

# NMSI Account 2004-05



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**National Museum of Science & Industry**

**(NMSI) family members:**

Science Museum

National Railway Museum

National Museum of Photography, Film & Television

NMSI Trading Limited

# National Museum of Science and Industry

Account 2004-05

Account of the National Museum of Science and Industry prepared pursuant to Museums and Galleries Act 1992, C44, para 9 (4) for the year ended March 2005, together with the Report of the Comptroller and Auditor General thereon.

Presented pursuant to Museums and Galleries Act 1992, para 9 (8)

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# NMSI Account 2004–05

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# Trustees' Annual Report

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# NMSI mission, values and strategy

## 1.1 Mission and values

NMSI has set out a bold strategic vision for the role that its Museums should play in the twenty-first century:

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

NMSI activities are characterised by six fundamental values:

- We create social capital
- We champion sustainable development
- We offer the real thing
- We maintain integrity and quality
- We create enjoyment
- We encourage boldness and innovation.

## 1.2 NMSI strategy 2004–05

NMSI's long-term strategic goals are based on a commitment to achieving a balance in its entire range of activities. This embraces four main areas:

- Engaging with an ever broader audience and providing a range of cultural products which enables visitors to learn and enjoy themselves at the same time
- Achieving targets for income generation and financial efficiency in an increasingly challenging fiscal environment
- Providing opportunities for our staff to become more experienced and capable
- Making sure the organisation continues to get better at how it does things and becomes more sustainable.

To deliver its vision, NMSI will continue to exploit its unique selling points – first-rate expertise, unequalled venues, pre-eminent collections and real experiences – to the full. It will provide a unique forum for debate about society's relationship with science and technology, medicine, transport, sustainable development, the media, photography, film and television. It will use technological advances and the proliferation of electronic and broadcasting channels to address new audiences. It will develop seamless suites of major exhibition, publication, traditional broadcast, interactive broadcast, Web, broadband, wireless and new-media projects to maximise outreach.

NMSI will continue to take full heed of governmental objectives. These include the four strategic priorities of our sponsoring body, the Department for Culture, Media and Sport:

- **Children and young people:** Further enhance access to culture and sport for children and give them the opportunity to develop their talents to the full and enjoy the benefits of participation
- **Communities:** Increase and broaden the impact of culture and sport, to enrich individual lives, strengthen communities and improve the places where people live, now and for future generations
- **Economy:** Maximise the contribution that the tourism, creative and leisure industries can make to the economy
- **Delivery:** Modernise delivery by ensuring our sponsored bodies are efficient and work with others to meet the cultural and sporting needs of individuals and communities.

New legislation such as the Disability Discrimination Act and the Freedom of Information Act, new requirements in areas such as pension provision and electronic records management, and new Treasury resource accounting procedures will all be respected.

# Review of activities in 2004-05

## 2.1 Increasing access and engaging the public in dialogue

NMSI has continued to increase and enhance access to the national collections and engage the public in a dialogue about the past, present and future of human ingenuity.

### National Railway Museum

Locomotion: the National Railway Museum at Shildon opened in September 2004. A partnership between NMSI and Sedgfield Borough Council, this is the first national museum in the Northeast, and it has already become a significant visitor attraction. By 31 March we had welcomed 112,600 visitors, against a target for the year of 60,000. The Museum provides public access for the first time to over 60 historic locomotives and rolling stock, supported by interactive exhibits on a site nearly 1 km long. Hailed by the Prime Minister Tony Blair as 'very bold and imaginative' and 'a fantastic resource', Locomotion was short listed as a finalist for the Gulbenkian prize for Museum of the Year and won 'best new permanent exhibition' in the 2005 Museum and Heritage Awards.

The *Flying Scotsman* locomotive was acquired for the national collection at York in April 2004, following an overwhelming show of public support. Since its acquisition the legendary locomotive has provided the public with summer excursions between York and Scarborough. This year, 17,000 people travelled behind *Flying Scotsman*. Meanwhile NRM staff have been working on a new display to interpret the *Flying Scotsman*, due to open in April 2006.

In May/June 2004, NRM held *Railfest*, a festival to celebrate the 200th anniversary of the steam locomotive. The event was a huge success, with 70,000 visitors in just nine days. The festival was launched by the arrival of the *Flying Scotsman* at its new home. Visitors could ride on steam icons such as *City of Truro* and a fully operational replica of Stephenson's *Rocket*, watch demonstrations of the world's only working replica of *Penydarren*, the first steam locomotive, and participate in numerous activities.

A Website was launched to accompany the festival: *Moving Stories* invited the public to contribute their own poems and stories about travel, and the 200 best entries are currently being selected for display on the site.

In March we celebrated National Science Week and York Science Festival with a programme of creative and interactive science and technology events.

In addition to providing access on site, the NRM maintains loans of locomotives and other items of rolling stock to more than 60 museums and heritage sites around the country. Highlight of the year was the tour of the southwest of England by *City of Truro* to celebrate the 100th anniversary of its becoming the first steam locomotive to reach 100 mph. Tens of thousands of people lined the tracks between Bristol and Devon as it repeated its record-breaking journey.

### National Museum of Photography Film & Television

Following the opening of Gallery 2 last year, the NMPFT was able to increase the number of photographic exhibitions it held, and provide space for simultaneous related exhibitions.

The galleries hosted two parallel exhibitions by Luc Delahaye at the beginning of the year – *Photographs* and *Winterreise*. Delahaye won the inaugural £30,000 Deutsche Börse Photography Prize 2005 for *Photographs*, which was put together by the artist in collaboration with the NMPFT exhibitions team. The exhibition attracted widespread national press coverage and was visited by over 16,000 people at NMPFT.

A highlight of the year was *A Gentle Madness*, the first retrospective of Tony Ray-Jones in ten years. Ray-Jones was a formative influence on the independent photography movement in Britain. This exhibition was created by NMPFT and toured internationally, providing an opportunity to see an important body of work rarely shown before.

*Everything's Gone Green: Photography and the Garden* was a critically acclaimed exhibition created by the NMPFT and drawing primarily on its own collections. This was shown in parallel with *Landscapes and Gardens*, the first major UK show by the German photographer Simone Nieweg.

NMPFT opened 2005 with two new exhibitions that have been adapted by the NMPFT to build stronger links

with the collection and to reflect the cultural differences of the Yorkshire region. *Forget Me Not – Photography and Remembrance* is an expanded version of Geoffrey Batchen's exhibition that was first shown at the Van Gogh Museum, Amsterdam, in 2004. For the NMPFT showing, local residents were invited to contribute their own photographic creations. Hans van der Meer's acclaimed *Dutch Fields* is supplemented with a new commission from the photographer on local amateur football.

NMPFT had a very successful year with its three major film festivals:

- The 11th Bradford Film Festival was held in March, and attracted national attention and international guests, from Mike Hodges to Herbert Lom
- *Bite the Mango*, the festival celebrating world cinema, saw a 100% rise in attendances for its 10th anniversary this year. As well as showcasing the work of established directors, it also promotes new talent among second- and third-generation Britons and young film-makers from across the world
- Bradford Animation Festival saw submissions for the annual awards top 1,000, a rise of 78%, making it one of the world's largest animation festivals.

Planning work has continued for the new TV Gallery. The redeveloped gallery will bring together a major permanent interactive exhibition gallery, a viewing area offering public access to over 1,500 programmes and commercials, a production space hosting TV production workshops for schools and young people, and a festival of events bringing broadcasters and their audiences together to debate big issues of the day. The development will put the NMPFT in a strong position to play a key part in media literacy initiatives. The funding for this project is now in place, and the content development is complete. The *Wired Worlds* gallery closed at the end of January to enable the new build to begin. There will be a limited launch in late 2005, followed by a full public launch in spring 2006.

NMPFT and the University of Bradford continued joint delivery of the BSc in Creative Media Technologies, resulting in 5,298 visits over the year from students attending lectures, workshops and screenings.

### Science Museum

The Science Museum continued to use a wide range of exhibitions and events to promote the public's engagement with science through dialogue and participation.

The Institute of Physics launched Einstein Year at the Science Museum, to coincide with the 100th anniversary of the publication of three major papers laying the foundation for modern physics. To celebrate the anniversary, the Science Museum added an Einstein character to the popular repertoire of drama characters in the galleries; NMSI Trading created the touring exhibition *Move Over Einstein*; and a new story was added to the *Ingenious* Website in March: *Einstein, Physics and Fascination* examines the making of the Einstein legend.

The Dana Centre, the Science Museum's new space for science dialogue events, has had great success in its first full year since opening. According to *TimeOut*, the centre 'really took off in 2004', and it was one of seven venues selected in their 'Critics' Choice - Pick of the Year' for things to do in London. The Science Museum ran 93 events in the centre, attended by approximately 6,000 visitors. The events engaged a young, non-expert adult public in dialogue about contemporary science issues. Incorporating extensive audience consultation into the ongoing programme development, they have focused on generating real dialogue and found new ways to make science entertaining and relevant to people's lives. Dana events included live brain surgery broadcast by Weblink, debates on biometric passports, stem-cell research and eating disorders, and the Punk Science comedy shows. Events were also organised to accompany Science Museum exhibitions.

Science Museum events for families continued throughout the year. The Live Science programme, where scientists are temporarily based at the Museum and involve visitors in their research, also continued. For example, scientists from the University of Surrey set out to determine if there is a link between sleep patterns and genes by using questionnaires and DNA tests, via cheek swabs, from consenting visitors.

Our programme for Black History Month was well attended this year. Events included the 'Unsung Heroes' series, celebrating the achievements of inventors and scientists from diverse backgrounds, and a debate in the Dana Centre on why Western science is excluding black scientists.

Branching out into other media, the Explainer Team wrote and performed science-based shows live on BBC 7's *Big Toe Radio Show*. BBC 7 have committed to six months of shows beginning 11 January 2005.

The New Media department completed a new version of 'Tell', the visitor feedback system developed for the Wellcome Wing which allows visitors to register their own opinions or feedback and discuss relevant issues. This version allows us to incorporate the 'Tell' system into touring exhibitions, thereby facilitating increased dialogue and debate.

Increased access to stored collections was offered through new public tours of Blythe House by Science Museum curators. Launched in August, the entire programme to May 2005 was fully booked almost immediately. In addition, more than 1,400 objects from the Museum's Communications collection were placed on open display.

Exhibitions at the Science Museum included the *Science of Sport* exhibition, which continued to run until September 2004, and the final two in the series mounted by the Wellcome Trust in collaboration with NMSI staff. *Pain* used a mixture of historical and contemporary exhibits to explore the meanings and experiences of pain. *Future Face* asked questions about the human face and identity, featuring over 200 historical and contemporary photographs, paintings, multimedia installation and objects.

In *Antenna*, the Science Museum's frequently updated exhibition space devoted exclusively to science and technology news, there were numerous informative and accessible exhibits responding to breaking stories. The *Antenna* team also created two larger exhibitions, *Space Detectives* and *Nanotechnology*. Using objects from the collections and interactive stations, and inviting comments from visitors, the latest exhibition explains how nanotechnology is already part of our lives, and asks questions about the impact it will have in the future.

A number of Science Museum galleries closed this year, including the interactive *Flight Lab*, *Printing and Papermaking* and *Food for Thought*. This reflects the need to prioritise funding and ensure we maintain a high-quality, up-to-date range of galleries that are relevant to our visitors. Our numerous gallery updates this year include revamping the entrance to the Upper Wellcome medicine gallery; new displays in the *Agriculture*, *Computing* and *Challenge of Materials* galleries; and *Inside the Atom*, a display of the Museum's extensive collection of experimental physics apparatus relating to the discovery of the structure of the atom.

The new *Ingenious* gallery opened in July. This gallery offers a new space to showcase areas of the collections that would otherwise remain in store. The gallery opened with an object-rich exhibition about energy to complement the new interactive gallery opening at the same time (described below). The exhibition is aimed at families and incorporates visitor responses to some of the more mysterious exhibits. Responses were collected during two open days where children and their carers were invited to view the objects while the creation of the exhibition was still in progress.

Work began on the renewal of the *Energy Hall* (East Hall) in early January. The works will result in improved access to the Museum to comply with the Disability Discrimination Act; improved visitor flow and increased natural light in the gallery; enhanced interpretation of the iconic engines in the gallery, including new computer animations; and improved visitor and commercial facilities.

### **Science Museum at Wroughton**

The Wroughton site opened to the public more often this year, with openings during summer, the Easter holidays and selected weekends. The events programme gave visitors the opportunity to explore the collections in new ways. Highlights included 'Art and the Machine' in November, a day incorporating workshops, displays and a debate with leading innovators James Dyson and Kenneth Grange. Another highlight was a week of activities during Easter (2005) showcasing the stranger objects from the stores, and culminating in a *Call-My-Bluff*-style quiz where the public were challenged to find the true application of the objects.

A new Monday evening lecture series, *Open-ended Lectures*, was launched in March 2005. Engineers and scientists from Southampton Oceanographic Institute gave a talk about GLORIA – a deep-sea probe first launched in the 1980s and now part of the collections.

The main events and show hangar at Wroughton, Hangar D, benefited from improved visitor facilities and a new entrance hall and information point. Work also started on the redisplay and interpretation of the collections. This included a new display presenting innovations in the use of alternative energy over the past 150 years, supported by three new tours of the collections.

We have continued with the planning and development work to transform the former Engineering Building into a visitor centre, which will provide full-time public access to the site for the first time. The new centre is scheduled to open in summer 2005.

## 2.2 Engaging new audiences

This year NMSI has significantly widened its reach in terms of engaging new audiences. We have opened the first national museum in the Northeast which attracted visitor numbers far exceeding original targets; we have launched two new Websites and seen the number of Web visits dramatically increase; and we have continued to deliver imaginative outreach projects which successfully engage hard-to-reach audiences.

### ***Ingenious and Making the Modern World Online***

NMSI launched two new Websites in June 2004: *Ingenious* and *Making the Modern World Online* – significantly enhancing the opportunities to engage with our collections for those unable to visit the Museum.

Funded by the New Opportunities Fund, *Ingenious* is a collaboration between all the NMSI sites and makes 30,000 objects and images from the collections accessible on line. As well as offering a vast resource of images, the site also includes articles and opinion pieces on major themes in science and culture, a debating forum and opportunities for visitors to get creative on line. The *Ingenious* team continued to update the site during 2004–05 with new stories relating to NMSI exhibitions.

*Making the Modern World Online (MMW Online)* is based on the Science Museum's landmark gallery of the same name. It tells powerful stories about science and invention and their impact on everyday lives, from the eighteenth century to the present day. It includes curriculum-related resources targeted specifically at A-level students, and uses dynamic multimedia techniques to bring the science and technology alive. *MMW Online* was funded by the Invest to Save scheme.

Throughout 2004–05, the Websites have won numerous awards (see 'List of awards and nominations', below). *Ingenious* has had 368,000 visits during the year and *MMW Online* 268,000; in both cases visitor numbers have continued to grow, contributing to NMSI's record number of 8.7 million unique Web visits during the year. The Science Museum's Visitor Research Group carried out an in-depth summative evaluation of each Website in autumn 2004, based on consultation with the target audiences. This allows us to learn from the strengths and weaknesses of each site so that we can continue to deliver excellence in Museum Web projects in the future.

### **NRM: Locomotion**

Early indications from visitor research show that the majority of visitors to the new Museum are local residents. During the first six months of the year, NRM staff delivered two projects designed to include the local community in the development, Photo Positive and Time Tracks. Both involved artists working with community groups and school groups, to develop creatively their understanding of and relationship to the local area. The resulting artworks are on display at Locomotion.

The work with local communities is set to continue: an Outreach Officer started at Locomotion in January on a six-month project funded by the DCMS Strategic Commissioning Programme, to look at how travel and railways have impacted on our environment. This will lead to a travelling exhibition, developed in partnership with museums such as Beamish and Stockton Museums, showing material produced by local communities.

### **NMPFT**

In 2004–05 the NMPFT secured sponsorship from Skipton Building Society and Provident Financial to continue the programme of TV workshops for young people from Bradford. The workshops gave young people enhanced access to the facilities in their local museum, and were particularly successful at engaging priority groups. Participants had the opportunity to develop specific practical and creative skills, as well as increase their social confidence.

Specific target audiences included:

- Groups from all-white and all-Asian schools, working together in the TV workshops
- Young people who are at risk of social exclusion and in need of opportunities to strengthen their career prospects
- Young offenders, as part of their rehabilitation programme.

