

SCIENCE MUSEUM FOUNDATION

England & Wales · Charity number 1148691

Details

Status Registered

Legal form Charitable company

Company number [08156772](#)

Registered 2012-08-23

Register [View on the Charity Commission register](#)

Contact

Address Science Museum
Exhibition Road
London
SW7 2DD

Phone 020 7942 4115

Email financeoperations@sciencemuseum.ac.uk

Activities

Objects: THE OBJECTS OF THE CHARITY ARE, FOR THE BENEFIT OF THE PUBLIC, TO:4.1. ADVANCE THE PUBLIC'S KNOWLEDGE AND ENJOYMENT OF THE NMSI COLLECTIONS AND THEIR PRESERVATION;4.2. ADVANCE THE PUBLIC'S KNOWLEDGE AND ENJOYMENT OF SCIENCE AND TECHNOLOGY BY MEANS OF THE NMSI COLLECTIONS; 4.3. PROVIDE EDUCATIONAL FACILITIES AND SERVICES, INSTRUCTION AND INFORMATION TO THE PUBLIC IN RELATION TO THE NMSI COLLECTIONS; 4.4. SUPPORT THE CARE, PRESERVATION AND ENHANCEMENT OF THE NMSI COLLECTIONS AND RELATED RESEARCH; 4.5. SUPPORT THE EXHIBITION OF THE NMSI COLLECTIONS TO THE PUBLIC AND THE MAKING OF THE NMSI COLLECTIONS AVAILABLE TO PERSONS SEEKING TO INSPECT THEM IN CONNECTION WITH STUDY OR RESEARCH; AND4.6. TO SUPPORT THE FURTHERANCE OF SUCH OF THE PURPOSES OF NMSI AS SHALL BE EXCLUSIVELY CHARITABLE BY PROVIDING FINANCIAL AND OTHER ASSISTANCE TO ENABLE NMSI OR ANY OTHER ORGANISATION (WHETHER ASSOCIATED WITH NMSI OR OTHERWISE) TO UNDERTAKE ACTIVITIES THAT ADVANCE SUCH CHARITABLE PURPOSES.

Activities: The primary goals of the Foundation are to raise funds for major capital projects to develop the museums within the Science Museum Group, along with other projects that support the Foundation's charitable objectives, and to receive donations and hold funds in anticipation of grant requests to enable such projects to be undertaken.

Classification

- **How:** Makes Grants To Organisations
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,010,389	£3,683,376	£34,798,193	0
2024-03-31	£931,453	£8,430,417	£36,538,414	0
2023-03-31	£5,932,172	£1,595,828	£39,565,637	0
2022-03-31	£294,574	£60,212	-	-
2021-03-31	£603,775	£139,332	£33,819,678	0

Trustees

Name	Role	Appointed
Alex Stitt		2023-11-30
Bridget Natalie Blyth		2025-10-28
Carl Wesley Stewart		2022-08-18
DR BOB COWELL		2016-03-08
David James Bennett		2020-05-11
David Jeffrey Meek		2022-04-30
David Joseph Jacob		2018-01-27
Natasha Kaplinsky		2024-02-20
Nicole Ronson Allalouf		2020-11-06
Simon Reid		2025-10-08

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Accounts

Science Museum Foundation
(A Company Limited by Guarantee)

Annual Report and Financial Statements
for the period ended 31 March 2025

Charity Number: 1148691
Company Number: 8156772

SCIENCE MUSEUM FOUNDATION

Company Number: 08156772

Charity Number: 1148691

Annual Report & Accounts 2024-25

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Trustees' and directors' strategic report for the year to 31 March 2025

The Trustees of Science Museum Foundation ('the Foundation', 'the charity'), who are also directors of the company for the purposes of the Companies Act 2006, are pleased to present their annual report for the year ended 31 March 2025 together with the audited financial statements and auditor's report.

The Trustees consider that the information within their annual report meets the requirements of a Strategic Report, as defined by the Charities SORP.

