavations)*	18/09/02
Tutankhamun: beneath the mask *(Reconstruction of Tutankhamun's face)*	30/09/02
HIV - the future of medical treatment? *(Modifying the HIV virus for therapies)*	Web 10/09/02
Seabed power stations put to the test *(Stingray tidal power systems trialled off Scotland)*	26/09/02
Wake-up call from the Web *(web-based alarm clock)*	03/10/02
Nobel Prizes 2002 *(Science Nobel prizes)*	Web 07/10/02
Crime academy at Whodunit House *(house for forensic training)*	17/10/02
Attention disorder drugs off the hook *(Ritalin not to blame for smaller brain size)*	25/10/02
Firework fears over for Rover *(new scent to calm dogs)*	Web 01/11/02
Etna Blows *(Mt Etna eruption)*	07/11/02
Seals sense danger in whale song *(seal recognition of killer whales)*	14/11/02
New rapid-result HIV test *(20-minute HIV test)*	21/11/02
Tiny tickers fixed before birth *(foetal heart operations)*	28/11/02
Cod and chips at risk *(over fishing)*	Web 22/11/02
'Fur fingerprint' saves endangered animals *(tracking goods made from protected species)*	02/12/02
Of mice and men: cracking the mouse genome *(publication of mouse genome)*	Web 05/12/02

How does a butterfly flutter? *(Physics of butterfly flight)*	Web 12/12/02
Bond technology operates in the real world *(Da Vinci robot surgery)*	19/12/02
Beating Christmas bugs *(Salmonella in turkey)*	Web 19/12/02
Trick pinprick puts acupuncture on trial *(New acupuncture placebo needle)*	09/01/03
First human clone - or is it? *(Clonaid claims)*	16/01/03
Fat-fighting plant benefits bushmen *(Hoodia drug exploitation)*	23/01/03
Genetic journey to the motherland *(BBC's Motherland project - tracing ancestors using DNA)*	06/02/03
Shuttle disaster: what happens next? *(Columbia tragedy)*	05/02/03
Who's the daddy? *(First view of live male blanket octopus)*	13/02/03
Dolly the sheep 1996-2003 *(death of Dolly)*	19/02/03
The Jam Busters *(Congestion charging starts in London)*	07/03/03
Joints get the jet-set test *(aircraft test used to examine artificial human joints)*	13/03/03
Hibernating bears – key to human bone health? *(Studying bears to help fight osteoporosis)*	20/03/03

Collections exhibitions 1 April 2002 – 31 March 2003, special exhibition:
- *Alfa Romeo – Sustaining beauty: 90 years of art in engineering*

Wellcome Trust Gallery:
- *Head on: art with the brain in mind*
- *Metamorphing: transformation in science, art and mythology*

Picture Gallery:
- *Seeing red*

Challenge of Materials Gallery Update:
- *A canny story: recycling tin-coated steel cans*

Space Gallery Update:
- *Canada in space*

NMSI Trading Ltd mounted exhibitions:
- *Grossology*
- *Bond*

NMPFT temporary exhibitions
Special Exhibition Gallery
Bond James Bond
Martin Parr: Photographs 1971-2002
Unknown Pleasures. Unpacking the RPS Collection

Pictureville
Film Stills from NMPFT Collection
John Timbers From Russia With Love
Eve Arnold: Film Journal
Terry Cryer: Love You All Madly

Insight Exhibition Gallery
Is that a Pistol in Your Pocket? Detective Cameras from NMPFT Collection
Stereoscopy: Capturing the third Dimension

Picture Viewing Room
NMPFT Collection Display

White Room
The Daily Herald Archive - A Selection

NRM temporary exhibitions
- *Treasures from the Deep*, opened on the 13th July 2002 and will run until summer 2003
- *Early Years* installation in the Interactive Learning Centre
- *Rail Freight - night and day.*

B - Details of publications

Science Museum

Books:

Dr Robert McWilliam: PhD Thesis, *Evolution of British Standards, 1901-2000, from engineering specifications to global consumerism*, University of Reading, 2002

Dr Peter Morris: Editor, *From classical to modern chemistry: the instrumental revolution*, Royal Society of Chemistry, Cambridge, 2002

Dr Andrew Nahum: PhD Thesis, *World War to Cold War: formative episodes in the development of the British Aircraft Industry 1943-1965*, London School of Economics, 2002

Book chapters and refereed articles
Dr Ghislaine Lawrence: 'Tools of the Trade', *The Lancet*, Vol 1359, Issues 9315 and 9319

Dr Peter Morris: 'Parts per trillion is a fairy tale: the development of the electron capture detector and its impact on the monitoring of DDT' in *From classical to modern chemistry: the instrumental revolution*, Ed. Morris, Royal Society of Chemistry, Cambridge, 2002

Dr Peter Morris: (with Alan T Dronsfield) 'Finding a molecule in a billion', *Education in Chemistry*, Vol 39, Issue 6, pp157-159

Dr Susan Mossman: 'Early plastics: influences and connections' in *Proceedings of the XXth International Congress of History of Science*, Ed. Braun and Herlea

Robert Sharp: 'Some final thoughts of Sir John Herschel FRS', *Notes and Records of the Royal Society*, Vol 56, Issue 2, pp183-186

Robert Sharp: 'The correspondents of Thomas Andrews', *Ambix*, Vol 49, Issue 2, pp148-157

Wendy Sheridan: 'William Lucas: Geburtsstatte der Eisenbahn (Birthplace of the Locomotive)' in *Die Zweite Schopfung: Bilder der industriellen welt vom 18'*, Alfried Krupp von Bohlen, Berlin, 2002

Doron Swade: 'Collecting software: preserving information in an object-centred culture' in *History of computing: software issues*, Ed. Hashagen, Keil-Slawik and Norberg, Springer, 2002

Michael Wright: 'A planetarium display for the Antikythera mechanism', *Horological Journal*, Vol 144, Issue 5, pp169-173

