

SCIENCE MUSEUM GROUP

Annual Report and Accounts 2018–19

Science Museum, London

Science and Industry Museum, Manchester

National Railway Museum, York

Locomotion, Shildon

National Science and Media Museum, Bradford

National Collections Centre, Wroughton

SCMG Enterprises Ltd

HC 2374

Science Museum Group

Annual Report and Accounts 2018–19

Presented to Parliament pursuant to Section 9 (8) of the Museums and Galleries Act 1992

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1. Science Museum Group

Purpose and objectives

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

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

- Care for, preserve and add to the objects in its collections,
- Secure that the objects are exhibited to the public,
- Secure that the objects are available to persons seeking to inspect them in connection with study or research, and
- Generally promote the public's enjoyment and understanding of science and technology and of the development of those subjects, both by means of the Board's collections and by such other means as they consider appropriate.

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

History and organisation

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

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

Legal status and Group structure

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

and the Museums and Galleries Act 1992. The Science Museum Group is an exempt charity under Schedule 3 of the Charities Act 2011, with DCMS acting as its principal regulator for charity law purposes, and is recognised as charitable by HM Revenue & Customs.

The Group has a wholly owned subsidiary trading company, SCMG Enterprises Ltd (company registration no. 02196149), set up in 1988 and operating across all the Group's museums.

Museum addresses

Science Museum

Exhibition Road
London
SW7 2DD

National Railway Museum

Leeman Road
York
YO26 4XJ

National Science and Media Museum

Pictureville
Bradford
BD1 1NQ

Science and Industry Museum

Liverpool Road
Castlefield
Manchester
M4 3FP

Locomotion

Shildon
County Durham
DL4 1PQ

Company addresses

Entity	Registered number	Registered office
SCMG Enterprises Ltd	02196149	Science Museum Exhibition Road London SW7 2DD

List of Science Museum Group advisers

	Science Museum Group	SCMG Enterprises Ltd
Auditors	Comptroller and Auditor General National Audit Office 157-197 Buckingham Palace Road London SW1W 9SP	PKF Littlejohn 1 Westferry Circus Canary Wharf London E14 4HD
Bankers	Barclays Bank plc Floor 27 1 Churchill Place London E14 5HP	Barclays Bank plc Floor 27 1 Churchill Place London E14 5HP
Solicitors	<p>The Group draws advice from a range of solicitors by sector, which this year included:</p> <p>Bates Wells Braithwaite CMS Cameron McKenna Nabarro Olswang Farrer & Co. Fladgate LLP Hansel Henson Knights plc Kuits Mills & Reeve LLP VWV</p> <p>The Group also has access to other legal firms on the London Universities Purchasing Consortium panel.</p>	

2. Achievements and Performance

Science Museum Group strategic objectives

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

Group vision:

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

Group mission:

We inspire futures by:

- **Creative exploration of science,** technical innovation and industry, and how they made and sustain modern society.
- **Building a scientifically literate society,** using the history, present and future of science, technology, medicine, transport and media to grow science capital.
- **Inspiring the next generations** of scientists, inventors and engineers.

Focus of each museum:

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

Strategic priorities

Seven key priorities drive Science Museum Group activity:

Core priorities

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

Supporting priorities

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

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

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

Grow 'science capital' in individuals and society

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

The Science Museum Group plays a central and irreplaceable role in deepening and expanding science literacy in the UK. The breadth of resource in the Group, the diversity of the audiences and communities we serve, and the expertise embedded in our teams, collections and exhibitions are world-class resources for public engagement in STEM (science, technology, engineering and mathematics). Our organising principle is to build 'science capital' to enrich people's lives and enhance their contributions to society. Policy-makers, industrial leaders and educators agree that future generations must be informed, enthusiastic and skilled in STEM if the UK is to retain its role as a global leader. The Group has a distinctive role in addressing this priority as a national and international leader in STEM education.

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

Embedding science capital principles: Research shows that the more science capital (what and how one thinks about science, what one does and whom one knows) young people have, the more likely they are to study science post-16 and to see science as 'for me'. Yet national survey data shows that 27% of all 11- to 17-year-olds have low science capital, particularly those from disadvantaged backgrounds. Building on the completed five-year Enterprising Science research and development project, this year we opened the Science Museum Group Academy, the home of science engagement. The Academy brings together education and STEM professionals to share and reflect on the latest research and practice around STEM engagement. Opening in September at the Science Museum and March at the Science and Industry Museum, it aims to train 600 teachers and 250 STEM professionals in its first full year – addressing the challenges of low engagement with science.

We continue to integrate science capital principles into our everyday practice. All Science Museum Group online learning resources are now underpinned by science capital research, all Learning staff are trained in science capital and wider staff engagement has been rolled out with online training. The aim is to embed these principles in all Group activity by 2020.

Year of Engineering: In September 2017 the Science Museum hosted the launch of the Government initiative Year of Engineering, which aimed to reach and inspire more people to develop an interest in science and engineering. Running throughout 2018, it gave thousands of young people aged 7–16 inspiring experiences of engineering, challenging traditional perceptions and tackling a lack of diversity in the profession. Across the

Group the programme facilitated 135,000 interactions with young people – 13.5% of the Year of Engineering's national campaign target for the year. A thousand volunteers, including STEM Ambassadors, industry volunteers and partners, took part. Of these volunteers 40% were female, compared an engineering sector average of around 10%.

Develop world-leading digital learning resources that are a go-to destination for educators, students and families.

Last year we launched a new website for teachers and educators enabling our users to make the most of our museums both on site and online with pre-visit, on-site/online and post-visit resources. This year we added 15 new introductory gallery films. As part of our digital offer for children and young people this year we launched two new apps. *Total Darkness* demonstrates how science and science-related skills are part of everyday life through a story-led game and aims to promote a positive attitude to science. After its launch in July 2018 there were over 100,000 plays in its first six months. *Treasure Hunters* is an app for families visiting our sites which they can also play at home, available in five different languages. It supports a games-led exploration of our collection or the wider world which all the family can join in. Launched in March 2018, it won both Best Family & Kids App and People's Choice at the Lovie Awards in October 2018.

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

Outreach: The Science Museum-based Outreach team made 150 visits across the country, reaching 58,000 people at schools, community venues and festivals. This included outreach activity as part of the Soyuz tour, offering selected schools new opportunities to learn about the science of space. More than three-quarters of the costs associated with the Science Museum outreach programme are covered through income. At the Science and Industry Museum there were 39,000 instances of participation in Manchester Science Festival activities outside the museum. At the National Science and Media Museum outreach is delivered through targeted engagements with schools in areas of deprivation and through the Bradford Science Festival – attended this year by 35,000. Overall there were over 300,000 instances of participation in off-site learning activities delivered across the Group, by Learning teams and other teams such as Curatorial. This compares with 185,000 visits in 2017–18.

STEM Ambassadors: The Group runs the contract on behalf of STEM Learning for the STEM Ambassador Hub in the trans-Pennine region. The Hub manages over 3,000 registered STEM Ambassadors across Greater Manchester and West and North Yorkshire. The teams support these volunteers to engage with young people aged 5–19 in schools, community groups and at our northern museum sites. In the last 12 months

approximately 50,000 Ambassador volunteering hours were achieved and 92% of state secondary schools in the region engaged with a STEM Ambassador at least once.

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

In October 2016 the Science Museum opened *Wonderlab: The Equinor Gallery*, our most ambitious interactive gallery and a key part of the museum's overall Masterplan. The gallery remains extremely popular, with well over 400,000 visits to the gallery in 2018-19 (a 12% increase on the previous year, which included a planned six-week closure), including 131,000 visits in education groups. In March 2017 we opened *Wonderlab* at the National Science and Media Museum, exploring the stunning science of light and sound. This year there were 25,000 visits to the gallery in education groups compared to 23,000 visits in its first year, with the gallery and shows forming the backbone of the education offer. Among general visitors 87% visited the gallery and 54% reported it their favourite thing. The next iteration of *Wonderlab* is planned at the National Railway Museum as part of its Vision 2025 and it is also part of Masterplan discussions at the Science and Industry Museum.

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

At the Science Museum we have 20 years of experience in a dedicated Audience Research department, which has created a large body of evidence and expertise. The team ensure all our exhibitions, programmes and online resources are truly audience focused and that we deliver memorable and inspiring learning experiences. A Group-wide approach to audience research and advocacy underpins our work on the Masterplan. Following an initial survey at the Science Museum, qualitative surveys for booked education groups were rolled out this year across all our sites. Progress continues to be made in the development of an offer for the under-8 age group at the Science Museum. The pilot Experitots programme for preschool children, and research linked to a proposed under-8s interactive gallery, started this year and will inform the offer. We have developed a draft Group-wide early-years framework that will inform our approach to developing new galleries and experiences for children under 8.

Increase sustainable programming for adults at non-peak times.

We recognise that adult visitors offer the greatest potential for growth away from peak times of half-term and other holidays. We continue to target this segment through strategic exhibition programming. It was decided this year not to continue the pilot charged-for adult evening event programme of masterclasses at the Science Museum on the basis of cost effectiveness and fit with this year's cultural programme. We have continued to reach audiences at non-peak times through the Lates

programme of evening adult openings. In total there were over 30,000 visits to these events across the Group in 2018-19.

Booked education group visit numbers

No. of visits in booked education groups	Actual 2018-19	Target 2018-19	Actual 2017-18
Science Museum	433,000	450,000	429,000
Science and Industry Museum	88,000	72,500	80,000
National Railway Museum	37,000	39,250	41,000
Locomotion	7,000	6,650	13,000
National Science and Media Museum	38,000	36,250	38,000
Science Museum Group total	603,000	605,000	601,000

We are the most visited group of museums in the UK by education groups*. At the Science Museum we set ourselves an ambitious target to return education group visit numbers to the levels achieved prior to 2017-18 (an uplift of 21,000 visits). This year performance was just 4% short, with numbers a little up on last year. It is believed schools are not choosing to visit at the levels previously experienced owing to school budget pressures and fears around visits to central London – something experienced across the sector. At the Science and Industry Museum performance was ahead of the previous year and target, benefiting from the Soyuz spacecraft display in the spring, Stephenson's Rocket from the autumn and ongoing relationship-building with schools. At the National Railway Museum visits were 5% behind target, while Locomotion was ahead of target. Both were behind the previous year (albeit at levels similar to 2016-17), which had seen exceptional numbers resulting from the tour of the Soyuz spacecraft. At the National Science and Media Museum education group numbers have been steadily growing since 2015 from 29,000, with a spike in 2017-18 as the museum rebranded, launched *Wonderlab* and received the Soyuz spacecraft.

** We benchmark ourselves using the DCMS performance indicator of the 'number of facilitated and self-directed visits by students under 18 (including Year 13) in formal education groups'. Comparable data is only available up to 2017-18, however the number of visits achieved this year indicates the Science Museum Group will continue to remain the most visited by this group (see 'Performance against DCMS indicators' table).*

Grow our audiences and exceed their expectations

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

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

Audience development: Following the adoption of a Group-wide approach to audience segmentation, this year was the first year the same segments have been used in reporting on visitor types across the Group. The segments we use are based on people's attitudes to culture and science – as well as their behaviours – and enable us to focus on the positive experience we want to give our visitors. With the segments in mind we have established a new Visitor Plan for each museum which identifies growth audiences for the coming years and sets out how we will work together to improve visitors' experiences of the museum. Through a series of internal workshops we have explored what our Group values – including 'open for all' – mean in terms of our Visitor Plans and delivery. We have also established the Inspiring Service Framework at the Science Museum, focused on improved customer service. This year at the National Railway Museum we were pleased to receive both the Yorkshire and National Days Out with the Kids Award for best free family day out.

We monitor our audiences through specific research projects and systematic exit surveys, which also invite feedback from visitors that is analysed alongside comments given on site or via social media. We aim to build deeper long-term relationships with our visitors, aided by our now Group-wide customer relationship management (CRM) system. The system enables more targeted communications with our audiences. This year we completed the roll-out of our unifying brand strategy at our remaining sites, with all five museums in the Group now sharing the same elegant visual identity. The arrival of Stephenson's Rocket in Manchester in September signalled the roll-out of the Group brand and the new name for the museum: the Science and Industry Museum. The brand supports delivery of our shared goals, brings greater cohesion to our tone of voice and design, and seeks to support audience growth. Our internal colleague survey continues to show very high levels of awareness of our new values – evidence of the extent to which the organisation has embraced all aspects of the new brand.

Removing barriers: We are working to understand why our general audience is less socially and ethnically diverse than our schools audience, and to take appropriate action to remove any barriers. Inclusivity and cross-generational appeal are crucial principles in our planning, as is promoting the profile of women in science. Our programming includes delivery of bespoke experiences

for specific groups which help remove barriers to their visit. One example is our out-of-hours openings to enable families with an autism spectrum condition to enjoy the museums at a quieter time. The way we deliver programmes also seeks to remove barriers – at the National Railway Museum we have worked hard to achieve a 50–50 gender split in the engineers working with our Future Engineers programme, compared with the national average of around 10% female. Our learning and events programmes seek to remove barriers to engagement by building on partnerships with external organisations and encouraging people to see our museums as places for them. Removing barriers and working in partnership with others is central to the National Science and Media Museum's 'Bradford's National Museum' research project, which is exploring how the museum can be engaged and collaborative within Bradford and can connect sound and vision technology with Bradford.

Visit numbers and quality of experience: This year visit numbers were slightly down (–2%) on last year, which benefited from the Soyuz spacecraft tour. Overall visit numbers were only just short of target (–1%). In 2018–19 our visitor number targets and achievements were as follows:

Museum	Actual 2018–19	Target 2018–19	Actual 2017–18
Science Museum	3,168,000	3,215,000	3,178,000
Science and Industry Museum*	652,000	675,000	684,000
National Railway Museum	782,000	730,000	760,000
Locomotion	153,000	175,000	199,000
National Science and Media Museum	455,000	455,000	505,000
Science Museum Group total	5,210,000	5,250,000	5,325,000

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

Science Museum performance: The Science Museum ended the year 1% behind target and level with the previous year, with visit figures at least 50,000 down on four out of the previous five years. The volume of visits made by families was slightly up (+4%) on the previous year. A fall in numbers was seen in visits made by independent adults (64,000 fewer visits, down 5%), perhaps reflecting the weaker performance of this year's major exhibition, *The Sun: Living With Our Star*. These major exhibitions are targeted at drawing particular audience segments, who will visit specifically to see an exhibition. Education group visits were also behind target, at a similar level to the previous year. Overseas visitors remain very important to

the museum. Half of all general admissions visits (ie not including education groups) were from overseas visitors, which was a recovery after a slight drop in the previous year. The vast majority of visitors (98%) are satisfied with their visit, including 75% saying 'very satisfied'. Looking ahead we expect to see gradual growth in visit numbers over the next three years based on our evolving approach to communications, the exhibition programme and the opening of new galleries.

Science and Industry Museum performance: The museum ended the year 5% behind the previous year and 3% behind the target for the year. The figure was around 25,000 visits down on the average for the previous five years. The drop is down to a 20% decrease in the volume of visits made by independent adults, dropping below 200,000 visits for the first time since 2013-14. The volume of visits by families and education groups actually saw small increases of around 10,000 visits each. The museum got off to a very strong start, up nearly 25,000 visits in the first two months, driven by the visit from Tim Peake's spacecraft (43% of visitors over that period said they were visiting specifically to see Soyuz). Stephenson's *Rocket*, which arrived in September, had a smaller but still significant impact over the remainder of the year (driving 9% of visits), but the temporary exhibition *Electricity: The Spark of Life* was the specific reason to visit for only 1% of visitors. Closures of part of the site in the latter half of the year (primarily the Air and Space Hall) as a result of the need for building conservation and maintenance has also had an impact. Overall, 97% of visitors are satisfied with their visit and the recovery achieved last year in the proportion of visitors saying they were 'very satisfied' with their visit has been maintained at similar levels (68%). Looking ahead, with the forthcoming closure of the Power Hall and the building work for the Special Exhibition Gallery in the lower yard, maintenance of visit numbers in the coming year is a priority.

National Railway Museum performance: The growth achieved last year continued this year, with visit numbers 3% ahead of the previous year and 7% up on the target for the year. The total visit figure was higher than any of the previous ten years with the exception of 2013-14, when the museum staged the A4s Reunion. Alongside the launch of the museum's new brand, a brand marketing campaign made the museum more visible within the city of York and to its many visitors. The growth was driven by a recovery in the volume of visits made by independent adults compared with the previous year (+25%), to just short of 400,000 visits – a figure beaten only once in the past ten years during the A4s Reunion. Conversely, for only the second time in the past ten years (the other being two years ago) the number of visits made by families was lower than those made by independent adults. Family visits were down 14% on last year. Education group visits declined this year (-9%) compared with last year, which benefited from the Soyuz spacecraft tour. Virtually all visitors (99%) were satisfied with their visit, and the proportion who

were 'very satisfied' continues to recover (82%) after a sharp dip in 2016-17. Looking ahead we expect to see visit numbers reduce over at least the next two years because of Masterplan activity and potential closure of parts of the site, before increasing significantly as new galleries open.

Locomotion performance: At Locomotion visit numbers were 13% behind the target for the year and fell sharply compared to last year (-23%), which was a very strong year with the Soyuz spacecraft tour. The museum has moved away from community-style events which do not have a connection with the STEM subject matter of the museum. As the programme transitions this has had an impact on the number of events delivered by the museum, which had been key drivers of visit numbers. In previous years the museum also benefited from a number of major events with crowd-drawing locomotives. This year there were no such unique events to boost numbers to the extent previously achieved, although they still boosted numbers significantly. Almost half of the visitors to Locomotion are railway enthusiasts (compared with just over one-quarter at the National Railway Museum). The majority of visitors are satisfied with their visit (97%) including 79% who are 'very satisfied'. Looking ahead we expect to achieve a slight uplift on this year as a result of programming, followed by a more significant uplift as a result of Masterplan activity.

National Science and Media Museum performance: Visit numbers to the museum met the target for the year. As anticipated this was 10% behind last year – which was the first year of the relaunched museum brand, and also saw the opening of the Wonderlab interactive gallery and the successful debut of the Soyuz capsule on its UK tour. Performance this year remains ahead of performance prior to 2017-18, continuing to reverse the gradual decline which had been experienced previously. Alongside the *Action Replay* exhibition, the museum's festivals and holiday events drew high numbers of visits. Families remain the largest group of visitors, and while there has been a fall in volume compared with last year (-14%) they remain ahead of the previous year (+31%). Visits made by independent adults increased this year (+8%), while education group visits were at the same level as last year. The fall in visit numbers was also driven by cinema visits (-22%), which were affected by the lack of major IMAX blockbusters. The overwhelming majority of visitors are satisfied with their visit (98%) and the recovery in the proportion who are 'very satisfied' continued on a par with last year (71%) after a dip in 2016-17. Looking ahead we anticipate a slight uplift on visit numbers next year as a result of the programme. Beyond that gallery developments may impact on numbers.

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

Group exhibitions: This year we have begun working on a new exhibitions strategy to be ratified in 2019 and

implemented by a new Group Exhibition Programme Board. We have reviewed programme schedules at each site to make sharing of exhibitions more viable and programme volume sustainable, and we have established a new business unit to take forward sales and marketing elements of touring exhibitions. This coordinated approach will come into effect from April 2019, which will be the start of transition year to new programme schedules and planning mechanisms.

Over the past few years at the Science Museum and Science and Industry Museum we have sought to share at least one ticketed exhibition per year, which generates income and attracts significant audience numbers. This year at the Science Museum we opened our major charged-for exhibition *The Sun: Living With Our Star* (6 October – 6 May). The exhibition brings the science of the Sun to life and explores the fascinating story of humankind's relationship with our closest star. We were joined by NASA administrator Jim Bridenstine for the launch, reviews have been positive – 'blazing with hot science and cultural riches' (*Nature*) – and initial research indicates strong visitor satisfaction on a par with previous exhibitions. While 48,000 people visited the exhibition, this was a smaller number than previous major exhibitions. The exhibition will be opening at the Science and Industry Museum on 20 July 2019 before going on national and international tour. A key principle of these exhibitions is that they can be added to our touring exhibition portfolio, which both widens our audience reach and generates income. This year our exhibition *Robots* toured to the Life Science Centre, Newcastle (26 May – 2 December) attracting 98,000 visitors, before going onto the National Museum of Scotland, Edinburgh (18 January – 5 May), where to date it has been seen by over 25,000 visitors.

National touring exhibitions: This year over 1 million visits were made to our touring exhibitions – our largest annual attendance since launching the programme in 2014. The majority of these visits were down to the highly successful national tour of Tim Peake's Soyuz spacecraft. Launching during the 2017 UK–Russia Year of Science and Education, it completed its tour of the Group's museums at the Science and Industry Museum in May (on display 10 March – 13 May). As with our other sites its display attracted large audiences to the museum, with visit numbers in April up 27% compared with the previous April. Having toured the Group's museums, it has this year gone on to tour to national museum venues in Scotland, Northern Ireland and Wales, as well as to competition winner Peterborough Cathedral. Over 800,000 visitors have had the opportunity to see the spacecraft in this national tour. As part of the tour's integral learning programme, the Group's Learning Outreach team this year visited 4,000 students at more than 24 schools local to the four external host venues, and the Space Descent VR bus, developed in collaboration with Samsung, has toured schools and town centres.

Building on this success, the iconic Stephenson's Rocket left its home at the Science Museum and went on display in Tyne & Wear Museums' Discovery Museum for the Great Exhibition of the North from June 2018. It attracted 176,000 visits over 80 days as part of the *It's Rocket Science* exhibition, an 80% increase on the same period in 2017. This was followed by its display at the Science and Industry Museum in the autumn – returning to Manchester after 180 years away. In the opening three months 11% of visitors came to the museum specifically to see *Rocket*.

Site-specific programming

Science Museum exhibitions: In addition to delivering one major charged-for exhibition each year (with the capacity to tour), the Science Museum aims to deliver at least two free exhibitions a year, including one contemporary science exhibition (which can also form the basis of a blueprint touring exhibition). This year the museum delivered *The Last Tsar: Blood and Revolution* (21 September 2018 – 24 March 2019), exploring the huge influence of medicine on the imperial family and how advances in medical and forensic science transformed the investigation into the Romanovs' brutal deaths. The exhibition received 61,000 visits, well in excess of target. To mark the 40th birthday of IVF we opened *IVF: 6 Million Babies Later* (5 July 2018 – November 2018) in the *Who Am I?* gallery space. The exhibition explored the remarkable story of in vitro fertilisation, or IVF, and we were honoured to have Louise Brown, the first person to be born through IVF, celebrate her 40th birthday at the museum. The contemporary science exhibition *Superbugs: The Fight for Our Lives*, which opened the end of 2017 in the *Tomorrow's World* gallery, continued to run throughout 2018–19. In addition, regular contemporary science updates continued to be made in the *Tomorrow's World* and *Who Am I?* galleries along with rotating small-scale anniversary displays. This year the museum won the Eastern Eye Community Engagement Award for the *Illuminating India* exhibition season (4 October 2017 – 22 April 2018) at the Eastern Eye Arts, Culture and Theatre Awards 2018.