Objectives and activities

Charitable objectives

The Trustees have referred to the guidance on public benefit when setting the aims and objectives, and in the planning of future activities of the Foundation. The objects of the charity are to:

- advance the public's knowledge and enjoyment of the Science Museum Group Collections;
- advance the public's knowledge and enjoyment of science and technology by means of the Science Museum Group Collections;
- provide educational facilities and services, instruction and information to the public in relation to Science Museum Group Collections;
- support the care, preservation and enhancement of the Science Museum Group Collections and related research;
- support the exhibition of the Science Museum Group Collections to the public and making of the Collections available to persons seeking to inspect them in connection with study or research, and
- support the furtherance of such of the purposes of the Science Museum Group as shall be exclusively charitable by providing financial and other assistance to enable the Science Museum Group or any other organisation (whether associated with Science Museum Group or otherwise) to undertake activities that advance such charitable purposes.

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

The Foundation aims to achieve these objects through the award of grants.

Specific aims

The primary goals of the Foundation are to raise funds for major projects to develop the museums within the Science Museum Group, along with other projects that support the Foundation's charitable objectives, and to receive donations and hold funds in anticipation of grant requests to enable such projects to be undertaken.

Achievements and performance

Raising funds

During the period the Foundation raised £25,551 (2024: £50,295) in support of the Science Museum Group (SMG). This was supplemented by investment income of £985,114 (2024: £881,923).

In 2024-25, overall total net investment gains of £932,839 were recorded, which included an element of realised investment gains on disposals of £1,495,878. 2023-24 saw net investment gains of £4,471,741, which was net of realised investment gains on disposals of £67,507.

Grant awards

In 2024-25, the charity made two new grants to the Science Museum Group:

- A grant of £3,000,000 was made and paid in full for the Science Museum Group's *Science Education and Communications* projects, to fund public exhibitions and learning activities which are offered to visitors including school groups both on site at its museums and offsite. The activities are a crucial component of the Group's *Inspiring Futures* strategy and Government's educational agenda.
- A grant of £500,000 was made and paid in full for further feasibility and design work in support of the Science Museum Group's *SIM Wonderlab* project. The ambition of the project is the development of a Wonderlab gallery at the Science and Industry Museum (SIM). This will be the fourth permanent Wonderlab at the Science Museum Group. The Wonderlab interactive galleries play a significant role in the Group's *Inspiring Futures* strategy and Learning Strategy.

In addition, a second payment (of £698,371) was made in support of the Science Museum Group's *Delivering Digital: Video Led Content Strategy* project, the remaining funds from this 22-23 grant are expected to be disbursed in 2025-26.

In 2023-24, the charity made four grants to the Science Museum Group:

- A grant of £250,000 was made and paid in full for seed funding of the Science Museum Group's *SIM Wonderlab* project (described above).
- A grant of £2,500,000 was made and paid in full for the Science Museum Group's *Science Education and Communications* projects.
- A grant of £1,500,000 was made and paid in full for the Science Museum Group's *Sound and Vision* project at the National Science and Media Museum (NSMM).
- A grant of £4,000,000 was awarded for the Science Museum Group's *Central Hall* project at the National Railway Museum (NRM). The total grant is to be paid no later than 30 June 2026. The Central Hall project is the largest project in the York Masterplan programme. The project will deliver a new building that will connect the existing Station Hall and the Great Hall, creating level access across the NRM estate. Central Hall includes an improved orientation/welcome space, a gallery on the future of rail and an expanded shop and café. At 31 March 2025, this grant remained unpaid and is shown as a future commitment on the balance sheet.

Investments

The Foundation's Investment Committee reviewed the possible funding commitments over the next ten years and identified long-term funds (defined as longer than three years) to be invested to generate a return in excess of inflation over the period until the award of any grants. The performance of these funds is explained in the financial review below.

Financial review

Financial position

At 31 March 2025, the Foundation had total funds of £34.8m (2024: £36.5m), of which £34.1m (2024: £35.9m) were restricted for grants in support of the Science Museum Group's activities. Unrestricted funds of £0.7m (2024: £0.7m) were held to cover the charity's operations and other charitable objectives.

At the year end, the charity's investments were valued at £38.1m (2024: £37.6m). The balance at 31 March 2025 consisted of £16.4m (43%) in equity funds, £11.3m (30%) in corporate and absolute return bond funds, £4.2m in alternative, multi-strategy funds (11%), and £6.2m (16%) in money market funds. The charity also held £1.2m (2024: £4.2m) in cash.

Financial performance

The Foundation's net expenditure for the period was £1.7m, after investment gains of £0.9 m. Income of £1.0m, was offset by expenditure of £3.7m, which included two grants to the Science Museum Group totalling £3.5m, investment management fees, audit and other professional services costs. In 2024, income of £0.9m was offset by expenditure of £8.4m.