Michael Wright: 'James Watt: musical instrument maker', *Galpin Society Journal*, Vol LV, Issue April, pp104-129

Michael Wright: 'Epicyclic gearing and the Antikythera mechanism, Part 1', *Antiquarian Horology,* Vol 27, No 3, March 2003, pp270-279

NMPFT publications

Articles
1. N Poovaya-Smith in *Museums Journal*; article called 'What's in a name?'
2. Book Review by W Lawrence of *The British Cinema Book* by Robert Murphy
3. Paper co-authored by Karen Thornton published in *Intelligent Agents; article* called *'UnNatural History'*
4. Article by Russell Roberts called *'Tracing Echoes – A Critical Romance'* published in Portfolio.
5. Article on James Bond by Tony Earnshaw in *Film International*, January 2003.
6. Article by Catherine McGrath in *Big Frame* called *'Uniting Forces in the UK'*

Books
1. Julia Margaret Cameron: A Catalogue Raisonne in collaboration with the Getty Museum, Pub. February 2003
2. *Unknown Pleasure:* Unwrapping the Royal Photographic Society, Author R Roberts, Pub. January 2003

NRM publications:

Railway Object Name Thesaurus, edited by Stuart Holm, compiled by Railway Terminology Group, Chaired by Helen Ashby, Secretary Sarah Norville, Members Phil Atkins and Ray Towell. Published by MDA Europe, September 2002. ISBN 1 900642 12 3.

Article published in conference proceedings:

A lack of knowledge is a dangerous thing-developing SPECTRUM knowledge, Standards for Cultural Information Management, Helen Ashby, Scanning the Horizon, MDA information Volume 6 Number 1 August 2002.

The germ of a truly national railway museum - the North Eastern Railway Museum, York in Evans AKB and Gough JV (Eds) The impact of the Railway on Society in Britain - essays in honour of Jack Simmons (Abingdon 2003) refereed article.

C : NMPFT Loans Commenced / Completed 2002-2003

Institution	**Status Codes**	**Dates**	Items Requested	Notes
Scottish National Portrait Gallery, Edinburgh	UK, ST	9 May – August 2002	2 items of Hill & Adamson equipment (RPS Collection)	*Facing the Light: The Photography of Hill and Adamson*
Watermans Art Centre	UK, ST, T	23 May – 16 June 2002	Selection of ephemera material from Bollywood (NMPFT Cinematography Collection)	*Bollywood in Love (in association with BFI)*
Walker Art Gallery, Liverpool	UK, ST	24 May – 4 August 2002	Camera obscura and Claude glass (ScM Photography Collection 18)	*Turner's Journeys of the Imagination.* Objects currently on loan to Dove Cottage, Grasmere. ScM to be involved in loan administration
Kunsthalle Wien, Vienna	O, ST	24 May – 25 August 2002	7 works by Julia Margaret Cameron (NMPFT Photographs / RPS Collection)	*Tableaux Vivants*
Centre de Cultura Contemporania, Barcelona	O, ST	30 May – 8 September 2002	4 works by Fred Holland Day (RPS Collection)	*Gaudi. Surroundings.*
The Library & Museum of Freemasonry, London	UK, ST	27 June – 21 September 2002	8 works by Alvin Langdon Coburn (RPS Collection)	*Beyond the Craft: Alvin Langdon Coburn, Artist-Photographer*
Ironbridge Gorge, Shropshire	UK, LT	23 July 2002 – 22 July 2005	Selection of early and modern camera equipment (NMPFT Photographic Technology Collection)	*Enginuity at Ironbridge*
San Francisco Museum of Modern Art	O, ST, T	3 August – 5 November 2002	5 works by Lewis Carroll (NMPFT Photographs Collection / RPS Collection)	*Symbolic Logic: the Photographs of Lewis Carroll*
Brooklyn Museum of Art	UK, ST, T	6 September 2002 – 5 January 2003	6 early photographic works (RPS Collection)	*Exposed: The Victorian Nude* 5 to be returned following Tate Britain leg; one to tour (Cameron's Cupid: Pencil of Light) Loan administration in conjunction with Tate Britain registrars
Mead Gallery, Warwick University	UK, ST	10 September – 3 December 2002	16 works by various artists (NMPFT Photographs Collection)	*Yuko Shirashi: Episode*

Institution	Status Codes	Dates	Items Requested	Notes
City of Bradford Metropolitan Council	UK, ST	10 – 16 September 2002	3 photographs and 2 film posters (NMPFT Photographs & Cinematography Collections)	*Capital of Culture Embassy event, London* Organised under the auspices of Cartwright Hall, Bradford
Cartwright Hall, Bradford	UK, ST, T	21 September – 10 November 2002	Selection of ephemera material from Bollywood (NMPFT Cinematography Collection)	*Bollywood in Love (in association with BFI)*
Midlands Arts Centre	UK, ST, T	16 November 2002 – 5 January 2003	Selection of ephemera material from Bollywood (NMPFT Cinematography Collection)	*Bollywood in Love (in association with BFI)*
Gunnersbury Park Museum, London	UK, ST, S	18 November 2002 – 31 May 2003	Mitchell cine camera and selection of ancillary equipment (NMPFT Cinematography Collection)	Ealing Films exhibition
Museo di arte Moderna e Contemporania di Trento e Rovereto	O, ST, TBR	14 December 2002 – 13 April 2003	Calotype by Talbot and gum platinum print by Coburn (NMPFT Photographs Collection / RPS Collection)	*La Stanze dell'Arte [del XX Secolo*]
Iris & B Gerald Cantor Centre for Visual Arts, Stanford University, California	O, ST, T	5 February 2003 – 11 May 2003	7 works by various artists (RPS Collection)	*Time Stands Still: Muybridge & the Instantaneous Photography Movement*
National Portrait Gallery	UK, ST, T	6 February 2003 - 26 May 2003	80 works by Julia Margaret Cameron (NMPFT Photographs Collection)	*Julia Margaret Cameron: 19th Century Photographer of Genius*
Museum of Fine Arts, Houston	O, ST, T	22 February 2003 - 18 May 2003	5works by Lewis Carroll (NMPFT Photographs Collection / RPS Collection)	*Symbolic Logic: the Photographs of Lewis Carroll*
National Gallery of Modern Art, Rome	O, ST	5 March 2003 - 29 June 2003	8 daguerreotypes by Suscipj from the AJ Ellis Collection (NMPFT Photographs Collection)	*Maestà di Roma. Da Napoleon all'Unità d'Italia*
Linen Hall, Belfast	UK, ST, T	20 March 2003 – 20 April 2003	Selection of ephemera material from Bollywood (NMPFT Cinematography Collection)	*Bollywood in Love (in association with BFI)*
Victoria & Albert Museum	UK/O, ST, T	27 March 2003 - 20 July 2003	4 Kodak cameras and packaging and one Vortograph by Coburn (NMPFT Photographic Technology Collection / RPS Collection)	*Art Deco, 1919 - 1939*