Science and Industry Museum exhibitions: Launching for the Manchester Science Festival, *Electricity: The Spark of Life* (18 October 2018 – 28 April 2019) was the major exhibition for the museum this year. A collaboration between the Science and Industry Museum, the Wellcome Collection and Teylers Museum, Netherlands, the exhibition featured commissions from three contemporary artists. The museum was the third tour venue, adding a new section on the future applications of electricity and co-commissioning a new installation on electricity distribution in the region. The evaluation report shows the exhibition to have been well received by visitors. The other festival headliner was *Distortions in Spacetime*, an immersive experience commissioned by MSF and the British Science Festival in Hull conveying the experience of being inside a black hole. The installation was seen

by about 7,000 people in Hull and Manchester and received very positive responses from visitors. Finally, this summer the museum took part in Bee in the City (21 July – 23 September) – over 100 bees made up a free, family-friendly trail, taking in the city's landmarks and undiscovered gems. Participation in the initiative proved a positive boost for visit numbers, which were 12% up in August against the previous year.

National Science and Media Museum exhibitions: At the National Science and Media Museum the public programme targets a range of audience segments across the year, establishing a pattern of three new exhibitions a year. There is a focus on programming for the summer and February and October half-term holidays to bring in families. The summer exhibition in 2018 was *Action Replay* (13 July 2018 – 10 February 2019). Opening to coincide with the finals of the 2018 FIFA World Cup, the exhibition explored the relationship between sport, technological innovation and the media, with interactive experiences and key objects. Other holiday programme highlights included the popular CBeebies *Operation Ouch!* half-term programme which included a live broadcast from the museum. Across the winter months there is more of a push towards adult programming, with exhibitions within the 'hot topic' strand that look at stories focusing on current affairs. This year's programme featured *Never Alone* (16 November – 10 February), which explored trends and issues around internet-connected devices and has gone on to become a blueprint exhibition available for tour. Developing partnerships within Bradford and the local community is a key part of the museum's strategy and central to the delivery of its programme of events. The spring exhibition *Above the Noise* (15 March – 19 June) has been developed as part of the 'Bradford's National Museum' research project which is exploring the role of a national museum in a local and regional context. The project seeks to understand how best to connect sound and vision technology with Bradford communities. A number of other small-scale displays are delivered throughout the year to complete the changing programme as well as the three-screen daily cinema programme currently delivered through the Picturehouse Cinemas partnership.

National Railway Museum exhibitions: At the National Railway Museum we have delivered an annual 'season' of themed programming that combines cohesive exhibitions, events and learning activities. The programme has created opportunities to test new content and interpretive techniques that inform ambitious future plans – including our relationship with the modern rail industry. This year we took the opportunity to celebrate the Year of Engineering programme with new co-created exhibition content about contemporary railways and engineering. We commissioned a new film, *Engineering the Now* (May – September 2019), a collaboration with Network Rail and Hitachi designed to reveal the diversity and opportunity in engineering in today's rail industry. Continuing our work with the contemporary rail industry, our autumn/winter

exhibition *Testing* (12 October – 28 April) brings people face to face with new technology from major projects such as Crossrail and HS2. Over 110,000 visits have been made to the exhibition, exceeding typical exhibition attendance at the National Railway Museum. A number of smaller exhibits throughout the year have been displayed to mark anniversaries and important moments; for Armistice Day we collaborated with local church leaders to mark the 100th anniversary of the end of the First World War by creating a display of thousands of knitted poppies over our D737 locomotive, which played an important role in the conflict.

Our locomotives, including *Flying Scotsman*, have continued to tour heritage railways and other sites. This year 76,000 people came to see *Flying Scotsman* as it toured the country, visiting heritage railways and offering main-line services.

Locomotion exhibitions: At Locomotion we are seeking to deliver a programme more rooted in the national collection and the unique stories of Shildon, as well as inspiring visitors to get involved in science, technology and engineering. This year the focus of programming was around the Steam Season which took place from May to September. Highlights were the arrival of *Flying Scotsman* (11 July – 1 August), which attracted 27,000 visits (against a forecast of 24,000 visits for the whole of July), and the autumn Steam Gala (27–23 September), which focused on the 50th anniversary of the end of steam on the main line. The Steam Gala, attended by 4,200 visitors, featured the locomotive *Oliver Cromwell* and hosted a sound installation called *Whistle*, designed by Steve Messam. Alongside free activities for schools and families, the season included the exhibition *Railways on Canvas: The Art of Chris Pulham*.

Festivals and events

A key part of our programmes are our regular festivals and events. Produced by the Science and Industry Museum, the Manchester Science Festival (18–28 October) is the largest science festival in England. In this, its 12th year, we welcomed 113,500 visitors to festival events across Greater Manchester. The museum worked with 155 partners to deliver 142 unique experiences in 68 venues across Greater Manchester, involving over 900 STEM professionals. Headline events at the museum were the exhibition *Electricity: The Spark of Life*, the immersive experience *Distortions in Spacetime* referred to above, and You Have Been Upgraded (a spectacular evening event about human enhancement). Other highlights included *Contagion* (a ballet by Shobana Jeyasingh about the Spanish flu epidemic), a 25-hour 'hackathon', debates about plastics and AI, and a multitude of activities for children and families.

Following the success of the first Bradford Science Festival in 2017, 2018 saw the festival delivered over the weekend of 19–22 July, attracting 34,500 people (similar to the

previous year) and giving the National Science and Media Museum its busiest weekend of the year. The weekend was designed for families across the museum, City Park and the Broadway shopping centre. Highlights included Titan the Robot in City Park, the high-tech BOAC Mantra trailer and Robots Live. Each day ended with a performance in the park's mirror pool showcasing the power of the pool's pump engines set to music. Research found the festival evoked a strong sense of pride in Bradford (97%), and in comparison to the 2017 festival a greater number of visitors agreed that Bradford is a great place for a career in STEM – demonstrating the impact of the introduction of the STEM City careers zone.

We also delivered the third year of the Yorkshire Games Festival (in its new slot of 6–10 February) at the museum, with nearly 8,000 games fans and aspiring games developers attending. New for 2019 was the Young Developers Conference in partnership with BAFTA Young Game Designers for 11- to 18-year-olds. The Game Talks programme featured speakers from studios such as Media Molecule, IO Interactive, Image & Form and MachineGames. The Let's Play! family weekend welcomed local developers and gaming groups to the museum for two days of activities, attracting over 4,500 visitors. Overall the festival exceeded the previous year's pass and ticket sales income by over 58%. At our 22nd Widescreen Weekend film festival we celebrated women in widescreen, screened a selection of classic Westerns and welcomed a range of fantastic guests. Curated in partnership with Sir Christopher Frayling, the festival took place from 11 to 14 October and was our most successful festival to date, with a growth in admissions of 5% compared with 2017, continuing year-on-year growth.

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

Sustain and grow our world-class collection

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

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

Complete the One Collection project by 2023.

In 2016 we embarked on the largest and most ambitious project the Group has undertaken in recent times. One Collection will transform how we care for and share the internationally significant Science Museum Group collection with the world. One Collection was precipitated by the Government agreeing to provide £150m at the Comprehensive Spending Review 2015 to enable the Science Museum Group, Victoria and Albert Museum and British Museum to build new facilities to house collections currently stored at Blythe House in London. As a result, we will deliver a new purpose-built collection facility at the National Collections Centre in Wroughton, which will become home to over 80% of the Group's collection. The new facility will enable us to better care for and provide increased public access to our collection, including 320,000 items currently held at Blythe House. Our long-term ambition is to create a hub for collection care, museum-led learning, science engagement and innovation.

Moving this vast number of objects has created opportunities to review our collection, improve our records and increase public engagement with the collection. We have begun an unprecedented digitisation programme – digitising at least 75% of the objects we move – to create one of the most extensive online collections of scientific heritage in the world. Following a period of planning and survey work, the workflow for the process of reviewing, digitising and packing the collection at Blythe House is now under way. Up to 50 staff and 10 volunteers are working on this process at any one time and by the end of March 2019 120,000 objects had been hazard-checked, barcoded, located and condition-checked. In addition, 50,000 objects have been photographed and there are now 43,000 objects with images on Collections Online – 10% of the objects in the Science Museum Group Collection (an increase of 4% since the project began). The contractor for the construction of the new facility at the National Collections

Centre – Building ONE – has been appointed and work on the site started in February 2019 with a completion date of early 2020.

One Collection will transform how people engage with our collection both online and in person. We are making available hundreds of thousands of images of our objects online, telling new stories about the impact of science on our lives and delivering a public programme at the National Collections Centre. Online engagement will focus on a series of overarching themes, including stories around chemistry, matter and materials science in 2019. In addition to rich multimedia storytelling on our websites, we are using social media and third-party platforms, including YouTube, to extend our online reach. Physical access plans, including learning programmes and behind-the-scenes tours, are in development alongside an awareness-raising art commission launching in spring 2019.

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

In July 2018 we launched the collections review programme, and 190 out of 196 scheduled collection assessments have now been completed. These reviews are improving our understanding of the collection, identifying significant material and priorities for future collecting. They are enabling us to be increasingly proactive in offering items that are not relevant or suitable for our collection to museums and public collections where they will be better accessed and used. Information from the assessments has been published online, outlining the strengths and highlights of the collection. The review programme has now moved forward into a series of defined reviews, starting with the pilot aviation review. Further defined reviews are planned for 2019–20.

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

Collections digitisation provides the fundamental building blocks of digital access and interpretation. As a group we have stepped up the scope and rate of digitisation in enabling use of our assets. With more than 250,000 records from the object and archive collections, the One Collection website now includes 43,000 objects with images, compared with 22,800 at its launch. The One Collection project, along with the Medicine Galleries (opening in late 2019), has enabled us to radically progress digitisation of the collection. We hold about 425,000 artefacts and by 2023 the majority of these, plus the most significant items from the photographic and archival collections, will be accessible online to at least a minimum consistent publication standard; this includes up to 320,000 object records arising from the Medicine Galleries and One Collection projects. As well

as progressing these projects, this year we completed the capture of images of 6,000 objects for the online collection website as part of decant work at the Science and Industry Museum.

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

Research: The Science Museum Group is an independent research organisation affiliated to UK Research and Innovation. This year we agreed a new Group-wide research strategy which seeks to embed research in all our museums' activity. The strategy recognises that there are many kinds of research that go on across our museums, and we plan to reinforce this with research skills training to support all staff. This recognition is already bearing fruit: the Science Museum is running a project to research and digitise clocks from the Palace Museum, Beijing, in a project funded by the Arts and Humanities Research Council (AHRC). Meanwhile, the Science Museum Group is a partner in two projects under Innovate UK's Audiences of the Future strand, and in two 'creative clusters' funded by AHRC. Research is an integral part of our exhibitions and gallery developments. 'Metropolitan Science', a Leverhulme Trust-funded research project, is a deep investigation into the themes featured in the soon-to-open *Science City 1550-1800: The Linbury Gallery*. In Bradford the AHRC-funded 'Bradford's National Museum' is embedded in both community and museum, modelling how they could work more closely. Finally, the AHRC-funded 'Communicating Material Cultures of Energy' is exploring how better understanding of our energy past may inform responsible consumption in the future.

In association with our largest current gallery project, which will culminate in late 2019 with the opening of a suite of new medical galleries, we have welcomed scholars – thanks to support from the Wellcome Trust – to undertake a diverse range of research projects in the museum. Alongside this, the trust also supports a Secondment Fellowship scheme, under which doctoral or postdoctoral researchers are able to extend their research funding to undertake more vocational projects, applying their existing research expertise to the Group's museums and collections. Science and technology in China will be the theme of a major Science Museum Group touring exhibition in the next few years. This year we were able, thanks to a grant from the Department for Business, Energy & Industrial Strategy (BEIS), to start the research for this project. We also had research support to explore the Group's existing China-related objects. The project culminated in an international workshop in the Dana Research Centre, 'Chinese Science, Technology and Medicine: Cultures, Histories and Global Connections'.

Acquisitions: Through the Science Museum Group Collection we commit to consistently provide the nation with the world's best material and visual record of science

and technology and its impacts, including industry, medicine, transport and the media. This includes development of the collection, as set out in the Group's Collections Development Strategy and collecting policy. We have resolved to be more ambitious in collecting, especially in contemporary science. In 2018-19 we added 944 objects to the Science Museum Group Collection. Many acquisitions are targeted at specific gallery developments or exhibitions. For example, the White House solar panel, installed in 1979 by President Jimmy Carter as a public symbol of his faith in solar power, can be seen in the exhibition *The Sun: Living With Our Star*. Other acquisitions have a significant impact on our research. This year we acquired the archive related to construction and test flights of Concorde 002. Other items acquired are simply of clear historical importance, such as the High-Speed Freight Vehicle 1 – railways across the globe use technology originally developed by this vehicle. We have continued our successful contemporary collecting strategy, for example this year acquiring a number of items from the Indian Space Research Organisation which help us to form a more complete international story of space exploration.

Extend our international reach

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

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

Undertake market analysis for designated regions and activities, and initiate new collaborations accordingly; China is the first priority.

We have adopted a strategic approach to working in and with China based on our touring exhibitions programme, professional development activities, working with partners to develop museum content, and through targeted stakeholder engagement. In particular, this year we have delivered the following:

- China Lates at the Science Museum, accompanied by a reception during which the Chinese Ambassador to the UK, His Excellency Ambassador Liu Xiaoming, addressed a VIP audience alongside Michael Ellis MP, Parliamentary Under Secretary of State for Arts, Heritage and Tourism.
- The National Railway Museum began preparation for the Group-wide exhibition of work by renowned Chinese photographer Wang Fuchun, opening first in York in May 2019.
- In China we now have a Memorandum of Understanding with the Shanghai Science and Technology Museum, the Wuhan Science and Technology Museum and the Guangdong Science Centre. The focus of activity with the latter has been the creation of a China-specific version of the Science Museum's exhibition *Superbugs: The Fight for Our Lives*. The new exhibition will open in Guangdong in June before touring to Chongqing, Wuhan and Hangzhou, and is supported by the Wellcome Trust.
- Working in partnership with the Hong Kong Science Museum we developed a large exhibition based on the clocks in the collection of the Palace Museum in Beijing, which opened in Hong Kong in December 2018. A selection of the clocks will be on display at the Science Museum in 2020. Alongside this, the AHRC agreed to fund research into the digital interpretation and display of such artefacts, and our partners in this project are the Palace

Museum, the Chinese Academy of Science and Beijing Jiaotong University.

- Throughout the year we received numerous Chinese delegations of politicians, scientists, educators and science museum professionals, and Science Museum Group staff attended conferences and delivered training sessions at a number of events in China.

Looking further ahead, we expect to include Chinese content in our major temporary exhibition on science fiction in 2020-21 and in some of the new gallery developments in our Masterplans. We are also exploring opportunities around exhibition touring and our Academy offer in STEM learning.

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

Russia

- UK-wide tour of Tim Peake's Soyuz spacecraft and Sokol spacesuit, together with the VR experience Space Descent with Tim Peake and learning programmes.
- We have actively built up contacts that will help to secure acquisitions and loans representing the Russian space industry in the redevelopment of the Science Museum's *Exploring Space* gallery.
- *The Last Tsar: Blood and Revolution* – many Russian institutions lent artefacts, documents and expertise for the exhibition. *The Last Tsar* was sponsored by Russian Railways – its first museum sponsorship – which also participated in the Blood and Revolution Lates.
- A formal Memorandum of Understanding was signed with Russian Railways (which operates over 150 rail museums across Russia and opened a new major museum in St Petersburg in 2017) at the International Cultural Forum in St Petersburg in November 2018.
- The State Biology Museum in Moscow took the *Superbugs* blueprint pack and developed its own version of the exhibition, which opened in March 2019.

Brazil

- A blueprint version of the Science Museum's exhibition *3D: Printing the Future* continued at the Museum of Astronomy and Related Sciences in Rio de Janeiro until July 2018.
- We marked the 2018-19 UK-Brazil Year of Science by including Brazilian speakers at three Science Museum Lates.
- Brazilian artist Rafael Alonso was commissioned to create artwork that could be used for the visual identity of the exhibition *The Sun: Living With Our Star*.
- A further tranche of funding for staff exchanges was secured by our partners in Rio de Janeiro, the Museum of Tomorrow and Fiocruz/Museum of Life.

India

- The two exhibitions at the heart of the Science Museum's Illuminating India season were extended to take in the period of the Commonwealth Heads of Government Meeting (CHOGM) in London in April 2018. We were honoured to welcome HRH the Prince of Wales and Prime Minister Narendra Modi to view *Illuminating India: 5000 Years of Science and Innovation* and attend a Building Bridges reception.
- We also took the Space Descent with Tim Peake VR experience to the CHOGM venue for an evening reception attended by HRH the Duke of Cambridge and Liam Fox MP, Secretary of State for International Trade.
- The Wellcome Trust-funded project for touring the *Superbugs* exhibition is also active in India. The core partner is the National Council of Science Museums in India, and the exhibition will be shown in Delhi, Mumbai, Bangalore and Kolkata from September 2019.
- British Council India, which had provided significant support to the preliminary phase of the *Superbugs* project, marked its 70th anniversary by funding 70 scholarships at UK higher education institutions and held a celebration reception at the Science Museum.

Europe

- The exhibition *Beyond the Lab*, a product of the EU-funded SPARKS consortium, having completed its tour to all 28 EU countries plus Switzerland, has continued to tour.
- The EU also continued to fund the COMnPLAY project, led by the Norwegian University of Science and Technology, to research the role of play in STEM learning.
- Sir Ian Blatchford joined a high-level steering group advising CERN on the development of a major new public offer on its Geneva campus.
- Planning and preparatory work for future exhibitions on science at the court of Versailles and ancient Greek science continued with French and Greek partners respectively.
- The Science Museum Group is an active member of Ecsite, the European network for science centres and museums, being represented on both the Board of Directors and the editorial board.

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

Touring exhibitions allow us to build global partnerships and show our work to an international audience. Since the programme began in 2015, over a million people have visited Science Museum Group touring exhibitions in overseas venues, of which more than 330,000 were in 2018-19, including to new partners in new countries such as Argentina and Russia. Touring exhibitions may form part of existing relationships or kick-start new collaborations and generate additional income. Examples of the latter include the major redevelopment of the Queensland Museum's interactive gallery that opened in 2018. The 2018-19 international touring programme included:

- *Wonder Materials: Graphene and Beyond* – Hong Kong Science Museum, 15 December 2018 – 18 April 2019, attracted an impressive 142,200 visitors.
- *3D: Printing the Future* – Museum of Astronomy and Related Sciences, Rio de Janeiro, Brazil, 30 May 2017 – 30 July 2018.
- *Superbugs: The Fight for Our Lives* – Science Cultural Centre (C3), Buenos Aires, Argentina, 14 December 2018 – February 2019; State Biology Museum, Moscow, Russia, 25 March – 26 June 2019.

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

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

We have broadened and deepened our professional networks among UK Government departments and agencies and other key stakeholders. UK Government policy is one factor in our international strategy, albeit not the only driver. The UK Industrial Strategy and Soft Power Strategy have been particularly to the fore in 2018-19, but we have also continued to support the GREAT campaign. We also undertook some work in association with BEIS and Sciencewise to test public attitudes to driverless vehicles, a facet of the Industrial Strategy Grand Challenges in AI and Data and Future Mobility.

We seek to maximise the value of inbound and outbound visits and events such as exhibition openings, often involving British ambassadors and other embassy personnel. The FCO/BEIS Science and Innovation Network and the DIT Experience Economy and GREAT teams are key in this context and this year we have enjoyed their support for our work in Argentina, Brazil, China, Greece, Russia, Saudi Arabia and the United Arab Emirates, among others, as well as in the UK.

The British Council is a core collaborator. It has been an especially important supporter of the Superbugs project in India, professional development placements with Brazil and in sustaining ongoing relationships in Russia.

The embassies, government departments and cultural organisations of countries where we work are also sources of support and encouragement. As well as our work with Russia, Brazil and India, this year saw the foundations of new relationships with the Embassy of the People's Republic of China in the UK, and with the Embassy of the United Arab Emirates. We also opened contacts with global organisations such as the World Economic Forum and UNESCO. The latter is via the UK National Commission, with which we partnered to produce the UNESCO Lates in March 2019.

Devise specific programmes to promote UK innovation and manufacturing.

The Science and Industry Museum-produced *Wonder Materials*, on display at the Hong Kong Science Museum

until April 2019, showcased the story of graphene's discovery at the University of Manchester, its uses and potential uses.

Britain led the world in railways. As well as telling global stories through the National Railway Museum's Vision 2025, under the partnership with Russian Railways we are considering the potential for major loans and provision of other content to its museum in St Petersburg.

In June 2018 the Space Descent with Tim Peake VR experience was taken to the International Business Festival in Liverpool at the request of the Department for International Trade.

The Audiences of the Future project to create a large-scale digital experience also has great potential for international touring; several partner organisations have expressed interest. This work is one facet of the Industrial Strategy Grand Challenge in AI and Data. Under the same heading, the research project associated with the Chinese clocks exhibition and featuring three Chinese partners also aims to foster knowledge exchange in creative digital interpretation.

Transform our estate

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

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

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

Science Museum Masterplan: The first phase of the Science Museum's Masterplan will complete at the end of 2019. Since 2013 a significant part of the museum has been transformed with the opening of Media Space, the *Information Age* gallery, the Dana Research Centre and Library, *Wonderlab: The Equinox Gallery*, *Mathematics: The Winton Gallery* and a refurbished lecture theatre and group entrance. This year we opened *Illuminate*, transforming levels 4 and 5 of the museum to offer a striking and flexible dedicated corporate events space with spectacular views across the city. The new space will also support our ambitions to increase unrestricted income. The momentum continues throughout 2019, with the new Smith Centre opening in April, providing an expanded environment for cultivation events and for our Patrons and corporate members. In May an expanded and redesigned museum shop will open in the East Hall, offering an enhanced range of products over two floors in a contemporary setting. In the autumn, *Science City 1550-1800: The Linbury Gallery* will complete the transformation on the second floor of the museum, exploring the rich heritage of London as a city of science. Finally, the Medicine Galleries, which will showcase the world's largest and most significant collection of medical artefacts at the heart of the museum, will open in November. In parallel we are actively developing the outline for the second phase of the Masterplan.