In partnership with Mencap, who have provided the initial seed funding, the NMPFT's Learning Development department have begun developing a programme of activities for people with learning disabilities.

### **Science Museum**

At the Science Museum, the Creative Canals project, funded by DCMS's Strategic Commissioning Fund, was

extended for a further two years. Visitor research showed that it was very successful in inspiring the target audiences and also showed where improvements could be made. Building on this success and learning process, the team continued to run days on the canal boat for 2,213 participants from schools and community groups who live near the Regents Canal in east London. Activities included science-related shows and workshops on the boat, visits to the Canal Museum, and environmental activities on the banks of the canal.

The Deutsche Bank project also continued, working with 32 London schools which need extra help with science subjects. The team delivered outreach activities to 6,700 students in their schools, and facilitated structured visits to the Science Museum.

Science Night – the sleepover programme at the Science Museum – extended its offer to a new, difficult-to-reach audience: nearly 200 teenagers attended the first teenage Science Night in February. The feedback was excellent and we intend to run further nights for teenagers.

The global publishing company Reed-Elsevier has donated £5,000 towards a bursary fund for disadvantaged children to come to Science Nights. The funds will predominantly be spent on a Science Night exclusively for deaf children.

The Science Museum's Interactive Galleries team reached out to a new audience this year, running events for Home Educators in March to coincide with Brain Awareness Week. The events were fully booked. The team also introduced the use of weekly video conferencing to bring Science Museum activities to groups who are unable to visit, for example Chelsea Children's Hospital School and Karachi High School in Pakistan. Work continues to develop these sessions, and we plan to produce pre- and post-session materials to accompany them.

#### **Science Museum at Wroughton**

In October 2004 the Science Museum at Wroughton featured in the filming of BBC1's *20th Century Roadshow*, an event which brought a wide range of new visitors to the site. The programme aims to build on the success of the *Antiques Roadshow*, and approximately 1,000 people brought their twentieth-century collectables to be viewed and valued. Hangar D4 was transformed into a TV studio and Wroughton staff were interviewed for the show. The programme was shown on 21 April 2005 and viewed by approximately 5 million people; there has been increased interest in visiting the site since.

## **2.3 Inspiring children and young people**

#### **Science Museum**

*Energy – Fuelling the Future* opened at the Science Museum in July 2004. The gallery, sponsored by BP, BASF and Vodafone, uses innovative methods to engage schoolchildren (aged 7–13) in complex themes around energy, global warming and sustainable development – themes which teachers had told us were difficult to make engaging for children. Interaction is taken to a new level in the *Energy* gallery. Visitors do not simply push buttons – they dance, touch, play, take decisions and exchange opinions. Another innovation is the collaboration with artists to enrich the gallery with thought-provoking installations. The exhibits are complemented with an informative Website accessible on the gallery.

The *Energy* gallery is supported by a year-long outreach programme funded by BP, which began in September 2004. The team is building sustained relationships with ten schools in London and Swindon, whose pupils will watch science shows, carry out experiments, visit the Museum and help make a film about energy. We have reached 2,000 children in schools we have not previously worked with.

Other special outreach projects are described in the section on engaging new audiences. Meanwhile the outreach team continued to deliver its regular programme of shows and workshops to schools around the country, reaching 20,000 children in 2004–05.

The Science Museum interactive galleries continued to be extremely popular with families and school groups alike, every day delivering free science shows and hands-on learning mediated by Explainers. A new science show on explosions, 'Flash Bang Wallop', was added to the repertoire. We carried out fundraising and planning work for the renewal and relocation of the *Launch Pad* gallery. Visitor research has been conducted in partnership with the Centre for Informal Learning and Schools (CILS) to ensure that the new gallery provides the best possible learning environment for its target audiences.

October 2004 saw the opening of Science Learning Centre London, run by the Institute of Education in partnership with Science Museum, Birkbeck College and University College London. Within the London

Centre, the Science Museum is the main provider of continuing professional development for primary and early-years teachers, although our programme offers opportunities for science teachers across all age phases. Initial feedback from participating teachers has been very positive.

### **NMPFT**

The NMPFT's Learning Development department continued its wide-ranging formal learning programme including teacher preview days, INSETS, workshops (in digital video, television advertising, light and colour, digital storytelling and editing); study days and screening events for GCSE and A-level media students; photographer-, gallery-crew- and curator-led talks and tours; activity sheets and educational resources – reaching 42,845 children aged 6–16 and 38,979 over-16s (including many young adults).

This year we have taken steps to expand our provision of informal learning programmes, drawing on the MLA's Inspiring Learning for All framework. Initial activities for children and young people have included:

- The annual Co-operative Young Film-makers Festival
- Art cart activities at weekends and during holidays in special exhibitions
- IMAX-linked holiday drop-in workshops
- Initial consultations with parental involvement officers to devise future joint projects.

We have secured sponsorship for a number of specific projects helping to inspire children and young people. DCMS Strategic Commissioning funding of £45,000 has allowed us to continue the Anim8ed project for the period 2004–06. This second phase has enabled the development of partnerships with ten new schools, allowing 345 children to take part so far in the production of animated films relating to the curriculum and to the NMPFT collections.

Screen Yorkshire funded the Film and Cultural Diversity project. This was a partnership between NMPFT, Sheffield Showroom, South Sheffield City Learning Centre, and In the Picture, an independent media-education organisation. During April and May 2004, 500 students aged 14–16 from across the region were introduced to the Museum's role as an independent film exhibitor and to the diversity of film culture, via a programme of INSET, classroom activities, screenings and learning materials.

The Kodak-sponsored 'Digital Imaging in Schools' pack was published by NMPFT in 2004 and was distributed to all primary and secondary schools in the north of England. This free resource encourages the use of digital imaging as a tool to enhance the delivery of the National Curriculum.

November 2004 saw the third NMPFT and BFI (British Film Institute) 16+ Media Studies Conference, at which 80 teachers and lecturers from the north of England and Scotland networked and gained valuable insights into the media industries.

### **NRM**

The National Railway Museum's education and learning team was expanded in early 2004, and during 2004–05 it established itself as a major player in regional education initiatives. The team has formed partnerships with numerous education organisations, such as Sure Start, York Learning City, York Family Learning and the Learning and Skills Council, as well as with the Rail Industry, including First Trains and Partners Against Railway Crime.

These partnerships have resulted in a greatly enhanced education programme at the Museum, including:

- Two Sure Start programmes – parents and young children participated in six-week-long learning programmes at the Museum, helping to ensure that under-5s get the best possible start to their education
- 'Get Crafty with Your Dad' – a workshop in which fathers and children worked together on a creative project
- NRM's first sleepover event – the pilot event in October was a great success, and we will be seeking sponsorship to make this a regular event.

The team have secured £45,000 from DCMS's Strategic Commissioning Fund for the outreach project Transporting Lives. This is a partnership with four northeast museums and five secondary schools in deprived areas, using art and drama to promote understanding of how transport impacts on the environment. Plans for the future include developing an activity programme for Special Schools, and providing vocational sessions geared towards the new curriculum for 14- to 19-year-olds.

This year's 'A Day Out with Thomas' – the event's 60th anniversary – attracted 51,318 visitors, an 18% increase on the previous year. The event allows children to access the popular blue tank engine, while also showcasing the wide range of vehicles that the NRM has in its collection.

### **Science Museum at Wroughton**

Staff at Wroughton continued to work with local schools and educational groups to develop creative learning experiences tailored to their needs, with a particular emphasis on promoting environmental awareness.

A particular highlight has been the work with Ridgeway Secondary School. The Museum acted as a partner for the school's successful bid to attain science specialist status. Most recently, Wroughton staff delivered a programme of workshops on garden design to enable year 8 and 9 students to design a garden to surround their school's new science block. The project won a 'Quality of Life Award' presented by Swindon Borough Council. We are now looking to extend this pilot to other schools as a model for engaging children with their environment.

Wroughton education staff are offering support to local schools seeking to attain 'Eco School' status. This work engages students in environmental issues and informs the community about the project through meetings, parental involvement and school projects. They also provided an INSET day for teachers from Swindon infants schools, on delivering effective environmental education.

During Science Week, staff at the Wroughton Learning and Access unit visited local primary schools to deliver half-day workshops on robotics. Owing to the high demand this programme has been extended into 2005–06 and will eventually reach many more schools in the area.

## **2.4 Caring for the national collections**

Our ability to deliver the Museum's vision rests on the continuing care of our outstanding national collections in the fields of science and technology, medicine, transport, photography, film and television.

This year has seen a major new development in the storage of our collections, as well as continued planning work to find the most efficient solution to safeguarding the stored collections in the future, while simultaneously providing as much public access to them as possible.

### **NRM**

Locomotion: the National Railway Museum at Shildon opened in September 2004, and its success as a visitor centre is described above. Another key function of the new building is to house the National Railway Museum's reserve vehicle collections – over 60 locomotives and rolling stock – many of which were formerly without proper covered storage.

The NRM has continued to develop its plans for Search Engine, a new international centre for railway and transport knowledge and research. The centre will be based on the NRM's existing library, archive and image collections, but will develop into the corporate archive and memory of the railway industry and its workers. Once the centre is complete, the NRM's collections will all, for the first time, be housed in conditions which at least meet good basic standards of care. This year we carried out a comprehensive cataloguing exercise and audit of the library, archive and photographic collections which are to be housed in the new centre.

A grant from the Heritage Lottery Fund has allowed us to extend the National Archive of Railway Oral History. The oral archive contains data, gathered by the Friends of the NRM between 1999 and 2003, relating to the last 50 years of Britain's railways. The new grant will enable the extension of the archive to include recollections by men and women who worked at every level of the industry.

### **Science Museum at Wroughton**

This year there has been significant progress with planning and fundraising for the National Collections Centre (NCC). In planning the NCC, we are proactively seeking to address long-term storage and access problems experienced by many London-based national museums.

It is intended that the NCC will provide a purpose-built store and visitor centre on our site at Wroughton. The development work carried out this year has created a proposal for an extremely cost-effective building with a very low energy footprint and the largest vegetated roof in Europe. The design and interpretive planning work have also produced a solution to combine optimum storage environment with maximum public access and opportunities for creative learning programmes.

### Science Museum

An upgraded, more flexible and versatile version of the collections records database, MIMSY XG, was installed in early January. Eventually the majority of collections management activities will be recorded and managed on the single database, including loans, audit, object movement and conservation treatment records.

The joint Science Museum/Wroughton collections management team working on the NCC project carried out collections audit scoping exercises at Blythe House and Wroughton. These were designed to assess how long it would take to audit all the collections and update the information on the object database and incorporate a digital image. Other planning tasks included preparing detailed environmental and storage specifications for the collections and the design of the new conservation and collections management facilities.

A key acquisition this year was a unique set of geometrical models from the 1770s for the Science Museum's Mathematics collection. Other acquisitions this year included the Rugby long-wave tuning coil. This very-low-frequency transmitter was designed to send messages around the British Empire, and it was of primary importance during World War Two and the Cold War. A 2003 Honda Civic 'Integrated Motor Assist' car also joined the collection. This 'hybrid' car combines a petrol engine and electric motor to give a less polluting vehicle, and makes a dramatic contrast to others in the collection such as the 1904 Krieger Electric car.

### NMPFT

Since the acquisition of the Royal Photographic Society collection last year, our loans outreach has increased by 200%, and includes loans to many prestigious institutions both in the UK and abroad.

## 2.5 Championing sustainable development

NMSI's Sustainable Development Unit (SDU) and Green Teams continued their work to improve NMSI's environmental performance and efficiency. Improvements were made in several key performance areas, especially with increased recycling rates and managed energy use across the estate. A successful national training course for NMSI's own Green Teams was held in January.

In the context of the refurbishment works at the main entrance to the Science Museum, sustainable-development clauses were included in the contract renewals or extensions for the catering service and bookshop. Sustainable development continues to be a priority in developing new buildings. The Locomotion site uses renewable energy in a number of ways, including a photovoltaic roof, wind turbine and bio-diesel minibus.

SDU continued to run training courses on sustainable development for a number of museums and other public bodies during 2004-05. The Environmental Audit Committee Report (March 2005) has recognised the value of our work in education for sustainable development (ESD): 'The National Museum of Science and Industry (...) has shown commitment and innovation in its approach to ESD and should be congratulated on its progress so far.'

SDU have initiated, with the support of the Carbon Trust, a Museums and Galleries Energy Forum with members from national museums and libraries across the UK. This forum shares best practice across the sector and enables NMSI to measure its performance against national benchmarks. The South Kensington Sustainable Development Forum continues, and NMSI actively contributes to the regular Strategic Policy Unit, DCMS Sustainable Development Forum.

We also engaged our visitors in a dialogue about sustainable development through the new Science Museum gallery *Energy – Fuelling the Future* and the exhibition *NorthSouthEastWest – a 360° View of Climate Change* at the Science Museum. The Dana events programme this year included numerous well-attended debates on climate change and energy use. At Wroughton, teacher INSET and education programmes were offered on sustainable development and the environment, also described above.

## 2.6 Social and economic impact

### NRM

Locomotion, the new NMSI Museum that opened in September 2004, was created by the National Railway Museum in partnership with Sedgfield Borough Council. It is the first national museum in the Northeast and is a major resource for the regeneration of the area. It has already brought 22 new jobs to an area of above-average unemployment, and we have established a working relationship with Sedgfield volunteer group Cavos to involve local volunteers in the new site. Our appeal for volunteers was launched on national Make a Difference Day, 30 October. In addition, house and land values are rising, more new homes are being built, and the lands adjacent to the Locomotion site are being developed for housing and light industry. Sedgfield Borough Council has estimated the immediate value of Locomotion to the local economy at £1 million, and more in-depth studies of economic impact are to follow.

The National Railway Museum and York College collaborated to create the Yorkshire Rail Academy, which opened on 5 May. Funding was received from Yorkshire Forward (RDA) and the Learning and Skills Council. This centre is vital to maintaining York's position as a centre for the rail industry by providing a trained workforce through its vocational training courses.

At NRM there has been movement on the placement scheme that was started last year. A project including NYBEP, TRIDENT and the NRM Education department is being developed to provide a small number of high-profile placements for secondary-age pupils in the York area.

### **NMPFT**

The TV workshops programme, providing skills and social confidence to young people at risk of social exclusion in the Bradford area, has been described above.

NMPFT has undertaken new initiatives to promote volunteering this year. The Volunteer Discovery Day, an introductory volunteers' event, was held at the NMPFT in November 2004. Following the event, five volunteers were recruited to start work on a pilot project involving the reorganisation of the NMPFT's printed journal and publication holdings.

We have established an NMPFT Volunteers Committee, chaired by the NMPFT Head of Collections, with representatives from a number of departments. Its role will be to feed into the wider NMSI volunteer picture, investigate funding options for a Volunteer Coordinator's post, and manage, monitor and evaluate the pilot projects.

### **Science Museum**

The Deutsche Bank project at the Science Museum launched an innovative volunteer programme providing Deutsche Bank staff with training and support on working with teenagers. The volunteers visited schools and accompanied children on their visits to the Museum. We have just received funding for two more years to continue with the project.

### **Science Museum at Wroughton**

Volunteering has continued to be a great success at Wroughton, where there are over 25 active members of the Wroughton Support Group. Following two volunteer consultation days we have introduced opportunities for role shadowing, new uniforms and a greater sense of identity for the group during Museum openings.

Our local community continues to be involved with the site. For example, residents from nearby Thorney Park were given free meeting rooms and staff support in their bid to open a community shop.

## **2.7 International presence**

NMSI has built on its existing international links and created new relationships in 2004-05, increasing the international presence of the Museum and generating income to achieve our vision.

### **Science Museum**

NMSI is a world leader in outreach and informal learning activities. The Science Museum's international activities in this field this year include:

- A training programme for the St James Cavalier Centre for Creativity in Malta, delivered by the interactive galleries training manager in January. The British Council commissioned us to train their animators in facilitation and communication skills.
- Development of an outreach programme for children throughout Syria, on behalf of the president's office. The project seeks to promote creativity, innovation and citizenship, and it will inform the development of the children's museum.
- Continuing academic links between our Learning Unit and the Exploratorium, San Francisco, to further research into improving informal science education.

The Science Museum Dana events team are the UK partners in Meeting of Minds, a trans-European project to involve ordinary citizens in the development of science policy. The project aims to gather public opinion and consensus in order to offer advice to policy-makers on the use of new technology, medicines and techniques. The Dana events team have drawn on their expertise in creating science dialogue events to deliver the UK meetings for this project, the first of which will be held in May 2005.