Key: P = in progress, C = completed, TBR = to be returned, IP = in preparation, O = overseas venue, UK = UK venue, TBC = to be confirmed, FT = fixed-term loan, ST = short-term loan, R = to be renegotiated, S = under selection, T = Touring show

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
Hackpen Lane
Wroughton
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

Moore Stephens
Chartered Accountants
1 Snow Hill
London EC1A 2EN

Bankers

NMSI

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

NMSI Trading Limited and Bradford Film Limited

Barclays Bank plc
155 Brompton Road
London SW7 1XD

Solicitors

NMSI

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

Cameron McKenna
Mitre House
160 Aldersgate Street
London EC1A 4DD

NMSI Trading Limited and Bradford Film Limited

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

Company Information

NMSI Trading Limited

Directors
Mr Robin Cole-Hamilton
Sir Ronald Cooke
Mr Richard Haythornthwaite
Mr Martin Smith
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 (resigned 16.5.03)
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.

The Rt, Hon Lord Waldegrave of North Hill
Chairman of the Board of Trustees

Dr Anne Grocock
Chairman of the Audit Committee.

Dr Lindsay Sharp
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 Chairman of the Trustee Audit Committee and Trustee and Accounting Officer, we 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 the Accounting Officer is personally responsible in accordance with the responsibilities assigned in Government Accounting and
- ensures compliance with the requirements of the National Museum of Science & Industry's Management Statement and 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 Trustee sub-committee structure has been reviewed and redesigned. Separate sub-committees will be created to give stronger, direct support to each Museum in addition to the existing Finance & General Purposes sub-committee, the Audit sub-committee and the Remuneration sub-committee. A Management Statement outlining key responsibilities and a revised Financial Memorandum has been agreed between DCMS and NMSI during the year.

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 2002-03 NMSI moved to planning the implementation of the new objectives through 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 into the corporate planning and decision-making processes of the Museum following the Strategic Review process. During 2002-03 we have used the Balanced Scorecard as a way of monitoring our progress towards the achievement of the objectives.

The Board received reports from the Chairs of the Audit and Finance and General Purposes Committees and the Director concerning matters affecting internal control. During 2002-03, the Museum has built on the improved standards of Health and Safety from the training programme and commissioned an external Health and Safety review to form the basis of the forward plan for the next few years.

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.
- balanced scorecard approach to monitoring achievement against budget.
- 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 us. The Head of Internal Audit (HIA) provides us 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 2002-03, 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.

Our review of the effectiveness of the system of internal control is informed by the 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 Anne Grocock MA ……...
Chairman of the Audit Committee and Trustee

Dr Lindsay Sharp ……..
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 51 to 55 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 56 to 59.

Respective Responsibilities of the Trustees, the Director and Auditor
As described on page 47, the Trustees and the Director of the National Museum of Science & Industry as the Accounting Officer are responsible for the preparation of financial statements and for ensuring the regularity of financial transactions. The Director is also responsible for the preparation of the Foreword and Annual Report. My responsibilities, as independent auditor, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements give a true and fair view, and are properly prepared in accordance with the Museums and Galleries Act 1992 and directions made by the Secretary of State for Culture, Media & Sport thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report, if in my opinion, the Foreword and Annual Report on pages 1 to 31 is not consistent with the financial statements, if the National Museum of Science & Industry has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the statement on pages 48 to 49 reflects the National Museums of Science & Industry's compliance with the Treasury's guidance 'Corporate Governance: statement on the system of internal financial control'. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements.

Basis of opinion

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

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

Opinion

In my opinion:
the financial statements give a true and fair view of the state of affairs of the National Museum of Science & Industry and of the Group at 31 March 2003 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

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

CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

	2003 £000	2002 £000
Total Income (excluding capital income)	62,715	48,945
Total Expenditure	58,010	51,923
Total deficit for the year	4,705	(2,978)
Less movements on other funds	316	3,227
Operating surplus for the year	5,021	249

Income excludes contributions of £10,614k (2002, £100,189k) received by NMSI for capital purposes. Other funds movements represent in year allocation by Trustees net of release of non capital expenditure to the current year.