Science and Industry Museum Masterplan: This year we refreshed the *Textiles Gallery*, which opened in time for the summer holidays. Display clutter was stripped away, revealing the beauty of the building, and we highlighted

some of the star objects and added new acquisitions. Work continued this year on the Special Exhibition Gallery, which is the first major Masterplan project for the museum. This new gallery is planned to open in October 2020.

For nine months of the year we also hosted the project team developing the neighbouring Factory project. The team leased space on our site, which has led to a close working relationship and the development of longer-term opportunities for partnership. Negotiations with neighbouring developers also continue in order to secure a sustainable future for the Air and Space Hall, and develop plans for the public realm and to realise commercial opportunities on the site.

Looking forward, a key priority for the Masterplan is to deliver much-needed conservation work on the site's historic buildings, which require significant capital investment. This will mean a period of closure for parts of the site. Extensive survey work of the Power Hall and 1830 Warehouse was completed by the Estates team this year. Planning is now well developed for the projects to repair the Power Hall roof and to undertake pressing fabric repairs to the 1830 Warehouse. These projects will be delivered during 2019-20 and 2020-21. The Power Hall, which is currently closed to the public, will reopen in 2021 with new interpretation and a refreshed visitor experience, including returning steam operation to the collections on display. The Air and Space Hall remains closed to visitors at the date of this report.

National Railway Museum Masterplan: At the National Railway Museum momentum is gathering in the planning and delivery of the Masterplan to transform the museum alongside the city development plan, York Central. The museum has continued to be engaged in discussions with City of York Council, Homes England and Network Rail about this development of land around the museum as a major new business and residential quarter. The museum's interests are both as a landowner and as a major cultural attraction at the heart of the development. The project is large and complex, but City of York Council gave a positive response to the outline planning application on 25 March this year. Confirmation of approval is subject to ministerial and (potentially) judicial review. The recommended plan includes the diversion of Leeman Road, thereby unifying the museum site, and pedestrian and cycle access through different parts of the museum's site. This opens the way to effect a once-in-a-generation transformation of the museum, enabling us to work up proposals for a central gallery joining its two halves. Leeman Road is not able to be diverted without a stopping-up order being in place, and the application for such an order will be subsequent to a successful planning application for the wider programme. Following an unsuccessful National Lottery Heritage Fund bid in early 2018 to redisplay the Great Hall (including an engineering-themed *Wonderlab*), we have reconfirmed our commitment to the multimillion-pound

redevelopment of the entire museum with Vision 2025: The World's Railway Museum. In 2025 the museum celebrates its 50th anniversary, which is also the bicentenary of the Stockton and Darlington Railway. The vision comprises a series of projects – including a *Wonderlab*, new gallery displays, a new building and a new public realm – that will see the wholesale transformation of the site over the next seven years.

As part of this activity we have commenced a feasibility study at Locomotion around plans for a permanent rail vehicle store that would expand Locomotion and free up space for redevelopment of the York site. A conservation programme, focusing on the conservation of the heritage buildings, started this year and is due for completion later in 2019. Work has continued to improve the main museum building at the site and interpretation of the collection has been added to the museum floor. Improvements have also been made to the children's play area and a new welcome desk and facilities for school groups are planned.

National Science and Media Museum Masterplan: The National Science and Media Museum's strategy of refocusing on the science and technology of image and sound was demonstrated in a permanent and tangible way with the opening of *Wonderlab* in March 2017, the first Masterplan project to be delivered in the museum, along with the launch of a new name and brand. The next phase of the Masterplan is the development of the object-rich Sound and Vision galleries – a showcase for the museum's collection. An initial funding bid for this project was unsuccessful this year, but the opportunity to reassess the project scope has resulted in a stronger, more focused direction for the project. A decision on the next steps for the project will be made by the Board of Trustees in 2019.

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

In the last 12 months the Group has made significant progress in understanding and reporting on the condition of the estate, having commissioned and completed several condition surveys across the portfolio. The Group places high demands on its estate and many behind-the-scenes projects have been delivered in an approach which limits as much as possible the impact on its visitors or collections. Over 30 projects were developed and delivered by the Estates team during 2018-19. The range of projects included completing feasibility/design studies, carrying out small infrastructure upgrades and delivering major repairs to lifts in the Science Museum – bringing improvements to visitor access throughout the museum.

Extensive feasibility studies have been completed for two major conservation projects. These studies have informed project planning, and as a result we will move into delivery phases for works on the Power Hall at the Science and Industry Museum and works on the range of heritage buildings at Locomotion. Both projects will see significant investment made to protect the heritage assets on those

sites and prepare the ground for future development through Masterplanning.

Harness the potential of digital

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

The first phase of the Group's Digital Strategy has been completed this year. The focus of this first phase was to improve audiences' digital experiences in the museums and online, embed digital activity across the organisation and build organisation-wide digital capability, provide improved digital access to the collection, tell the stories of how the modern world was shaped through narrative-based content, and build sustainable and scalable technical infrastructure to deliver these objectives and lay the foundations for ambitious future initiatives.

Digital experience

Website	2018-19 visits	2017-18 visits
Science Museum Group	10,398,000	11,585,000

Website visit numbers: In total online visits were down on last year in large part because of changes in reporting. From May 2018 onwards, cross-domain tracking was implemented to the different domain names of the Group's websites to enable us to better understand how visitors are travelling across the different websites and avoid some double counting. This change has resulted in an average 5% drop in reported visitors. There has also been a drop in visits as the new websites bed in, and we expect to see these numbers recover in future years. Locomotion had been part of the National Railway Museum website but in November 2017 launched its own site. Locomotion figures are combined in the National Railway Museum figures above for 2017-18 but reported separately for 2018-19. Looking forward we are seeking to grow online visits in relation to content engagement through our websites and other digital channels.

Websites	2018-19 visits (000)	2017-18 visits (000)
Science Museum	6,241	7,127
Science and Industry Museum	724	844
National Railway Museum	1,253	1,882
Locomotion	124	N/A
National Science and Media Museum	651	655
Science Museum Group site	1,406	1,076

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

Digital content beyond our sites: We also aim to make content available beyond our own websites, producing content for sites where audiences are most active.

This year we overhauled the Science Museum YouTube channel with the launch of a new content series and saw our subscribers reach over 11,000. Our new strand of collection-focused videos – *Stories from the Stores* – has now been seen by over 15,000 viewers. We delivered a major broadcast through this channel on the 30th anniversary of the World Wide Web, with Sir Tim Berners-Lee, inventor of the web, taking part in a public event at the Science Museum reaching 10,000 (and counting) online. In March 2019 Google Arts and Culture launched its latest initiative – *Once Upon a Try: Stories of Invention and Discovery* – at the Science Museum. Our collection was featured on the website with 15 online exhibits and 11,000 items from the collection, along with a series of STEM diversity videos aimed at young people. A key collaboration with the BBC, Royal Society, Wellcome Trust and Open University (originally launched as Tomorrow's World at the Science Museum in May 2017) has continued since July 2018 as a light-touch partnership to share ideas and content. We also use apps to extend our reach, which this year included the award-winning *Treasure Hunters* and *Total Darkness* (see 'Grow "science capital" in individuals and society' section for details).

We know from audience research that visitors are avid photographers in our museums. We also know that images of collection objects spread far and wide on social media, and we have taken steps to encourage such non-commercial reuse to increase reach. To explore this more deeply, in partnership with the University of London's School of Advanced Study, we have appointed a collaborative doctoral award for a PhD researcher to explore the subject of 'Digitised Collections and the Social Museum: The (Re)Use of Images of Objects in the Collections of the Science Museum Group'.

Enhance the audience experience

Refreshed web estate: The project to relaunch the museums' websites was completed this year with the relaunch of the National Railway Museum site and the rebranding of the Science and Industry Museum website. Our website redevelopment was recognised this year with a Museums and the Web GLAMi award. The refreshed sites reflect the new Group brand, are mobile-responsive and rich with newly commissioned video and photography. They have a new simplified structure to ensure content is easy to find and navigate. The enhanced web estate uses a modern, scalable and flexible architecture, informed by approaches that were tested in 2016-17.

As part of our strategy we want to engage people more deeply with our content online. We have developed a multimedia collections narrative format to which all

future Masterplan projects and exhibitions will contribute content. This format allows users to delve more deeply into the stories and context around our collection and expand on themes and topics featured in our exhibitions and new galleries. A prototype was developed as part of *Mathematics: The Winton Gallery*, and this year we have started to develop more content across the Group based on audience research and testing of our prototypes.

Collections Online was launched in December 2016 and has since had over 1 million visits. The Group's online collection website has also been extended to support enhanced digitisation of objects including video, 3D scans and 360-degree rotational photography. Existing 3D scans and rotational photography have been uploaded to the website and our Digital Lab initiative undertook a 3D scan of Stephenson's *Rocket*. The scan took 11 hours and is constructed from over 2,500 photographs and approximately 750 million individual data points. The scan was published online alongside the display of *Rocket* at the Science and Industry Museum in late September.

On-gallery digital experiences: As well as improvements online, we are enhancing the audience experience in our museums using digital technology. Our ability to deliver cutting-edge work in this area has been affirmed with the Group winning a highly competitive funding initiative. In August 2018 we partnered on a £5.6m consortium application to Innovate UK's Audience of the Future: Demonstrators fund to develop and test new digital audience experiences with commercial potential. Led by digital agency Factory 42, the consortium will test and deliver an immersive mixed-reality visitor experience across several venues. The experience will be delivered at the Science Museum in 2020.

Our work in this area was also recognised this year with a D&AD award for the *Robots* exhibition soundscape. Finally, we launched the Digital Lab in December 2016, with Samsung as the founding partner. The Digital Lab undertakes initiatives with short lifetimes, explores new technologies through collaborations, and publishes findings and outputs of research. The Digital Lab's work has been presented at 11 international conferences, including three in 2018-19.

Increase income

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

The biggest part of the Group's income is direct Grant in Aid from the UK Government via our sponsor department, DCMS. Following the 2015 spending announcement, funding for national museums, including the Science Museum Group, has remained flat in cash terms. We have therefore continued to bear down on the cost of operations, but there are diminishing returns. In order to fulfil our goals on behalf of our visitors we have been prioritising income generation to an even greater degree.

We are very successful at generating income through corporate sponsorship and philanthropy to realise major exhibitions, acquisitions and capital projects across the Group (see the 'Supporters of the Science Museum Group' section for achievements this year). But in order to invest in our people, our collections and our buildings, we have been increasing unrestricted income from sustainable sources. This includes revenue from commercial activity, visitor giving and exhibition ticket sales. This year we commenced the first year of our updated income strategy. From a 2017-18 baseline, the strategy seeks to grow income by 38% over a four-year period to £29.6 million. Our income strategy is based on five key principles; activity will be:

- Integrated – embedded in our mission, values and strategic planning.
- Universal – considered for all activities.
- Profitable – profit prioritised over income.
- Sustainable – ongoing activity prioritised over one-offs.
- Scalable – initiatives with potential for growth prioritised.

Overall this year we achieved unrestricted income (excluding Grant in Aid and sponsorship) of £26.6m compared with £26.9m last year, and £24.9m in 2016-17. Significant income-generating initiatives pursued in 2018-19 were:

Wonderlab: The Equinor Gallery

This year *Wonderlab* – our world-class interactive gallery at the Science Museum, opened in 2016 – generated income of £1.59m against a target of £1.58m. We made an ambitious choice to obtain a substantial DCMS loan and secured significant backing from funders such as Statoil (now Equinor) and URENCO, allowing us to invest in this initiative. A modest entry charge is made which contributes to the cost of maintaining the high-quality visitor experience and operating the gallery, while allowing school groups to visit free of charge.

The Sun: Living With Our Star

Running from 6 October 2018 to 6 May 2019, *The Sun* achieved income of £0.56m against a target of £0.96m within the financial year. Performance was behind target because of lower visitor numbers than anticipated.

Estate income and the National Collections Centre

In 2018-19 estates-derived commercial activity has been maintained and new short-term opportunities provided an additional boost. Our tenancies and short-term lets contributed £1.21m of unrestricted income in 2018-19. All sites (barring the National Science and Media Museum) yield income from rental leases, with the National Collections Centre contributing the greatest value (£0.97m in 2018-19 against a target of £0.95m). Surplus land and buildings at this site which are unsuitable for collections storage are used for a wide variety of commercial activities. These include providing filming locations for TV shows, large industrial equipment storage on disused runways, a 61MW solar farm, major heritage sector clients, domestic property rentals, agricultural holdings and a number of short-term commercial lets.

Corporate events business

In February 2019 we opened *Illuminate*, a versatile dedicated corporate events space on levels 4 and 5 of the Science Museum. It is the first dedicated daytime space available in the museum for corporate hire, with a capacity of 450 people. This is allowing development of the daytime conference business, with scope for multiyear bookings. It will also operate in the evenings. Bookings in this opening period have been strong, with income of £0.3m against the initial target of £0.2m. Overall for this year, corporate events generated £3.2m of income against the target of £2.5m. The quality of the offer was recognised this year at the inaugural National Venue Awards, where the National Railway Museum won the award for Best Corporate Christmas Party Venue.

Corporate membership

This year we launched the STEM Circle, a new corporate membership offer. The opening of the new supporters centre and *Illuminate* alongside our mission to inspire futures and focus on science capital presented an opportunity to redefine the value proposition for the corporate offer at the Science Museum. Emphasising our expertise in STEM, the offer creates a thought leadership community with events and networking, and skills development such as science communication training, alongside more traditional benefits of venue hire and employee engagement. This year the scheme generated income of £38k against a target of £50k.

Future retail developments

In February this year work started on the redevelopment of the Science Museum shop. The current retail footprint is low relative to visitor numbers and floor space, resulting in a crowded offer. We therefore decided to invest in development of the shop to include a mezzanine level, enabling us to differentiate the offer for visitors. The shop is due to reopen in summer 2019. Next year we will also be consolidating our four online shops to a single technology platform which will also launch in summer 2019.

Other future developments

Looking ahead we will be investing in a digital projector for our IMAX cinema, as the availability of films in a 3D 70mm format that have relevance to the museum is becoming increasingly limited. We will also be refurbishing the space, improving the experience for both visitors and corporate hire. We are also investing in a dedicated business development unit to build on our existing ad-hoc consultancy services around interactive galleries, expand these professional consultancy services to other areas of expertise, and continue to grow our income-generating touring exhibitions.

Enabling activities

People and culture

At the Science Museum Group we aim to create a workplace that is open for all and where everyone can thrive. We need talented, high-performing and engaged people who are passionate about our mission and can inspire and deliver excellence across all that we do.

We have continued to embed the Group's mission and values into the fabric of all we do. In our last colleague engagement survey, 86% of colleagues said they felt familiar with our mission and values and understand how their role contributes to the Group's overall objectives. We will undertake further work to embed the values over the coming year in conjunction with a wider focus on internal communications which will include the introduction of a new improved intranet. Since running our first colleague engagement survey last year, we have acted upon the feedback and have focused on enhancing our overall employee offer. We aspire to reach the Real Living Wage and London Living Wage, and have therefore made significant investment towards our lowest-paid roles to reduce the gap considerably. We have also made a number of improvements to our overall benefits offer.

We have identified a need to invest more in the development of our employees and have undertaken a number of steps to do so, including increasing the number of overall apprenticeship opportunities for employees and launching a dedicated apprenticeship programme for people managers. We are soon to launch a wider learning and development core offer for employees. Our One Collection project has provided a valuable opportunity for colleagues to develop new skills by joining the team full time or participating in the volunteering programme alongside volunteers.

Finally, we have commenced work on a new strategy for diversity and inclusion to enable us to be 'open for all' across our people and will seek to implement this in the year ahead.

Volunteers

During 2018-19 an average of 1,100 volunteers contributed 103,000 hours in our museums – a 20% increase on last year and an 88% increase since the introduction of our volunteering strategy. The increase is a reflection of the cultural change within the Science Museum Group and is testament to the hard work of our volunteer managers and supervisors.

Front-of-house volunteers made a huge impact, improving the visitor experience, building science capital and

generating revenue. In Bradford, Early Bird volunteers ran activities for families with children who prefer a quieter experience. At the Science Museum, 32 coding mentors developed and delivered coding workshops for young people. At Locomotion volunteers provided 34,000 cab visits, and at the National Railway Museum's Miniature Railway volunteers gave 60,000 rides, supporting a key strand of income generation. During the Future Engineers programme and We Are Engineers family festival, 450 volunteers gave 4,000 hours to run STEM activities at the National Railway Museum and Science Museum.

Volunteers behind the scenes: Through One Collection, volunteers have contributed 4,300 hours, increasing the number of objects we have been able to digitise and document. Working with Portsmouth University, our volunteer 'Railway Work, Life and Death' team have produced a publicly accessible database of 4,000 railway worker accidents. At the National Science and Media Museum, volunteers blog about new exhibitions and events, promoting the museum through personal insight.

By involving corporate volunteers we have increased opportunities for businesses to support us. At the Science and Industry Museum, employees from Siemens and BNY Mellon have supported a range of activities. At Locomotion, Hitachi employees led learning workshops, while at the National Railway Museum Network Rail volunteers re-boxed photographic collections and prepared the depot for reopening.

We are committed to becoming the leading national museum for volunteering, and this year we provided volunteer management training for 150 employees, ran our first volunteer management conference and launched our Volunteer Supervisor of the Year Award. We continue to provide an outstanding experience for volunteers, with 93% recommending us as a great place to volunteer. We also have a significant impact on their health and wellbeing, with volunteers showing a 20% improvement in perceived levels of happiness, engagement and connectivity as a result of volunteering with us. Outside the museum we continue to play a lead role in volunteering in the sector. Working with the Museum Association, the National Council for Voluntary Organisations and Agenda Consulting, we are conducting the sector's first major study into volunteering in ten years. This work will provide the data the sector needs to develop its approach to volunteering and ensure we are at the forefront of volunteer management.

ICT infrastructure

Many of our strategic priorities rely on a stable and high-performing ICT environment. The first phase of our ICT strategy was completed at the end of 2017-18 when we stabilised existing infrastructure and transformed the networks, platforms, systems and processes into a modern estate. We are now building on this by developing better business intelligence and improved data management, automation and integration. Our on-premises server and data infrastructure have now been largely migrated to our new 'private cloud' data centre, reducing our server inventory and energy consumption by 80%. We will now be addressing the need to upgrade to Windows 10 and to replace ageing desktops and laptops. A new intranet service and a new e-commerce platform to consolidate several entirely separate online shops will also be introduced.

Financing and fundraising

Grant in Aid

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

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

Distribution of Grant in Aid to the National Coal Mining Museum

In 2012-13, the Science Museum Group took on responsibility for distributing Grant in Aid to the National Coal Mining Museum for England (NCMME). This arrangement is governed by a Management Statement and Memorandum agreed between the Group and NCMME. NCMME retains its own Board of Trustees and continues to publish its own annual report of its activities, together with its audited annual accounts, no later than 31 December each year. NCMME is not considered a subsidiary undertaking for the purposes of Group accounting and the Science Museum Group does not exercise any control over, nor does it have any responsibility for, the operations of NCMME.

Supporters of the Science Museum Group

Thanks to the generosity of our supporters and sponsors, the Group secured £21.3m in new philanthropic and sponsorship income and commitments in 2018-19. This will enable our museums to continue to deliver a broad range of initiatives – from transformational new gallery spaces, to learning programmes and international exhibition tours.

Key achievements

- We are excited to partner with the Gatsby Charitable Foundation on the development and creation of a new technical-careers-focused gallery and offer at the Science Museum.
- The David and Claudia Harding Foundation generously pledged to fund our long-running Explainers programme over three years.
- The successful *Superbugs* exhibition will be going on tour following its London residency thanks to support from Wellcome, which also committed to support our art/science programme at the Science and Industry Museum.
- The National Lottery Heritage Fund continued its long-term partnership with the Group, committing to support our new gallery *Science City 1550-1800: The Linbury Gallery*.
- We were delighted to renew our partnership with MathWorks, which has joined our STEM Circle and will also be sponsoring the *Driverless* exhibition and the Science Museum Group Academy.
- Alongside MathWorks, the *Driverless* exhibition will also be sponsored by Direct Line Group, PwC and Samsung.
- We successfully secured support from Innovate UK for our Audiences of the Future programme.
- Our upcoming *Top Secret* exhibition marking the 100th anniversary of GCHQ has attracted a significant amount of interest and will be supported by Michael Spencer and NEX Group plc, Avast, DXC, QinetiQ and the Hintze Family Charitable Foundation.
- We are grateful for the continued support of several long-term partners, including the Players of the People's Postcode Lottery and the Friends of the National Railway Museum.
- The launch of the STEM Circle, a new corporate partnership programme, has attracted its first members, including Cisco Systems, Bloomberg, BT Group and Sanofi.
- The National Railway Museum Patrons scheme was refreshed and relaunched in November, attracting both existing supporters and new members.
- Airbus Group generously sponsored the Science Museum's *The Sun: Living With Our Star* exhibition, which received additional support from the Engineering and Physical Sciences Research Council and the Swiss Federal Department of Foreign Affairs.
- We are grateful to the Blavatnik Family Foundation for becoming the first supporters of our upcoming science fiction exhibition.
- The Art Fund and the Stavros Niarchos Foundation both committed further support for our Medicine Galleries, which open later this year.

Visitor giving: We raised £2.7 million through visitor giving across all our museums thanks to the generosity of our 5.21 million visitors. This was slightly behind the previous year, which achieved £2.8 million.

Events

The Group hosted a wide variety of events for supporters and partners this year, including exhibition launches, private dinners, tours, lectures and thought leadership events. These provide opportunities to thank our key supporters and engage people with the vision of our museums and the programmes and initiatives we offer.

Sir Fraser Stoddart, winner of the 2016 Nobel Prize in Chemistry and Board of Trustees Professor of Chemistry at Northwestern University, was the keynote speaker for this year's Science Museum annual dinner. Sir Fraser provided guests with a whistle-stop tour of the evolution of machines, from steam, to rocket, to molecular, both natural and made in the laboratory.

The National Railway Museum's annual dinner is a prestigious event for senior stakeholders from the rail industry and other associated sectors and is an opportunity to thank the museum's supporters. This year's keynote address was given by Sir Simon Jenkins FSA FRSL, British author, columnist and editor.

As part of this year's programme of events, the Science Museum awarded Fellowships to a select group including Dr Kartar Lalvani, in appreciation of his distinguished contribution to the Science Museum's Medicine Galleries; Sir Mark Walport, in appreciation of his distinguished contribution to the advancement of science education and research; Dame Margaret Weston, in recognition of her dedication to the Science Museum Group, both during her time as Director and in the years since; Her Royal Highness the Princess Royal, in recognition of her great support of women in science and engineering and encouragement of young people to engage further with STEM; and Sir Neil Cossons, in recognition of an outstanding record of promoting Britain's scientific, engineering and industrial heritage. On the 30th anniversary of the creation of the World Wide Web, a Fellowship was also awarded to Sir Tim Berners-Lee, in recognition of his great distinction in pioneering a technological innovation, the World Wide Web, which continues to benefit people all over the world, and his continued support of the Science Museum Group.

ensure that no undue pressure is placed on visitors or supporters and that all approaches protect the public and vulnerable people from unreasonably intrusive or persistent fundraising.