**NMPFT**

The Qatari cultural ministry is currently engaged in a major expansion programme covering its national museums. This encompasses, amongst others, a new Museum of Islamic Art and a new National Photography Museum in the capital, Doha. The Head of Collections at the NMPFT has spent a week in Qatar offering fee-paid professional collections-management guidance and advice on the latter project.

**NRM**

The National Railway Museum has established a relationship with the new Railway Museum in Sierra Leone, and provided advice on an informal basis this year. The Head of the NRM attended its initial opening by President Kabbah, and NRM is planning the provision of training for its future development.

The NRM is twinned with the Museum of Modern Transportation in Osaka, Japan. The museum in Osaka is holding a special exhibition focusing on the NRM and its collections, to commemorate the fifth anniversary of the twinning agreement. The exhibition, called *The World of the British Royal Train*, opened on 19 March and includes 91 objects from the NRM collections. The NRM continued to strengthen its links with Japanese museums by welcoming an employee from the Tokyo Transportation Museum on a two-week work shadowing and training programme in York.

**Science Museum at Wroughton**

The Museum provided a large hangar as a temporary storage area for the relief collection from January to May 2005, before shipment of the donated items to Sri Lanka. The Sri Lankan embassy made a visit to the site as part of their involvement in supporting the relief team.

**NMSI Trading**

NMSI Trading is in the final stages of completing the Baku Energy Centre in Azerbaijan, commissioned by an oil company group including BP. NMSI Trading has secured a two-year consultancy contract to support the operation of the Centre, providing evaluation services, outreach educational programme design and training for local staff, at a sales value of around £150k per year. It has begun discussions with BP about a wider educational partnership, and how NMSI can build on the work done in Baku to extend the offer to other locations.

*The Science of Sport* and *Bond, James Bond* exhibitions, created by NMSI Trading, have continued to tour internationally, generating significant revenue for NMSI.

**2.8 Increasing organisational efficiency**

In 2004–05 NMSI completed its three-year programme of restructuring and modernising measures, with the aim of improving efficiency and effectiveness in the delivery of services, and helping NMSI become more audience-focused.

The process has included the following elements:

- Restructuring the organisation including delayering where possible
- Introducing a pay and grading system based on the principle of equal pay for work of equal value, and moving to being a median-rate employer to improve staff retention and reduce recruitment costs
- Renegotiating outdated rota systems, working patterns and practices
- Investing in management capability and development.

The cost of the modernisation programme was £2.5 million, including £1.5 million from the DCMS modernisation fund. A major element of the cost was the funding of redundancy or early retirement. Efficiency savings are expected to be around £1.3 million per year, and will be invested in staff with more audience-focused skills.

NMSI is continually seeking new ways to improve efficiency at all levels in the organisation. In 2004–05 examples include:

- The planning work for a cost-effective solution to our object storage needs – discussed above
- The establishment of a cross-organisational procurement working group, to ensure the streamlining of our procurement procedures, taking into account HM Treasury advice
- Using the effective on-line ticketing system developed at NMPFT, to provide a similar service for NRM events – the shared system maximises income and efficiency, and improves the service to our customers
- Planning for estate-wide energy efficiency options, as part of an 'invest to save' drive to make environmental and financial efficiency gains in the longer term.

## 2.9 List of awards and nominations

### NMSI

*Ingenious* (Website):

- 'Best new launch', Online Publishers Association (November 2004)
- Selected as 'Webby Worthy' by the International Academy of Digital Arts and Sciences.

### National Railway Museum

- Peter Manisty Award for an outstanding contribution to railway preservation from the Heritage Railway Association (October 2004)
- Yorkshire Tourist Board White Rose Conference Venue of the Year award
- Yorkshire Hospitality Association 'Tourism employer of the year'
- York Tourism Bureau award for Best Marketing Campaign of 2004 for the promotion of RailFest
- 'Best Marketing Campaign' Award in the Museum & Heritage Awards for Excellence, for the acquisition of *Flying Scotsman*.

### Locomotion:

- Finalist for Gulbenkian prize for 'Museum of the Year' 2005
- 'Best Permanent Exhibition', Museums & Heritage Awards for Excellence
- One of three shortlisted for the 'Care of Collections' award in the 2005 Conservation Awards
- County Durham Objective 2 Partnership award for 'Innovation in the use of Objective 2 funding'
- Shortlisted for Durham County Council's Environmental Awards
- Nominated for 'European Museum of the Year'.

### NMPFT

- The inaugural Deutsche Börse Photography Prize 2005 – awarded to Luc Delahaye for his exhibition *Luc Delahaye – Photographs* held at the NMPFT in 2004.

### Science Museum

*Making the Modern World Online:*

- 'Best Overall Museum Website' and 'Best Educational Use', Museums and the Web Conference, Vancouver (February 2005)
- 'Best design for a consumer product', Online Publishers Association (November 2004)
- Nominated for 'Best broadband product', British Interactive Media Association
- Selected as 'Webby Worthy' by the International Academy of Digital Arts and Sciences in New York.
- Nominated for a D&AD (Design & Art Direction) award

*Energy – Fuelling the Future:*

- 'Best design' for Museums, Galleries and Visitor Attractions at the *Design Week* awards (March 2005)
- Nominated for BAFTA award for interactive design
- Nominated for Best Permanent Exhibition, Museums & Heritage Awards for Excellence
- Nominated for two D&AD (Design & Art Direction) Silver awards (April 2005)

*Energy Website and Info Zone:*

- 'Gold' award in the Website Multimedia category in the International Visual Communication Awards (April 2005).

### Science Museum at Wroughton

NMSI and Ridgeway Secondary School Garden Project:

- 'Improving Quality of Life and the Environment', Quality of Life Awards, Swindon Borough Council 2005.

## 2.10 List of temporary exhibitions in 2004–05

### NRM

Jan 2005 – *Flying Scotsman* exhibition

### NMPFT

5 Feb – 3 May 2004	Luc Delahaye: Photographs and Winterreise
21 May – 26 Sept 2004	Simone Nieweg: Landscapes and Gardens
21 May – 26 Sept 2004	Everything's Gone Green: Photography and the Garden
24 Sept – 31 Oct 2004	Exhibition of film posters to accompany Bite the Mango festival
15 Oct 2004 – 9 Jan 2005	A Gentle Madness: The Photographs of Tony Ray Jones
15 Oct 2004 – 9 Jan 2005	Faking It: Between Art Photography and Advertising
Jan–May 2005	Forget-Me-Not: Photography and Remembrance
Jan–May 2005	The Other Side of Football

### Science Museum

#### Major charging exhibitions:

Feb – 4 Sept 2004 Science of Sport

#### Major non-charging exhibitions:

9 Oct 2003 – 29 Nov 2004	Exclusive! Tales from the Tabloid Frontline
13 Feb – 20 June 2004	Pain: Passion, Compassion, Sensibility (supported by the Wellcome Trust)
1 Oct 2004 – 13 Feb 2005	Future Face (supported by the Wellcome Trust)
14 March – 15 May 2005	NorthSouthEastWest – a 360° View of Climate Change

#### Small exhibitions:

From May 2004	Wellcome Wing Talking Point – DNA in a tree
From Dec 2005	Inside the Atom
From Jan 2005	Wellcome Wing Talking Point – MacRobert Award

#### Antenna features:

29 June 2004 – 4 Feb 2005	Space Detectives: Investigating our Solar System
25 Feb – 31 Aug 2005	Nanotechnology: Small Science, Big Deal

#### Antenna rapids (each lasts approximately two months):

12 Nov 2003	Festive firs branch out
15 Jan 2004	Mars rocks!
29 Jan 2004	Do you want to talk science?
3 April 2004	Searching for a superhuman
1 June 2004	Strumming a tiny tune
20 May 2004	Venus dances with the sun
21 May 2004	New sensations for special injuries
2 June 2004	Cheap bubbly or finest French fizz?
10 July 2004	Elephant poo holds poaching clue
23 July 2004	Clever kit makes sport safer
16 Sept 2004	Farewell fillings!
23 Sept 2004	Wake up to why you're sleepy
28 Oct 2004	Hobbit-sized 'human' discovered
18 Nov 2004	Growing blood in bottles
9 Dec 2004	Walking in a winter wonderland
20 Jan 2005	Sensing the signs of tsunami
10 Feb 2005	Future flooring follows your footsteps
14 March 2005	Putting Einstein's theory to the test

## 2.11 List of publications

### NMPFT

Russell Roberts:

*Tony Ray-Jones*, monograph to accompany the NMPFT exhibition *A Gentle Madness: The Photographs of Tony Ray Jones* (Chris Boot, 2004)

### NRM

Helen Ashby:

'Queen Victoria's Saloon', in *Conservation of Railway I* (Tokyo: Independent Administrative Institution, National Research Centre for Cultural Properties, March 2005)

Colin Divall:

(With George Revill) 'Cultures of transport: representation, practice and technology'. *Journal of Transport History*, 3rd ser., 26/1 (March 2005): pp99–111

(With Peter Lyth) 'Transport history in Britain', in M Merger and M-N Polino (eds), *Towards a European Intermodal Transport Network: Lessons from History*, annotated bibliography (Paris: AHICF, 2004), pp54–70

Entry on 'John Coiley' in *The Oxford Dictionary of National Biography* (Oxford: Oxford University Press, 2004)

Richard Gibbon:

'Railway Rolling Stock Conservation', in *Conservation of Railway I* (Tokyo: Independent Administrative Institution, National Research Centre for Cultural Properties, March 2005)

Jill Murdoch:

'A very local national museum – the National Maritime Museum at Falmouth', *Journal of Transport History*, 3rd ser., 25/2 (September 2004), pp133–6

'The Railway in Arcadia: an approach to modernity in British visual culture', in G Dinhl (ed.), *Eisenbahn/Kultur – Railway/Culture*, Mitteilungen des Österreichischen Staatsarchivs, Sonderband 7 (Innsbruck: 2004), pp113–35

Tim Procter:

'Two Men of Industry, Many Businesses: The Soho Firms of Matthew Boulton and James Watt as revealed by the Archives of Soho', *Business Archives* (November 2004)

Barbara Schmucki:

'Schienengebundene urbane Transportsysteme und Geschlechterverhältnisse', in G Dinhl (ed.), *Eisenbahn/Kultur – Railway/Culture*, Mitteilungen des Österreichischen Staatsarchivs, Sonderband 7 (Innsbruck: 2004), pp331–48

### Science Museum

Tim Boon:

'Health education films in Britain, 1919–1939: production, genres and audiences', in G Harper and A Moor (eds), *Signs of Life: Cinema and Medicine* (London: Wallflower Press, 2005)

'The Nation's Health', in D Brunton (ed.), *Medicine and Society in Europe, 1500–1930: Study Guide 2* (Milton Keynes: Open University), pp66–70.

'History and catastrophe: The Victorian Economy in British Film Documentary', in M Wolff and M Taylor (eds), *The Victorians Since 1901* (Manchester: Manchester University Press, 2004)

Jackie Britton:

'The first moves', *Museum Practice*, 28 (Winter 2004), pp44–5

Robert Bud:

'Drei Generationen Technikgeschichte online: Geschichten und Bilder im Netz', *Kultur und Technik*, 9797 (2005), pp30–3

Entry on 'Biotechnology' in C Hempstead and W E Worthington (eds), *Encyclopedia of Twentieth-Century Technology* (New York/London: Routledge, 2005)

Entry on 'Lancelot Hogben' in *The Oxford Dictionary of National Biography* (Oxford: Oxford University Press, 2004)

Review of *Dr Florey's Coat* by E Lax, *Times Literary Supplement* (April 2004)

**Christopher Chilvers:**

'Of "Winged Words" and Transverse Vibrations', in J Mitchell (ed.), *Fleming Valve Centenary Conference Proceedings* (London: 2004), pp47–53

Entries on 'Augustus Matthiessen', 'Edmund James Mills', 'Alexander Parkes', 'Frederick Penny', 'John Percy', 'William Henry Perkins Jr', 'Joseph Bancroft Reade', 'David Boswell Reid', 'James Emerson Reynolds', 'Carl Schorlemmer', 'Edward Solly', 'Hermann Sprengel', 'Joseph Swan', 'Alexander Tate', 'Robert Dundas Thomson', 'Thomas Thomson' and 'George Wigner' in B Lightman (ed.), *The Dictionary of Nineteenth-Century British Scientists* (Bristol: Thoemmes Continuum, 2004)

**Xerxes Mazda:**

'Dangerous Ground? Public Engagement with Scientific Controversy', in D Chittenden, G Farmelo and B V Lewenstein (eds), *Creating Connections: Museums and the Public Understanding of Current Research* (AltaMira Press, 2004)

**Doug Millard:**

Review of *Rocket Science: Rocket Science in the Second Millennium* by A J Zaehring and S Whitfield, *New Scientist* (18 December 2004)

'Beam Me Up Scotty, The launch of the Telstar satellite 40 years ago changed the face of sport', *The Guardian*, 'Online' 10 (4 July 2002)

**Peter Morris:**

(With J Adetunji and A Dronsfield) 'Infrared spectroscopy: Why did It take so long?', *Education in Chemistry*, 42 (2005), pp50–3

Essay entry on 'Feedstocks' and entries on 'Repe Chemistry' and 'Solvents' in C Hempstead and W E Worthington (eds), *Encyclopedia of Twentieth-Century Technology* (New York/London: Routledge, 2005)

(With L R Ettre) 'Katherine Hope Coward: A Pioneering User of Chromatography', *Chromatographica*, 60 (2004), pp613–17

Review of *Technical Progress and Profits: Process Improvements in Petroleum Refining* by J L Enos (2002), *Ambix*, 51 (2004), pp288–9

Review of *Pandora's Poison: Chlorine, Health and a New Environmental Strategy* by J Thornton (2000), *Ambix*, 51 (2004): pp289–91

Entries on 'Plastics' and 'Rubber' in W M McNeill (ed.-in-chief), *Berkshire Encyclopedia of World History* (Great Barrington, MA: Berkshire Publishing, 2004)

Entries on 'William de Wiveleslie Abney', 'Edward John Bevan', 'Sir William Augustus Tilden' and 'Trevor Illtyd Williams' in *The Oxford Dictionary of National Biography* (Oxford: Oxford University Press, 2004)

'The House that Black Built', *Chemistry World*, 1 (June 2004), p88

Entry on 'Edward John Bevan' in B Lightman (ed.), *The Dictionary of Nineteenth-Century British Scientists* (Bristol: Thoemmes Continuum, 2004)

(With W A Campbell) 'Analisi chimica' ['Laboratory Practice and Chemical Analysis in the Nineteenth Century'], in S Petruccioli (ed.-in-chief), *Storia della scienza*, Vol. VII (Rome: Istituto della Enciclopedia Italiana, 2004), pp554–79

'Von Buna zu Hi-fax: Technologietransfer im Polymerbereich von Deutschland in die Vereinigten Staaten (1925–1960)', in R Petri (ed.), *Technologietransfer aus der deutschen Chemieindustrie 1925–1960* (Berlin: Duncker & Humblot, 2004), pp323–54 (translated into German by C Reinhardt)

**Susan Mossman:**

Entries on 'Composite materials', 'Plastics, thermoplastics', 'Plastics, thermosetting', 'Smart and biomimetic materials' in C A Hempstead and W E Worthington (eds), *Encyclopedia of Twentieth-Century Technology* (New York/London: Routledge, 2005)

**Andrew Nahum:**

*Alec Issigonis and the Mini* (Icon Books, 2004), reissue of the 1988 title, with new material on the evolution of the BMW Mini

'The Airbus A380', *Blueprint* (February 2005), pp58–62

'Jack Daniels and the Mini' (obituary), *The Guardian* (15 December 2004)

'The secrets of car art', *Prospect* (August 2004)

'Bubble economy – the world of microbars', *Blueprint* (July 2004)

Helen Peavitt:

'George J. Symons and the Brontometer', *Bulletin of the Scientific Instrument Society*, 81 (June 2004), pp2-6

**Science Museum at Wroughton**

Scott Butler:

'Sustainable Development at the National Museum of Science and Industry', *Education in Science*, 208 (June 2004), p13

Marta Leskard:

'First Make it Last – The Conservation of Public Art', *SculpturesPACIFIC* (Spring 2005)

Peter Turvey:

'It wasn't a Swift but a Stanley', *The Steam Car*, 25 (October 2004)

# Performance against DCMS core targets

## 3.1 NMSI-wide aggregated figures

Core Targets	Target <sup>1</sup> 2004-05	Outturn <sup>1</sup> 2004-05
1. Total number of visitors	3,925,000	3,840,550
2. Number of child visitors	1,514,000	1,262,322
3. Number of venues to which objects from the collections are loaned		
In England	159	204
Rest of UK	23	12
Overseas	8	43
4. Number of C2DE visitors (target: to achieve 8% increase by 2005-06 on 2002-03 baseline)	870,000	918,434
5. Number of Website hits (unique users)	4,900,000	8,705,430
6. Number of children in organised learning programmes, both on-site and outreach	292,000	462,331

### Notes

1. Aggregated targets and outturn figures include: NMPFT, NRM, Locomotion, Science Museum, Wroughton. They do not include NCMME.