The notes on pages 56 to 74 form part of these accounts

NATIONAL MUSEUM OF SCIENCE & INDUSTRY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 MARCH 2003

	Notes	2003 Unrestricted Funds	2003 Restricted Funds	2003 Total	2002 Total
Incoming Resources		£000	£000	£000	£000
Donations, Legacies and Grants					
Grant in Aid from DCMS	2	31,248	-	31,248	26,679
Grants, legacies and donations		50	8,024	8,074	3,656
Transfer of Science Museum site and NMPFT land		-	-	-	96,901
Activities in furtherance of NMSI's objectives					
Admissions	3	-	-	-	2,366
Lottery income		-	3,482	3,482	724
Sponsorship		-	821	821	1,025
Other operating income	4	889	-	889	697
Activities for Generating Funds					
Income from Commercial activities	7	17,386	-	17,386	16,759
Rental income ffrom operating leases		239	-	239	51
Investment income	5	244	-	244	275
Total incoming resources		50,056	12,327	62,383	149,133
Resources expended					
Charitable Expenditure					
Costs in furtherance of NMSI's Objectives					
Collections purchases		25	-	25	88
Care for and research into collections		4,712	582	5,294	6,305
Science education and communication		7,352	6,322	13,674	11,228
Visitor services		6,190	93	6,283	5,872
Support Costs		9,822	1,897	11,719	9,346
Management and administration of the Charity		1,914	-	1,914	1,154
Cost of generating funds					
Publicity and fundraising		2,369	6	2,375	2,093
Admission costs		-	-	-	460
Commercial costs		16,279	447	16,726	15,376
Total resource expended	6	48,663	9,347	58,010	51,922
Notional cost of capital	8	5,663	2,247	7,910	4,059
Net incoming/(outgoing) resources before transfers		(4,270)	733	(3,537)	93,152
Reversal of notional costs		5,663	2,247	7,910	4,059
Net incoming/(outgoing) resources for the year		1,393	2,980	4,373	97,211
Gain/(Loss) on revaluation of assets		513	11,435	11,948	3,751
Net movement in funds		1,906	14,415	16,321	100,962
Fund balances brought forward at 1.4.02		20,412	179,851	200,263	99,301
Fund balances carried forward at 31.3.03		22,318	194,266	216,584	200,263

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 56 to 74 form part of these accounts.

NATIONAL MUSEUM OF SCIENCE & INDUSTRY

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2003

	Notes	2003 £000	2002 £000
Fixed assets			
Tangible Assets	9	213,448	199,430
Current assets			
Stock		825	623
Debtors	12	8,760	8,282
Short term deposits	22	5,000	5,500
Cash in hand and at bank	22	629	351
		15,214	14,756
Creditors: amounts falling due within one year	13.1	(8,491)	(9,726)
Net current assets		6,723	5,030
Creditors: amounts falling due after one year	13.2	(946)	(1,302)
Provision for liability and charges			
Early Retirement Provision	14	(121)	(224)
Deferred income	15	(2,520)	(2,671)
Net assets		216,584	200,263
Represented by:			
Restricted funds:			
Sponsorship, Grants & Donations Reserve	19	3,543	2,577
Revaluation Reserve	16.1	17,309	4,994
Capital Projects Fund	18	173,451	172,316
Unrestricted funds:			
Designated funds			
Museum Improvement Reserve	20	4,353	2,049
Collections Purchase Fund	17	75	-
Revaluation Reserve	16.1	1,821	1,187
Capital Projects Fund	18	13,872	13,375
Contingency Fund	16.1	1,322	1,285
General funds:		838	2,480
Total funds		216,584	200,263

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

Dr Anne Grocock …….. Date …….

Dr Lindsay Sharp…….…….. Date …….

The notes on pages 56 to 74 form part of these accounts

NATIONAL MUSEUM OF SCIENCE & INDUSTRY

MUSEUM BALANCE SHEET AS AT 31 MARCH 2003

	Notes	2003 £000	2002 £000
Fixed assets			
Tangible Assets	9	206,838	192,371
Investments	7	411	411
		207,249	192,782
Current assets			
Stock		-	-
Debtors	12	8,796	7,136
Short term deposits	22	5,000	5,500
Cash in hand and at bank	22	449	15
		14,245	
			12,651
Creditors: amounts falling due within one year	13.1	(5,016)	(5,195)
Net current assets		9,229	7,456
Provision for liability and charges			
Early Retirement Provision	14	(121)	(224)
Net assets		216,357	200,014
Represented by:			
Restricted funds:			
Sponsorship, Grants & Donations Reserve	19	3,543	2,577
Revaluation Reserve	16.1	17,309	4,994
Capital Projects Fund	18	173,451	172,316
Unrestricted funds:			
Designated funds			
Museum Improvement Reserve	20	4,353	2,049
Collections Purchase Fund	17	75	-
Revaluation Reserve	16.1	1,384	749
Capital Projects Fund	18	13,872	13,375
Contingency Fund	16.1	1,322	1,285
General funds:		1,048	2,669
Total funds		216,357	200,014

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

Dr Anne Grocock …. ……..……. Date ……

Dr Lindsay Sharp…….. Date ……

The notes on pages 56 to 74 form part of these accounts

NATIONAL MUSEUM OF SCIENCE & INDUSTRY

CASH FLOW FOR THE YEAR TO 31 MARCH 2003

	Note	2003 £000	2002 £000
Net Cash flow from operating activities	22.1	10,763	5,486
Returns on investments and servicing of finance	22.2	164	182
Capital Expenditure	22.2	(10,765)	(4,105)
Management of liquid resources	22.2	500	(5,500)
Financing	22.2	(384)	(1,109)
Increase/(decrease) in cash		278	(5,046)
Increase/(decrease) in cash in the period	22.3	278	(5,046)
Cash (inflow)/outflow from (decrease)/increase in liquid resources	22.2	(500)	5,500
Decrease/(increase) in debt and lease financing	22.2	356	829
Change in net fund resulting from cash flow		134	1,283
New finance leases		-	-
Movement in net fund during the period		134	1,283
Net funds as at 1.4.02		4,197	2,914
Net funds at 31.3.03		4,331	4,197

The notes on pages 56 to 74 form part of these accounts

NOTES TO THE CONSOLIDATED ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

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 1985 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 include 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.

Deleted: Staff of the Museum are employed under the same conditions of service as Civil Servants to whom the conditions of Superannuation Acts 1965 and 1972 and subsequent amendments apply.