Fundraising oversight

The Science Museum Group is an exempt charity under Schedule 3 of the Charities Act 2011, with DCMS acting as its principal regulator for charity law purposes, and is recognised as charitable by HM Revenue & Customs. The Group adheres to the Code of Fundraising Practice issued by the Fundraising Regulator. In 2018-19 the Group did not work with any third-party commercial participators or professional fundraisers. This year the Science Museum Group welcomed 5.21 million visitors, most of whom were welcomed by our visitor fundraising teams and invited to make a donation. Twenty complaints were made regarding our fundraising, all in relation to the visitor fundraising welcome. We regularly review fundraising processes to

Performance

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

Performance against DCMS indicators

	Science Museum	Science and Industry Museum	National Railway Museum	Locomotion	National Science and Media Museum	Science Museum Group ^[1]
Number of visits to the museum						
2018-19	3,168,000	652,000^[2]	782,000	153,000	455,000	5,210,000
2017-18	3,178,000	684,000	760,000	199,000	505,000	5,325,000
Number of visits by children under 16						
2018-19	993,000	234,000	180,000	42,000	144,000	1,593,000
2017-18	978,000	227,000	210,000	44,000	171,000	1,629,000
Number of overseas visitors						
2018-19	1,483,000	112,000	104,000	6,000	17,000	1,721,000
2017-18	1,325,000	135,000	98,000	5,000	14,000	1,578,000
Percentage of visitors who would recommend a visit						
2018-19	98%	97%	99%	97%	98%	98%
2017-18	97%	98%	99%	89%	98%	97%
Number of facilitated and self-directed visits by children under 18 in formal education						
2018-19	348,000	48,000	29,000	5,000	26,000	455,000
2017-18	334,000	45,000	31,000	9,000	26,000	445,000
Number of instances of children under 18 participating in on-site organised activities						
2018-19	468,000	177,000	75,000	28,000	148,000	896,000
2017-18	415,000	169,000	98,000	54,000	154,000	890,000
Number of unique website visits						
2018-19	6,241,000	724,000	1,253,000		124,000	10,398,000
2017-18	7,127,000	844,000	1,882,000		655,000	11,585,000 ^[3]
Number of Science Museum Group UK loan venues						
2018-19	165					
2017-18	166					

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

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

[3] Total includes Group website. From May 2018 onwards, cross-domain tracking was implemented to the different domains of the museum websites, resulting in a 5% drop.

Group-wide performance indicator results for year

	2018-19	2017-18
	£000	£000
Exhibitions admission income (gross income)	1,835	2,413
Trading income (net profit, excluding sponsorship income)	2,533	3,051
Total charitable giving (including sponsorship income)	19,630	17,041
Ratio of charitable giving to Grant in Aid	43.1%	39.8%

3. Financial Review

Review of financial position

Summary of performance in 2018-19

In 2018-19 the Group's funds have increased by £4,951k to a total of £510,477k at 31 March (2018: £505,526k). The Group distinguishes between restricted and unrestricted and between expendable and non-expendable funds, with non-expendable amounts being those associated with future depreciation of capital assets, endowment funds and the Group's defined benefit pension liability, and expendable reserves being all other funds. In 2018-19 the Group's expendable reserves have declined slightly to £52,029k (2017-18: £52,352k), though a greater proportion of these funds is now represented by restricted rather than designated reserves, with £43,933k restricted and £8,096k unrestricted (2017-18: £40,678k restricted and £11,674k unrestricted).

During 2018-19 the Group has used its designated funds on a variety of capital projects and infrastructure investments, in line with budget, though it retains designations for work on the One Collection project at the National Collections Centre and the Special Exhibition Gallery in Manchester. The increases in restricted funds arise from funding recognised in advance of activities, including the exceptionally generous donations from the David and Claudia Harding Foundation in support of the Group's Explainer programme and from Mr Richard and Mrs Stella Evans to establish the Evans Car Fund to conserve, maintain and meet expenditure in relation to cars; and grant income for Audience of the Future, augmented reality activities at the Science Museum and the tour of *Superbugs: The Fight for Our Lives*.

Funds, split into expendable and non-expendable reserves

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

	2017-18		
	Restricted	Unrestricted	Total
	£k	£k	£k
Expendable	40,678	11,674	52,352
Non-expendable	185,963	267,211	453,174
Total	226,641	278,885	505,526

Income and expenditure

The Group's net result (before investment income and revaluations) was a deficit of £107k (2018: £5,448k). The 2017-18 figure included a loss of £8,547k on the disposal of Blythe House to DCMS. The 2018-19 figure includes a £4,500k loss on the disposal of the RPS Collection to the Victoria and Albert Museum.

The unrestricted result for the year was a deficit of £11,718k, compared with £8,050k in 2017-18. This was due to a reduction in sponsorship and ticket income in the year, described in more detail below.

Restricted income has increased significantly in the year, partly because of the generous donation and grants noted above, but also as a result of increased Grant in Aid funding from DCMS for the One Collection project. DCMS is a critical supporter of the project and has committed £40m of funding over the period to 2023, of which £7,500k was drawn down in the current year (2017-18: £3,025k).

Income and expenditure by fund

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

	2017-18		
	Restricted	Unrestricted	Total
	£k	£k	£k
Income	23,029	64,754	87,783
Expenditure, excluding disposals	(11,880)	(72,804)	(84,684)
	11,149	(8,050)	3,099
Disposals	-	(8,547)	(8,547)
Total	11,149	(16,597)	(5,448)

Use of expendable reserves

As described above, the Group's expendable reserves, which comprise general funds, restricted grants and donations, the restricted proceeds of the sale of the Post Office Building, and designated funds, remained flat in

the year, though the weighting shifted towards restricted funding. In addition to income and expenditure shown in the Statement of Financial Activities, expendable reserves were used for capital activities and transferred to non-expendable capital funds to meet future depreciation.

The 2018-19 year saw a marked increase in the level of capital activity across the Group, with the completion of *Illuminate* at the Science Museum, the commencement of construction of Building ONE at the National Collections Centre in Wroughton, continued work on the Smith Centre, Medicine Galleries and *Science City 1550-1800: The Linbury Gallery* in London, as well as development of York Central and the Special Exhibition Gallery in Manchester. This activity resulted in net transfers to non-expendable reserves of £24,138k, compared with £7,690k in 2017-18. This higher level of activity is expected to continue in 2019-20, with the majority of construction work on Building ONE taking place over 2019.

Result for expendable reserves, including transfers

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

	2017-18		
	Restricted £k	Unrestricted £k	Total £k
Opening balance	32,273	7,146	39,419
Income	22,978	64,754	87,732
Expenditure	(5,283)	(61,661)	(66,944)
Investment result	(165)	-	(165)
Transfers	(9,125)	1,435	(7,690)
Closing balance	40,678	11,674	52,352

Details of significant transactions are given below.

Income and expenditure

The net result in 2018-19 was a surplus of £0.8m, compared with a deficit of £5.6m in 2017-18. The following transactions had a material impact on the Group's outturn:

- In 2018-19 the RPS Collection was transferred to the Victoria and Albert Museum, resulting in a £4.5m loss on disposal.

- In 2017-18 Blythe House was derecognised from the balance sheet after the signing of a tenancy agreement with Government as part of the One Collection project to vacate the store and move objects to a new facility at the National Collections Centre in Wroughton by March 2023. This resulted in a one-off loss on disposal of £8.5m.
- The Group also recorded a £0.9m gain on its investment portfolio, compared with a loss of £0.2m in 2017-18.

Adjusting for the effect of these transactions, net income of £4.3m (on gross income of £95.4m and expenditure of £91.0m) was up from £3.1m in 2017-18 (on gross income and expenditure of £87.8m and £84.7m respectively). These movements are described in more detail below.

Income

Grant in Aid received from DCMS increased from £45.2m in 2017-18 to £47.9m in 2018-19. The allocation for core activities at the Group of £35.0m remained stable, as did the Grant in Aid received for the National Coal Mining Museum of England at £2.4m. This was supplemented by a core capital allocation of £2.5m (2017-18: £3.5m). Funding was also received for works on the Special Exhibition Gallery in Manchester of £0.6m (2017-18: £1.2m) and the One Collection programme of £7.5m (2017-18: £3.1m). One Collection is a major programme to relocate collections currently stored at Blythe House in West Kensington to a purpose-built facility at the National Collections Centre in Wiltshire that is anticipated to run until 2023, to which Government has committed £40.0m of funds and the Group £6.2m of its own reserves.

Donations and legacies increased by £3.9m to £8.1m in 2018-19. The Group received a very generous donation from the David and Claudia Harding Foundation in support of its Explainer programmes and a substantial donation to support care for a collection of motorcars. Also included within this figure is the value of donated assets, which fluctuate significantly from year to year. In 2017-18 donations of £0.5m were received, while in 2018-19 the value of donations was £0.1m.

Other charitable income – mainly grants and ticket income – increased from £14.4m to £18.7m; £8.9m (2017-18: £8.0m) of the current year figure related to the new Medicine Galleries, £0.6m for *Science City 1550-1800: The Linbury Gallery* (2017-18: £1.3m) and £0.6m to the Special Exhibition Gallery in Manchester. Further funding of £4.6m relating to these projects remains to be recognised, once performance conditions associated with the funding grants have been met. Also included in grant income are amounts for an immersive AR experience at the Science Museum and the tour of *Superbugs: The Fight for Our Lives*. Also included in charitable income is the payment of Museums and Galleries Exhibitions Tax Relief.

Ticket income has remained stable at £2.7m (2017-18: £2.5m). Of this amount £1.5m (2017-18: £1.2m) relates to

admission to *Wonderlab: The Statoil Gallery*, with a further £0.6m from *The Sun: Living With Our Star* in London.

The recognition of sponsorship income is closely related to significant projects across the Group. The £3.0m recognised in 2017-18 related primarily to the multiyear Learning projects Building Bridges and Enterprising Science and the UK tour of Tim Peake's Soyuz capsule. In 2018-19 this balance included a contribution to Illuminate, as well as sponsorship of the Science Museum Group Academy, *The Sun: Living With Our Star* exhibition, the Manchester Science Festival and York's Future Engineers programme.

Other income of £1.8m is lower than the £3.2m in 2017-18, which included consultancy income relating to the development of an interactive gallery in Queensland, Australia.

Total resources expended were £95.5m, including the £4.5m loss on disposal of the RPS Collection (2017-18: £93.2m, including the £8.5m loss on disposal of Blythe House). Underlying expenditure of £91.0m (2017-18: £84.7m) reflected an increased level of operational investment in the financial year, as well as inflationary increases in staffing costs relating to the move towards paying the Real Living Wage.

Balance sheet

Tangible assets increased by £12.9m in the year, driven by the net surplus of in-year additions of £25.2m over depreciation of £16.3m (2017-18: a deficit of £9.6m) and the upwards revaluation of the Group's property of £5.1m (2017-18: £23.4m). The additions of £25.2m (2017-18: £8.2m) represented a variety of capital projects under way across the Group, including One Collection, the Medicine Galleries in London and Illuminate, the new corporate space at the Science Museum.

Investments of £17.3m were held at year end (2017-18: £16.0m), representing holdings in investment funds of the part of the proceeds from the 2015 sale of the Post Office Building identified as long term. The remainder of the proceeds were held as current investments, short-term deposits or cash and cash equivalents at year end. The balance on the sales proceeds fund at year end was £28.4m (2017-18: £30.0m).

Net current assets decreased by £3.8m in the year to £32.5m, with increases of £4.5m in accrued expenditure and £2.7m in deferred income offsetting increases in accrued grant income and trade debtors.

Trade debtors have increased to £6.1m, but over 70% of this figure was within 60 days of invoicing (2017-18: 88%), which is the longest payment term offered by the Group. £2.2m of the outstanding amount related to grant payments from one funder for a major capital project and was received post year end.

Current creditors includes the advance receipt of £5.7m for the sale of land in York to Homes England as part of the York Central development project. As explained in Notes 3 and 13, the sale is expected to complete in the second half of 2020, at which point the Group will be entitled to a further payment calculated with reference to the market value prevailing at that date.

Accruals and deferred income have increased from £6.6m to £12.6m, with the deferred sponsorship income within this increasing from £1.9m to £2.6m. Accrued expenditure is higher than in March 2018, with £2.5m of the balance relating to the two significant construction projects in train at the National Collections Centre in Wroughton and in the Medicine Galleries at the Science Museum, and the associated billing cycles. Deferred sponsorship income relates to exhibitions and galleries due to open in future periods and to several learning projects across the Group where the activity – and therefore the benefit to sponsors – is scheduled for future years.

The Group drew down more loan funding for commercial developments at the Science Museum from DCMS in 2018-19, and repaid principal and interest on its three outstanding facilities. As outlined in Note 19, the total loan balance of £6.4m (2017-18: £5.4m) is repayable over the next eight years and relates to three loans designed to support the increase of commercial income generation across the Group.

The Group's pension liability increased over 2018-19 from £5.4m to £6.4m at 31 March 2019. This is primarily due to a loss resulting from changes in financial assumptions, notably a 0.2% decrease in the discount rate. Following the acquisition of the Science and Industry Museum in 2012, the Science Museum Group became an admitting body of the Greater Manchester Pension Fund, a defined benefit scheme. Details are given in Note 21 of the accounts.

Future developments

2019-20 will continue to see a high level of capital expenditure, with the planned completion of the Medicine Galleries and continued work on Building ONE at the National Collections Centre as part of the One Collection project. The budget also includes allowances for a programme of capital repairs and maintenance at the Science and Industry Museum and Locomotion. The Group will further develop plans for the next phase of Masterplan activities at the Science Museum and the National Railway Museum, the latter as part of the York Central project.

In operating activities, the Group will continue to focus on building sustainable unrestricted income, as outlined in the 'Increase Income' section above. In the coming year, the refurbishment of the Science Museum shop will be completed and work will begin on the purchase of a new IMAX projector. The year will also be the first full year of operation of Illuminate, the dedicated corporate events space at the Science Museum.

Financial policies

Creditor policy

The Science Museum Group operates a 30-days payment policy where no payment terms have been specifically agreed. Using a sampling method, 44% of payments were made within this policy during 2018-19 (2017-18: 68%). No allowance has been made within these statistics for disputed invoices.

Investment policy

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

The Trustees continued to invest in line with their policy, which allows for investment in equity and fixed-income funds aimed at preservation of value over the period to expenditure by seeking to produce the best financial return within an acceptable level of risk. The investment objective for the long-term reserves is to generate a return of 3% in excess of inflation over the long term. The investment objective for the short-term reserves is to preserve capital value with a minimum level of risk. Assets should be readily available to meet unanticipated cash-flow requirements.

In 2018-19 the long-term portfolio returned 7.9% (2017-18: 0.7%), which is above its target return. This annual return was in line with wider equity markets, which recovered over the first quarter of 2019 after a difficult second half of 2018. Since inception in December 2015, the portfolio has returned a cumulative 38.4%.

Reserves policy

The Trustees seek to maintain unrestricted general funds not committed or invested in tangible fixed assets at a level equivalent to three months' worth of non-contractual income. This level of reserves is held as a safeguard against unpredictable income streams, which may be vulnerable to the wider economic climate, including retail income and visitor donations. The Trustees agreed at their meeting in March 2019 that £1.5m was an appropriate level of reserves to hold in this respect, taking account of the level of operating contingency included in the 2019-20 budget. The value of general reserves at 31 March 2019 was £1.5m.

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

Designated funds are unrestricted income funds held for specific future projects of high strategic value. The museum improvement fund represents the aggregate

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

Immunity from seizure requested

The Science Museum Group has approved status under Part 6, Section 136 of the Tribunals, Courts and Enforcement Act 2007. This was granted by the Secretary of State for Digital, Culture, Media & Sport on 9 November 2009. Part 6 of the Act confers protection on objects loaned from abroad for temporary public exhibitions, provided the conditions set out in Section 134 of the Act are met when the objects enter the UK. If the conditions of this legislation are met, a court cannot make an order to seize an object that has been loaned from abroad for an exhibition, except where required to under EU law or the UK's international obligations. The Group provides information regarding immunity from seizure on the Science Museum Group website: <https://group.sciencemuseum.org.uk/about-us/policies-and-reports>

This year the Science Museum hosted two exhibitions for which protection under the legislation was sought:

The Last Tsar: Blood and Revolution – 20 September 2018 to 24 March 2019, Science Museum, Exhibition Road, London SW7 2DD; 92 objects

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

Details of the objects were published on the Science Museum Group website at least four weeks before the objects were imported into the UK. Up to 31 March 2019 no enquiries or claims had been received with respect to these objects under Section 7 of the Protection of Cultural Objects on Loan (Publication and Provision of Information) Regulations 2008.

4. Remuneration Report

Remuneration

Membership of Remuneration Committee

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

The Science Museum Group Director, Sir Ian Blatchford, and Director of People and Culture attended the meeting that reviewed senior employees' pay (excluding discussion concerning their own pay and performance).

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

The Remuneration Committee reviews salaries of all the museums' senior managers whose jobs are of a certain size (as determined by their accountabilities).

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

- The projected budget for the annual staff settlement, which considers government guidance
- Salary levels internally and in the marketplace (through salary surveys and benchmarking)
- Job size and whether this has changed over the period

Performance-related pay for senior managers

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

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

Policy on contractual terms

Senior employees are on permanent contracts with either the Science Museum Group ('Museum') or SCMG Enterprises Ltd ('Enterprises'). Notice periods for senior employees are between three and six months, and six months for the Director. Termination payments are in accordance with Museum or Enterprises contractual terms.

All Museum employees, except those detailed below working at the Science and Industry Museum and Locomotion, are eligible to be members of the Principal Civil Service Pension Scheme (PCSPS) with associated redundancy and early retirement conditions. Civil Service pension details are given in notes to the accounts at Note 12. Museum employees working at the Science and Industry Museum are eligible to be members of the Greater Manchester Pension Fund, for which the Science Museum Group is an admitted body, with associated early retirement conditions. Employees working at Locomotion who transferred from Durham District Council under the Transfer of Undertakings (Protection of Employment) Regulations 2006 continue to participate in the Durham District Council pension scheme to which the Science Museum Group makes payments on a contributory basis.

All Enterprises employees have the option to join a group personal pension scheme, currently provided by Aviva. If they do not wish to join that scheme they are auto-enrolled into a stakeholder pension, currently provided by Now Pensions. In the event of redundancy they will be entitled to payments as defined under the Employment Rights Act 1996 unless individual contracts define other terms.

The members of the Board of Trustees of the Science Museum, who hold overall responsibility for the Science Museum Group, are not remunerated. Expenses paid are disclosed in Note 12 of the annual accounts.

Remuneration information

The information below has been audited

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

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

Senior directors

This Remuneration Report has been prepared in accordance with the Government Financial Reporting Manual, which requires disclosure of information about directors' remuneration, where 'directors' is interpreted to mean those having authority or responsibility for directing or controlling the major activities of the Science Museum Group. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or sections within the entity.

It is the view of the Science Museum Group that this requirement encompasses the two posts listed below, whose emoluments and pension details are disclosed. The Group considers that no other key management staff details need to be disclosed under this guidance for 2018-19.

Remuneration	Salary £000	Bonus payments £000	Benefits in kind Nearest £100	Pension benefits £000	Single total figure of remuneration £000
Sir Ian Blatchford, Director and Chief Executive					
2018-19	160-165	20-25	–	58[1]	240-245
2017-18	170-175	20-25	–	35[1]	225-230
Jonathan Newby, Deputy Director and Chief Operating Officer					
2018-19	135-140	15-20	1,100	10[2]	165-170
2017-18	135-140	20-25	1,000	10[2]	165-170

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

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

Pension benefits (PCSPS scheme members only)	Total accrued pension and related lump sum at pensionable age 31/03/19 £000	Real increase in pension and related lump sum at pensionable age £000	CETV at 31/03/19 £000	CETV at 31/03/18 £000	Real increase in CETV £000
Sir Ian Blatchford	55-60	2.5-5.0	966	822	35

The figures in the tables above have been subject to audit.

Cash-equivalent transfer values

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

Real increase in CETV

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

Median remuneration

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. The midpoint for the banded remuneration of the highest-paid director in the Science Museum Group in the financial year 2018-19 was £187,500 (2017-18: £192,500). This was 7.9 times (2017-18: 8.2 times) the median remuneration of the workforce, which was £23,853 (2017-18: £23,500). The ratio has decreased mainly because of the decrease in the banded remuneration of the highest-paid director.

In 2018-19 no employee received remuneration in excess of the highest-paid director. Remuneration ranged from banded midpoint of £12,500 to £187,500 (2017-18: £12,500 to £192,500) on a full-year basis.

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

Off-payroll arrangements

There was one off-payroll arrangement in 2018-19 lasting longer than six months, for more than £220 a day (2017-18: two). This had ended at the date of reporting and existed for less than one year.

At the balance sheet date there was one off-payroll arrangement at a rate of more than £220 a day relating to a member of the Group Executive. This arrangement is not expected to run for longer than six months.

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

Employees

The information below has been audited.

Details of employee numbers, employees receiving remuneration over £60,000 and the remuneration of key management personnel are now provided in Note 12.

Civil Service and other compensation schemes – exit packages

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

Exit package cost band (£)	Number of compulsory redundancies	Number of other departures	Total number of exit packages for 2018-19	Total number of exit packages for 2017-18
<10,000	1	18	19	12
10,001-25,000	–	1	1	2
25,001-50,000	1	2	3	3
50,001-75,000	–	–	–	2
Total	2	21	23	19
Cost (£000)	30	104	134	297

Sickness absence

The average number of days lost from sickness for each full-time equivalent employee was 5.7 days (2017-18: 5.6 days).

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials in 2018-19	Full-time equivalent employees
17	2.3

Percentage of time spent on facility time

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

Percentage of time	Number of employees
0%	–
1-50%	17
51-99%	–
100%	–

Percentage of pay bill spent on facility time

Total cost of facility time (£000)	62
Total pay bill (£000)	34,939
Percentage of the total pay bill spent on facility time	0.18%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours, calculated as:	20%
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The information below has not been audited.

Composition of staff by sex

	Male	Female
Directors	31.2%	68.8%
Employees	35.9%	64.1%
Total	35.8%	64.2%

Expenditure on consultancy

There was no expenditure on consultancy during 2018-19 (2017-18: nil).

Employee engagement

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

The Group runs pulse surveys to monitor employee engagement and seek feedback across a range of issues. This data is used to inform Group-wide and local improvements.