## 3.2 Science Museum

Science Museum Core Targets	Target 2004-05	Outturn 2004-05
1. Total number of visitors	2,400,000	2,152,225 <sup>1</sup>
2. Number of child visitors	984,000	723,168 <sup>1</sup>
3. Number of venues to which objects from the collections are loaned		
In England	95	114
Rest of UK	10	6
Overseas	5	24
4. Number of C2DE visitors (target: to achieve 8% increase by 2005-06 on 2002-03 baseline)	408,000	299,159 <sup>2</sup>
5. Number of Website hits (unique users)	3,400,000	4,782,925
6. Number of children in organised educational learning programmes both on-site and outreach	175,000	347,155

### Notes

1. Science Museum visitor figures are down compared to the same period last year. Visitor research suggests that the high figures last year were due to our temporary exhibitions.

2. This data is based on visitors to the Science Museum who were in full-time employment, were self-employed, retired, unemployed, students or on permanent or long-term sick leave. All students are classified as ABC1s. Visitors who worked part-time only or described themselves as looking after home and family were not included. The figure is lower than expected partly because the overall visitor numbers are down – see note 1.

### 3.3 NMPFT

NMPFT Core Targets	Target 2004-05	Outturn 2004-05
1. Total number of visitors <sup>1</sup>	720,000	658,991
2. Number of child visitors <sup>1</sup>	252,000	230,647
3. Number of venues to which objects from the collections are loaned		
In England	9	14
Rest of UK	3	0
Overseas	3	16
4. Number of C2DE visitors (target: to achieve 8% increase by 2005-06 on 2002-03 baseline) <sup>1</sup>	180,000	191,107
5. Number of Website hits (unique users) <sup>2</sup>	800,000	2,381,169
6. Number of children in organised learning programmes, both on-site and outreach	62,000	42,845

#### Notes

1. Target figures assume no more social unrest in Bradford.
2. Figures include associated film festival Websites.

### 3.4 NRM

NMPFT Core Targets	Target 2004-05	Outturn 2004-05
1. Total number of visitors	710,000	885,366
2. Number of child visitors	257,000	271,913 <sup>1</sup>
3. Number of venues to which objects from the collections are loaned		
In England	55	76
Rest of UK	10	6
Overseas	0	3
4. Number of C2DE visitors (target: to achieve 8% increase by 2005-06 on 2002-03 baseline)	259,000	354,146
5. Number of Website hits (unique users)	700,000	1,173,628 <sup>2</sup>
6. Number of children in organised learning programmes, both on-site and outreach	50,000	70,345 <sup>3</sup>

#### Notes

1. This figure includes child admissions, under 4s, disabled children, educational visits by children and the children who attended the Santa event.
2. Includes an uplift during May/June because of RailFest. Also includes visits to the new website *Moving Stories*, which received 10,963 visits between May and September.
3. Numbers have been boosted by increased take-up of the learning offer including Play Train, Put Yourself in the Picture, SureStart and Children's Art Day.

### 3.5 Locomotion: NRM at Shildon

Locomotion Core Targets <sup>1</sup>	Target 2004-05	Outturn 2004-05
1. Total number of visitors	25,000	112,610
2. Number of child visitors	9,000	27,961
3. Number of venues to which objects from the collections are loaned In England, rest of UK and overseas	N/A	N/A
4. Number of C2DE visitors	11,250	58,557 <sup>2</sup>
5. Number of Website hits (unique users)	N/A	N/A
6. Number of children in organised learning programmes, both on-site and outreach	N/A	N/A

#### Notes

1. Locomotion: The NRM at Shildon was opened to the public on Saturday 25 September.
2. This figure is based on early indications from a one-off survey carried out by Sedgfield Borough Council. The Council will be introducing monthly surveys in the coming year (2005-06).

### 3.6 Science Museum at Wroughton

Wroughton Core Targets	Target 2004-05	Outturn 2004-05
1. Total number of visitors	70,000 <sup>1</sup>	31,358
2. Number of child visitors	21,000 <sup>1</sup>	8,633
3. Number of venues to which objects from the collections are loaned In England, rest of UK and overseas <sup>2</sup>	N/A	N/A
4. Number of C2DE visitors (target: to achieve 8% increase by 2005-06 on 2002-03 baseline)	23,000 <sup>1</sup>	15,465 <sup>3</sup>
5. Number of Website hits (unique users) <sup>4</sup>	N/A	N/A
6. Number of children in organised learning programmes, both on-site and outreach	4,600 <sup>1</sup>	1,986

#### Notes

1. Initial targets were based on a different development plan for Wroughton from that finally adopted.
2. Objects are stored at Wroughton on behalf of the Science Museum, so separate loans information is not relevant. See Science Museum figures.
3. This is based on the latest audience profiling exercise at Wroughton in 2001, which showed that approximately 49% of visitors to the Wroughton site are C2DE visitors.
4. Wroughton has its own Web pages within the Science Museum Website. These pages have been considerably updated this year, and visits to them have increased. These are recorded within the Science Museum Web-visit figures.

## Staff communications

NMSI puts considerable effort into staff communications. Regular staff briefings from the Director, NMSI and the Heads of Museums on strategic and topical issues are supplemented by national and local newsletters and announcements and news on the Intranet and by e-mail.

In addition to communications via team briefings there are a number of forums where NMSI engages with staff representatives and officials from the Trades Unions on matters of mutual interest and concern. There has also been close collaboration on the development of a range of policy initiatives.

The performance management process is now a well-established means for communicating business goals, aligning personal objectives to the wider business aims and providing feedback on performance. All appraisals are subject to quality checking and any development needs highlighted in them are used to plan and deliver training.

The staff opinion survey continues to be a primary vehicle for tracking and responding to staff views across a range of issues. During the course of 2004–05 we reviewed our approach to the survey in order to increase the response rates and general effectiveness. In the coming year the survey will be undertaken on line and the results made available in time to be factored into the business planning process. Going forward, we will also use focus groups on a more systematic basis to understand opinion and issues better.

## Policy and measures for staff with disabilities

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

This policy pursues and builds on the statutory position. The intention is to comply as much with the spirit as with the letter of the legislation and to establish and pursue an effective policy of promoting equal opportunity. It aims to reduce job segregation (that is where people of one sex are concentrated in particular areas of work) and to make best use of the potential of all employees, regardless of race, gender or any physical disability.

NMSI began to develop a plan to respond to equality issues in personnel procedures, pay and conditions, actively seeking to identify any discriminatory practice. If any are found, an action plan will be drawn up to address the issue over the next 2–3 years.

NMSI has undertaken extensive work over the last two years to ensure that its pay and grading arrangements are equality proofed. Work continues on other areas of policy to develop a proposition that is attractive to and supports a diverse workforce.

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The Museum creditor policy follows the Government-wide standard of meeting agreed payment terms (or by 30 days where no payment terms have been specifically agreed). With the introduction of a new accounting system, a more systematic way of measuring the timing of payments has been introduced. Under this, 65% of payments were made within this policy for 2004–05 compared with 53% in 2003–04 restated using the same approach or 43% under the previous measurement policy. We shall be looking at ways to improve this position further in 2005–06.

## Investment policy

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

## Reserves policy

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

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

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

<b>Rolling three-year average</b>	<b>Target 2004-05</b>	<b>Actual to end of year</b>
<b>NMSI wide average</b>	15%	4.9 %

## List of sponsors and donors

Aagrah Group of Restaurants  
Aimhigher  
Alstom Transportation  
Angel Trains Ltd  
Arriva Trains Northern  
Arts & Business New Partners  
Arts Council  
Association of Train Operating Companies (ATOC)  
AT Bristol  
Atkins Rail

Bachmann Europe plc  
Balfour Beatty  
BASF  
Bombardier Transportation  
BP International Ltd  
Bradford Metropolitan District Council  
Bradford Vision  
British Alcan Aluminium  
British Broadcasting Corporation  
British Film Institute  
British Library  
British Psychological Society

Central Japan Railway Company  
Channel 4  
City of York Council  
Computer Associates  
Countryside Agency  
Crossrail

Department for Culture Media and Sport  
Department of Trade and Industry  
Deutsche Bank  
Durham County Council  
The Dyson Foundation

EMAP Publications  
Engineering and Physical Sciences Research Council  
Energy Savings Trust  
English Welsh & Scottish Railway  
Environment Agency  
European Regional Development Fund  
ESA  
Esmée Fairbairn Foundation  
Estate of R Thorpe  
Europe Cinemas  
European Commission

Film Council  
First Great Western  
First Group  
First TransPennine Express  
Flying Scotsman public appeal (6,500 donations)  
Forestry Commission  
Friends of the National Railway Museum

GB Rail Freight  
GNER  
Government Office for the North East

Hallmark  
Heritage Lottery Fund  
Heritage Lottery Fund South West  
Heritage Railway Association

IBM UK Ltd  
Intel UK

Jaguar  
James Robinson Ltd  
Jarvis plc  
JobCentre Plus

King Badouin Foundation  
Kodak Eastman Charitable Trust

Last Cawthra Feather  
Learning & Skills Council WY  
Learning and Skills Development Agency  
Legacies  
Lexus plc

MacMillan Publishers Ltd  
Mencap  
Midland Mainline  
MLA Grant  
Mondriaan Foundation  
Moveright International Ltd  
Museum, Libraries and Archives Council

National Express Group  
National Heritage Memorial Fund  
National Museums of Wales  
National Endowment for Science, Technology and the Arts  
Network Rail  
New Opportunities Fund  
North Yorkshire Moors Railway

Particle Physics and Astronomy Research Council	University of Bradford
Porterbrook Leasing Company Ltd	
Principles Agency	Valentine Charitable trust
Provident Financial plc	Virgin Enterprises Ltd
	Virgin Management Ltd
Railnews	Virgin Trains
RAC plc	Viridor Credits Environmental Company
Railway Industry Association	
Railway Magazine	Wabtec Rail
Reed Elsevier (UK) Limited	Walker Morris
Rex Procter & Partners	The Wellcome Trust
	West Yorkshire Grants
Screen Yorkshire	The Wolfson Foundation
Sedgefield Borough Council	Woodland Grant Scheme
Siemens plc	
Simons Construction Ltd	Yorkshire Museums, Libraries & Archives Council
Sir Peter Shepherd Charitable Trust	York Evening Press
Skillset	Yorkshire Post
Skipton Building Society	Yorkshire Forward
Strategic Rail Authority	
South West of England Regional Development Agency	Zochonis Charitable Trust
Territorial Army	
The BP Educational Trust	
The Calouste Gulbenkian Foundation	
The Campaign for Drawing	
The Dana Foundation	
The Railway Forum	
The Guild of Railway Artists	
Toshiba Agency Corporation	
Trinity Rail Group	

# List of Corporate Partners

## SCIENCE MUSEUM

<b>Patron</b>	BP International Ltd GlaxoSmithKline Irwin Mitchell McLaren Group Ltd
<b>Benefactor</b>	AMEX BNFL ExxonMobil IBM National Savings and Investments PPARC  UK Steel Industry: ASW Holdings AvestaPolarit Bridon Ltd Caparo Group Ltd CORUS Tinsley Wire Ltd UK Steel Association
<b>Member</b>	Akzo Nobel Jaguar F1 Team in Schools Kyocera Smiths Group plc
<b>Associate</b>	Arup Group Ltd CMS Cameron McKenna Convergent Network Solutions DS Print & Redesign Farrer & Co. Tranter Lowe Walfords

## NATIONAL RAILWAY MUSEUM

<b>Patron</b>	BT Central Japan Railway Company Eurostar English Welsh & Scottish Railway First Keolis TransPennine Express Jarvis Rail Network Rail Porterbrook Leasing The readers of <i>Steam Railway</i> magazine West Japan Railway Company
<b>Benefactor</b>	Atkins Rail Bachmann Corus Rail Consultancy Hornby RailNews Wabtec Rail Ltd
<b>Member</b>	GNER The Model Centre Ned Railways Saville Audio Visual William Cook Cast Products
<b>Associate</b>	BBC Radio York for North Yorkshire Dulay Seymour Creative Communications Honeywell Control Systems Ltd Nick Derbyshire Architects Restaurant Associates (Milburns Restaurants) Simons Construction Ltd

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# About NMSI

## 1.1 NMSI now

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

## 1.2 History

The Science Museum has its origins in the South Kensington Museum set up soon after the Great Exhibition of 1851. The National Railway Museum (NRM), opened in 1975, was established as a result of the transfer of the British Transport Commission's railway collection to the Board of Trustees of the Science Museum. The National Museum of Photography, Film & Television (NMPFT) was established in 1983 with the support of Bradford City Council as part of the Council's economic redevelopment. Wroughton, a former World War Two airfield, was made available to the Museum by the Ministry of Defence in 1979. Locomotion: the National Railway Museum at Shildon, was opened in 2004 with the support of Sedgfield Borough Council.

## 1.3 Legal status

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

## 1.4 Framework for operation

The Department for Culture, Media and Sport (DCMS) agreed a Management Statement and Financial Memorandum with the Museum in 2002-03; continuing receipt of the Grant is dependent upon the Museum's compliance. This sets out DCMS policy and financial requirements which include the relevant provisions of Government Accounting and such other guidance as the Treasury, Cabinet Office or DCMS have issued. It also describes the delegated powers and limits. The Funding Agreement between DCMS and NMSI defines the commitments by each party and can be seen on the NMSI Website.

## Management of NMSI

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

The main decision-making body within NMSI is the Executive Committee made up of the Director of NMSI, the Head of each Museum, the Chief Executive of NMSI Trading Ltd and the Heads of NMSI-wide functions: Human Resources, Planning and Development, Sustainable Development, Finance, Information Technology and Corporate Communications. NMSI Executive Committee is accountable to the Board of Trustees and DCMS. It is responsible for resource allocation, leading strategic management, developing the cultural agenda and sustaining NMSI values.

Trustee subcommittees reflect the individual Museums and cross-NMSI activity and are detailed below.

### 2.1 The Board of Trustees of NMSI

Numbers in brackets refer to membership of subcommittees, as listed below.