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 give 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

	2003 £	2002 £
Department for Culture, Media and Sport Request for Resources 1	31,248,003	26,678,799
Income		
Grant in Aid	31,248,003	26,678,799
Grants, legacies and donations	11,387,691	4,276,736
Transfer of Science Museum site and NMPFT land	-	96,900,535
Sponsorship	542,600	1,025,447
Admissions	-	2,366,115
Other operating income	961,771	748,220
Covenanted profit from NMSI Trading Limited	1,246,706	1,773,029
	45,386,771	133,768,881
Expenditure		
Staff costs	18,554,292	16,473,720
Other operating costs	14,751,675	13,378,850
Depreciation	7,953,309	6,605,171
Collections Purchases	24,948	88,195
	41,284,224	36,545,936
Operating surplus on museum activities	4,102,547	97,222,945
Interest received	292,757	311,074
	4,395,304	97,534,019
Revaluation of assets	11,947,769	3,312,721
Surplus for the year on museum activities	16,343,073	100,846,740

Income for the year includes £11,871,967 of restricted income received partly for expenditure on deferred activity, mainly of a capital nature. NMSI Trading Limited and Bradford Film surplus/(deficit) of £1,767,735 (2001-02 £2,913,202) is taken to the Statement of Financial Activities of which £821,246 (2001-02, £1,025,447) is consolidated into Sponsorship income, £208,140 (2001-02 £143,422) into Grants, Legacies and Donations income and £1,799,478 (as opposed to NMSI Trading Limited covenanted profit, £1,789,286) is consolidated fully into the Statement of Financial Activities. The difference of £10,192 (total surplus of £1,799,478 including revaluation of £0 less covenanted profit of £1,789,286 is eliminated as part of the consolidation. Interest charged by NMSI to NMSI Trading Limited of £56,591 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 2002-03 matching the property and services costs charged from the Museum to Bradford Film Limited.

In accordance with the Management Statement and Associated Memorandum between NMSI, NCMME and DCMS, the Museum received a grant totalling £2,072,000 from DCMS on behalf of the National Coal Mining Museum for England during 2002-03 and passed this money over to it on receipt each month. NMSI had no assets or liabilities in respect of this funding arrangement at the date of the balance sheet.

3 ADMISSIONS

From December 1, 2001, free admission was introduced at the Science Museum and the National Railway Museum. Therefore, admissions income was nil for the 2002-03 year (2001-02 £2,366,114).

4 OTHER INCOME

	Unrestricted 2003 £	Restricted 2003 £	2003 £	2002 £
Other Income	889,015	-	889,015	696,921

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

5 INVESTMENT INCOME

Investment income of £244,335 (2001-02, £275,438) arose 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	**2003 Total £000**	**2002 Total £000**
Charitable expenditure					
Collections Purchases	-	25	-	25	88
Collections	3,034	2,012	248	5,294	6,305
Science communication	5,580	3,119	4,975	13,674	11,781
Visitor Services	4,892	926	465	6,283	6,995
Support Costs	2,962	6,491	2,266	11,719	9,345
Management and administration	1,186	728	-	1,914	1,154
	17,654	13,301	7,954	38,909	35,668
Cost of generating funds					
Publicity & fundraising	900	1,475	-	2,375	417
Admission costs	-	-	-	-	460
Commercial costs	3,663	12,498	565	16,726	15,377
	22,217	27,274	8,519	58,010	51,922

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

	2003 £	2002 £
Net Salaries & Wages	18,594,828	16,490,051
National Insurance	1,318,861	1,211,996
Superannuation (Museum only)	1,542,002	1,462,611
Pension contributions (NMSI Trading Limited and Bradford Film Limited)	165,957	133,692
Early Retirement – Note 14	5,054	10,894
Exceptional cost – Compensation payments	589,716	-
	22,216,418	19,309,244

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 £1,612,992 were paid for 2002-03 for which the rate varied from 12%-18.5% (2001-02, 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 £92,850 were paid for 2002-03.

In relation to the Early Retirement provision, £5,054 (2001-2002, £10,894) was charged to the Statement of Financial Activities and credited to the Early Retirement provision. £107,209 (2001-02 £159,320) was charged against the provision to fund pensions and related benefits payments. (Note 14)

Exceptional payments arose from redundancy and early retirement costs and the introduction of new rotas as a result of the restructuring taking place.

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 Ron Cooke	£554
Professor Ann Dowling	£412
Dr Anne Grocock	£759
Mr R Haythornthwaite	£217
Lord Puttnam of Queensgate	£247
Professor Rod Smith	£506
Mr Simon Singh	£217
Lord Waldegrave	£467
Dr Bridget Ogilvie	£108

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.

	2003 £	2002 £
Remuneration	109,000	116,388
Employer's pension contribution	20,165	18,757
Accommodation allowance	17,500	9,975
Accrued pension at year end	3,531	2,087
Real increase in pension	1,409	1,209

Employees analysed by activity are as follows:

	Total 2003	Total 2002
Care for and research into Collection	106	142
Science education and communication	266	187
Visitor Services	190	198
Support Services	96	88
Publicity and fundraising	40	38
Admissions	-	37
Commercial Activity	315	280
Management and administration	11	11
Total	1,024	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:

£	2003	2002
50,001-60,000	13	10
60,001-70,000	5	6
70,001-80,000	3	2
80,001-90,000	1	1
90,001-100,000	-	-
100,001-110,000	1	-
110,001-120,000	-	1

6.3 Other direct costs

Other direct costs included:	2003 NMSI	2003 NMSI Tr/ Bradford Film	2003 Total £	2002 Total £
Auditors remuneration	36,000	22,215	58,215	54,190
Other financial services provided by the auditors comprised:				
Accountancy	-	-	-	65,171
Consultancy	-	-	-	45,643
Lease rental payments on land and buildings	68,876	-	68,876	68,875
Lease rental payments on vehicles	26,404	-	26,404	6,030
Travel, subsistence and entertainment	442,408	134,752	577,160	600,322