There are a number of forums where the Group engages with employee representatives and officials from the trade unions on matters of mutual interest and concern. These forums are used for the usual business of addressing pay and benefits but also for the development of policies and health and safety matters.

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

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

Equality, diversity and inclusion

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

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



Dame Mary Archer
Chairman of the Board of Trustees
26 June 2019



Sir Ian Blatchford
Accounting Officer and Director
26 June 2019

5. Sustainability Report

Summary of performance

We are progressing our understanding of our organisational environmental impact. As part of this we have taken the decision to state our electricity emissions using supply data rather than grid average to reflect our carbon-neutral procured electricity supply. Transmission and distribution losses have been included in our Scope 3 emissions to account for the upstream emissions associated with procuring electricity from the grid, rather than generating on site. Previous years' data has been restated to include this change. In addition we have included Scope 1 emissions resulting from coal and diesel and Scope 3 emissions resulting from water supply and treatment.

Climate change is one of the major scientific themes of our time, and we are uniquely placed to engage our visitors

with the topic through the stories of our collections. Our programming in the last 12 months has achieved this in original and unique ways. The Manchester Science Festival promoted dialogue around plastics, sustainable food and endangered species. The Science Museum's headline exhibition *The Sun: Living With Our Star* explored the story of humankind's relationship with our closest star, how it forms and shapes our environment and its potential for endless energy. In York the National Railway Museum's February half term programme focused on 'Energy and Sustainability' and engaged families with recycling and alternative energy. Meanwhile the school programmes across all our museums support environmental curriculum links via subjects including power generation, materials and design.

Greenhouse gas emissions

		2019	2018	2017
Non-financial indicators (tCO ₂ e)	Gross emissions			
	Scope 1 – direct energy emissions	2,702	2,745	2,685
	Scope 2 – indirect energy emissions	3,798	4,741	5,802
	Scope 3 – other indirect emissions	761	962	821
	Total gross emissions	7,262	8,448	9,308
	Reduction in Scope 2 for zero-emission supply	(3,714)	(4,741)	(5,792)
	Total net emissions	3,548	3,707	3,516
Related energy consumption (see individual metrics)	Electricity – non-renewable (kWh)	13,120,911	13,780,351	14,057,528
	Electricity – combined heat and power (CHP) (kWh)	–	–	45,884
	Gas (kWh)	11,892,526	13,438,759	13,116,567
	Oil (litres)	23,000	21,699	22,573
	Biomass – wood pellets (tonnes)	53	25	46
Financial indicators (£000)	Expenditure on energy	1,811	1,597	1,665
	CRC expenditure	–	130	151
	Expenditure on business travel	854	562	719

Figures for 2017–18 and 2016–17 have been restated to show the reduction in Scope 2 supplies derived from use of zero-emission supplies and to adjust for conversion factors in use at the reporting date.

Performance

Consumption data remains a basis for year-on-year comparison and this year shows a 2GWh reduction in electricity use and a 5GWh reduction in gas use. This is due to a combination of factors, including improvement in plant across our northern sites and renovation works on two major galleries at the Science Museum.

As a national and internationally minded group, our colleagues travelled over 5 million kilometres last year, two-thirds of which was done by rail. This low-carbon transport option has had a positive impact on our footprint, resulting in an average of 71.6g/km, equivalent to a low-emissions car. Investment in video conferencing could help to reduce our reliance on domestic business travel.

We are working to increase our on-site renewable generation and have restored our solar panels on the Collections Building at Locomotion to working order, feeding directly into the museum. In addition we have commissioned a PV installation for the gatehouse at the National Collections Centre, Wroughton.

Direct and indirect impacts

The main direct impacts from the Science Museum Group come through electricity and gas consumption. Thus the biggest influence on consumption relates to heating, cooling and lighting in visitor areas and climate-controlled galleries, and the impacts of these requirements are regularly reviewed and challenged.

Our estate continues to improve through investment in plant and insulation. We have replaced a chiller unit at the National Railway Museum and four boilers at the National Science and Media Museum. At the Science and Industry Museum we have upgraded our external lighting from halogen to LED. More needs to be done across the estate, however major progress is limited by the building fabric and is linked to our larger, long-term capital projects.

We have included our energy consumption and emissions related to Blythe House to more accurately reflect the direct impact of our operations. We do not have this data for previous years, but will continue to include it in future years.

Waste

	Non-financial indicators (tonnes)			Financial indicators (£000)		
	2019	2018	2017	2019	2018	2017
Total waste	770.2	742.1	1,017.2	120.1	142.3	142.2
Hazardous (including waste electric and electronic equipment)	–	5.2	2.0	1.1	3.0	10.6
Non-hazardous						
Landfill	66.0	38.8	74.1	18.1	13.4	16.3
Energy from waste	180.9	317.6	346.6	29.8	73.9	47.2
Mixed recycling	436.8	317.6	502.0	67.4	49.1	58.3
Wood recycling	8.3	1.2	32.1	1.1	0.1	6.0
Metal recycling	0.7	1.9	27.6	–	0.0	2.0
Glass recycling	77.6	39.2	32.8	2.7	2.8	1.8

Performance

This year has seen an increase in waste. The decrease in energy from waste results from better segregation at the Science Museum, enabling us to recycle more. We are looking to extend this approach to our other sites in order to decrease waste to landfill and maximise recycling. We have changed waste management providers at the Science and Industry Museum and are assessing requirements at our other sites. Together with the implementation of a waste management plan we aim to decrease landfill waste in the coming years.

As with previous years, the data shown does not include skip waste at all sites as that data is not available. We will learn from best practice waste management at the Science Museum, to increase reporting of waste from all parts of the organisation.

Direct and indirect impacts

The most significant direct impact on the volume of waste comes via our visitor services. We encourage visitors to recycle in clearly marked bins and work closely with our caterers and suppliers to minimise waste production.

We have implemented a reusable cup scheme for colleagues to help reduce the number of single-use coffee cups being used across all our sites. As a result our catering contractors have seen a marked increase in colleagues using reusable cups. In planning for the refurbishment of a new retail space at the Science Museum we have worked with a local charity to enable us to rehome shop fittings in their shops. This approach to reuse is one which we hope to use more in the coming year, following the waste hierarchy, and divert waste away from landfill and recycling plants where possible.

Finite resources

		2019	2018	2017
Non-financial indicators (see individual resource for metrics)	Water – including locomotive operations (m ³)	70,850	73,447	74,478
	Coal – locomotive operations (tonnes)	100	74	96
	Non-fuel oils (litres)	333	1,669	2,175
	Diesel – rail operations (litres)	5,953	8,177	15,294
Financial indicators (£000)	Water supply – including locomotive operations	128.6	139.5	97.6
	Coal – locomotive operations	21.6	17.3	19.4
	Lubricating oil – locomotive operations	0.1	2.0	4.2
	Diesel – rail operations	8.8	8.5	13.6

Performance

Our use of finite resources is lower than last year – a direct consequence of our public programme and changes to the activities we offer.

Coal use has increased owing to a more consistent steam ride offer throughout the year at the National Railway Museum and Locomotion.

Direct and indirect impacts

The operation of site vehicles, visitor experiences and heritage vehicles is the main direct impact on finite resource consumption across the Group. Where possible, automated systems are installed to minimise the volumes consumed.

Procurement of materials evaluates the provenance of the supply, particularly in respect of the coal used in the locomotives at the National Railway Museum.

Coal and diesel consumption is unique to our operations as the Science Museum Group owns the largest fleet of operating historic locomotives in the UK. Showing our collections in action is one of the most direct tools we have to share our key values with visitors: revealing wonder, igniting curiosity and sharing authentic stories. Finite resource consumption is unlikely to reduce significantly. However, we intend to gain a greater understanding of the true environmental impact of these operations and investigate methods to increase efficiency and mitigate environmental effects.

Biodiversity enhancement

Performance

This year the Science and Industry Museum hosted a bee garden for the summer in collaboration with a citywide project.

The Locomotion site in Shildon is adjacent to a wildlife reserve with the largest colony of the rare dingy skipper butterfly in the county, which the museum has supported through hosting butterfly surveys. In addition owl boxes have been installed and sightings of peregrine falcons and bats have also been reported.

Direct and indirect impacts

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

Our site at the National Collections Centre, Wroughton offers an opportunity to promote biodiversity. This includes improving tree cover and habitats for bats, and continuing to work with a local farmer on grazing projects.

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

Strategy for the future

We are at a turning point in our approach to sustainability. We have appointed a Sustainability Partner to review our performance and to inform our future direction. In the next year we will assemble an advisory board and working group to help us develop a new sustainability strategy.

We will build on our successes in reducing waste and improving recycling, lowering energy consumption and enhancing biodiversity, and continue to engage with our visitors on the impacts and opportunities the Science Museum Group has in this area of our work.

Sustainable procurement

Performance

Good practice is in place on a case-by-case basis, but further work needs to be done to embed a sustainable procurement mindset across the organisation.

Direct and indirect impacts

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

Climate change adaptation and sustainable construction

Our estate is not immediately at risk from climate change, however impacts will continue to be monitored. For long-term planning, sustainability is embedded into our capital projects, ensuring that our estates are fit for the future. This includes a commitment to renewable and alternative energy sources, and designing for efficient internal climate control.

Our approach to how we utilise our estate to support sustainability initiatives is demonstrated by the solar array at the National Collections Centre, Wroughton. Through the lease of land to a third party, this installation provides three times more renewable electricity to the National Grid than the Science Museum Group consumes.

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

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

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

- Observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- Make judgments and estimates on a reasonable basis.
- State whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements.
- Prepare the financial statements on the going-concern basis, unless it is inappropriate to presume that Science Museum Group will continue in operation.

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

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

The Annual Report and Accounts as a whole is fair, balanced and understandable and the Board of Trustees and the Accounting Officer take responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.



Dame Mary Archer
Chairman of the Board of Trustees
26 June 2019



Sir Ian Blatchford
Accounting Officer and Director
26 June 2019

7. Governance Statement

The governance framework

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

The recruitment of Trustees takes place in accordance with the procedures defined by DCMS and the Office of the Commissioner for Public Appointments. Descriptions of

the roles required are advertised, interviews conducted and recommendations made to DCMS for appointment by the Prime Minister in accordance with the National Heritage Act 1983.

In 2018-19 the Prime Minister appointed eight new Trustees to the Science Museum Group Board from a strong and diverse field. When new Trustees are appointed, officers of the Group provide both general briefings about the museums and the role of the Board of Trustees within a charity and non-departmental public body context and specific information about particular areas of interest. The Group's Directorate has responsibility for coordinating secretarial functions for the main Board, as well as oversight of governance arrangements and management of Board committees.

To help support a diverse and complex organisation, the Board has chosen to delegate some of its activities to a number of advisory boards and committees, each with a defined remit and terms of reference. The structure that operated in 2018-19 is briefly summarised in the table below:

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

Trustees who served during the year and their attendance at meetings are shown in the table below. A full list of

membership of subcommittees and advisory boards can be found at the end of this Governance Statement.

	Term	Date of current appointment	Expiry of current appointment	Attendance					
				Board ^[1]	Audit and Risk Committee	Collections and Research Committee	Finance Committee	Masterplan and Estates Committee	Remuneration Committee
Chairman									
Dame Mary Archer DBE	2	01.01.19	31.12.23	5/5		3/4		5/5	2/2
Members									
Professor Brian Cantor CBE	1	01.06.16	31.05.20	4/5			3/4	1/1	
Mr Matthew d’Ancona	1	01.04.15	31.03.19	1/5	2/4				
Mrs Judith Donovan	1	01.02.19	31.01.23	1/1					
Dr Sarah Dry	1	01.06.16	31.05.20	5/5		4/4			
Lord Faulkner of Worcester	2	05.01.15	04.01.19	3/4					2/2
Ms Sharon Flood	1	01.04.15	31.03.19	5/5			4/4		
Professor Russell G Foster CBE	1	01.04.15	31.03.19	5/5		2/4			
Mr Andreas J Goss	2	01.08.15	31.07.19	1/5			0/4		
Lord Grade of Yarmouth CBE	2	01.08.15	31.07.19	3/5					2/2
Professor Ludmilla Jordanova	2	01.08.15	31.07.19	5/5		1/4			
Professor Ajit Lalvani	1	01.02.19	31.01.23	1/1					
Mr Simon Linnett	2	05.01.15	04.01.19	4/4			3/3		
Mr Iain McIntosh	1	08.08.18	07.08.22	4/4	2/2		4/4		
Ms Lopa Patel MBE	1	01.06.16	31.05.20	5/5	4/4				
Professor David Phoenix OBE	1	01.04.15	31.03.19	5/5	4/4				
Ms Sarah Staniforth	1	08.08.18	07.08.22	4/4		2/4			
Mr Steven Underwood	1	08.08.18	07.08.22	3/4					
Mr Anton Valk CBE	1	01.04.15	31.03.19	5/5					
The Rt Hon the Lord Willetts	1	01.04.15	31.03.19	4/5				3/3	
Dame Fiona Woolf CBE	1	01.04.15	31.03.19	5/5				5/5	

[1] The Science Museum Group Board meets four times a year; a strategy day was also held in October 2018.

Reports from Board committees

Board of Trustees

Significant issues considered by the Board of Trustees in 2018-19 included:

- **National Railway Museum Vision 2025** – The Board supported the Masterplan vision and fundraising strategy put forward by the Group as a key partner in the wider York Central transformation project. The Board also endorsed the partnership agreement put forward by the consortium.
- **One Collection** – The Board approved several recommendations at key points in the project's timeline, including the extension to Building ONE as part of the development of the National Collections Centre at Wroughton.
- **Sustainability** – The Board devoted a significant portion of the annual strategy day to this key issue. The Group appointed a Sustainability Champion in September 2018

to take a leading role in raising its sustainability practice and profile.

- **Group ethics policy** – The Board approved the Group ethics policy as part of a routine review and in line with the Group's policy review schedule. The policy applies to all representatives of the Science Museum Group, paid or otherwise, including Trustees, staff, volunteer and advisers.
- **Estates** – The Board approved a project to deliver the conservation and reinterpretation of the Power Hall at the Science and Industry Museum.

Audit and Risk Committee

The Audit and Risk Committee kept the management of risks under review throughout the year. Members of

internal and external audit attended each meeting of the Audit and Risk Committee and their work was considered by the committee.

Collections and Research Committee

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

Finance Committee

In addition to its continuing work to provide the Board with assurance on the financial management and performance of the Group, the Finance Committee reviewed and approved a number of major projects and continued to support the implementation of the strategic income plan (under the guidance of the Income Advisory Board).

Masterplan and Estate Committee

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

Remuneration Committee

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

Railway Heritage Designation Advisory Board

From 1 April 2013 the Board of Trustees assumed statutory powers – formerly held by the Railway Heritage Committee – to designate certain artefacts and records related to railways as being of significant heritage value. A subcommittee, the Railway Heritage Designation Advisory Board (RHDAB), was formed to advise the Board on designation and disposal matters. The RHDAB has two Trustee members, one of whom is the Chairman, and includes representatives of a range of stakeholders.

Designation recognises the significance of the items concerned and confers responsibility for their care and maintenance on the owners and recipients. Designated items may not be disposed of without the approval of the Science Museum Group Board. The RHDAB was established as a subcommittee of the main Board to advise the Trustees on designations and on disposal of designated material. The designation powers cover specific bodies. In 2014 GB Railfreight Ltd, recognising the heritage value of its railway assets, decided voluntarily to come within the scope of the powers alongside Transport for London.

The RHDAB met three times in the financial year 2018-19 and recommended 29 items for designation, 10 items for disposal and 1 de-designation. Among these have been 2 class designations and 7 items through its voluntary agreement with Transport for London and Nexus.

Board effectiveness and appraisals

In 2018-19 the Science Museum Group Chairman conducted appraisal meetings with individual Trustees to review their performance and specific contribution to the Board. The Chairman's appraisal was conducted by the Group's Deputy Chairman.

The Board has high standards in terms of the data it expects to receive to support it in discharging its duties. Data relating to the delivery of the Group's objectives, including financial control and the management of risk, is regularly reviewed by the Board and its committees.

Group Executive

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

The Group Executive is accountable to the Director of the Science Museum Group, and comprises senior managers, most of whom report directly to the Director. The Group Executive is responsible for resource allocation, leading

strategic management, developing the cultural content and programmes, and sustaining the Group's values. Senior managers who served on the Group Executive during the year were:

Ian Blatchford	Lydia Lee	Jonathan Newby
Jane Ellis	Karen Livingstone	Joann Passingham
Sarita Godber	Michelle Lockhart	Jo Quinton-Tulloch
Roger Highfield	Sally MacDonald	Susan Raikes
Helen Jones	Judith McNicol	John Stack
Linda Kilroy		

Risk management framework and risk assessment

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

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

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

The Audit and Risk Committee places assurance on the work of the internal auditor. Internal audit services in 2018-19 were provided by PricewaterhouseCoopers LLP, in accordance with Public Sector Internal Audit Standards. The work of the internal audit provider is informed by an analysis of the risk to which the body is exposed, and annual internal audit plans are based on this analysis, which is endorsed by the Audit and Risk Committee. The Head of Internal Audit (HIA) provides the Audit and Risk Committee with regular reports on internal audit activity, which include the HIA's independent opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement. The HIA's opinion for 2018-19 is given below. Actions arising from all the audits are addressed by the Group Executive and progress is monitored through the Audit and Risk Committee.

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

The system of internal control has been in place in the Science Museum Group throughout the year ended 31 March 2019 and up to the date of approval of the Annual Report and Accounts, in accordance with Treasury guidance. The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability.

In particular, it includes:

- A Group Executive management team, as described above, which met regularly throughout the year to review progress against plans, make operational and policy decisions and to consider the management of identified and emerging risks.
- Regular reports from managers to the Audit and Risk Committee, Finance Committee and Board of Directors of SCMG Enterprises Ltd or management team (as appropriate) on the steps they are taking to manage risks in their areas of responsibility, including progress on key projects.
- Annual completion of internal control schedules by senior managers to confirm their compliance with the Group's internal control standards.
- Comprehensive budgeting systems, with an annual budget which is reviewed and agreed by the Board of Trustees.
- Regular reviews by the Board of Trustees of progress against the key performance indicators that measure attainment against objectives, and of regular financial reports that track financial performance against forecasts.

- A Corporate Risk Group, chaired by the Director of Corporate Services and reporting to the Audit and Risk Committee, responsible for:
 - Raising the profile of management awareness and accountability for the risks faced by the Group
 - Supporting the ongoing development of risk management and implementation of the risk management process
 - Acting as a source of advice on risk management to aid embedding of risk management across the organisation
 - Reviewing departmental risk registers on a cyclical basis and assessing the need for escalation of those risks
 - Identifying emerging risks and reviewing and assessing existing corporate risks and appropriate actions to manage those risks
 - Reporting corporate risks and recommended actions to the Group Executive (for validation) and to the Audit and Risk Committee
 - Identifying the need for investment to fund high-priority risk response actions
- Maintenance of a register of interests for Trustees, Directors of SCMG Enterprises Ltd, subcommittee advisers and senior staff.

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

Risk profile

The most significant risks faced by the Group and considered by the Audit and Risk Committee in 2018-19 continued to be around financial sustainability and the state of the Group's estate.

Risks around future levels of Grant in Aid create challenges for medium-term financial planning, but the Group will advocate for a positive settlement in any future Spending Review and continue to seek ways to both increase self-generated income and reduce expenditure in order to secure longer-term financial sustainability.

In response to the risks facing its estate, the Group has developed and reviewed a ten-year maintenance plan, performed detailed condition surveys and actively responded to the deteriorating condition of certain critical buildings across the estate, particularly in Manchester. Investment in these areas will continue over the coming financial years and has been included in the business plan for 2019-20 and beyond.

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

Standing risks resulting from a failure to care for, manage and appropriately develop the collection have been addressed through the continuing programme of location audits and further progress in the One Collection programme to vacate the Group's shared storage facility at Blythe House, with work now started on a new purpose-built storage facility at the National Collections Centre in Wroughton.

Other areas of risk identified during the year included the operational capacity to deliver an ambitious programme of project activity over the medium term, staff welfare, and management of the financial aspects of the portfolio of capital projects including One Collection and the York Central development. The Audit and Risk Committee conducted a deep-dive review of the Group's strategic risk register in 2018-19, and identified the risks and opportunities associated with 'Industrial Revolution 4.0' – the increasing pace of technological change and automation – as a key priority for the Group over the coming years.

Internal audit work during the year looked at the Group's risk management processes, key financial controls, fundraising compliance, and collection acquisitions and disposals. The internal audit team also conducted a go-live readiness review in advance of the launch of the Group's new finance system and performed an IT risk diagnostic, assessing the Group's maturity against benchmarked comparators.

Internal audit assessment of risk management framework

The opinion of the Head of Internal Audit was that governance, risk management and control in relation to critical business areas are generally satisfactory with some areas of improvement required. There are some areas of weakness and/or non-compliance in the framework of governance, risk management and control which potentially put the achievement of objectives at risk. Some improvements are required in those areas to enhance the adequacy and/or effectiveness of the framework of governance, risk management and control.

Whistle-blowing arrangements

The Group upholds the core values detailed in the Code of Professional Ethics of the Museums Association and the International Council of Museums, and actively promotes their implementation. In line with these commitments, the Group encourages employees and others with serious concerns about any aspects of the Group's work to come forward and voice those concerns. The whistle-blowing policy has been reviewed and will be rolled out with an awareness programme over the coming year.