	Date of current appointment	Expiry of appointment
<b>Chairman</b>		
The Rt Hon Lord Waldegrave of North Hill (7)	01.07.02	30.06.06
<b>Members</b>	06.06.02	05.06.06
Sir Ron U Cooke PhD DSc FRGS AcSS (2) (4) (6)		
Professor Ann Dowling CBE FEng FIMechE FRAeS FRS (3) (5) (7)	24.08.04	23.08.08
Mr Greg Dyke	08.03.01	07.03.06
Dr Anne Grocock MA (1) (3)	06.06.03	05.06.07
Dr Douglas Gurr (6) (9)	06.06.02	05.06.06
Mr Richard Haythornthwaite (9)	28.01.02	27.01.06
Mr David E Rayner CBE (1) (4)	06.06.03	05.06.07
Professor Sir Martin Rees FRS (7)	10.10.03	09.10.07
Dr Maggie Semple OBE (8) (2)	12.07.02	11.07.06
Dr Simon Singh MBE (5)	24.08.04	23.08.08
Mr Martin G Smith MA MBA MA (Econ) (2) (6)		
Professor Roderick A Smith MA PhD ScD FCGI FEng CEng FIMechE FIM (1) (4)	23.04.02	22.04.06
Professor Kathy Sykes (7) (8)	10.10.03	09.10.07
Sir William Wells (9)	06.06.03	05.06.07
Mr Michael G Wilson (5)	13.02.04	12.02.08

### 2.2 Trustee subcommittees and subsidiary company boards

- (1) Audit Committee (Chair – Dr Anne Grocock)
- (2) Finance and General Purposes Committee (Chair – Mr Martin G Smith)
- (3) Remuneration Committee (Chair – Mr Martin G Smith)
- (4) NRM Trustee Subcommittee (Chair – Mr David Rayner)
- (5) NMPFT Trustee Subcommittee (Chair – Mr Michael G Wilson)
- (6) Board of Directors of NMSI Trading Ltd (Chair – Mr Martin G Smith; Dr Douglas Gurr from March 2005)
- (7) Science Museum Trustee Subcommittee (Chair – The Rt Hon Lord Waldegrave of North Hill)
- (8) Wellcome Wolfson Building Trustee Subcommittee (Chair – Dr Maggie Semple)
- (9) Wroughton Trustee Subcommittee (Chair – Sir William Wells)

## 2.3 Full membership of selected Trustee subcommittees

### Science Museum at Wroughton Trustee Subcommittee

Chairman	Sir William Wells (Trustee)
Members	Dr Douglas Gurr (Trustee) Mr Richard Haythornthwaite (Trustee)

### NMPFT Trustee Subcommittee

Chairman	Mr Michael G Wilson (Trustee)
Members	Professor Ann Dowling – for one year from 16 March 2005 Mr Peter McCormick OBE Mr Philip Robinson Professor Chris Taylor

### NRM Trustee Subcommittee

Chairman	Mr David E Rayner CBE (Trustee)
Members	Mr David Atkinson Sir Ron U Cooke (Trustee) Mr Christopher Garnett Mr Brian Greenwood MCMl Mr Simon Linnett Mr Frank Paterson Professor Roderick A Smith (Trustee)

### Science Museum Trustee Subcommittee

Chairman	The Rt Hon Lord Waldegrave of North Hill (Chairman of Trustees)
Members	Dr Nicolas Barker Dr Jim Bennett Professor Ann Dowling (Trustee) Dr Graham Farmelo Ashley Highfield Dr Clare Matterson Professor Sir Martin Rees (Trustee) Dr Christine MacLeod Dr Gill Samuels CBE Dr Simon Singh (Trustee) Professor Kathy Sykes (Trustee) Dr Robyn Williams

### Wellcome Wolfson Building Trustee Subcommittee

Chairman	Dr Maggie Semple OBE (Trustee)
Members	Professor Elizabeth N Anionwu CBE Professor Colin Blakemore Dr Graham Farmelo Dr Victoria Harrison Sir Roland Jackson Bt Dr Clare Matterson Dr Sanjida O'Connell Mr E F Rover Dr Simon Singh MBE (Trustee) Professor Kathy Sykes (Trustee) Professor Richard Wiseman

## 2.4 Executive Committee

Dr Lindsay Sharp (6)	Director
Ms Celeste Bright	Head of Development (Science Museum)
Ms Mel Burns	NMSI Head of IT
Ms Anne Caine	NMSI Head of Finance
Mr Clive Gordon	NMSI Head of Masterplanning and Sustainable Development
Ms Molly Jackson	Chief Executive NMSI Trading Ltd
Mr Andrew Leitch	NMSI Head of Planning and Major Projects
Mrs Adele McAllister	NMSI Head of HR and Change Support
Mr Colin Philpott	Head of National Museum of Photography, Film & Television
Mr Matthew Pudney	NMSI Head of Corporate Communications
Mr Andrew Scott	Head of National Railway Museum
Mr Jon Tucker	Head of Science Museum

## 2.5 Register of interests

The Trustee Register of Interests is available for inspection on application to the Committee Manager.

## Staff communications

NMSI puts considerable effort into staff communications. Regular staff briefings from the Director, NMSI and the Heads of Museums on strategic and topical issues are supplemented by national and local newsletters and announcements and news on the Intranet and by e-mail.

In addition to communications via team briefings there are a number of forums where NMSI engages with staff representatives and officials from the Trades Unions on matters of mutual interest and concern. There has also been close collaboration on the development of a range of policy initiatives.

The performance management process is now a well-established means for communicating business goals, aligning personal objectives to the wider business aims and providing feedback on performance. All appraisals are subject to quality checking and any development needs highlighted in them are used to plan and deliver training.

The staff opinion survey continues to be a primary vehicle for tracking and responding to staff views across a range of issues. During the course of 2004–05 we reviewed our approach to the survey in order to increase the response rates and general effectiveness. In the coming year the survey will be undertaken on line and the results made available in time to be factored into the business planning process. Going forward, we will use focus groups on a more systematic basis to understand opinion and issues better.

## Policy and measures for staff with disabilities

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

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## Financial policies

### 5.1 Creditor policy

The Museum creditor policy follows the Government-wide standard of meeting agreed payment terms (or by 30 days where no payment terms have been specifically agreed). With the introduction of a new accounting system, a more systematic way of measuring the timing of payments is being tested. Under this, 65% of payments were made within this policy for 2004–05 compared with 53% in 2003–04 restated using the same approach or 43% under the previous measurement policy.

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## List of NMSI advisers

### Auditors

#### NMSI

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

#### NMSI Trading Ltd and Bradford Film Ltd

Moore Stephens  
Chartered Accountants  
1 Snow Hill, London EC1A 2EN

### Bankers

#### NMSI

Barclays Bank plc  
Floor 27  
1 Churchill Place, London E14 5HP

#### NMSI Trading Ltd and Bradford Film Ltd

Barclays Bank plc  
Floor 27  
1 Churchill Place, London E14 5HP

### Solicitors

#### NMSI

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

#### NMSI Trading Ltd and Bradford Film Ltd

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

Cameron McKenna  
Mitre House  
160 Aldersgate Street, London EC1A 4DD

The audit of the National Museum of Science & Industry's statement of accounts by the National Audit Office (NAO) enables the Comptroller and Auditor General to fulfil his statutory duty under Section 9 (8) of the Museums and Galleries Act 1992 to lay annually before Parliament certified copies of the accounts and his report. Moore Stephens audited NMSI Trading Ltd.

The fees paid to NAO for Audit Services amounted to £45,000. A further assurance service in the form of a grant audit to the value of £1,000 was performed by NAO during 2004–05.

## Museum locations

### Addresses

#### The Science Museum

Exhibition Road  
London  
SW7 2DD

#### The National Railway Museum

Leeman Road  
York  
YO2 4XJ

#### The National Museum of Photography, Film & Television

Pictureville  
Bradford  
West Yorkshire  
BD1 1NQ

#### Science Museum Wroughton

Hackpen Lane  
Wroughton  
Wiltshire  
SN4 9NS

#### Blythe House

23 Blythe Road  
London  
W14 0QF

#### Locomotion

The National Railway Museum at Shildon  
Shildon  
County Durham  
DL4 1PQ

## Company information

### NMSI Trading Ltd

#### Directors

Sir Ronald Cooke  
Mr D Gurr  
Mr Richard Haythornthwaite (resigned 04.02.04)  
Mr Martin Smith  
Dr Lindsay Sharp  
Mr R Steele

#### Secretary

Ms Anne Caine

#### Registered office

Exhibition Road  
London SW7 2DD

#### Registered number

2196149

### Bradford Film Ltd

(a company limited by guarantee)

#### Directors

Mr Michael Wilson  
Ms Molly Jackson  
Mr Colin Philpott

#### Secretary

Ms Anne Caine

#### Registered office

Exhibition Road  
London SW7 2DD

#### Registered number

3309258

## Changes in fixed assets

Capital investment in 2004–05 amounted to £12.8 million. Major items were

- £4.3 million on completion of construction, external works, and galleries at Locomotion
- £2.3 million *Flying Scotsman* purchase
- £1.3 million to complete the *Energy* gallery
- Work under construction at £1.7 million included expenditure on the National Collections Centre and the Visitor Centre at Wroughton, phase 1 expenditure on the renewal of the TV galleries at NMPFT and, at the Science Museum, lift modernisation, fire-certificate compliance works and refurbishment of the East Hall.

Revaluation gave rise to an increase of £11.4 million, the major movements being

- £9.7 million land and buildings, of which £7.5 million was attributable to the main South Kensington site and the Wellcome Wolfson Building.
- £1.5 million plant, machinery, computer and office equipment across all sites.

## Review of financial position and salient features of the accounts

The year saw the completion of several major activities, the opening of Locomotion at Shildon and the *Energy* gallery at the Science Museum and the purchase of *Flying Scotsman* together with the final instalment being paid for the Royal Photographic Collection. Work took place at the Science Museum to replace roofs and other internal structural works. The completion of these activities was reflected in the lower creditor and cash balances as a result of the expenditure from the Museum Improvement Fund and Sponsorship, Grant and Donations Reserves.

The completion of these projects and reduced activity by year end is visible in the lower debtors and creditors. Cash levels have fallen by the end of the year compared to the previous year with matching reductions in the relevant reserves, Sponsorship, Grant and Donations Reserve and Museum Improvement Fund.

Income for the year was lower than 2003–04, since 2003–04 contained one-off grants from DCMS and a major exhibition at the Science Museum, neither of which were repeated in 2004–05.

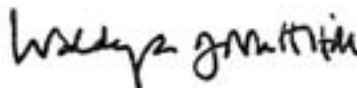
Commercial costs were lower in 2004–05 in parallel with income as no major exhibition was shown. The impact of the annual pay rise and completion of the implementation of the new pay and grading system was offset by lower non-staff expenditure absorbing the pressure on costs in the face of close to standstill income.

## Post-balance-sheet events

At the end of his five year term on 30 June 2005, Dr Lindsay Sharp stepped down as Director of NSMI but will assist with the National Collections Centre project until 30 September. Until a new Director is appointed Jon Tucker, Head of the Science Museum, takes on the role of Acting Director.

After the year end, NSMI Trading Ltd was gifted shares with limited voting rights in Science Exhibitions Ltd, a partner with Fleming Media LLP in the Science and Media Limited Liability Partnership, which was set up to provide funding and support for future blockbuster exhibitions entitled 'The Science of ...', including the forthcoming *Science of Aliens* exhibition. NSMI Trading Ltd has funded the set-up costs of the *Aliens* exhibition so far, including in prepayments. This will be offset against the future revenue streams to NSMI Trading Ltd from Science and Media LLP. A further profit share will also be allocated from Science Exhibition Ltd to the Science Museum.

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



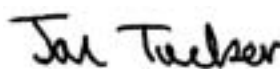
Date 19.12.05

**Dr Anne Grocock**  
Chairman of the Audit Committee



Date 19.12.05

**Jon Tucker**  
Acting Director and Accounting Officer



Date 19/12/05

# Statements

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## Statement of Trustees' and Director's responsibilities

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

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

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

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

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

19.12.05

Date

  
**Dr Anne Grocock**  
Chairman of the Audit Committee

19.12.05

Date

  
**Jon Tucker**  
Acting Director and Accounting Officer

19/12/05

Date

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

## Statement on the system of internal control

As Chairman of the Trustee Audit Committee and representative of the Board of Trustees and as Accounting Officer, we have responsibility for maintaining a sound system of internal control that:

- Supports the achievement of the objectives of the National Museum of Science & Industry
- Safeguards the public funds and assets for which the Accounting Officer is personally responsible in accordance with the responsibilities assigned in Government Accounting
- Ensures compliance with the requirements of the National Museum of Science & Industry's Management Statement and Financial Memorandum
- Has incorporated risk management within the strategic business planning process.

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

Separate Trustee subcommittees give strong, direct support to each Museum in addition to the existing Finance and General Purposes subcommittee, the Audit subcommittee and the Remuneration subcommittee. During the year a review of the performance of the Chairman, Board of Trustees and Director informed consideration of the committee structure and effectiveness. Results from this will be implemented in 2005-06. A Management Statement outlining key responsibilities and Financial Memorandum is in place between DCMS and NMSI.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of the Museum's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

During 2004-05 NMSI continued to plan the implementation of its objectives through the business plans. These plans included an assessment of the major risks to achieving these objectives. A number of the major risks – the lack of gallery renewal, limitations on key innovative projects, impairment of visitor experience, an inability to deliver DCMS agenda, a backlog of property refurbishment (with attendant risk of a major property failure), restricted IT investment, and pay constraint resulting in industrial action – all stem from continued cumulative pressure on the funding of core activities. Other major risks include the threat of terrorism, loss of reputation, impact of regional decline, concerns about potential impact of flooding on Blythe House storage, planning uncertainty and failure to develop the full potential of trading income or to secure other non-Grant-in-Aid revenue.

Risk evaluation informs our actions in managing these risks efficiently, effectively and economically as we implement our plans to achieve the objectives over the coming years. Risk management is incorporated into the corporate-planning and decision-making processes of the Museum following the Strategic Review process. During 2004-05 we have monitored our progress towards the achievement of the objectives.

The Board received reports from the Chairs of the Audit and Finance and General Purposes Committees and the Director concerning matters affecting internal control and the minutes of all subcommittees are now distributed to Trustees. During 2004-05, the Museum acted on the recommendations of the external Health and Safety review while continuing to run the Health and Safety programmes. The security review at the Science Museum is taking place within 2005-06.

The system of internal control has been in place in NMSI for the year ended 31 March 2005 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 management team comprising the Heads of Museums and of major national functions which meets monthly to consider the plans and strategic direction of the Museums
- Regular reports from managers to the Audit Committee, Finance and General Purposes Committee or management team (as appropriate) on the steps they are taking to manage risks in their areas of responsibility including progress on key projects
- Annual completion of internal control schedules by senior managers to confirm their compliance with NMSI's internal control standards

- Continual development of a range of robust system controls designed to ensure the integrity of NMSI's IT networks and external communications links
- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Board of Trustees
- Monitoring of the achievement of key performance indicators against budget
- Regular reviews by the Board of Trustees of progress against the key performance indicators indicating attainment against objectives and of periodic and annual financial reports which indicate financial performance against the forecasts
- A Funding Agreement between NMSI and Department for Culture, Media and Sport which includes performance measures for future years
- Clearly defined capital-investment control guidelines
- As appropriate, formal project management disciplines paying particular attention to risk and contingency levels
- The establishment of the Corporate Risk Group in 2004-05, chaired by the Head of Finance, reporting to the Audit Committee, which is responsible for
  - (i) developing and monitoring the implementation of the Museum's risk strategy
  - (ii) monitoring changes in the corporate risk profile and, via its Chairman
  - (iii) reporting significant changes to the Director, the Audit Committee and the Board of Trustees
- The Corporate Risk group is responsible for the maintenance of an organisation-wide risk register, progressing work to develop a consistent evaluation framework and encouraging the use of ongoing Control and Risk Self-Assessment procedures.

In the early part of 2004-05, the National Museum of Science & Industry used the internal audit services of the South Kensington Museum Audit Consortium, based at the Natural History Museum, which operates to the Government Internal Audit Standards. AHL Ltd has since been appointed internal auditors for NMSI. The incoming Head of Internal Audit (HIA) has provided internal audits and annual assurance for 2004-05 to the Accounting Officer. This has been based on the work undertaken by the South Kensington Museum Audit Consortium during the year and follow-up reviews undertaken by AHL Ltd. The work of the internal audit unit is informed by an analysis of the risk to which the body is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by the Trustee's Audit Committee and approved by us. The HIA provides us with regular reports on internal audit activity in the body. The reports include the HIA's independent opinion on the adequacy and effectiveness of the body's system of internal control, together with recommendations for improvement. In the Internal Audit annual report for 2004-05 the HIA gave reasonable assurance on the effectiveness of the Museum's risk and control processes.

As Chairman of the Audit Committee and Accounting Officer, we have responsibility for reviewing the effectiveness of the system of internal control. Our review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the department who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management review letter and other reports. We have been advised on the implications of the result of our review of the effectiveness of the system of internal control by the Board and the Audit Committee and plan to address weaknesses and ensure continuous improvement of the system is in place.

**Dr Anne Grocock MA** .....   
 Chairman of the Audit Committee and Trustee

**Jon Tucker** .....   
 Acting Director and Accounting Officer

## National Museum of Science and Industry

### **The Certificate of the Comptroller and Auditor General to the Houses of Parliament**

I certify that I have audited the financial statements on pages 42 to 66 under the Museums and Galleries Act 1992. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 47 to 50.

### **Respective responsibilities of the Trustees, the Director and Auditor**

As described on page 37 the Trustees and the Director are responsible for the preparation of the financial statements in accordance with the Museums and Galleries Act 1992 and directions made by the Secretary of State for Culture, Media and Sport thereunder and for ensuring the regularity of financial transactions. The Trustees and the Director are also responsible for the preparation of the Foreword and Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

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

I read the other information contained in the Foreword and Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on pages 38 and 39 reflects the Museum's compliance with Treasury's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Museum's corporate governance procedures or its risk and control procedures.