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

	2003 £	2002 £
Turnover	17,552,465	16,758,785
Cost of sales*	(9,113,861)	(8,795,459)
Gross profit	8,438,604	7,963,326
Administrative Expenses*	(7,569,773)	(6,511,577)
Sponsorship Income (NMSI Trading Limited)	821,246	1,025,447
Grants and donations (Bradford Film Limited)	208,140	143,422
Trading Profit	1,898,217	2,620,618
Other interest received	8,169	16,390
Other interest paid*	(138,651)	(161,696)
Net contribution	1,767,735	2,475,312
Amount covenanted to Museum	(1,789,286)	(2,798,476)
Revaluation	-	437,890
Retained in subsidiary	(21,551)	114,726

Turnover includes £166,062 (2001-02, £166,888 – not separately identified last year) of rental income through letting part of the Post Office building to Royal Mail and £442,547 arising from Bradford Film Limited turnover.

There are no sales to the Museum included in the turnover. Donations of £208,140 include £40,000 of donations from the Museum to Bradford Film Limited, which are eliminated on consolidation giving £168,140 as external donation income. The interest includes £56,591 of interest charged by NMSI to NMSI Trading Limited, which is eliminated on consolidation and excluded from expenditure on "Commercial costs" of £16,822,285 ("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

	2003 £	2002 £
Tangible fixed assets	6,610,397	7,059,072
Current assets	3,510,174	4,146,345
Creditors due within one year	(5,977,877)	(6,572,308)
Creditors due after one year	(983,844)	(1,301,847)
Provision for liabilities & charges (Deferred income)	(2,520,505)	(2,671,367)
Net assets	638,345	659,895

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 £7,910k (2001-02, £4,059k). A full analysis of government and non-government funded assets was undertaken in 2002-03.

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 1.4.02*	160,529	20,794	36,037	3,484	1,595	4,696	227,135
Additions during year	-	307	5	282	536	9,624	10,754
Revaluation	12,232	(19)	(10)	4	-	-	12,207
Transfers during year	(128)	-	128	-	-	-	-
Disposals during year	-	(22)	(382)	-	-	-	(404)
Value as at 31.3.03	172,633	21,060	35,778	3,770	2,131	14,320	249,692
Depreciation as at 1.4.02*	96	8,836	16,465	2,308	-	-	27,705
Depreciation during year	2,603	1,739	3,796	379	-	-	8,517
Transfers	(22)	-	22	-	-	-	-
Depreciation due to revaluation	271	(10)	(1)	(1)	-	-	259
Depreciation written off	-	(20)	(217)	-	-	-	(237)
Depreciation as at 31.3.03	2,948	10,545	20,065	2,686	-	-	36,244
Net Book Value at 31.3.03	169,685	10,515	15,713	1,084	2,131	14,320	213,448
Net Book Value at 31.3.02	160,433	11,958	19,572	1,176	1,595	4,696	199,430

The net book value at 31 March 2003 represents fixed assets for

	Land & Buildings	Plant & Machinery	Galleries & Exhibitions	Fixtures & Fittings	Collection Objects	Assets under construction	TOTAL
Charitable activities	166,950	7,875	15,314	248	2,131	14,320	206,838
Other activities	2,735	2,640	399	836	-	-	6,610
Total	169,685	10,515	15,713	1,084	2,131	14,320	213,448

*In order to reflect the correct accounting treatment of the 2001-02 professional external revaluation of the Land and Buildings, the opening balance has been adjusted appropriately.
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 £1,004,697.

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. Values have been adjusted in 2003 using indices supplied by Drivers Jonas.

The Science Museum was transferred from the Secretary of State for the Environment on 10 August 2001. Wroughton Airfield was transferred from the Secretary of State for Defence to the Science Museum on 27 July 1997. The buildings and land relating to the National Railway Museum were transferred from the Secretary of State for the Environment on 1 August 1997. The Royal Naval Air Yard was purchased from the Ministry of Defence on 31 March 2000. All are valued in accordance with valuations carried out, as above, at 31 March 2003.

Property	Title	Valuation Date	Value £000
Blythe Road, Hammersmith	Freehold	31.3.02	6,500

Blythe House is currently occupied by the British Museum, Science Museum and the Victoria and Albert Museum. The Freehold title is held in the name of the Secretary of State for the Environment, although ministerial responsibility for all museum estate issues has subsequently transferred to the Secretary of State for Culture, Media and Sport.

Each museum has been investigating the implications of FRS 5 "Reporting the Substance of Transactions" with the National Audit Office. This process of examining the possible benefits and obligations of ownership will not be completed until the end of March 2004.

The revaluation reserve increase is net of an adjustment for remedial works on the Imaging Frontiers project resulting in an increase to the revaluation value.

9.2 Museum Assets

	Land & Buildings	Plant & Machinery	Galleries & Exhibitions	Fixtures & Fittings	Collection Objects	Assets under construction	TOTAL
	£000	£000	£000	£000	£000	£000	£000
Value as at 1.4.02*	157,794	17,582	33,676	753	1,595	4,696	216,096
Additions during year	-	302	5	6	536	9,624	10,473
Revaluation	12,232	(19)	(10)	4	-	-	12,207
Transfers during year	(128)	-	128	-	-	-	-
Disposals during year	-	(22)	-	-	-	-	(22)
Value as at 31.3.03	169,898	17,843	33,799	763	2,131	14,320	238,754
Depreciation as at 1.4.02*	96	8,430	14,775	424	-	-	23,725
Depreciation during year	2,603	1,568	3,689	92	-	-	7,952
Depreciation due to revaluation	271	(10)	(1)	(1)	-	-	259
Depreciation written off	-	(20)	-	-	-	-	(20)
Transfers during year	(22)	-	22	-	-	-	-
Depreciation as at 31.3.03	2,948	9,968	18,485	515	-	-	31,916
Net Book Value at 31.3.03	166,950	7,875	15,314	248	2,131	14,320	206,838
Net Book Value at 31.3.02	157,698	9,152	18,901	329	1,595	4,696	192,371

10 COMMITMENTS UNDER OPERATING LEASES

As at 31 March 2003, NMSI had annual commitments under non-cancellable operating leases as set out below:

	2003 Land & Buildings	2003 Vehicles	2002 Land & Buildings	2002 Vehicles
Operating leases which expire:				
Within one year	747	-	350	48
In the second to fifth year	-	32,351	6,900	-
Over five years	61,626	-	61,625	-

There were no NMSI Trading Limited lease commitments.