Information security

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

Membership of Trustee subcommittees, subsidiary company boards and advisory boards

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

Audit and Risk Committee

<i>Chair</i>	Professor David Phoenix OBE (Trustee), to 04.01.19 Mr Iain McIntosh (Trustee), from 04.01.19
<i>Members</i>	Mr Matthew d'Ancona (Trustee), to 31.03.19 Mr Paul Feldman Mr Iain McIntosh (Trustee), from 08.08.18 to 04.01.19 Ms Lopa Patel MBE (Trustee) Dame Fiona Woolf CBE (Trustee), from 26.03.19

Collections and Research Committee

<i>Chair</i>	Dr Sarah Dry (Trustee)
<i>Members</i>	Professor Jon Agar, from 01.01.19 Dr Katrina Dean Professor Russell G Foster CBE (Trustee) Professor Ludmilla Jordanova (Trustee), to 08.08.18 Professor Ajit Lalvani (Trustee), from 01.02.19 Ms Sarah Staniforth CBE (Trustee) from 08.08.18

Finance Committee

<i>Chair</i>	Ms Sharon Flood (Trustee)
<i>Members</i>	Professor Brian Cantor CBE (Trustee) Mr Andreas J Goss (Trustee) Mr Simon Linnett (Trustee), to 04.01.19 Mr Iain McIntosh (Trustee from 08.08.18) Mr Deian Tecwyn, from 01.01.19

Masterplan and Estate Committee

<i>Co-Chairs</i>	Mr Steve McGuckin, Chair to 25.03.19 Dame Fiona Woolf CBE (Trustee), to 25.03.19
<i>Chair</i>	Mr Steven Underwood (Trustee), from 26.03.19
<i>Members</i>	Professor Brian Cantor CBE (Trustee), from 01.01.19 Mr Nick Kirkbride Mr Ken Shuttleworth Mr Steven Underwood (Trustee), from 08.08.19 to 26.03.19 Mr Anton Valk CBE (Trustee)

Remuneration Committee

<i>Chair</i>	Lord Faulkner of Worcester (Trustee), to 04.01.19
<i>Members</i>	Professor David Phoenix OBE (Trustee), from 05.01.19 Dame Mary Archer DBE (Trustee) Lord Grade of Yarmouth CBE (Trustee)

Subsidiary company Board of Directors

SCMG Enterprises Ltd

<i>Directors</i>	Sir Ian Blatchford Ms Jane Ellis Mr Jonathan Newby
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Advisory boards

Income Advisory Board

<i>Chair</i>	Lord Grade of Yarmouth CBE (Trustee)
<i>Members</i>	Mr Charles Coates Mrs Judith Donovan (Trustee and Observer), from 01.02.19 Ms Sharon Flood (Trustee)

Science Museum Advisory Board

<i>Chair</i>	The Rt Hon the Lord Willetts (Trustee), to 31.03.19 Professor Russell G Foster CBE (Trustee) from 01.04.19
<i>Deputy Chair</i>	Sir Paul Nurse
<i>Members</i>	Mrs Jane Atkinson Mr Matthew d'Ancona (Trustee), to 31.03.19 Professor Dame Athene Donald DBE Professor Russell G Foster CBE (Trustee) to 31.03.19 Professor Lucie Green Lord Justice Kitchin, from 01.01.19 Professor Ajit Lalvani (Trustee), 01.02.19 Dr Robert Parker Professor Simon J Schaffer Professor Molly Stevens

Science and Industry Museum Advisory Board

<i>Chair</i>	Lord Faulkner of Worcester (Trustee), to 04.01.19 Professor David Phoenix OBE (Trustee), from 05.01.19
<i>Members</i>	Mr Mark Ball, from 11.05.18 Mr David Brown Ms Clare Hudson Mr Steve Johnson, to 09.08.18 Sir Richard Leese CBE, to 02.07.18 Professor Andy Miah The Rt Hon Baroness Morris Dr Erinma Ochu, to 19.09.18 Ms Lopa Patel MBE (Trustee) Professor David Phoenix OBE (Trustee) to 05.01.19 Ms Sheona Southern Professor James Thompson, from 10.05.18 to 31.03.19 Mr Steven Underwood (Trustee), from 05.01.19 Mr Alex Williams, to 31.03.19

National Railway Museum Advisory Board

<i>Chair</i>	Mr Simon Linnett (Trustee), to 04.01.19 Mr Anton Valk CBE (Trustee); from 05.01.19
<i>Members</i>	Mr Philip Benham Lord Faulkner of Worcester (Trustee and Observer), to 04.01.19 Professor Ludmilla Jordanova (Trustee) Dr Ellen McAdam Mr Paul Plummer Professor Clive Roberts Mr Adrian Shooter CBE, to 22.08.18 Mr Anton Valk CBE (Trustee) to 05.01.19 Mr Christian Wolmar

National Science and Media Museum Advisory Board

<i>Chair</i>	Lord Grade of Yarmouth CBE (Trustee)
<i>Members</i>	Ms Samira Ahmed
	Ms Yvonne Baker
	Professor Brian Cantor CBE (Trustee)
	Mrs Judith Donovan (Trustee and Observer), from 01.02.19
	Dr Sarah Dry (Trustee)
	Baroness Margaret Eaton DBE
	Professor Elizabeth Edwards
	Ms Kersten England
	Mrs Sally Joynson
	Dr Annette Nabavi
	Ms Gillian Reynolds MBE, to 01.03.19
	Ms Nicki Sheard

Railway Heritage Designation Advisory Board

<i>Co-Chairs</i>	Lord Faulkner of Worcester Chair and Trustee to 04.01.19; Cochair from 05.01.19
	Ms Sarah Staniforth CBE (Trustee), Cochair from 05.01.19
	Mr Mike Ashworth, to 31.12.18
	Mr Edmund Bird, from 11.12.18
<i>Members</i>	Dr David Brown
	Mr Ian Brown CBE
	Mr Neil Butters
	Mr Ian Gilbert, from 11.12.18
	Ms Elizabeth Hallam Smith
	Mr Mark Hopwood
	Ms Louise Innes
	Dr David Jenkins
	Mr Mike Lamport
	Mr Simon Linnett (Trustee and Observer), to 04.01.19
	Mr Andrew McLean
	Mr Peter Ovenstone
	Mr Andy Savage
	Ms Sarah Staniforth CBE (Trustee), from 08.08.18 to 05.01.19
	Ms Vicky Stretch
	Mr Anton Valk CBE (Trustee)

Records and enquiries

Corporate records

As a public body the Science Museum Group has a responsibility to catalogue and preserve organisational records, including some collections records. This year we catalogued 1,130 records and retrieved 580 corporate files for colleagues and researchers, as well as reviewing existing files.

The planned series of Science Museum Group Archive Service Accreditation applications has triggered a need for an assessment of work required to ensure compliance with the Public Records Act. The team are working on a plan to support the applications.

The Information Asset Register for the group continues to be a valuable asset in aiding information management strategy and General Data Protection Regulation (GDPR) compliance.

Freedom of Information

The Science Museum Group's statutory responsibility to respond to enquiries under the Freedom of Information Act and Data Protection Act was met by responding to 89 requests for information which focused on income-generating activities, museum security, procurement, visitor experiences and other high-profile projects and activities.

Data protection

The change to the law with the implementation of GDPR saw a high number of subject rights (around 1,500) being exercised in response to the sharing of our revised privacy policy.

Compliance with the Corporate Governance Code

While the Board of Trustees has different responsibilities and is appointed in accordance with the relevant Acts, the Science Museum Group confirms that its governance processes comply with the intentions of 'Corporate governance in central government departments: Code of good practice 2017'. The Board is well balanced in composition and supports the Director in leading the Group through strategic direction, monitoring activity and achievement of objectives, and ensuring good governance is in place. The work of the Board is well supported by strong committee management. Regular evaluation by the Board of its effectiveness, including the views of senior staff, ensures that the Board is reviewing its activities and processes to continue to improve its performance. The Trustee register of interests is available for inspection on the Group's website or on application to the Science Museum Group Directorate at the Science Museum, Exhibition Road, London SW7 2DD.

Conclusion

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



Dame Mary Archer
Chairman of the Board of Trustees
26 June 2019



Sir Ian Blatchford
Accounting Officer and Director
26 June 2019

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

Opinion on financial statements

I certify that I have audited the financial statements of the Science Museum Group for the year ended 31 March 2019 under the Museums and Galleries Act 1992. The financial statements comprise: the Consolidated Statement of Financial Activities, the Group and Museum Balance Sheet, the Consolidated Cashflow Statement and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). I have also audited the information in the Remuneration and Staff Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of group and of the Science Museum's affairs as at 31 March 2019 and of its net income/(expenditure) for the year then ended; and
- the financial statements have been properly prepared in accordance with the Museum and Galleries Act 1992 and Secretary of State directions issued thereunder.

Opinion on regularity

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

Conclusions relating to going concern

I am required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and Science Museum's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

Basis of opinions

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

Responsibilities of the Trustees and Director

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

Other information

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

Opinion on other matters

In my opinion:

- the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions made under the Museums and Galleries Act 1992;
- in the light of the knowledge and understanding of the group and the Science Museum and its environment obtained in the course of the audit, I have not identified any material misstatements in the Annual Report; and
- the information given in the Annual report which we provide a positive consistency opinion on for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

3 July 2019

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

9. Financial Statements

Consolidated Statement of Financial

Activities for the year ended 31 March 2019

	Notes	Unrestricted £000	Restricted £000	Endowment £000	2019 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2018 Total £000
<i>All activities are continuing activities</i>									
Income from:									
Government Grant in Aid									
Grant in Aid for Science Museum Group		34,843	10,676	–	45,519	34,849	7,951	–	42,800
Grant in Aid for NCMME		–	2,409	–	2,409	–	2,409	–	2,409
Donations and legacies	5	3,467	4,662	–	8,129	3,531	654	–	4,185
Charitable activities	6	4,605	14,054	–	18,659	2,877	11,546	–	14,423
Trading activities									
Commercial activities		15,481	–	–	15,481	16,284	–	–	16,284
Sponsorship		1,663	–	–	1,663	2,995	–	–	2,995
Rental income		1,169	–	–	1,169	982	50	–	1,032
Investments	7	77	466	1	544	65	418	1	484
Other income	8	1,827	–	–	1,827	3,171	–	–	3,171
Total		63,132	32,267	1	95,400	64,754	23,028	1	87,783
Expenditure on:									
Charitable activities	10								
Care for and research into collections		13,668	5,361	–	19,029	13,211	4,377	–	17,588
Science education and communication		31,616	9,207	–	40,823	28,386	6,453	–	34,839
Visitor services		14,393	863	–	15,256	14,931	628	–	15,559
Raising funds	10								
Activities for generating funds		4,240	131	–	4,371	3,450	228	–	3,678
Commercial activities		10,933	595	–	11,528	12,826	194	–	13,020
Grant of RPS Collection to Victoria and Albert Museum		–	4,500	–	4,500	–	–	–	–
Loss on disposal of Blythe House		–	–	–	–	8,547	–	–	8,547
Total		74,850	20,657	–	95,507	81,351	11,880	–	93,231
Net gains/(losses) on investments	16	–	909	–	909	–	(165)	–	(165)
Net income/(expenditure)		(11,718)	12,519	1	802	(16,597)	10,983	1	(5,613)
Transfers between funds		33	(33)	–	–	7,692	(7,692)	–	–
Other recognised gains/(losses):									
Gains/(losses) on revaluation of fixed assets	13	5,061	–	–	5,061	23,355	–	–	23,355
Actuarial (losses)/gains on defined benefit pension scheme	21	(912)	–	–	(912)	555	–	–	555
Net movement in funds	24	(7,536)	12,486	1	4,951	15,005	3,291	1	18,297
Reconciliation of funds:									
Total funds brought forward	24	278,885	226,562	79	505,526	263,880	223,271	78	487,229
Total funds carried forward	24	271,349	239,048	80	510,477	278,885	226,562	79	505,526

Notes 1 to 29 form part of these accounts.

Balance sheets as at 31 March 2019

	Notes	Group 2019 £000	Group 2018 £000	Museum 2019 £000	Museum 2018 £000
Fixed assets					
Tangible assets	13	449,557	436,666	445,250	434,973
Heritage assets	14	22,188	26,601	22,188	26,601
Intangible assets	15	632	1,033	632	1,033
Investments	16	17,303	16,044	17,714	16,455
Total fixed assets		489,680	480,344	485,784	479,062
Current assets					
Stock		1,268	1,147	–	–
Debtors	17	22,658	14,754	23,504	19,343
Current asset investments	16	5,052	5,001	5,052	5,001
Short-term deposits	16	1,027	13,742	1,027	7,242
Cash and cash equivalents	18	25,215	18,530	17,723	14,824
Total current assets		55,220	53,174	47,306	46,410
Creditors: amounts falling due within one year	19	(22,735)	(16,895)	(13,709)	(10,309)
Net current assets		32,485	36,279	33,597	36,101
Total assets less current liabilities		522,165	516,623	519,381	515,163
Creditors: amounts falling due after one year	19	(5,278)	(5,616)	(5,278)	(4,316)
Provisions for liabilities and charges	20	(40)	(84)	(40)	(84)
Defined benefit pension liability	21	(6,370)	(5,397)	(6,370)	(5,397)
Net assets		510,477	505,526	507,693	505,366
<i>Represented by:</i>					
Restricted funds					
Grants and donations fund		15,260	10,714	15,260	10,714
Collection purchases fund		250	–	250	–
Buildings sale fund		28,423	29,964	28,423	29,964
Capital assets fund		195,115	185,884	195,008	185,692
Total restricted funds	24	239,048	226,562	238,941	226,370
Unrestricted funds					
Designated funds					
Museum improvement fund		6,357	10,026	6,357	10,026
Collection purchases fund		202	107	202	107
Capital assets fund		24,374	23,834	24,374	23,834
Capital asset revaluation fund		245,249	248,774	242,291	248,516
		276,182	282,741	273,224	282,483
Defined benefit pension deficit fund		(6,370)	(5,397)	(6,370)	(5,397)
General funds		1,537	1,541	1,818	1,831
Total unrestricted funds	24	271,349	278,885	268,672	278,917
Endowment funds	24	80	79	80	79
Total funds		510,477	505,526	507,693	505,366

Notes 1 to 29 form part of these accounts.



Dame Mary Archer
Chairman of the Board of Trustees
26 June 2019



Sir Ian Blatchford
Accounting Officer and Director
26 June 2019

Consolidated Statement of Cash Flows

	Notes	2019 £000	2018 £000
Net cash provided by operating activities	27	15,720	20,290
Cash flows from investing activities			
Purchases of fixed assets	13/15	(22,752)	(8,707)
Purchases of heritage assets	14	(22)	(120)
(Purchases)/sales of investments		(416)	(8,672)
Sales of investments		–	2,260
Short-term deposits placed		–	(33,730)
Redemptions of short-term deposits		12,730	23,000
Interest received from investments		544	484
Net cash (used in) investing activities		(9,916)	(25,485)
Cash flows from financing activities			
Drawdown of DCMS loan funding	19	1,987	1,700
Repayment of DCMS loan funding	19	(1,106)	(1,093)
Net cash provided by financing activities		881	607
Change in cash and cash equivalents in reporting period		6,685	(4,588)
Cash and cash equivalents at beginning of reporting period		18,530	23,118
Cash and cash equivalents at end of reporting period		25,215	18,530

Notes 1 to 29 form part of these accounts.

Notes to the consolidated accounts for the year ended 31 March 2019

1 Basis of preparation and consolidation

1.1 Basis of preparation

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

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

The Group, as a charitable arm's-length body of Government, complies with regulations issued under charities legislation and the Charities SORP, but also follows the principles in the Government's Financial Reporting Manual for 2018-19 (FRM), issued by HM Treasury, and provides the additional disclosures required by the FRM where these go beyond the SORP.

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

Public benefit

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

Going concern

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

1.2. Basis of consolidation

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

2 Principal accounting policies

2.1 Revenue recognition

Grant and donation income

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

Grant in Aid income

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

Exchange transactions

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

Sale of goods – Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods, when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

All other income is accounted for on a receivable basis.

2.2 Expenditure

Expenditure is classified under the principal categories of charitable and other expenditure rather than the type of expense, in order to provide more useful information to users of financial statements. An analysis of resources expended is set out in Note 10.

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

Charitable expenditure comprises direct expenditure, including direct staff costs attributable to the activity, and, where costs cannot be directly attributed, an allocation of indirect costs on a basis consistent with the use of the resources as set out in Notes 10 and 11. The costs of publicising the museums are included in the cost category 'Science education and communication'.

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

2.3 Fixed assets valuation and depreciation

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

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

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

Depreciation is provided on all tangible fixed assets, other than freehold land and collection items, at rates calculated to write off the cost or valuation, less the estimated residual value, on a straight-line basis for each asset over its expected useful life as follows:

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

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

2.4 Heritage assets

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

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

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

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

2.5 Intangible assets

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

Amortisation is provided on all intangible assets, at rates calculated to write off the value of each asset evenly over its expected useful life, with no residual value assumed. Amortisation is charged to the business function responsible for the acquisition of the assets; where the charge forms part of costs apportioned over charitable purposes, the basis of apportionment is as explained in Notes 10 and 11.

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

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

2.6 Stock

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

2.7 Leases

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

2.8 Employee benefits

PCSPS pension scheme

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), which is a contributory and unfunded scheme. Although the scheme is a defined benefit scheme, liability for payment of future benefits is a charge to the PCSPS. The Science Museum Group and other bodies covered by the PCSPS meet the cost of pension cover provided for the staff they employ by payment of charges calculated on an accruing basis.

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

GMPS pension scheme

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

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

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

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

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

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

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

Remeasurement of the net defined benefit liability comprises:

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

SCMG Enterprises Ltd pension schemes

SCMG Enterprises Ltd operates two defined contribution pension schemes, the assets of which are held separately in independently administered funds. Contributions are charged to the Statement of Financial Activities as they become payable, in accordance with the rules of the schemes.

Provision for annual leave

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

2.9. Early retirement scheme

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

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

2.10. Taxation

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

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

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

2.11. Investments

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

Funds identified as surplus to working capital in the short or longer term are invested to maintain their value over time. The Science Museum Group has investments in equity and fixed-income funds, and places funds on short-term deposit, as explained in Note 16. These investments are actively traded and are held at fair value, as reported by the Group's fund managers.

2.12. Financial instruments

Financial investments comprise investments in equity and fixed-income funds which are measured at fair value. Changes in fair value are recognised in profit or loss, in accordance with FRS 102, Section 11. The nature and extent of the risks associated with the financial instruments are disclosed in accordance with FRS 102. Other financial instruments (trade debtors and creditors, cash and cash equivalents) are initially recognised at fair value plus or minus material transaction costs directly attributable to their acquisition or issue; and subsequently measured at cost, less impairment where material.

2.13. Cash and cash equivalents

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

2.14. Foreign currencies

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

2.15. Provisions

Provisions are made when an obligation exists for a future liability in respect of a past event, where the amount of the obligation can be reliably estimated, and where the outflow of resources is probable. Discount rates provided by the Treasury are used in current value calculations for long-term commitments. Details of the discount rates used are provided in Note 20.

3 Significant judgments and estimates

3.1 Judgments and key sources of estimation uncertainty

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

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

Revenue recognition – sponsorship

The timing of revenue recognition on long-term sponsorship contracts depends on the assessed stage of completion of contract activity at the balance sheet date. For exhibitions and galleries that are not completed, sponsorship is deferred until opening. At the balance sheet date, £2.580m of income had been deferred, primarily in relation to the Medicine Galleries at the Science Museum and multiyear learning projects (31 March 2018: £1.891m, primarily in relation to the Medicine Galleries and multiyear learning projects). These amounts are shown in current liabilities.

Revenue recognition – grant income

Revenue is recognised on grant agreements when the Group is entitled to the funding. In certain agreements, including those with the National Lottery Heritage Fund (NLHF), performance conditions exist that prevent recognition of income until specified activities have been completed and outputs delivered. This income is expected to be recognised in future periods, as the projects are delivered. At the balance sheet date £4.134m (March 2018: £7.582m) of NLHF funding for the Science Museum Medicine Galleries and *Science City 1550–1800: The Linbury Gallery* was yet to be recognised because of these conditions. At 31 March 2018 £5.585m of Wellcome Trust funding for the Medicine Galleries and €342k of EU funding for research projects was yet to be recognised.

Valuation of property, plant and equipment (PPE)

Property, plant and equipment represents a significant proportion of the asset base and therefore the estimates and assumptions made to determine their carrying value and related depreciation are critical to the reported financial position and expenditure. Revaluation of PPE requires management to rely on the expertise of professional surveyors. The freehold and leasehold properties comprising the Group's estate were valued as at 31 March 2019 by an external valuer, Gerald Eve LLP, a regulated firm of chartered surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards 2017 and UK national standards (November 2018), the Charities SORP and FRS 102. This exercise resulted in an upwards revaluation of £5.061m, principally associated with land in York subject to the sale agreement outlined below. Further detail is provided in Note 13. In 2017–18 the application of professional price indices resulted in an uplift of £23.335m.

Disposal of land in York

On 24 April 2017 the Group completed an agreement to dispose of surplus land in York to the Homes and Communities Agency (now Homes England), but there are conditions attached to the agreement which enable either party to exercise different buy-back options under which the land and buildings would be transferred back to the Science Museum Group and the consideration returned. Legal title has passed to Homes England, but the transaction will not complete until the conditions attached to buy-back provisions, under which the transaction can be

reversed by either party, have been met. At this point the final transaction value will be determined. £5.73m of consideration was received in the financial year 2017–18. This amount is shown in current liabilities.

4 Museum Statement of Financial Activities

		Unrestricted £000	Restricted £000	Endowment £000	2019 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2018 Total £000
<i>All activities are continuing activities</i>									
Income from:									
Government Grant in Aid									
Grant in Aid for Science Museum Group	[A]	34,843	10,676	–	45,519	34,849	7,951	–	42,800
Grant in Aid for NCMME	[B]	–	2,409	–	2,409	–	2,409	–	2,409
Donations and legacies									
Gift Aid from subsidiary, SCMG Enterprises Ltd		3,750	–	–	3,750	7,463	–	–	7,463
Other donations and legacies		3,300	4,662	–	7,962	3,531	654	–	4,185
Charitable activities		4,605	14,054	–	18,659	2,877	11,546	–	14,423
Trading activities									
Sponsorship		–	–	–	–	31	–	–	31
Rental income		1,095	–	–	1,095	982	50	–	1,032
Investments		79	466	1	546	65	418	1	484
Other income		4,546	–	–	4,546	2,280	–	–	2,280
Total		52,218	32,267	1	84,486	52,078	23,028	1	75,107
Expenditure on:									
Charitable activities									
Care for and research into collections	[B]	13,668	5,361	–	19,029	13,211	4,377	–	17,588
Science education and communication		31,616	9,207	–	40,823	28,386	6,453	–	34,839
Visitor services		14,393	863	–	15,256	14,931	628	–	15,559
Raising funds									
Activities for generating funds		3,747	131	–	3,878	3,052	228	–	3,280
Commercial activities		521	510	–	1,031	587	108	–	695
Grant of RPS Collection to Victoria and Albert Museum		–	4,500	–	4,500	–	–	–	–
Loss on disposal of Blythe House		–	–	–	–	8,547	–	–	8,547
Total		63,945	20,572	–	84,517	68,714	11,794	–	80,508
Net (losses)/gains on investments		–	909	–	909	–	[165]	–	[165]
Net (expenditure)/income		(11,727)	12,604	1	878	(16,636)	11,069	1	(5,566)
Transfers between funds		33	(33)	–	–	7,692	(7,692)	–	–
Other recognised gains/(losses):									
Gains/(losses) on revaluation of fixed assets		2,361	–	–	2,361	23,355	–	–	23,355
Actuarial gains/(losses) on defined benefit pension scheme		[912]	–	–	[912]	555	–	–	555
Net movement in funds		(10,245)	12,571	1	2,327	14,966	3,377	1	18,344
Reconciliation of funds:									
Total funds brought forward		278,917	226,370	79	505,366	263,951	222,993	78	487,022
Total funds carried forward		268,672	238,941	80	507,693	278,917	226,370	79	505,366

[A] Capital Grant in Aid (GIA) received from DCMS was £8,551k (2017–18: £7,076k), of which £2,501k was the core capital allocation, £550k was for the Manchester Special Exhibition Gallery and £5,500k for major projects (2017–18: £3,501k, £1,250k and £2,325k respectively). This was supplemented by £2,000k of Resource GIA for major projects and £125k for the Type Archive.