### **Basis of audit opinion**

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

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

## Opinion

In my opinion:

- The financial statements give a true and fair view of the state of affairs of the National Museum of Science & Industry at 31 March 2005 and of its incoming resources and application of resources, including its income and expenditure, and cash flows for the year then ended and have been properly prepared in accordance with the Museums and Galleries Act 1992 and directions made thereunder by the Secretary of State for Culture, Media and Sport
- In all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

**John Bourn**  
Comptroller and Auditor General

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

Date 19/12/05

# Financial Statements

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## CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	2005	2004
	£000	£000
Total Income of Continuing Operations	59,277	72,160
Total Operating Expenditure	(64,908)	(67,014)
Total (deficit)/surplus for the year	(5,631)	5,146
Movement on Capital Funds	10,153	5,241
Operating (deficit)/surplus for the year	4,522	10,387
Less: transfer to Capital Funds	(7,686)	(9,095)
Net operating (deficit)/surplus for the year	(3,164)	1,292

Movement on Capital Funds is equal to the net income and expenditure (excluding gain/loss on revaluation) for the Collection Purchases Fund (£4,215k), the Capital Projects Fund (£11,082k) and the Revaluation Reserve (£3,286k). See note 16.

The transfer to Capital Funds is the total net transfers from the non-capital funds: Sponsorship, Grants and Donations Reserve (£6,425k), Museum Improvement Fund (£1,612k), contingency fund (£389k) and general fund (£38k). See note 16.

The Consolidated Summary Income and Expenditure Statement has been restructured to allow it to be more easily read in conjunction with the Statement of Financial Activities.

The notes on pages 47 to 66 form part of these accounts

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## NATIONAL MUSEUM OF SCIENCE & INDUSTRY

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 MARCH 2005

	Notes	2005 Unrestricted funds £000	2005 Restricted funds £000	2005 Total £000	2004 Total £000
<b>Incoming Resources</b>					
<b>Donations, Legacies and Grants</b>					
Grant in Aid from DCMS	2	32,994	-	32,994	34,012
Transfer of Blythe House (as beneficial user)		-	-	-	7,228
Grants, legacies and donations		227	5,973	6,200	7,985
<b>Activities in furtherance of NMSI's objectives</b>					
Lottery income		-	3,671	3,671	3,170
Sponsorship		301	642	943	1,313
Other operating income	3	1,225	-	1,225	1,009
<b>Activities for Generating Funds</b>					
Income from commercial activities	6	13,710	-	13,710	16,949
Rental income from operating leases		373	-	373	228
<b>Investment income</b>	4	161	-	161	266
<b>Total incoming resources</b>		48,991	10,286	59,277	72,160
<b>Resources expended</b>					
<b>Charitable Expenditure</b>					
<i>Costs in furtherance of NMSI's Objectives</i>					
Collections purchases		4	-	4	9
Care for and research into collections		5,508	1,510	7,018	6,949
Science education and communication		9,158	6,620	15,778	15,855
Visitor services		6,570	100	6,670	6,281
<i>Support Costs</i>		11,233	5,868	17,101	17,031
<i>Management and administration of the Charity</i>		1,577	29	1,606	1,762
<b>Cost of generating funds</b>					
Publicity and fundraising		2,458	72	2,530	2,562
Commercial costs		14,201	-	14,201	16,565
<b>Total resource expended</b>	5	50,709	14,199	64,908	67,014
Notional cost of capital	7	897	3,813	4,710	4,966
<b>Net incoming/(outgoing) resources before transfers</b>		(2,615)	(7,726)	(10,341)	180
Reversal of notional costs		897	3,813	4,710	4,966
Transfer between funds		493	(493)	-	-
<b>Net incoming/(outgoing) resources for the year</b>		(1,225)	(4,406)	(5,631)	5,146
Gain/(loss) on revaluation of assets		914	10,363	11,277	27,821
<b>Net movement in funds</b>		(311)	5,957	5,646	32,967
<b>Fund balances brought forward at 01.04.04</b>		27,292	222,259	249,551	216,584
<b>Fund balances carried forward at 31.03.05</b>		26,981	228,216	255,197	249,551

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

The notes on pages 47 to 66 form part of these accounts

**NATIONAL MUSEUM OF SCIENCE & INDUSTRY**  
**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2005**

	Notes	2005 £000	2004 £000 (restated)
<b>Fixed assets</b>			
Intangible assets		13	-
Tangible assets	8	253,971	245,145
		<u>253,984</u>	<u>245,145</u>
<b>Current assets</b>			
Stock		610	804
Debtors	11	7,860	9,829
Short-term deposits		-	-
Cash in hand and at bank	23	3,164	5,760
		<u>11,634</u>	<u>16,393</u>
<b>Creditors: amounts falling due within one year</b>	12.1	<u>(6,855)</u>	<u>(8,151)</u>
<b>Net current assets</b>		<u>4,779</u>	<u>8,242</u>
<b>Creditors: amounts falling due after one year</b>	12.2	(698)	(736)
<b>Provision for liability and charges</b>			
Early-retirement provision	13	(16)	(47)
Deferred income	14	(2,852)	(3,053)
		<u>255,197</u>	<u>249,551</u>
<b>Net assets</b>			
Represented by:			
<b>Restricted funds:</b>			
Sponsorship, Grants and Donations Reserve	17	2,493	4,443
Revaluation Reserve	19	7,451	-
Capital Projects Fund	20	218,272	217,816
		<u>228,216</u>	<u>222,259</u>
<b>Unrestricted funds:</b>			
<b>Designated funds</b>			
Museum Improvement Reserve	21	4,405	5,592
Collections Purchase Fund	18	71	108
Revaluation Reserve	19	1,796	909
Capital Projects Fund	20	19,425	19,372
Contingency fund	16.1	1,177	788
<b>General funds</b>	16.1	<u>107</u>	<u>523</u>
<b>Total funds</b>		<u>255,197</u>	<u>249,551</u>

Rt Hon Lord Waldegrave of North Hill *Waldegrave of North Hill* Date *19.12.05*

Dr Anne Grocock *A.G. Grocock* Date *19.12.05*

Jon Tucker *Jon Tucker* Date *19/12/05*

The notes on pages 47 to 66 form part of these accounts

**NATIONAL MUSEUM OF SCIENCE & INDUSTRY**  
**MUSEUM BALANCE SHEET AS AT 31 MARCH 2005**

	Notes	2005 £000	2004 £000 (restated, see note 15)
<b>Fixed assets</b>			
Tangible assets	8.2	246,980	238,194
Investments	6	411	411
		<u>247,391</u>	<u>238,605</u>
<b>Current assets</b>			
Stock		-	-
Debtors	11	9,429	11,266
Short-term deposits		-	-
Cash in hand and at bank		2,783	5,434
		<u>12,212</u>	<u>16,700</u>
<b>Creditors: amounts falling due within one year</b>	12.1	<u>(4,488)</u>	<u>(5,733)</u>
<b>Net current assets</b>		7,724	10,967
<b>Creditors: amounts falling due after one year</b>		-	-
<b>Provision for liability and charges</b>			
Early-retirement provision	13	(16)	(47)
Deferred income	14	(633)	(683)
		<u>(649)</u>	<u>(730)</u>
<b>Net assets</b>		<u>254,466</u>	<u>248,842</u>
Represented by:			
<b>Restricted funds:</b>			
Sponsorship, Grants and Donations Reserve	17	2,493	4,443
Revaluation Reserve	19	7,451	-
Capital Projects Fund	20	218,272	217,816
		<u>228,216</u>	<u>222,259</u>
<b>Unrestricted funds:</b>			
<b>Designated funds</b>			
Museum Improvement Reserve	21	4,405	5,592
Collections Purchase Fund	18	71	108
Revaluation Reserve	19	755	-
Capital Projects Fund	20	19,425	19,373
Contingency fund	16.1	1,176	788
		<u>25,727</u>	<u>25,753</u>
<b>General funds</b>	16.1	418	722
<b>Total funds</b>		<u>254,466</u>	<u>248,842</u>

The notes on pages 47 to 66 form part of these accounts

**NATIONAL MUSEUM OF SCIENCE & INDUSTRY**  
**CONSOLIDATED CASH FLOW FOR THE YEAR TO 31 MARCH 2005**

	Note	2005 £000	2004 £000
Net cash flow from operating activities	23.1	9,609	10,558
Returns on investments and servicing of finance	23.2	84	187
Capital Expenditure	23.2	(12,116)	(10,236)
Management of liquid resources	23.2	-	5,000
Financing	23.2	(173)	(378)
Increase/(decrease) in cash	23.2	<u>(2,596)</u>	<u>5,131</u>
Increase/(decrease) in cash in the period	23.3	(2,596)	5,131
Cash (inflow)/outflow from (decrease)/increase in liquid resources	23.2	-	(5,000)
Decrease/(increase) in debt and lease financing	23.2	173	377
Change in net fund resulting from cash flow		<u>(2,423)</u>	508
New finance leases		-	-
Movement in net fund during the period		<u>(2,423)</u>	508
Net funds as at 01.04.04		4,839	4,331
Net funds at 31.03.05		<u>2,416</u>	<u>4,839</u>

The notes on pages 47 to 66 form part of these accounts

# NOTES TO THE CONSOLIDATED ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

## 1 STATEMENT OF ACCOUNTING POLICY

### 1.1 Accounting convention

The accounts have been prepared under a historical cost convention as modified by the revaluation of certain fixed assets. Without limiting the information given, the accounts meet the accountancy and disclosure requirements of the Companies Act 1985 and of the Accounting Standards issued or adopted by the Accounting Standards Board so far as those requirements are appropriate. It also meets the Statement of Recommended Practice, 'Accounts and Reports by Charities', issued by the Charity Commissioners in October 2000.

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

### 1.2 Incoming resources

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

### 1.3 Expenditure

Expenditure is classified under the principal categories of charitable and other expenditure rather than the type of expense, in order to provide more useful information to users of financial statements. Charitable expenditure comprises direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with use of the resources. Management and administration costs are those incurred in connection with the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements. Support costs comprise Estates, Personnel, Finance and Information Technology. Costs of generating funds include fundraising and publicity costs incurred in seeking voluntary contributions to the Museum, and in publicising the Museum. (Note 5)

### 1.4 Amortisation, fixed assets valuation and depreciation

The intangible asset is being written off in equal instalments over its estimated economic life of 3 years. Depreciation is provided on all tangible assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset evenly over its expected useful life, as follows:

Land	Not depreciated
Freehold and leasehold buildings	10 to 50 years
Plant and machinery	5 to 25 years
Galleries and exhibitions	5 to 15 years
Fixtures and fittings	3 to 10 years

Fixed assets are defined as assets costing £5,000 or more with a useful life of greater than 1 year. Freehold and leasehold buildings includes both building structure with a life 10–50 years and building fit-out (including such items as lift shafts, raised floors, ventilator ducts) with a life of 10–30 years.

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

### 1.5 Collection objects

As the collection is considered to be inalienable, no past valuation is attempted whether for purchased or donated objects and no amount is included for collections acquired on or before 31 March 2001 in the

Balance Sheet. Additions to the collections acquired since 1 April 2001 with a purchase price greater than £5,000 or objects donated with an estimated value greater than £50,000 are capitalised and recognised in the Balance Sheet, where such a cost or valuation is reasonably obtainable and reliable. Such items are not depreciated or revalued as a matter of routine.

Purchases of items at a price less than £5,000 for the collection are charged to the Statement of Financial Activities in the year of acquisition. (Note 18)

## 1.6 Stock

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

## 1.7 Leases

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

## 1.8 Restricted funds

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

### **Sponsorship, Grants and Donations Reserve**

Sponsorship income, grants and donations received for specific projects or events are shown as restricted income and credited to a Sponsorship, Grants and Donations Reserve. (Note 17)

### **Collections Purchase Fund**

Income received for the purchase of specific items or from the sale of objects is shown as restricted income and then credited to the Collections Purchase Fund. (Note 18)

### **Revaluation Reserve**

In the years between revaluations the net replacement cost of property assets is adjusted by the BCIS Public Sector Tender Price Index, other assets are adjusted by appropriate ONS Price Indices. Upward revaluation movements based on price indices, insofar as they relate to assets purchased using restricted funding, are taken to the Restricted Revaluation Reserve. The additional current cost depreciation charge generated by indexation revaluation movements is charged to this reserve. (Note 19)

### **Capital Projects Fund**

This fund represents the net book value of fixed assets financed by restricted funds and is used to fund depreciation on these assets. For property assets the net book value reflected in the fund is based on the quinquennial professional revaluation figure; the fund therefore encompasses an element of the revaluation movement. (Note 20)

## 1.9 Designated funds

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

### **Collections Purchase Fund**

Museum funds committed specifically to the purchase of objects for the collections are credited to the Collections Purchase Fund and released in the year in which expenditure takes place. (Note 18)

### **Revaluation Reserve**

Upward revaluation movements based on price indices, insofar as they relate to assets purchased using unrestricted funding, are taken to the Designated Revaluation Reserve. The additional current cost depreciation charge generated by indexation revaluation movements is charged to this reserve. (Note 19)

### **Capital Projects Fund**

This fund represents the net book value of fixed assets financed by unrestricted funds and is used to fund depreciation on these assets. For property assets the net book value reflected in the fund is based on the quinquennial professional revaluation figure; the fund therefore encompasses an element of the revaluation movement. (Note 20)

### **Museum Improvement Reserve**

Museum funds committed to specific future project activity are credited to the Museum Improvement Reserve and released in the year in which the related expenditure takes place. (Note 21)

### **Contingency Reserve**

Funds have been allocated to a Contingency Reserve to provide a reserve for use when significant unforeseen costs arise. The reserve is kept at a level between £1 million and £2 million depending on the recent calls on the funds and the size of the current capital programme. The necessary level is reassessed annually as part of the budget activity and also when any major change in the level of activity is planned. (Note 16.1)

## **1.10 General funds**

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

## **1.11 NMSI Trading Ltd**

NMSI Trading Ltd is a wholly owned subsidiary of NMSI. All shareholders of NMSI Trading Ltd must be Trustees of the Board of NMSI. Of the 500,000 shares in NMSI Trading Ltd that have been authorised, 411,000 shares have been issued. These are held by the Board of Trustees of the Science Museum. Under a Deed of Covenant, all taxable profits from NMSI Trading Ltd are paid to NMSI. Bradford Film Ltd is a company limited by guarantee for which NMSI Trading Ltd is the sole member. A summary of the consolidated accounts is given in note 6.

## **1.12 Pensions**

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

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

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

## **1.13 Early Retirement Scheme**

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

The total pensions liability up to normal retiring age in respect of each employee is charged to the Statement of Financial Activities in the year in which the employee takes early retirement and an increase in the provision for future pension payments is made. Funds are released from the provision annually to fund pensions and related benefits payments to the retired employee until normal retiring age. (Notes 5.2, 13)

## **1.14 Taxation**

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

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

### **1.15 Investments**

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

### **1.16 Foreign currencies**

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

### **1.17 Notional costs**

In accordance with Treasury guidance, notional cost of capital, at 3%, is charged in the Statement of Financial Activities in arriving at a net incoming/(outgoing) resources figure. This notional cost is reversed so that no provision is included on the Balance Sheet.

### **1.18 Accounts Direction**

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

## 2 MUSEUM ACCOUNT

	2005 £	2004 £
Department for Culture, Media and Sport grant	32,994,000	34,012,000
<b>Income</b>		
Grant in Aid	32,994,000	34,012,000
Transfer of Blythe House	-	7,227,676
Grants, legacies and donations	6,199,406	7,808,809
Lottery income	3,671,108	3,169,576
Sponsorship	766,401	1,287,098
Other operating income and rental income	1,339,194	1,086,047
Covenanted profit from NMSI Trading Ltd	-	701,466
	<u>44,970,109</u>	<u>55,292,672</u>
<b>Expenditure</b>		
Staff costs	20,483,060	21,265,384
Other operating costs	15,681,130	15,562,258
Depreciation	14,538,150	13,612,109
Collections purchases	4,326	9,122
	<u>50,706,666</u>	<u>50,448,873</u>
Operating (deficit)/ surplus on Museum activities	(5,736,557)	4,843,799
Interest received	216,405	290,446
	<u>(5,520,152)</u>	<u>5,134,245</u>
Revaluation of assets	11,144,560	27,349,898
Surplus for the year on Museum activities	<u>5,624,408</u>	<u>32,484,143</u>

Income for the year includes £9,269,091 of restricted income received partly for expenditure on deferred activity, mainly of a capital nature.

NMSI Trading Ltd and Bradford Film Ltd surplus/(deficit) of £657,202 (2003-04 £1,999,461) is taken to the Statement of Financial Activities.

Interest charged by NMSI to NMSI Trading Ltd of £67,407 had been netted from recharged costs and was eliminated on consolidation.