11 CAPITAL COMMITMENTS

11.1 Projects

The major projects underway at present are as follows:

Shildon Railway Village – National Railway Museum

NRM is working in partnership 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. It will also significantly enhance access to part of the national collection through the partnership with the Hackworth Museum. 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. Funding of £10m has been secured from HLF, ERDF and a range of other bodies including Sedgefield Borough Council.

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 and fit-out are being completed to allow opening late in 2003.

11.2 Outstanding capital commitments

At the Balance Sheet date, outstanding contracted commitments amounted to some £958,685 for the Wellcome Wolfson building and Shildon Railway Village relating only to NMSI. There were no outstanding capital commitments for NMSI Trading Limited.

12 DEBTORS

	NMSI 2003	NMSI Trading/ Bradford Film 2003	Total 2003	Total 2002
	£	£	£	£
Trade Debtors	1,791,404	1,721,603	3,513,007	3,112,679
Provision for Bad Debts	(48,679)	(21,353)	(70,032)	(18,796)
Other Debtors	283,674	40,896	324,570	627,777
Prepayments & Accrued Income	3,755,885	163,265	3,919,150	3,639,790
Taxation recoverable (VAT)	510,069	-	510,069	920,931
Amounts recoverable on long term contracts	-	563,340	563,340	-
	6,292,353	2,467,751	8,760,104	8,282,381

Total debtors include the Heritage Lottery Fund, £1,028,488, Wellcome Trust £369,367, Eon Productions, £343,203 and British Nuclear Fuels £256,220. Museum debtors exclude £2,503,340 of intercompany debtor eliminated on consolidation. NMSI Trading Limited debtors exclude £37,659 of intercompany debtor eliminated on consolidation with Bradford Film Limited.

13 CREDITORS

13.1 Amounts falling due within one year

	NMSI 2003	NMSI Trading/ Bradford Film 2003	Total 2003	Total 2002
	£	£	£	£
Trade Creditors	1,798,114	982,799	2,780,913	3,357,374
Other Creditors	350,908	-	350,908	167,058
Accruals and Deferred Income	2,528,181	2,026,250	4,554,431	5,742,647
Taxation and Social Security Costs	339,026	113,488	452,514	107,027
Bank Loan	-	352,000	352,000	352,000
	5,016,229	3,474,537	8,490,766	9,726,106

NMSI Trading Limited creditors due within one year includes £2,503,340 of intercompany creditor eliminated on consolidation. Bradford Film Limited creditors exclude £37,659 of intercompany creditor eliminated on consolidation with NMSI Trading Limited.

The bank loans of £1,298,182 from Barclays Bank plc include a loan of £478,532 secured against a purchase of land adjacent to the National Railway Museum.

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

	2003 £	2002 £
Bank Loans	946,183	1,301,846

13.3 Borrowings (NMSI Trading Limited only)

	2003 £	2002 £
Loans not wholly repayable within five years:		
Loan – Barclays Bank Plc	819,650	850,797
Analysis of maturity of debt		
Within one year of demand	352,000	352,000
Between one and two years	225,532	352,000
Between two and five years	148,500	346,549
After five years	572,150	603,297
	1,298,182	1,653,846
Amount repayable by instalments any of which fall for payment after five years	572,150	603,297

The first Barclays Bank loan of £819,650 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 £478,532 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

	2003 £	2002 £
Balance at 1.4.02	223,408	371,834
Transferred from/(to) the Statement of Financial Activities	5,054	10,894
	228,462	382,728
Less payments	(107,209)	(159,320)
Balance at 31.3.03	121,253	223,408

15 DEFERRED INCOME

	£	£
Deferred income as at 1 April 2002	2,671,367	2,822,229
Grant received	-	-
Released to Statement of Financial Activities in year	(150,862)	(150,862)
At 31 March 2003	2,520,505	2,671,367

The deferred income in 2001-02, relates to grants and donations received in respect of the acquisition of two 'IMAX' cinema projectors**.** This 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 2002 £000	Income £000	Expenditure £000	Transfer £000	At 31 March 2003 £000
Restricted income funds						
Capital Projects Fund	18	172,317	-	(6,583)	7,717	173,451
Revaluation Reserve		4,994	11,654	(219)	880	17,309
Collections Purchase Fund	17	-	3,911	-	(3,911)	-
Sponsorship, Grants & Donations Reserve	19	2,577	8,416	(2,764)	(4,686)	3,543
Total restricted income funds		179,888	23,981	(9,566)	-	194,303
Unrestricted funds						
Designated funds:						
Capital Projects Fund	18	13,375	130	(1,251)	1,618	13,872
Revaluation Reserve	1.4	1,186	552	(39)	122	1,821
Museum Improvement Reserve	20	2,049	-	(2,306)	4,610	4,353
Contingency Fund		1,285	-	(186)	223	1,322
Collections Purchase Fund	17	-	-	(25)	100	75
Total designated funds		17,895	682	(3,807)	6,673	21,443
General funds		2,480	49,926	(44,895)	(6,673)	838
Total unrestricted funds		20,375	50,608	(48,702)	-	22,281
Total funds		200,263	74,589	(58,268)	-	216,584