[B] The £2,409k (2017–18: £2,409k) grant from the Group to the National Coal Mining Museum of England (NCMME) is categorised as 'care for and research into the collections'.

5 Donations and legacies

	Unres. £000	Res. £000	2019 Total £000	Unres. £000	Res.	2018 Total £000
Value of donated goods and services	–	73	73	–	32	32
Corporate donations	1	3,404	3,405	18	60	78
Individual donations and memberships	3,466	1,120	4,586	3,444	37	3,481
Legacies	–	–	–	69	–	69
	3,467	4,597	8,064	3,531	129	3,660
Value of donated heritage assets	–	65	65	–	525	525
	3,467	4,662	8,129	3,531	654	4,185

6 Charitable income

	Unres. £000	Res. £000	2019 Total £000	Unres. £000	Res. £000	2018 Total £000
Lottery funding	–	3,599	3,599	–	1,151	1,151
European Union grants	–	234	234	–	84	84
UK Government grants, excl Grant in Aid	–	1,487	1,487	–	629	629
Other grant income	600	8,734	9,334	400	9,682	10,082
Ticket income	2,699	–	2,699	2,477	–	2,477
Museums and Galleries Exhibition Tax Relief	1,306	–	1,306	–	–	–
	4,605	14,054	18,659	2,877	11,546	14,423

7 Investment income

	Unres. £000	Res./End. £000	2019 Total £000	Unres. £000	Res./End. £000	2018 Total £000
Dividends from equity funds	–	321	321	–	333	333
Interest on fixed-interest funds	–	61	61	–	62	62
Interest on cash and cash equivalents	77	85	162	65	24	89
	77	467	544	65	419	484

£1k (2017–18: £1k) of interest income earned on endowment funds is included in restricted income above.

8 Other income

Other income arises from self-generated income, conference and educational events, locomotive hire and cloakroom fees. In 2017–18 other income also included consultancy fees relating to the development of an interactive gallery in Queensland, Australia.

9 Net income/(expenditure)

Net income/(expenditure) is stated after charging:

	2019 £000	2018 £000
Auditors' remuneration: Comptroller and Auditor General	60	55
Auditors' remuneration: subsidiary company audit fee	26	26
Internal audit fees	75	85
Lease rentals on land and buildings	11	11
Lease rentals on equipment	47	47
Lease rentals on vehicles	45	39
Movement on bad debt provision	12	(15)
Cost of sales	4,918	4,982
Movement on stock provision	5	(62)

No fees (2017-18: nil) were paid to the Group's auditors for non-audit services.

10 Total expenditure

	Direct costs £000	Grants awarded ^[A] £000	Support costs ^[B] £000	Total costs £000
2019				
Care for and research into collections	7,912	2,409	8,708	19,029
Science education and communication	29,358	–	11,465	40,823
Visitor services	7,542	–	7,714	15,256
Charitable activities	44,812	2,409	27,887	75,108
Generating donations and legacies	3,412	–	959	4,371
Trading activities	11,528	–	–	11,528
Grant of RPS Collection to Victoria and Albert Museum	–	4,500	–	4,500
Total expenditure	59,752	6,909	28,846	95,507
	Direct costs £000	Grants awarded ^[A] £000	Support costs ^[B] £000	Total costs £000
2018				
Care for and research into collections	7,545	2,409	7,634	17,588
Science education and communication	24,480	–	10,359	34,839
Visitor services	8,446	–	7,113	15,559
Charitable activities	40,471	2,409	25,106	67,986
Generating donations and legacies	2,814	–	864	3,678
Trading activities	13,020	–	–	13,020
Loss on disposal of Blythe House	8,547	–	–	8,547
Total expenditure	64,852	2,409	25,970	93,231

[A] Grants awarded include the transfer of the RPS Collection to the Victoria and Albert Museum in 2018-19 and the grant to the National Coal Mining Museum of England (NCMME) in both 2017-18 and 2018-19.

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

11 Support costs

	Collections £000	Education £000	Visitors £000	Fundraising £000	Total £000
2019					
HR	503	1,093	409	168	2,173
ICT	742	1,976	396	579	3,693
Estates	6,362	6,362	6,362	–	19,086
Management	296	548	148	57	1,049
Finance	676	1,247	335	130	2,388
Governance	129	239	64	25	457
Total expenditure	8,708	11,465	7,714	959	28,846
2018					
HR	335	924	259	126	1,644
ICT	760	2,026	406	594	3,786
Estates	5,943	5,943	5,943	–	17,829
Management	187	461	159	45	852
Finance	300	737	254	73	1,364
Governance	109	268	92	26	495
Total expenditure	7,634	10,359	7,113	864	25,970

HR costs are allocated in proportion to the number of full-time equivalent staff in each area, ICT costs in proportion to the number of PCs/terminals used by each area. Estates costs are allocated equally across the three charitable activities. Management, governance and finance costs are allocated in proportion to the direct costs in each area.

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

12 Staff costs

	Group 2019 £000	Group 2018 £000	Museum 2019 £000	Museum 2018 £000
Wages and salaries	30,154	27,216	26,415	22,719
Bonuses	125	155	71	125
Social security costs	2,766	2,511	2,459	2,159
Pension costs	1,894	1,929	1,778	1,794
Agency staff	339	687	299	624
Early retirement and redundancy	134	315	134	315
Total staff costs	35,412	32,813	31,156	27,736

Included in the above is £1,645k (2017-18: £1,280k) in respect of staff costs which have been capitalised. Staff costs are charged to unrestricted or restricted funds on the basis of the activities that they perform.

Civil Service pensions

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

For 2018-19 employer's contributions of £932,802 were payable to the PCSPS (2017-18: £1,069,756) at one of four rates in the range 20.0-24.5% of pensionable earnings, based on salary bands. The number of employees who were members of the schemes in the year was 152 (2017-18 monthly average: 162).

The scheme actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2018-19 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contributions of £10,602 (2017-18: £10,312) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% of pensionable earnings from 1 October 2015. Employers also match employee contributions up to 3% of pensionable earnings.

In addition, in 2018-19 employer contributions of £263 (2017-18: £317), 0.5% of pensionable pay from 1 October 2015, were payable to the PCSPS to cover the cost of the future provision of lump-sum benefits on death in service or ill-health retirement of these employees.

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

Local Government Pension Scheme – Durham County Council

After the transfer of Locomotion staff from Durham County Council, effective 1 December 2017, the Group became liable for contributions to the Local Government Pension Scheme on a contributory basis. Contributions of £39,969 (2017-18, from 1 December 2017: £14,870) were made on behalf of 17 (2017-18 monthly average: 16) employees.

SCMG Enterprises Ltd pension schemes

SCMG Enterprises offers a contracted-in group money-purchase scheme with optional contracted-out pensions to which the employer contributes 7% and the employees 5%. Employer pension contributions of £511,907 were paid in the year (2017-18: £367,999). The number of employees who were members of the scheme in the year was 268 (2017-18 monthly average: 144).

Employees not opting to join the scheme are auto-enrolled in a stakeholder pension scheme. Employer pension contributions of £173,883 were paid in the year (2017-18: £78,534). The number of employees who were members of the scheme in the year was 769 (2017-18 monthly average: 467).

Greater Manchester Pension Fund pension scheme

Details of employer's contributions in respect of the Greater Manchester Pension Fund in respect of employees of the Science and Industry Museum are contained in Note 21.

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

	Permanent contract		Other staff		Total	
	2019	2018	2019	2018	2019	2018
Care for and research into collections	182	137	1	1	183	138
Science education and communication	394	364	4	8	398	372
Visitor services	133	99	16	9	149	108
Generating income and sponsorship	60	52	1	–	61	52
Trading activities	111	136	5	6	116	142
Support activities	137	133	4	7	141	140
Total	1,017	921	31	31	1,048	952

The average head count excluding casual, agency and contract staff was 1,268 (2017–18, excluding agency and contract staff: 1,227).

Employees receiving remuneration over £60,000

	2019	2018
60,001–70,000	17	6
70,001–80,000	4	5
80,001–90,000	3	1
90,001–100,000	4	4
100,001–110,000	4	3
110,001–120,000	–	3
120,001–130,000	1	–
150,001–160,000	1	1
180,001–190,000	1	–
190,001–200,000	–	1
	35	24

The figures above exclude pension costs. Contributions were paid to a defined contribution scheme on behalf of 25 (2017–18: 13) employees. For 9 (2017–18: 9) of the staff included in this table retirement benefits accrued under a defined benefit scheme. For 14 (2017–18: 8) of these employees total remuneration includes BUPA contributions.

Key management personnel

If employer contributions to defined benefit pension schemes were included rather than the single figure for pension benefits given in the Remuneration Report, the total remuneration of the key management personnel, Ian Blatchford and Jonathan Newby, would be £386,421 (2017–18: £393,565).

Trustees

The Chairman and Trustees (listed in the Annual Report) received no remuneration for their services, but travel expenses totalling £6,176 were paid to 11 Trustees (2017–18: £5,484 paid to 9 Trustees). Amounts paid to third parties in the financial year relating to Trustee activities totalled 7,011 (2017–18: £17,416).

13 Tangible fixed assets

Group assets

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

Museum assets

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

Land and buildings – sale of land in York

On 24 April 2017 the Group signed an agreement to dispose of surplus land in York to the Homes and Communities Agency (now Homes England), but there are conditions attached to the agreement which enable either party to exercise different buy-back options under which the land and buildings would be transferred back to the Group and the consideration returned. Legal title has passed to Homes England, but the transaction will not complete until the conditions attached to buy-back provisions, under which the transaction can be reversed by either party, have been met. At this point the final transaction value will be determined. £5.73m of advance consideration was received in the financial year 2017-18 and is shown in other creditors on the balance sheet.

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

Revaluation of land and buildings

The freehold and leasehold properties comprising the Group's estate were valued at 31 March 2019 by an external valuer, Gerald Eve LLP, a regulated firm of chartered surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards 2017 and UK national standards (November 2018), the Charities SORP and FRS 102. Specialised properties were valued by reference to the depreciated replacement cost method; other operational properties have been valued on the basis of current value in their existing use.

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

14 Heritage assets

14.1 Overview of the collections

Science Museum, London

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

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

Additionally, there are significant holdings of prints, drawings, paintings, printed ephemera, technical drawings, maps, photographs, postal items, sculpture and contemporary art, and in the library and archive collections comprising important collections of rare books and documents, which span the full history and development of science and technology.

Science and Industry Museum, Manchester

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

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

Manchester's role as the centre of the Lancashire textile industry is also covered, alongside power for the Industrial Revolution, and the development of precision engineering and machine tools that laid the foundations for a new age of mass production. The collections cover the technologies that affected life in industrial Manchester, including electricity, gas, water supply and sanitation. Communications and information technologies form a major theme, ranging from early photographic material through to ground-breaking calculating and computing machines. Bringing the story up to date, material from the broadcasting, music and animation industries represents the growth of creative industries in the postindustrial city.

National Railway Museum, York Locomotion, Shildon

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

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

National Science and Media Museum, Bradford

Founded in 1983 as the National Museum of Photography, Film & Television, the National Science and Media Museum inherited collections from its parent institution, the Science Museum.

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

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

14.2 Acquisitions, management, preservation and disposals

Acquisitions

Acquisitions are made in accordance with the collecting policies agreed for each museum by the Board of Trustees and may be by purchase or donation. Further details of policies can be found at www.sciencemuseumgroup.ac.uk.

Collections management and preservation

The Science Museum Group exists, under the terms of the National Heritage Act 1983, to develop, manage and make its collection useful for the public. The Act requires it to preserve, care for and add to the objects in its collection, to exhibit them to the public and to make them available for study and research, and to promote the public's enjoyment and understanding of science and technology and of the development of those subjects.

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

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

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

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

The Science Museum Group will:

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

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

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

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

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

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

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

Disposals

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

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

Material may be unsuitable for retention if:

- It is a duplicate of another accessioned item in the collection, beyond the number of similar items that would reasonably be of interest and necessary for future use.
- It is more suitable for transfer to the collection of another national museum, other accredited museum or other organisation in the public domain that can improve access to or the use, care or context of the material.
- It is otherwise unsuitable for the collection, because it falls outside the scope and content of the Group's collection.
- It is useless for the purposes of the collection because it is in a poor or hazardous condition by reason of damage, physical deterioration or infestation by destructive organisms. All material that is in such poor condition as to render it

unusable will be destroyed to remove the risk of contamination or infestation.

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

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

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

The proceeds of disposal through sale, if this exceptional circumstance arises, will be applied solely and directly for the benefit of the museums' collection. Money raised will be

restricted to the long-term sustainability, use and development of the collection.

14.3 Heritage assets on the balance sheet (Group and Museum)

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

In the Trustees' opinion, conventional valuation approaches lack sufficient reliability and any valuation is likely to incur significant cost that is likely to be onerous. Even if valuations could be obtained this would not be at a cost commensurate with any benefits to the Group's management, curatorial staff, the public or users of the financial statements.

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

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

Summary of heritage assets on balance sheet

	Purchased		Donated		Total	
	£000	No.	£000	No.	£000	No.
2002-14	3,716	43	10,240	67	13,956	110
2014-15	111	7	131	6	242	13
2015-16	134	8	3,708	13	3,842	21
2016-17	1,169	12	2,247	21	3,416	33
2017-18	120	7	525	18	645	25
2018-19	22	3	65	7	87	10
At 31 March 2019	5,272	80	16,916	132	22,188	212

Analysis of heritage assets

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

Summary analysis of heritage asset transactions

	2019 £000	2018 £000	2017 £000	2016 £000	2015 £000
Purchases	22	120	1,169	134	111
Donations	65	525	2,247	3,708	131
Total additions	87	645	3,416	3,842	242
Disposals*	4,500	290	605	-	-

* During 2018-19 the RPS Collection was transferred to the Victoria and Albert Museum.

14.4 Collection subcategories

	Estimated number of items at 31 March 2019	Number of items capitalised at 31 March 2019
Science Museum		
Scientific instruments	26,108	17
Commerce and industry	43,757	56
Medical	19,174	8
Art	7,340	12
Coins and medals	903	1
Library and archive collections	707,182	10
National Railway Museum		
Railway origins	5,265	1
Locomotives and rolling stock	2,986	4
Railway life and work	20,300	20
Railway image and sound collections	18,142	1
Railways and culture	4,377	2
Library and archive collections	2,962,291	4
Handling collections	226	–
National Science and Media Museum		
Photographic collections	10,846	27
Printed materials and ephemera	352	–
Cinematography	3,033	4
Photographic technology	11,337	–
Television and broadcast	2,873	33
Library and archive collections	3,485,075	2
Science and Industry Museum		
Science and technology	2,895	3
Industrial heritage	5,374	5
Transport	1,357	1
Communications	2,842	–
Energy	5,013	–
Community history	7,139	1
	7,356,187	212

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

15 Intangible assets

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

16 Investments

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

Group	Fair value at 31 March 2018 £000	Additions/ accumulated dividends ^[A] £000	Disposals £000	Investment gains/(losses) £000	Fair value at 31 March 2019 £000
<i>Fixed asset investments</i>					
<i>Funds</i>					
International equities	7,593	154	–	747	8,494
UK equities	4,419	167	–	82	4,668
Sterling corporate bonds	2,766	61	–	41	2,868
Cash funds	1,266	5	–	2	1,273
Total fixed asset investments	16,044	387	–	872	17,303
<i>Current asset investments^[B]</i>					
<i>Funds</i>					
Money market funds	5,001	–	–	37	5,038
Total current asset investments	5,001	–	–	37	5,038
Total investments	21,045	387	–	909	22,341

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

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

Short-term deposits

	Group 2019 £000	Group 2018 £000	Museum 2019 £000	Museum 2018 £000
Treasury deposits	–	10,730	–	4,230
Notice accounts	1,027	3,012	1,027	3,012
Total short-term deposits	1,027	13,742	1,027	7,242

Investments in trading subsidiary

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

The carrying value of the Science Museum Group's investment in SCMG Enterprises Ltd, which is held at historic cost in the parent's balance sheet, is £411k (2017-18: £411k).

SCMG Enterprises Ltd profit and loss

	2019 Total £000	2018 Total £000
Turnover	15,310	15,936
Cost of sales	(4,918)	(4,982)
Gross profit	10,392	10,954
Other operating income	24,415	22,753
Rental income	74	70
Administrative expenses	(31,119)	(26,261)
Operating profit	3,762	7,516
Interest receivable	20	3
Interest payable	(22)	(17)
Profit on ordinary activities	3,760	7,502

Operating profit includes sponsorship and consultancy income activities of £1,207k (2017-18: £4,164k) and core trading activities of £2,555k (2017-18: £3,352k). Sponsorship and consultancy income in 2017-18 included amounts relating to the Soyuz tour and the development of an interactive gallery in Queensland, Australia.

SCMG Enterprises balance sheet

	2019 Total £000	2018 Total £000
Fixed assets	4,307	1,693
Current assets	13,237	16,360
Creditors: amounts due within one year	(13,058)	(16,190)
Net current assets	179	170
Creditors: amounts due over one year	(1,293)	(1,293)
Provisions	(107)	(192)
Net assets	3,086	378
Share capital	–	–
Profit and loss account	129	121
Revaluation reserve	2,957	257
Total shareholder's equity	3,086	378

17 Debtors

	Group 2019 £000	Group 2018 £000	Museum 2019 £000	Museum 2018 £000
<i>Current debtors</i>				
Trade debtors	6,185	4,377	3,278	1,852
Provision for bad debts	(108)	(96)	(31)	(27)
<i>Net trade debtors</i>	6,077	4,281	3,247	1,825
Other debtors	405	509	145	291
Prepayments and accrued income	13,493	5,516	12,104	4,481
Taxation and social security	1,084	993	2,518	1,326
Intercompany current account	-	-	2,598	7,972
<i>Total current debtors</i>	21,059	11,299	20,612	15,895
<i>Non-current debtors</i>				
Accrued income	1,599	3,455	1,599	2,155
Loans to subsidiary	-	-	1,293	1,293
<i>Total non-current debtors</i>	1,599	3,455	2,892	3,448
Total debtors	22,658	14,754	23,504	19,343

Ageing of debtors

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

	Trade debtors £000	Less than 30 days £000	30-60 days old £000	More than 60 days £000
Group				
As at 31 March 2019	6,077	1,331	3,181	1,565
As at 31 March 2018	4,281	3,042	752	487
Museum				
As at 31 March 2019	3,247	298	2,417	532
As at 31 March 2018	1,825	1,516	74	235

Credit risk

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

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

	Group 2019 £000	Group 2018 £000	Museum 2019 £000	Museum 2018 £000
Provision at start of financial year/period	96	83	27	31
Utilised in the year	(20)	(41)	(14)	–
Increase in provision	37	60	19	2
Bad debts recovered	(1)	(6)	(1)	(6)
Reversal of provision	(4)	–	–	–
Balance at 31 March	108	96	31	27

Loan to trading subsidiary

Purpose of loan	2019 £000	2018 £000	Interest payable
Purchase of land at Leeman Road, York	1,293	1,293	1% above Bank of England base rate
	1,293	1,293	

The loan held by the trading subsidiary is repayable on demand and secured by a floating charge on all of the subsidiary's assets. The Museum has confirmed that it will not call for repayment of the loan until at the earliest 30 June 2020 and then subject to the ability of the subsidiary to make repayments.

18 Cash and cash equivalents

	Group 2019 £000	Group 2018 £000	Museum 2019 £000	Museum 2018 £000
Cash and cash equivalents	10,282	8,673	2,790	4,967
Money market funds	14,933	9,857	14,933	9,857
	25,215	18,530	17,723	14,824

19 Creditors

Amounts falling due within one year

	Group 2019 £000	Group 2018 £000	Museum 2019 £000	Museum 2018 £000
Trade creditors	2,024	3,718	1,920	3,399
Other creditors	6,273	6,110	2,095	1,978
Accruals and deferred income	12,603	5,315	8,442	3,693
Taxation and social security	715	646	132	133
Loans from DCMS	1,120	1,106	1,120	1,106
	22,735	16,895	13,709	10,309

Amounts falling due after one year

	Group 2019 £000	Group 2018 £000	Museum 2019 £000	Museum 2018 £000
Deferred income	–	1,300	–	–
Loans from DCMS	5,278	4,316	5,278	4,316
	5,278	5,616	5,278	4,316

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

Deferred income balances comprise rental income received in advance and recognised over the lease term, income received in advance for events and rental contracts, and sponsorship for exhibitions or galleries not yet open. The table below summarises the movement in the year.

	Group 2019 £000	Group 2018 £000	Museum 2019 £000	Museum 2018 £000
<i>Current</i>				
Opening balance	1,239	2,307	203	313
Additions	2,609	1,139	331	170
Reclassification from non-current	1,300	33	–	33
Released to income	(1,239)	(2,240)	(203)	(313)
<i>Total current deferred income</i>	3,909	1,239	331	203
<i>Non-current</i>				
Opening balance	1,300	33	–	33
Additions	–	1,300	–	–
Reclassification to current	(1,300)	(33)	–	(33)
<i>Total non-current deferred income</i>	–	1,300	–	–
Total deferred income	3,909	2,539	331	203

20 Provisions (Group and Museum)

	Dilapidations	Restructuring costs	Added-years pensions	Total
	£000	£000	£000	£000
2018-19				
Balance brought forward	–	31	53	84
Utilised	–	(17)	(7)	(24)
Reversed	–	(14)	(6)	(20)
Provision made in year	–	–	–	–
Balance carried forward	–	–	40	40
Due within one year	–	–	7	7
Due after one year	–	–	33	33
2017-18	£000	£000	£000	£000
Balance brought forward	43	43	55	141
Utilised	(35)	(39)	(7)	(81)
Reversed	(8)	(4)	–	(12)
Provision made in year	–	31	5	36
Balance carried forward	–	31	53	84
Due within one year	–	31	7	38
Due after one year	–	–	46	46

Dilapidations

The balance represented the best estimate of the cost of making good dilapidations or other damage to properties that the Group had previously leased for collections storage but subsequently exited.

Restructuring costs

The 2017-18 balance reflected the best estimate of costs arising from two change programmes being undertaken by the Group at the period end. There were no change programmes in place at 31 March 2019.

Added-years pension costs

In accordance with FRS 102 the sum provided is equivalent to the present value of expenditures expected to be required to settle the obligation to pay for the added-years benefits gifted to two former Science and Industry Museum employees. The amount of the provision anticipates annual increases of 2.50% (2017-18: 2.50%). In accordance with Treasury guidance the discount factor applied is 2.55% (2017-18: 0.10%).