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

The Museum subsidised the activities of Bradford Film Ltd to the sum of £66,000 in 2004-05 (2003-04 £40,000) matching the property and services costs charged from the Museum to Bradford Film Ltd.

In accordance with the Management Statement and Associated Memorandum between NMSI, NCMME and DCMS, the Museum received a grant totalling £2,736,091 from DCMS on behalf of the National Coal Mining Museum for England during 2004-05 and passed this money over to it on receipt each month. The Museum received a grant of £125,000 on behalf of the Type Museum and passed this money over to it in two payments. NMSI had no assets or liabilities in respect of this funding arrangement at the date of the balance sheet.

### 3 OTHER OPERATING INCOME

	Unrestricted 2005	Restricted 2005	Total 2005	Total 2004
	£	£	£	£
Other income	1,224,732	-	1,224,732	1,009,164

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

### 4 INVESTMENT INCOME

Investment income of £161,005 (2003–04 £265,962) arose through interest earned from investing surplus funds.

### 5 TOTAL RESOURCES EXPENDED

#### 5.1 Analysis by functional purpose

	Staff Costs	Other direct costs	Depreciation and loss on disposal	2005 total	2004 total
	£000	£000	£000	£000	£000
<b>Charitable expenditure</b>					
Collections purchases	-	4	-	4	9
Collections	3,785	2,390	843	7,018	6,949
Science communication	6,517	2,726	6,535	15,778	15,855
Visitor services	4,415	1,998	257	6,670	6,281
Support costs	3,586	6,669	6,846	17,101	17,031
Management and administration	1,122	427	57	1,606	1,762
	19,425	14,214	14,538	48,177	47,887
<b>Cost of generating funds</b>					
Publicity and fundraising	1,080	1,450	-	2,530	2,562
Commercial costs	4,929	8,595	677	14,201	16,565
	25,434	24,259	15,215	64,908	67,014

Within the salary costs above, the Museum includes staff and agency costs recharged to the Museum as part of the Trading Company services. Museum staff and other direct costs recharged to the Trading Company are shown by the Trading Company within staff and other direct costs respectively.

#### 5.2.1 Staff Costs

	2005 £	2004 £
Net salaries and wages	20,552,168	19,870,367
National Insurance	1,681,396	1,634,491
Superannuation (Museum only)	1,782,230	1,698,611
Pension contributions (NMSI Trading Ltd and Bradford Film Ltd)	226,188	205,743
Early Retirement costs	232,031	79,423
Early Retirement Provision – note 13	2,154	416
Agency staff	461,374	505,862
Exceptional cost – compensation and redundancy payments	495,688	1,555,379
	25,433,229	25,550,292

Capitalised staff costs to the value of £180,726 were excluded from the staff costs above.

Exceptional payments arose from further redundancy and early retirement costs as a result of fully implementing the restructuring review.

## 5.2.2 Pensions

Superannuation benefits are provided through the Principal Civil Service Pension Scheme. PCSPS is an unfunded multi-employer defined benefit scheme but NMSI is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2003. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civil-service-pension.gov.uk](http://www.civil-service-pension.gov.uk)).

For 2004–05 employers' contributions of £1,841,870 were payable to the PCSPS (2003–04 £1,698,395) at one of four rates in the range 12–18.5% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. Rates will increase from 2005–06. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

The scheme provides benefits accumulated at a rate of 1/80th per year of pensionable salary on a 'final salary' basis with a normal retirement age of 60.

Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution.

The NMSI Trading Ltd Pension Scheme is a Contracted in Group Money Purchase Scheme with optional Contracted Out Personal Pensions to which NMSI Trading Limited contributes 7% and the employee 5%. NMSI Trading Ltd pension contributions of £226,188 were paid, (2003–04 £205,743).

In relation to the Early Retirement provision, £2,154 (2003–04 £416) was charged to the Statement of Financial Activities and credited to the Early Retirement provision. £33,895 (2003–04 £74,178) was charged against the provision to fund pensions and related benefits payments. (Note 13).

## 5.2.3 Trustees

The Chairman and Trustees (listed in the Foreword) received no remuneration for their services but expenses totalling £9,162, were paid for travel to and from meetings and for accommodation at a training seminar.

## 5.2.4 Director

The Director, Dr Lindsay Sharp, was appointed for a period of 5 years from 1 July 2000. His wife had use of a space made available by the Museum to operate a small kiln (value of benefit in kind £1,500 p.a.) from March 2001. At the end of his five-year term on 30 June 2005, Dr Lindsay Sharp stepped down as Director of NMSI but will assist with the National Collections Centre project until 30 September. Until a new Director is appointed Jon Tucker, Head of the Science Museum, takes on the role of Acting Director.

	2005 £	2004 £
Remuneration	130,000	123,750
Employer's pension contribution	24,179	28,051
Accommodation allowance	-	5,834
Total accrued pension at age 60 as at 31 March	10,775	8,463
Real increase in pension at age 60	2,049	4,841
Total lump sum at age 60 as at 31 March	32,326	25,391
Real increase in lump sum at age 60	6,148	5,306
Cash equivalent transfer value at 31 March	194,023	150,241
Real increase in cash equivalent transfer value	21,605	16,550

As the Trustees and the Director exercise ultimate responsibility and authority for controlling the major activities of the entity NMSI have determined that additional disclosure of emoluments and pension entitlements is inappropriate.

### 5.2.5 Employees receiving remuneration over £50,000:

£	2005	2004
50,001–60,000	10	8
60,001–70,000	6	9
70,001–80,000	5	4
80,001–90,000	3	2
90,001–100,000	1	1
100,001–110,000	-	1
120,001–130,000	-	1
130,001–140,000	1	1

### 5.2.6 Employees analysed by activity are as follows:

	2005 total	2004 total
Care for and research into Collection	124	106
Science education and communication	188	255
Visitor services	158	146
Support services	129	126
Publicity and fundraising	42	39
Commercial activity	273	311
Management and administration	11	13
<b>Total</b>	<b>925</b>	<b>996</b>

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

### 5.3 Other direct costs

Other direct costs included:	2005 NMSI	2005 NMSI Trading/ Bradford Film	2005 total	2004 total
	£	£	£	£
Auditors' remuneration	45,000	23,000	68,000	58,700
Lease rental payments on land and buildings	87,684	-	87,684	68,876
Lease rental payments on vehicles	32,589	-	32,589	32,397
Travel, subsistence and entertainment	522,164	106,368	628,532	606,934

## 6 NMSI TRADING LTD

The Board of Trustees of the Science Museum owns the whole of the issued share capital of 411,000 shares of NMSI Trading 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 services to the Museum for admissions, public relations, sponsorship and fundraising. Bradford Film Ltd is a company limited by guarantee for which NMSI Trading Ltd is the sole member.

### 6.1 Income and Expenditure Account

	2005 £	2004 £
Turnover	13,969,913	17,100,084
Cost of sales*	(5,246,704)	(8,748,239)
Gross profit	8,723,209	8,351,845
Administrative expenses*	(8,943,585)	(7,777,256)
Sponsorship income (NMSI Trading Ltd)	766,401	1,313,223
Grants and donations (Bradford Film Ltd)	243,136	215,463
Trading profit	789,161	2,103,275
Other interest received	12,007	22,996
Other interest paid*	(143,966)	(126,810)
Net contribution	657,202	1,999,461
Amount covenanted to Museum	(768,726)	(1,988,564)
Tax re Bradford Film activities	-	117
Revaluation	132,120	471,520
Retained in subsidiary	20,596	482,534

Turnover includes £107,000 (2003-04 nil) of rental income from the Science Museum site in Wroughton and rental income of £151,000 (2003-04 £151,000) through letting part of the Post Office building to Royal Mail. Turnover includes £491,880 arising from Bradford Film Ltd turnover (2003-04 £464,033).

There are no sales to the Museum included in the turnover. Donations of £243,136 include £66,000 of donations from the Museum to Bradford Film Ltd, which are eliminated on consolidation giving £177,136 as external donation income. The interest includes £67,407 of interest charged by NMSI to NMSI Trading Ltd, which is eliminated on consolidation and excluded from expenditure on 'Commercial costs' of £14,334,255 ('Commercial costs' comprise items marked \*).

Other income and costs have been shown as 'Income from commercial activities', 'Investment income' and 'Commercial costs' respectively on the Statement of Financial Activities.

### 6.2 Balance Sheet

	2005 £	2004 £
Intangible assets	12,705	-
Tangible fixed assets	6,991,619	6,951,040
Current assets	4,072,931	3,229,882
Creditors due within one year	(7,014,576)	(5,937,566)
Creditors due after one year	(702,420)	(752,834)
Provision for liabilities and charges (Deferred income)	(2,218,781)	(2,369,643)
Net assets	1,141,478	1,120,879

## 6.3 Subsidiary companies

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

## 7 NOTIONAL COST OF CAPITAL

Notional cost of capital is calculated as 3% (2003–04 3%) of the average capital employed by the Museum (excluding externally funded assets) in the year. The notional charge for 2004–05 is £4,710k (2003–04 £4,966k).

## 8 TANGIBLE FIXED ASSETS

### 8.1 Consolidated assets

	Land & buildings £000	Plant & machinery £000	Galleries & exhibitions £000	Fixtures & fittings £000	Collection objects £000	Assets under construction £000	TOTAL £000
Cost or revalued amount as at 01.04.04	168,446	61,132	35,752	4,405	5,780	869	276,384
Transfers from assets under construction	6	36	344	-	-	(386)	-
Additions during year	2,413	1,573	2,695	90	4,252	1,741	12,764
Disposals	-	(1,817)	(5,949)	(16)	-	-	(7,782)
Revaluation	-	-	-	-	-	-	-
Movement of assets as part of the revaluation process	9,853	1,526	-	31	-	-	11,410
Cost or revalued amount as at 31.03.05	180,718	62,450	32,842	4,510	10,032	2,224	292,776
Depreciation as at 01.04.04	-	4,533	23,557	3,149	-	-	31,239
Disposals	-	(1,663)	(5,881)	(16)	-	-	(7,560)
Depreciation during year	4,857	6,751	3,366	152	-	-	15,126
Revaluation	-	-	-	-	-	-	-
Depreciation as at 31.03.05	4,857	9,621	21,042	3,285	-	-	38,805
Net Book Value at 31.03.05	175,861	52,829	11,800	1,225	10,032	2,224	253,971
Net Book Value at 31.03.04	168,446	56,599	12,195	1,256	5,780	869	245,145

### The Net Book Value at 31 March 2005 represents fixed assets for:

	Land & buildings £000	Plant & machinery £000	Galleries & exhibitions £000	Fixtures & fittings £000	Collection objects £000	Assets under construction £000	TOTAL £000
Charitable activities	172,522	50,437	11,507	257	10,032	2,224	246,979
Other activities	3,339	2,392	293	968	-	-	6,992
Total	175,861	52,829	11,800	1,225	10,032	2,224	253,971

These land and buildings were valued by Drivers Jonas, Chartered Surveyors, as at 31 March 2004 in accordance with the RICS Appraisal and Valuation Manual. The main site was valued on the basis of depreciated replacement cost and the remaining property at open market value on the basis of existing use. The valuations were carried out in accordance with guidelines laid down by the Royal Institution of Chartered Surveyors. Under the impact of FRS15, which requires the different building components to be split out, the plant and machinery elements of buildings have been included under 'Plant and machinery' while building fit-out elements (lift shafts, ventilation ducts, raised floors, etc.) are included with buildings. Values have been adjusted in 2005 using indices.

The Science Museum was transferred from the Secretary of State for the Environment on 10 August 2001. Wroughton Airfield was transferred from the Secretary of State for Defence to the Science Museum on 27 July 1997. The buildings and land relating to the National Railway Museum were transferred from the Secretary of State for the Environment on 1 August 1997. The Royal Naval Air Yard was purchased from the Ministry of Defence on 31 March 2000. All are valued in accordance with valuations carried out, as above, at 31 March 2004, and have been revalued by indexation in the year to March 2005.

Blythe House is currently occupied by the British Museum, Science Museum and Victoria and Albert Museum. The freehold title is held by the Office of the Deputy Prime Minister, although ministerial responsibility for all museum estate issues has subsequently transferred to the Secretary of State for Culture, Media and Sport. As a longstanding tenant of Blythe House, NMSI brought a one-third share of the value established by Drivers Jonas at March 2004 on to the Balance Sheet of NMSI as beneficial user.

## 8.2 Museum assets

	Land & buildings £000	Plant & machinery £000	Galleries & exhibitions £000	Fixtures & fittings £000	Collection objects £000	Assets under construction £000	TOTAL £000
Cost or revalued amount as at 01.04.04	165,240	57,899	33,773	922	5,780	869	264,483
Transfers from assets under construction	6	36	344	-	-	(386)	-
Additions during year	2,413	988	2,695	90	4,252	1,741	12,179
Disposals	-	(1,817)	(5,949)	(16)	-	-	(7,782)
Revaluation	-	-	-	-	-	-	-
Movement of assets as part of the revaluation process	9,721	1,526	-	31	-	-	11,278
Cost or revalued amount as at 31.03.05	177,380	58,632	30,863	1,027	10,032	2,224	280,158
Depreciation as at 01.04.04	-	3,784	21,870	634	-	-	26,288
Disposals	-	(1,663)	(5,880)	(16)	-	-	(7,559)
Depreciation during year	4,857	6,074	3,366	152	-	-	14,449
Revaluation	-	-	-	-	-	-	-
Depreciation as at 31.03.05	4,857	8,195	19,356	770	-	-	33,178
Net Book Value at 31.03.05	172,523	50,437	11,507	257	10,032	2,224	246,980
Net Book Value at 31.03.04	165,240	54,114	11,903	288	5,780	869	238,194

The disposals in the year includes the writing off of £5.6 million of historic cost and £5.6 million of cumulative depreciation on still-existing galleries at the Science Museum and National Rail Museum which, by March 2005, had been fully expensed over a reasonable economic life.

## 9 COMMITMENTS UNDER OPERATING LEASES

As at 31 March 2005, NMSI had annual commitments under non-cancellable operating leases as set out below:

	2005 Land & buildings	2005 Vehicles	2004 Land & buildings	2004 Vehicles
<b>Operating leases which expire:</b>				
Within one year	5,747	5,946	747	32,351
In the second to fifth year	-	-	-	5,946
Over five years	122,126	-	61,626	-

## 10 CAPITAL COMMITMENTS

### 10.1 Projects

The major project underway at the year end was the development of the Science Museum *Energy Hall*.

Following the opening of the *Energy* gallery in 2003–04 on the second floor of the East Hall, the ground floor of the East Hall is being redeveloped for reopening in summer 2005. The improvements will include a much lighter and more spacious area with redisplayed and reinterpreted imposing engines telling the story of the first Industrial Revolution. The previous access has been replaced with an access ramp that meets the requirements of the new Disability Discrimination Act legislation and the surrounding shop and catering facilities have been enlarged and refitted.

### 10.2 Outstanding capital commitments

At the Balance Sheet date, outstanding contracted commitments for NMSI Trading Ltd amounted to £88k for works to retail and catering areas, at NRM a £65k contract for car-park extension works had been let and £266k had been committed for the lift renewal programme at the Science Museum. Commitments in respect of the development of the site at Wroughton amounted to £97k.

## 11 DEBTORS

	2005 NMSI	2005 NMSI Trading/ Bradford Film	2005 Total	2004 Total
	£	£	£	£
Trade debtors	826,800	2,279,733	3,106,533	2,300,109
Provision for bad debts	(5,135)	-	(5,135)	(28,617)
Other debtors	127,539	38,745	166,284	356,453
Prepayments and accrued income	3,518,871	760,175	4,279,046	6,430,965
Taxation recoverable (VAT)	313,407	-	313,407	770,262
	<u>4,781,482</u>	<u>3,078,653</u>	<u>7,860,135</u>	<u>9,829,172</u>

Total debtors include the Heritage Lottery Fund, £24,607, and Wellcome Trust, £408,197. Museum debtors exclude £4,647,682 of intercompany debtor eliminated on consolidation. NMSI Trading Ltd debtors exclude £4,142 of intercompany debtor eliminated on consolidation with Bradford Film Ltd.