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

	Unrestricted Funds £000	Restricted Funds £000	Total 2003 £000
Fund balances at 31 March 2003 are represented by:			
Tangible fixed assets	22,688	190,760	213,448
Current assets	9,602	5,612	15,214
Current liabilities	(6,422)	(2,069)	(8,491)
Long term liability	(3,587)	-	(3,587)
Total net assets	22,281	194,303	216,584

17 COLLECTIONS PURCHASE FUND

Purchases for the enhancement of the collection during the year amounted to £3,935,851 of which £24,935 was financed from the Collections Purchase Fund, £3,640,969 from the National Lottery Fund and other external funders for the Lewis Carroll Collection and the Royal Photographic Collection. Movements on the Fund were as follows:

	2003 Unrestricted £	2003 Restricted £	2003 Total £	2002 Total £
Balance at 1.4.02	-	-	-	-
Cash Receipts in year:				
Grant in Aid (Note 2)	100,000	-	100,000	111,937
National Lottery Fund	-	3,640,969	3,640,969	28,500
Other funding	-	69,974	69,974	-
Donated Assets	-	200,000	200,000	1,550,000
Income	100,000	3,910,943	4,010,943	1,690,437
Transferred to Capital Projects Fund (Note 18)	-	(3,910,943)	(3,910,943)	(1,602,243)
Expenditure	(24,948)	-	(24,948)	(88,194)
Balance at 31.3.03	75,052	-	75,052	-

The major expenditure during 2002-03 was the initial payment for the Royal Photographic collection. The Museum received a number of donated items. The items with a value over £50,000 were the four nineteenth century photography albums by Julia Margaret Cameron valued at £50,000 each. Expenditure denotes objects with an individual purchase price of less than £5,000.

18 CAPITAL PROJECTS FUND

	Unrestricted 2003 £	Restricted 2003 £	Total 2003 £	Total 2002 £
Balance at 1.4.02	13,375,114	172,316,518	185,691,632	91,093,229
Income allocation	129,571	-	129,571	53,703
Transfers in:				
Transfers from Collection Purchase Fund (Note 17)	-	3,910,943	3,910,943	1,602,243
Transfers of Science Museum site and land at NMPFT	-	-	-	96,900,535
Transfers from Sponsorship Grants & Donations Reserve (Note 19)	-	4,686,468	4,686,468	1,795,123
Transferred from Museum Improvement Reserve (Note 20)	1,740,254	-	1,740,254	603,774
Movements with revaluation fund	(122,000)	(880,234)	(1,002,234)	-
	15,122,939	180,033,695	195,156,634	192,048,607
Less:				
Depreciation & disposals	(1,250,566)	(6,582,486)	(7,833,052)	(6,356,975)
Balance at 31.3.03	13,872,373	173,451,209	187,323,582	185,691,632

19 SPONSORSHIP, GRANTS & DONATIONS RESERVE

(All restricted funds)

	2003 £	2002 £
Balance at 1.4.02	2,576,817	2,037,286
Income	8,177,890	3,795,036
Less: Expenditure	(2,525,741)	(1,460,382)
Transferred to Capital Projects Fund (Note 18)	(4,686,468)	(1,795,123)
Balance at 31.3.03	3,542,498	2,576,817

20 MUSEUM IMPROVEMENT RESERVE

(All unrestricted funds)

	2003 £	2002 £
Balance at 1.4.02	2,049,271	1,918,212
Allocated income	6,349,924	2,433,851
Expenditure	(2,305,997)	(1,699,018)
Transferred to Capital Projects Fund (Note 18)	(1,740,254)	(603,774)
Balance at 31.3.03	4,352,944	2,049,271

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

	2003 £	2002 £
Net incoming resources	4,373,753	97,210,855
Investment income	(244,335)	(275,438)
Interest payable	82,060	109,670
Depreciation	8,518,396	7,685,461
(Increase)/decrease in stocks	(202,018)	(5,001)
(Increase)/decrease in debtors	(479,265)	(2,558,245)
Increase/(decrease) in creditors	((983,134)	368,973
Increase/(decrease) in pension provision	(102,155)	(148,426)
Transfer of property	-	(96,901,535)
Donated assets	(200,000)	-
Net cash inflow from operating activities	10,763,302	5,486,314

22.2 Gross Cash Flows

	2003	2002
Returns on investments and servicing of finance	**£**	**£**
Interest received	245,878	291,973
Interest paid	(82,060)	(109,670)
Interest element of finance lease rental payment	-	-
	163,818	182,303
Capital expenditure		
Payments to acquire intangible fixed assets		-
Receipt from sale of tangible fixed assets	164,142	11,169
Payments to acquire tangible fixed assets	(10,929,557)	(4,116,677)
	(10,765,415)	(4,105,508)
Management of liquid resources		
Cash (placed)/withdrawn from short term investments	500,000	5,500,000
Financing		
New loans raised	-	-
Loan repayments	(383,571)	(1,108,574)
	(383,571)	(1,108,574)

22.3 Analysis of changes in net funds

	At 1.4.02	Cash Flows	Non Cash Changes	At 31.3.03
	£	£	£	£
Cash at bank and in hand	350,801	278,103	-	628,904
Current asset investments	5,500,000	(500,000)	-	5,000,000
Debt due within 1 year	(352,000)	-	-	(352,000)
Debt due after 1 year	(1,301,847)	355,664	-	(946,183)
	4,196,954	133,767	-	4,330,721

23 FINANCIAL INSTRUMENTS

23.1 Liquidity risk

Approximately 62% of NMSI's income is provided by Grant in Aid from the Department for Culture, Media and Sport. 35% 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 31.03.03	3,387,941	478,532	819,650	2,289,759
At 31.03.02	4,196,621	803,049	850,797	2,542,775

The floating rate loan of £478,532 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 £819,650 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 2002-03, 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.

Six Trustees have relationships with Ove Arup, British Broadcasting Corporation, NESTA, Imperial College, DfES with whom NMSI had material transactions or directly with NMSI. 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 2002-03	Actual to end of year
NMSI wide average	15%	5.5%

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.