21 Pensions (Group and Museum)

For details of the Civil Service and SCMG Enterprises Ltd pension schemes, see Note 12.

Greater Manchester Pension Fund

The Science Museum Group is an admitted body of the Greater Manchester Pension Fund ('the fund') which is part of the Local Government Pension Scheme ('the LGPS'). A defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme Regulations, it was contracted out of the State Second Pension until 6 April 2016. The last formal completed triennial valuation of the fund was carried out at 31 March 2016. The results of this valuation have been projected forward to 31 March 2019 using approximate methods. Results schedules were prepared by qualified independent actuaries Hymans Robertson LLP for 31 March 2019. The actuarial calculations are based on individual membership data submitted at 31 March 2016 for the purposes of the formal funding valuation at that date.

Major assumptions

The major assumptions used by the actuary were:

	2019	2018
Rate of increase in salaries	3.3%	3.2%
Rate of increase in pension	2.5%	2.4%
Discount rate	2.4%	2.6%

Mortality assumptions are identical to those used in the previous accounting period. The average life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	21.5 years	24.1 years
Future pensioners ^[A]	23.7 years	26.2 years

[A] Figures assume members aged 45 as at the last formal valuation date.

Fair value of employer's assets

	Fair value £000	2019 Proportion	Fair value £000	2018 Proportion
Equities	10,164	69%	9,025	66%
Bonds	2,210	15%	2,188	16%
Property	1,178	8%	957	7%
Cash	1,178	8%	1,504	11%
Total of net assets	14,730	100%	13,674	100%

Balance sheet liability

	2019 £000	2018 £000
Fair value of employer's assets	14,730	13,674
Present value of scheme liabilities	(21,100)	(19,071)
Net pension liability recognised on balance sheet	(6,370)	(5,397)

Statement of Financial Activities

	2019 £000	2018 £000
Service cost		
Current service cost	284	273
Past service cost (including curtailments)	5	–
Total service cost	289	273
Net interest		
Interest income on plan assets	(356)	(331)
Interest cost on defined benefit obligation	495	477
Total net interest	139	146
Total defined benefit cost recognised in Statement of Financial Activities	428	419

Other comprehensive income

	2019 £000	2018 £000
Remeasurements		
Changes in demographic assumptions	–	–
Changes in financial assumptions	(1,573)	483
Other experience	–	–
Return on assets excluding amounts included in net interest	661	72
Total remeasurements recognised in other comprehensive income	(912)	555

Movement in scheme obligation during the year

	2019 £000	2018 £000
Opening defined benefit obligation	19,071	19,141
Current service cost	284	273
Past service cost (including curtailments)	5	–
Interest on scheme liabilities	495	477
Contributions by scheme participants	65	108
Benefits paid	(393)	(445)
Actuarial losses/(gains)	1,573	(483)
Closing defined benefit obligation	21,100	19,071

Changes in fair value of scheme assets during the year

	2019 £000	2018 £000
Opening fair value of employer's assets	13,674	13,258
Interest income on plan assets	356	331
Contributions by members	65	108
Contributions by employer	367	350
Benefits paid	(393)	(445)
Return on assets, excluding amounts in net interest income	661	72
Closing fair value of employer's assets	14,730	13,674

Projected pension expense for the year to 31 March 2020

	£000	% of pay
Projected current service cost	324	33.8%
Interest income on plan assets	(353)	(36.8%)
Interest on obligation	506	52.7%
Total	477	49.7%

The estimate of the employer's contributions in the year to 31 March 2020 is approximately £367k.

At the last formal valuation, there was a shortfall of assets relative to the assessed cost of members' benefits on the target funding basis. Funding rates have been set for the triennial period to March 2020 and include annual deficit reduction payments of £153k. Total contributions in 2018-19 were expected to be £367k.

Sensitivities

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	Approximate % increase to employer liability	Approximate monetary amount £000
0.5% decrease in real discount rate	14	2,961
0.5% increase in salary increase rate	2	405
0.5% increase in pension increase rate	12	2,507
One-year increase in member life expectancy	3-5	-

22 Commitments under operating leases

At the balance sheet date total minimum lease payments due under operating leases were as follows:

	Land and buildings £000		Vehicles £000		Equipment £000		Total £000	
	2019	2018	2019	2018	2019	2018	2019	2018
Within one year	11	11	45	43	44	43	100	97
In second to fifth year	44	44	32	63	121	162	197	269
After more than five years	456	467	-	-	-	-	456	467
	511	522	77	106	165	205	753	833

23 Capital commitments

At the balance sheet date, contracted commitments not recognised in the accounts totalled £31.4m (March 2018: £13.5m), including £3.5m for the Medicine Galleries (March 2018: £8.5m), £19.8m (March 2018: £0.7m) for One Collection and £1.0m for *Science City 1550-1800: The Linbury Gallery*.

24 Statement of funds (consolidated)

2018-19 (consolidated)	Brought forward £000	Income £000	Expenditure £000	Investment gains/ (losses) £000	Net income/ (exp.) £000	Revaluation £000	Transfers £000	Carried forward £000
Restricted funds								
Grants and donations fund	10,714	31,486	(8,392)	–	23,094	–	(18,548)	15,260
Collection purchases fund	–	315	–	–	315	–	(65)	250
Buildings sale fund	29,964	466	(203)	909	1,172	–	(2,713)	28,423
Capital assets fund	185,884	–	(12,062)	–	(12,062)	–	21,293	195,115
Total restricted funds	226,562	32,267	(20,657)	909	12,519	–	(33)	239,048
Endowment fund	79	1	–	–	1	–	–	80
Unrestricted funds								
<i>Designated funds</i>								
Museum improvement fund	10,026	–	(1,397)	–	(1,397)	–	(2,272)	6,357
Collection purchases fund	107	–	(89)	–	(89)	–	184	202
Capital assets fund	23,834	–	(1,938)	–	(1,938)	–	2,478	24,374
Capital asset revaluation fund	248,774	–	(8,586)	–	(8,586)	5,061	–	245,249
	282,741	–	(12,010)	–	(12,010)	5,061	390	276,182
Defined benefit pension deficit fund	(5,397)	–	(428)	–	(428)	(912)	367	(6,370)
General funds	1,541	63,132	(62,412)	–	720	–	(724)	1,537
Total unrestricted funds	278,885	63,132	(74,850)	–	(11,718)	4,149	33	271,349
Total funds	505,526	95,400	(95,507)	909	802	4,149	–	510,477

2017-18 (consolidated)	Brought forward £000	Income £000	Expenditure £000	Investment income £000	Net income/ (exp.) £000	Revaluation £000	Transfers £000	Carried forward £000
Restricted funds								
Grants and donations fund	2,562	22,019	(5,283)	-	16,736	-	(8,584)	10,714
Collection purchases fund	-	541	-	-	541	-	(541)	-
Buildings sale fund	29,711	418	-	(165)	253	-	-	29,964
Capital assets fund	190,998	50	(6,597)	-	(6,547)	-	1,433	185,884
Total restricted funds	223,271	23,028	(11,880)	(165)	10,983	-	(7,692)	226,562
Endowment fund	78	1	-	-	1	-	-	79
Unrestricted funds								
<i>Designated funds</i>								
Museum improvement fund	5,572	-	(70)	-	(70)	-	4,524	10,026
Collection purchases fund	-	-	-	-	-	-	107	107
Capital assets fund	27,607	-	(2,341)	-	(2,341)	-	(1,432)	23,834
Capital asset revaluation fund	235,010	-	(8,383)	-	(8,383)	23,355	(1,208)	248,774
	268,189	-	(10,794)	-	(10,794)	23,355	1,991	282,741
Defined benefit pension deficit fund	(5,883)	-	(419)	-	(419)	555	350	(5,397)
General funds	1,574	64,754	(70,138)	-	(5,384)	-	5,351	1,541
Total unrestricted funds	263,880	64,754	(81,351)	-	(16,597)	23,910	7,692	278,885
Total funds	487,229	87,783	(93,231)	(165)	(5,613)	23,910	-	505,526

2018-19 (Museum)	Brought forward £000	Income £000	Expenditure £000	Investment income £000	Net income/ (exp.) £000	Revaluation £000	Transfers £000	Carried forward £000
Restricted funds								
Grants and donations fund	10,714	31,486	(8,392)	-	23,094	-	(18,548)	15,260
Collection purchases fund	-	315	-	-	315	-	(65)	250
Buildings sale fund	29,964	466	(203)	909	1,172	-	(2,713)	28,423
Capital assets fund	185,692	-	(11,977)	-	(11,977)	-	21,293	195,008
Total restricted funds	226,370	32,267	(20,572)	909	12,604	-	(33)	238,941
Endowment fund	79	1	-	-	1	-	-	80
Unrestricted funds								
<i>Designated funds</i>								
Museum improvement fund	10,026	-	(1,397)	-	(1,397)	-	(2,272)	6,357
Collection purchases fund	107	-	(89)	-	(89)	-	184	202
Capital assets fund	23,834	-	(1,938)	-	(1,938)	-	2,478	24,374
Capital asset revaluation fund	248,516	-	(8,586)	-	(8,586)	2,361	-	242,291
	282,483	-	(12,010)	-	(12,010)	2,361	390	273,224
Defined benefit pension deficit fund	(5,397)	-	(428)	-	(428)	(912)	367	(6,370)
General funds	1,831	52,218	(51,507)	-	711	-	(724)	1,818
Total unrestricted funds	278,917	52,218	(63,945)	-	(11,727)	1,449	33	268,672
Total funds	505,366	84,486	(84,517)	909	878	1,449	-	507,693

Funds

Fund	Description
Grants and donations fund	Funds where donors or grant-makers have specified the uses to which they may be put or have placed certain restrictions on the use of the funds
Collection purchases fund	Amounts restricted (in the restricted fund) or designated (in the unrestricted fund) for purchase of collection items
Buildings sale fund	Disposal proceeds over which there are specific conditions relating to their application to certain capital projects in London, Bradford and the National Collections Centre at Wroughton
Capital assets funds	Funds relating to capital assets on the balance sheet which are fully employed in the operation of the Group and are not available for any other purpose
Capital asset revaluation fund	Funds representing the revaluation of capital assets
Museum improvement fund	Unrestricted funds set aside by the Trustees for specific projects, both capital and revenue, principally expected to be expended within the next year
Defined benefit pension deficit fund	Funds related to the Science and Industry Museum defined benefit pension liability
General funds	Expendable unrestricted funds

Grants and donations fund

	2019 Total £000	2018 Total £000
Science Museum Medicine Galleries	3,458	4,457
David and Claudia Harding Foundation explainers	3,000	–
Science and Industry Museum Special Exhibition Gallery	2,204	1,887
Evans Car Fund	1,060	–
<i>Superbugs</i> tour	695	71
<i>Science City 1550–1800: The Linbury Gallery</i>	693	1,233
National Railway Museum legacies	664	653
Audience of the Future augmented reality	615	–
One Collection	594	594
Science Museum main store development	286	355
Wellcome Trust medical fellowship	222	259
<i>Time, Culture and Identity</i>	186	–
COMnPLAY	184	–
<i>Feeding Tomorrow</i>	153	153
Manchester International Festival Atmospheric Memory	150	–
SPARKS	100	47
Science Museum Smith Centre	–	100
<i>Other funds below £100k</i>	996	905
Total grants and donations fund	15,260	10,714

Museum improvement fund

	2019 Total £000	2018 Total £000
One Collection	4,436	1,149
Science and Industry Museum Special Exhibition Gallery	1,071	930
Locomotion capital improvements	528	555
Touring projects	173	803
Learning projects	50	527
Future infrastructure projects	–	3,192
Illuminate	–	2,185
National Railway Museum Great Hall improvements	–	220
Finance system implementation	–	200
<i>Other funds below £100k</i>	99	265
Total museum improvement fund	6,357	10,026

General funds

The Trustees seek to maintain unrestricted general funds not committed or invested in tangible fixed assets at a level equivalent to three months' worth of non-contractual income. The Trustees agreed at their meeting in March 2019 that £1.5m was an appropriate level of reserves to hold in this respect.

Transfers of funds

	Restricted					Unrestricted							
	Grants and donations fund	Collection purchases fund	Buildings sale fund	Capital assets fund	Total restricted	Museum improvement fund	Collection purchases fund	Capital assets fund	Capital asset revaluation fund	Defined benefit pension deficit fund	General funds	Total unrestricted	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
2018-19													
Collection fund income	-	-	-	-	-	-	205	-	-	-	(205)	-	-
Purchase of fixed assets	(18,548)	-	(2,713)	21,261	-	(2,000)	-	2,424	-	-	(424)	-	-
Purchase of heritage assets	-	(65)	-	65	-	-	(21)	21	-	-	-	-	-
Transfer of heritage asset funds	-	-	-	(33)	(33)	-	-	33	-	-	-	33	-
Net release of funds designated for future expenditure	-	-	-	-	-	(272)	-	-	-	-	272	-	-
Net pension costs incurred	-	-	-	-	-	-	-	-	-	367	(367)	-	-
Net transfers of funds	(18,548)	(65)	(2,713)	21,293	(33)	(2,272)	184	2,478	-	367	(724)	33	-
2017-18													
Collection fund income	-	-	-	-	-	-	205	-	-	-	(205)	-	-
Fixed asset purchases/impairment	(8,577)	-	-	8,166	(411)	-	-	(1,530)	158	-	1,783	411	-
Disposal of Blythe House	-	-	-	(7,181)	(7,181)	-	-	-	(1,366)	-	8,547	7,181	-
Purchase of heritage assets	(7)	(541)	-	548	-	-	(98)	98	-	-	-	-	-
Designation of funds for future expenditure	-	-	-	-	-	4,524	-	-	-	-	(4,524)	-	-
Release of spent restricted funds	-	-	-	(100)	(100)	-	-	-	-	-	100	100	-
Net pension costs incurred	-	-	-	-	-	-	-	-	-	350	(350)	-	-
Net transfers of funds	(8,584)	(541)	-	1,433	(7,692)	4,524	107	(1,432)	(1,208)	350	5,351	7,692	-

Transfers of funds (continued)**2018-19**

Transfer	Description
Collection fund income	Designation of £205k for collection purchases in 2018-19.
Purchase of fixed assets	Fixed assets purchased from restricted and unrestricted funds, including the buildings sale fund arising on the sale of the Post Office Building in London – the transfer from restricted to unrestricted represents a change in the funding mix for specific assets.
Purchase of heritage assets	Heritage assets purchased from restricted and unrestricted funds.
Transfer of heritage asset funds	On transfer of the RPS Collection to the Victoria and Albert Museum, a realignment of the funds held against the heritage assets still on the balance sheet.
Net release of funds designated for future expenditure	Designation of funds for future expenditure on the One Collection project and the Science and Industry Museum Special Exhibition Gallery, offset by the release of funds designated for infrastructure improvement works in 2018-19, these works being funded by Grant in Aid.
Net pension costs incurred	Transfer to the specific reserve of costs incurred in relation to the defined benefit pension scheme.

2017-18

Transfer	Description
Collection fund income	Designation of £205k for collection purchases in 2017-18.
Fixed asset purchases/impairment	Fixed assets purchased in 2017-18 from restricted and unrestricted funds – the transfer from restricted to unrestricted represents a change in the funding mix for specific assets.
Disposal of Blythe House	Release of reserves held against future depreciation of Blythe House.
Purchase of heritage assets	Heritage assets purchased from restricted and unrestricted funds.
Designation of funds for future expenditure	Designation of funds for future expenditure on infrastructure improvement works over 2018-19 and on construction of an events space at the Science Museum and the Museum of Science and Industry Special Exhibition Gallery.
Release of spent restricted funds	Release of grant funding received in previous periods for restricted rental income and charged to the capital asset fund.
Net pension costs incurred	Transfer to the specific reserve of costs incurred in relation to the defined benefit pension scheme.

25 Analysis of net assets by fund

Fund balances at 31 March 2019 are represented by:

	Restricted £000	Endowment £000	Unrestricted £000	Total £000
Tangible assets	174,559	–	274,998	449,557
Heritage assets	20,130	–	2,058	22,188
Intangible assets	427	–	205	632
Investments	17,303	–	–	17,303
Current assets	31,478	80	23,662	55,220
Current liabilities	(4,849)	–	(17,886)	(22,735)
Long-term creditors	–	–	(5,278)	(5,278)
Provisions	–	–	(40)	(40)
Pensions liability	–	–	(6,370)	(6,370)
Total of net assets	239,048	80	271,349	510,477

26 Financial instruments

Liquidity risk

Approximately 50% of the Science Museum Group's income is provided by Grant in Aid from DCMS and 16% of the Group's income is from a wide range of commercial activities. As the cash requirements of the charity are met largely through Grant in Aid, financial instruments have less potential for creating risk than they would in a non-public-sector body of a similar size. The majority of financial instruments relate to contracts to buy non-financial items in line with the Group's purchase and usage requirements and the Group is therefore exposed to little credit, liquidity or market risk.

The foreign currency risk is negligible as substantially all income and expenditure and material assets and liabilities are denominated in sterling.

Financial assets by category

	Note	2019 £000	2018 £000
Fixed asset investments	16	17,303	16,044
Current investments	16	5,052	5,001
Trade debtors	17	6,185	4,281
Other debtors	17	405	509
Short-term deposits	16	1,027	13,742
Cash and cash equivalents	18	25,215	18,530

The above figures exclude statutory debtors which relate to VAT due from HM Revenue & Customs. None of the financial assets have been subject to impairment other than trade debtors in respect of provision for bad debts.

Financial liabilities by category

	Note	2019 £000	2018 £000
Trade creditors	19	2,024	3,718
Other creditors	19	6,273	6,110
Accruals	19	8,696	4,076
Museum loans (from DCMS)	19	6,398	5,422

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

27 Cash flow information

Reconciliation of net income/expenditure to net cash from operating activities

	Notes	2019 £000	2018 £000
Net income/(expenditure)		802	(5,613)
Adjustments for:			
Net (gains)/losses on investments	16	(909)	165
Investment income	7/16	(544)	(484)
Interest payable		97	82
Depreciation and amortisation charge	13/15	16,589	16,902
Loss on disposal of Blythe House	13	–	8,547
Loss on disposal of other fixed assets	13	739	408
Impairment of fixed assets	13	759	589
Loss on disposal of heritage assets	14	4,500	290
Donated fixed and heritage assets	14	(65)	(525)
Net movement on provisions	20	(44)	(57)
Greater Manchester Pension Fund scheme costs	21	61	69
(Increase)/decrease in stocks		(121)	65
(Increase) in debtors	17	(7,904)	(6,996)
Increase in creditors ^[A]	19	1,760	6,848
Net cash from operating activities		15,720	20,290

[A] Excluding bank loans and capital accruals.

Analysis of changes in net fund

	Notes	2018 £000	Cash flows £000	2019 £000
Cash at bank and in hand	18	18,530	6,685	25,215
Current asset investments	16	5,001	51	5,052
Short-term deposits	16	13,742	(12,715)	1,027
Museum loans (from DCMS)	19	(5,422)	(976)	(6,398)
Net funds		31,851	(6,955)	24,896

28 Related-party transactions

Sponsoring department

The Science Museum Group is an executive non-departmental public body whose parent body is the Department for Digital, Culture, Media & Sport (DCMS). DCMS is regarded as a related party. During the year, the Group had a number of material transactions in the normal course of business with DCMS and with other entities for which DCMS is regarded as the parent department. This includes the National Lottery Heritage Fund, which provided grant funding to the Group during the course of the year.

Related entities

The Director of the Science Museum Group acts as Accounting Officer for the National Coal Mining Museum for England, and the Group provided grant funding to that museum during the year.

The Science Museum Group has a close relationship with the Science Museum Foundation (charity no. 1148691, 'the Foundation') whose objectives are to support the activities of the Group or any other organisation that advances related charitable purposes. This charity is independent of the Group and during the year only one Trustee served on the Boards of both the Group and the Foundation. None of the Foundation's activities or assets have been consolidated in this report, but an administration fee of £4k (2017-18: £3k) paid by the Foundation to the Group for company secretarial services was recorded as income for the Group in the year.

Trustees and Executive

Trustees, Directors and employees of the Group are entitled to discounts on purchases from the Group's shops and cafés.

A number of Trustees and their family members are Patrons of the Group.

The Group also entered into other material related-party transactions during the course of the year with bodies connected to Trustees, as shown below.

Related party	Nature of relationship	Income £000	Expenditure £000	Outstanding balances due from/ (due to) at year end £000	Nature of transaction
British Science Association	Lord Willetts served as Chair of the related party during the year	57	–	–	Service charges for rental of office space in London
Chartered Institute of Marketing	Lord Grade of Yarmouth served as Vice President of the related party during the year	–	3	–	Membership fees
De Montfort University	Sir Ian Blatchford served as Chair of the related party during the year	13	–	–	Donation of Chairman's remuneration
Imperial College London	Dame Mary Archer served as Chair of the Imperial College Health Partners Advisory Council during the year	72	5	1	Reimbursement of capital costs relating to the old Post Office Building, outreach workshop costs, robotics event costs, venue hire fees; wireless network connection fees
Independent Transport Commission	Mr Simon Linnett served as a patron of the related party during the year	3	–	–	Event hire
King's College London	Lord Willetts and Professor David Phoenix were visiting professors at the related party during the year	38	–	–	Grant funding for Energy Store research project, reimbursement of catering costs
Network Rail	Ms Sharon Flood served as a remunerated director of the related party during the year	307	2	13	Rental of runway at Wroughton airfield; maintenance of and connection to UK railway network
Pricewaterhouse Coopers LLP	A member of Mr Iain McIntosh's close family was a partner at the related party during the year	–	111	–	Internal audit services, tax advice

Related party	Nature of relationship	Income £000	Expenditure £000	Outstanding balances due from/ (due to) at year end £000	Nature of transaction
Royal College of Physicians	Professor Ajit Lalvani was Vice Chair of the Research and Academic Medicine Committee of the related party during the year	7	–	–	Loan fees, event hire
The Royal National Theatre	Lord Grade of Yarmouth was a Gold Member of the related party during the year	–	1	–	Training fees
The Royal Society	Lord Willetts served as a member of the President's Advisory Committee of the related party during the year	–	15	–	Venue and catering hire fees
University of Cambridge	Ms Sharon Flood was a non-executive council member of the related party during the year	14	31	–	Event hire; academic salary costs

29 Post balance sheet events

The financial statements were authorised for issue by the Trustees and Accounting Officer on the date they were certified by the Comptroller and Auditor General.

In April 2019 the Group purchased the Barnard Toppion clock, which had been donated to the UK Government in lieu of inheritance tax. The Group paid £250,000 for the clock, this amount representing the shortfall between its valuation and the inheritance tax liability.