## 12 CREDITORS

### 12.1 Amounts falling due within one year

	2005 NMSI £	2005 NMSI Trading/ Bradford Film £	2005 Total £	2004 Total £
Trade creditors	1,560,368	692,590	2,252,958	2,726,944
Other creditors	599,652	-	599,652	276,059
Accruals and deferred income	1,782,585	1,624,804	3,407,389	4,565,252
Taxation and social security costs	545,032	-	545,032	398,046
Bank Loan	-	49,500	49,500	184,543
	4,487,637	2,366,894	6,854,531	8,150,844

NMSI Trading Ltd creditors due within one year excludes £4,647,682 of intercompany creditor eliminated on consolidation. Bradford Film Ltd creditors exclude £4,142 of intercompany creditor eliminated on consolidation with NMSI Trading Ltd.

### 12.2 Amounts falling due after one year (NMSI Trading Ltd only)

	2005 £	2004 £
Bank loans	698,278	736,271

### 12.3 Borrowings (NMSI Trading Ltd only)

	2005 £	2004 £
<b>Loans not wholly repayable within five years:</b>		
Barclays Bank plc – Post Office	747,778	785,771
Barclays Bank plc – Concrete Works	-	135,043
	747,778	920,814
<b>Analysis of maturity of debt</b>		
Within 1 year of demand	49,500	184,543
Between 1 and 2 years	49,500	49,500
Between 2 and 5 years	148,500	148,500
After 5 years	500,278	538,271
	747,778	920,814
Amount repayable by instalments any of which fall for payment after 5 years	500,278	538,271

## 13 PROVISION FOR EARLY RETIREMENT

	2005 £	2004 £
Balance at 01.04.04	47,491	121,253
Transferred from/(to) the Statement of Financial Activities	2,154	416
	49,645	121,669
Less payments	(33,895)	(74,178)
Balance at 31.03.05	15,750	47,491

## 14 DEFERRED INCOME

	2005 £	2004 £
Deferred income as at 01.04.04	3,052,976	2,520,505
Accrued income	-	700,000
	<u>3,052,976</u>	<u>3,220,505</u>
Released to Statement of Financial Activities in year	(200,862)	(167,529)
At 31.03.05	<u>2,852,114</u>	<u>3,052,976</u>

The deferred income in 2004–05 has two components: (a) grants and donations received will be released to the profit-and-loss account over the next 15 years and (b) an advance payment in respect of rent, which will be recognised as revenue over the next 14 years.

## 15 PRIOR YEAR ADJUSTMENT

The accounting policy has been amended for the treatment of the quinquennial revaluation of property assets. Previously the net revaluation increase had been credited to the revaluation reserves (restricted and designated). However, the revaluation which took place at 31 March 2004 effectively redefined the category and the economic lives of the assets. It is therefore more appropriate to recognise the revised cost in the capital projects fund (which funds depreciation) rather than the revaluation reserve.

As a result the opening balances (as at 1 April 2004) for the capital projects funds (restricted and designated) and the Revaluation Reserves (restricted and designated) have been revised to transfer over the relevant quinquennial revaluation effect. The amount of the prior-year adjustments is shown below.

### Revaluation Reserve as at 31 March 2004 restated:

	Unrestricted £	Restricted £	Total £
Balance as at 31.03.04 per published accounts	6,752,584	40,199,940	46,952,524
Prior-year adjustment	(5,843,378)	(40,199,940)	(46,043,318)
Balance as at 31.03.04 – restated	<u>909,206</u>	<u>-</u>	<u>909,206</u>

### Capital Projects Fund as at 31 March 2004 restated:

	Unrestricted £	Restricted £	Total £
Balance as at 31.03.04 per published accounts	13,528,430	177,615,820	191,144,250
Prior-year adjustment	5,843,378	40,199,940	46,043,318
Balance as at 31.03.04 – restated	<u>19,371,808</u>	<u>217,815,760</u>	<u>237,187,568</u>

## 16 STATEMENT OF FUNDS

### 16.1 Movement of Funds

	Notes	At 1 April 2004 £000 (restated)	Income £000	Expenditure £000	Transfer £000	Gain/Loss on Revaluation £000	At 31 March 2005 £000
<b>Restricted income funds</b>							
Sponsorship, Grants and Donations Reserve	17	4,443	6,068	(1,593)	(6,425)	-	2,493
Collections Purchase Fund	18	-	4,218	-	(4,218)	-	-
Revaluation Reserve	19	-	-	(3,188)	276	10,363	7,451
Capital Projects Fund	20	217,816	-	(9,418)	9,874	-	218,272
<b>Total restricted income funds</b>		<b>222,259</b>	<b>10,286</b>	<b>(14,199)</b>	<b>(493)</b>	<b>10,363</b>	<b>228,216</b>
<b>Unrestricted funds</b>							
Designated funds:							
Museum Improvement Reserve	21	5,592	4,453	(4,028)	(1,612)	-	4,405
Collections Purchase Fund	18	108	-	(3)	(34)	-	71
Revaluation Reserve	19	909	-	(98)	71	914	1,796
Capital Projects Fund	20	19,372	-	(1,664)	1,717	-	19,425
Contingency fund	1.9	788	-	-	389	-	1,177
<b>Total designated funds</b>		<b>26,769</b>	<b>4,453</b>	<b>(5,793)</b>	<b>531</b>	<b>914</b>	<b>26,874</b>
General funds		523	44,538	(44,916)	(38)	-	107
<b>Total unrestricted funds</b>		<b>27,292</b>	<b>48,991</b>	<b>(50,709)</b>	<b>493</b>	<b>914</b>	<b>26,981</b>
<b>Total funds</b>		<b>249,551</b>	<b>59,277</b>	<b>(64,908)</b>	<b>-</b>	<b>11,277</b>	<b>255,197</b>

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

During the year funds were released back to the contingency fund to redeem the temporary advance of £558k made in 2003-04 to support the modernisation activity. In addition the fund allocated £150k to NMPFT to enable the design of the new TV galleries in advance of fundraising as well as contributing £20k to the cost of the opening of Locomotion.

### 16.2 Analysis of group net assets between funds

	Unrestricted funds £000	Restricted funds £000	Total 2005 £000
<b>Fund balances at 31 March 2005 are represented by:</b>			
Intangible assets	13	-	13
Tangible fixed assets	28,249	225,723	253,972
Current assets	7,734	3,897	11,631
Current liabilities	(6,082)	(771)	(6,853)
Long-term liability	(2,933)	(633)	(3,566)
<b>Total net assets</b>	<b>26,981</b>	<b>228,216</b>	<b>255,197</b>

## 17 SPONSORSHIP, GRANTS AND DONATIONS RESERVE

(All restricted funds)

	2005 £	2004 £
Balance at 01.04.04	4,443,336	3,542,498
Income	6,067,101	12,032,536
Expenditure	(1,592,860)	(3,153,431)
Transferred to Collections Purchase Fund (note 18)	-	(16,000)
Transferred to Capital Projects Fund (note 20)	(5,932,069)	(7,962,267)
Transfer to Museum Improvement Fund (note 21)	(492,888)	-
Balance at 31.03.05	2,492,620	4,443,336

The transfer of funds to the Museum Improvement Reserve arises from the fact that costs were incurred on a project funded from restricted income which were not all charged to the project. The Museum had fulfilled its contract with the sponsors and spent all that their funds on the agreed activities. The remaining project funds are therefore no longer restricted.

## 18 COLLECTIONS PURCHASE FUND

Purchases for the enhancement of the collection during the year amounted to £4,330,032 of which £37,096 was financed from the Collections Purchase Fund and £4,218,402 from external funders. Movements on the Fund were as follows:

	2005 unrestricted £	2005 restricted £	2005 total £	2004 total £
Balance at 01.04.04	108,430	-	108,430	75,052
Income recognised in year:				
Grant in Aid (Note 2)	-	-	-	50,000
Lottery funding	-	2,045,204	2,045,204	-
Other funding	-	1,173,198	1,173,198	250,000
Donated assets	-	1,000,000	1,000,000	-
	108,430	4,218,402	4,326,832	375,052
Transferred from Sponsorship, Grants and Donations Reserve (note 17)	-	-	-	16,000
Transferred to Capital Projects Fund:				
for donated collection objects	-	(1,000,000)	(1,000,000)	-
for purchased collection objects (note 20)	(33,896)	(3,218,402)	(3,252,298)	(273,500)
Expenditure	(3,200)	-	(3,200)	(9,122)
Balance at 31.03.05	71,334	-	71,334	108,430

The major expenditure during 2004–05 was £2,434,402 for the purchase of the *Flying Scotsman* locomotive, £875,000 further expenditure for the Royal Photographic Collection and £24,500 for a unique set of eighteenth-century geometrical models. The two locomotives donated to NRM in the year have been assigned a capital value of £1 million.

## 19 REVALUATION RESERVE

	Unrestricted 2005 £	Restricted 2005 £	Total 2005 £	Restated total 2004 £
Balance at 01.04.04 (restated – see note 15)	909,206	-	909,206	19,131,106
Indexation based revaluation movement	985,611	10,638,790	11,624,401	-
Increase in property values per quinquennial revaluation at 31.03.04	-	-	-	27,821,418
Adjustments	(71,494)	(276,227)	(347,721)	-
Transfer from/(to)capital projects fund (note 20)	71,331	276,186	347,517	(46,043,318)
Less: depreciation on revaluations	(98,287)	(3,187,993)	(3,286,280)	-
Closing Balance at 31.03.05	<b>1,796,367</b>	<b>7,450,756</b>	<b>9,247,123</b>	<b>909,206</b>

Adjustments relate to an overstatement of revaluation movement of £348k.

## 20 CAPITAL PROJECTS FUND

	Unrestricted 2005 £	Restricted 2005 £	Total 2005 £	Restated total 2004 £
Balance at 01.04.04 (restated – see note 15)	19,371,808	217,815,760	237,187,568	187,323,582
Grant in Aid	37,266	-	37,266	239,789
Capitalised donated assets	-	1,000,000	1,000,000	7,702,676
Transfers from Sponsorship Grants and Donations Reserve (note 17)	-	5,932,069	5,932,069	7,962,267
Transfers from Collection Purchase Fund (note 18)	33,896	3,218,402	3,252,298	273,500
Transfer (to)/from Revaluation Reserve (note 19)	(71,331)	(276,186)	(347,517)	46,043,318
Transfers from Museum Improvement Reserve (note 21)	1,717,425	-	1,717,425	1,117,620
	21,089,064	227,690,045	248,779,109	250,662,752
Less: depreciation and disposals	(1,663,457)	(9,418,149)	(11,081,606)	(13,473,936)
Less: write off permanent fall in value	-	-	-	(1,248)
Balance at 31.03.05	<b>19,425,607</b>	<b>215,271,896</b>	<b>237,697,503</b>	<b>237,187,568</b>

## 21 MUSEUM IMPROVEMENT RESERVE

(All unrestricted funds)

	2005 £	2004 £
Balance at 01.04.04	5,591,593	4,352,944
Allocated income	4,454,007	5,533,354
Expenditure	(4,027,881)	(3,735,626)
Transfer from Sponsorship, Grants and Donations Reserve (note 17)	492,888	-
Transferred to Capital Projects Fund (note 19)	(1,717,425)	(1,117,620)
Transfer (to)/from contingency fund	(388,541)	558,541
Transfer from general reserves	1,004	-
Balance at 31.03.05	4,405,645	5,591,593

## 22 CONTINGENT LIABILITIES

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

In February 2005, in compliance with the Reporting of Injuries, Disease and Dangerous Occurrences Regulations 1995, two incidents were notified to the Healthy and Safety Executive. The HSE investigation into these incidents is ongoing. It is not possible to estimate any additional costs, if any, which may arise from this investigation.

## 23 CASH-FLOW INFORMATION

### 23.1 Reconciliation of net incoming resources to net cash inflow from operating activities

	2005 £	2004 £
Net incoming resources	(5,631,676)	5,145,259
Investment income (note 4)	(161,005)	(265,962)
Interest payable (note 6.1)	76,559	79,330
Depreciation (notes 8.1, 5.1)	15,126,127	14,175,524
Loss on disposal of asset (notes 8.1, 5.1)	88,923	57,522
Write off permanent fall in asset value	-	1,259
(Increase)/decrease in stocks	195,887	20,242
(Increase)/decrease in debtors	(286,629)	(3,102,087)
Increase/(decrease) in creditors	1,382,815	2,223,448
Increase/(decrease) in pension provision	(182,603)	(73,762)
Donated assets (note 18)	(1,000,000)	(7,702,676)
Net cash inflow from operating activities	9,608,398	10,558,097

## 23.2 Gross Cash Flows

	2005 £	2004 £
<b>Returns on investments and servicing of finance</b>		
Interest received (note 4)	161,005	265,962
Interest paid (note 6.1)	(76,559)	(79,330)
Interest element of finance lease rental payment		-
	<u>84,446</u>	<u>186,632</u>
<b>Capital expenditure</b>		
Payments to acquire intangible assets	(12,705)	-
Receipt from sale of tangible fixed assets	-	-
Payments to acquire tangible fixed assets	(12,103,080)	(10,236,201)
	<u>(12,115,785)</u>	<u>(10,236,201)</u>
<b>Management of liquid resources</b>		
Cash (placed in)/withdrawn from short term investments	-	5,000,000
<b>Financing</b>		
Loan repayments (note 12.3)	(173,036)	(377,369)

## 23.3 Analysis of changes in net funds

	At 01.04.04 £	Cash Flows £	Non-cash Changes £	At 31.03.05 £
Cash at bank and in hand	5,760,063	(2,595,976)	-	3,164,087
Current asset investments	-	-	-	-
Debt due within 1 year	(184,543)	-	-	(184,543)
Debt due after 1 year	(736,271)	173,036	-	(563,235)
	<u>4,839,249</u>	<u>(2,422,940)</u>	<u>-</u>	<u>2,416,309</u>

## 24 FINANCIAL INSTRUMENTS

### 24.1 Liquidity risk

Approximately 56% of NMSI's income is provided by Grant in Aid from the Department for Culture, Media and Sport and 23% of NMSI's income is from a wide range of commercial activities. As a result, NMSI is not exposed to significant liquidity risks.

### 24.2 Interest-rate risk

100% of both NMSI's financial assets and its financial liabilities carry nil or fixed rates of interest. NMSI is not therefore exposed to significant interest-rate risk.

#### Financial liabilities

	Total £	Floating-rate financial liabilities £	Fixed-rate financial liabilities £	Non-interest-bearing financial liabilities £
At 31.03.05	3,615,642	-	747,778	2,867,864
At 31.03.04	4,021,281	135,043	785,771	3,100,467

The fixed-rate loan of £747,778 over 20 years is at a fixed interest rate of 9.77% per annum. The expiry date is 19 December 2015.

## 24.3 Foreign-currency risk

NMSI's exposure to foreign currency is not significant.

## 25 RELATED PARTY TRANSACTIONS

The National Museum of Science & Industry is an executive Non Departmental Public Body whose parent body is the Department for Culture, Media and Sport. The Department for Culture, Media and Sport is regarded as a related party. During 2004–05, the National Museum of Science & Industry had a number of transactions in the normal course of business and at full arms length with the Department and with other entities for which the Department is regarded as the parent Department. Loans of objects were also made to other Museums within the DCMS NDPBs.

Seven Trustees have relationships with bodies with whom NMSI had material transactions. In addition, NMSI provides advisory services to the Heritage Lottery Fund for which it receives payment.

Organisation	Nature of relationship of organisation with NMSI
1851 Commissioners	Discussions relating to Science Museum estate
BBC	Current science story development
Eon Productions Ltd	Purchased intellectual property for an exhibition
Imperial College	Lease for Science Museum Library
Imperial War Museum	Funding of National Museums Directors' Conference
Natural History Museum	Shared service provision
NESTA	Grant for exhibition
Victoria and Albert Museum	Shared service provision
Wellcome Trust	Gave grant to fund series of exhibitions
Yorkshire Forward	Gave grant to assist design development at NRM

## 26 INTRA-GOVERNMENT BALANCES

	Debtor balance £	Creditor balance £
<b>Balances with central government bodies</b>		
Inland Revenue	-	545,032
HM Customs & Excise	375,126	-
British Library	5,000	-
Environment Agency	-	1,244
Department for Culture, Media and Sport	26,500	-
Heritage Lottery Fund	24,607	-
Natural History Museum	5,154	-
Imperial War Museum	-	7,472
Victoria and Albert Museum	1,538	72,077
Learning and Skills Council	4,258	-
National Endowment for Science, Technology and the Arts	237	-
	<hr/> 442,420	<hr/> 625,825
<b>Balances with local authorities</b>		
Sedgefield Borough Council	-	57,929
<b>Balances with public corporations and trading funds</b>		
BBC	12,565	-
	<hr/> 12,565	<hr/> -

# Notes

# Notes



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