The Foundation is grateful to all its funders for donations and grants received in the year.

Reserves policy

The Trustees review the level of funds, together with known and likely future requests for support from those funds, at each board meeting and at least annually. It is the Foundation's policy to continue to build up reserves until they can be expended in furtherance of the charitable objectives.

At 31 March 2025, the level of funds – restricted and unrestricted – was considered appropriate.

Investment policy

The key provisions of the trustees' investment policy for the year ended 31 March 2025 around risk attitude, asset classes, currency, credit and liquidity risks and ethical investments are outlined below:

(a) Risk attitude

The key risk to the long-term reserves is inflation and assets should be invested to mitigate this risk over the long term. The Trustees understand that this is likely to mean that investment will be concentrated in real assets and the capital value will fluctuate. The short-term reserves are held to provide financial security and may be required at short notice. As such, investment of these assets is focused on reducing capital volatility.

(b) Assets

Long-term reserves can be invested widely and should be diversified. Asset classes can include cash, bonds, equities or property or any other asset that is deemed suitable. Short-term reserves can be invested in a range of cash, cash equivalent and fixed income products, including bonds.

(c) Currency

With long-term reserves, investment may be made in non-Sterling assets, but this should not exceed 50% of the total investment portfolio value. Hedging is permitted. Short-term reserves should be held in Sterling.

(d) Credit

The Foundation's cash balances should be deposited with institutions with a minimum rating of A or invested in a diversified money market fund with an equivalent credit quality rating of A. Deposits should be spread by counterparty, subject to a maximum exposure of 40% of the total cash balance per institution.

(e) Liquidity

The Foundation will endeavour to consider potential grant requests out to the medium term in the management of its overall assets and likely liquidity needs, structuring the portfolio accordingly.

(f) Responsible investment

The Investment Committee is required to consider the nature of investments made and may exclude certain individual investments if they are perceived to conflict with the Foundation's purpose. When the Foundation invests through collective investment vehicles, the Trustees will select managers with evidence of strong ESG policies and will consider evidence of engagement seeking to influence positively investee companies in line with the recommendations of the Taskforce on Climate-Related Financial Disclosures.

The investment policy was revised and updated for approval by the Board of Trustees in November 2024.

Investment performance

During the period to 31 March 2025, returns were positive across all asset classes in which the Foundation is invested, despite market weakness in February and March as a result of geopolitical uncertainty. Overall, the investment portfolio (after adjusting for sales and purchases), gained 4.2% in value (2024: gained 6.6%). The portfolio remained defensively positioned, with better returns were achieved by the fixed income funds in the portfolio and by the cash holdings, which mitigated the downside from lower equity holdings.

The world continues to face widespread geopolitical, fiscal and structural challenges and the potential for volatility in markets is expected to persist with inflation and recession risks. The Investment Committee is aware of these challenges and will continue to take appropriate steps to mitigate these risks through the next financial year.

Risk management

The Trustees have assessed the current risks to which the charity is exposed and are satisfied that by monitoring reserve levels and considering the potential business risks faced by the charity they are able to mitigate any potential risks that may arise.

The principal risks arising from investments around asset valuation, currency movements, credit worthiness, and liquidity are outlined above, alongside the trustees' position on each. To address investment risks, the Investment Committee has invested in funds administered by independent managers and monitors the quarterly valuation and performance reports of the funds.

In addressing accountancy, administrative and company secretarial risks, the Board places reliance on the risk analysis and control environment operated by the Science Museum Group with regard to such activities.

Plans for future periods

The key objectives in the coming year will be to:

- raise funds in support of the charitable objectives;
- review the long-term funding requirements and adjust investment holdings accordingly, and
- consider grant applications in line with the grant making policy.

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Structure, governance and management

Governing instrument

The Science Museum Foundation ("the Foundation") was incorporated as a company limited by guarantee (company number: 08156772) on 25 July 2012. It was registered as a charity with the Charity Commission (charity number: 1148691) on 23 August 2012.

Trustees

The Trustees of the Foundation comprise the only members of the charity under the Companies Act 2006. The Trustees of the Foundation may at any time appoint any person duly qualified to be appointed to fill a vacancy in their number. The number of Trustees of the charity is limited to sixteen at any one time. The Trustees who served during the period up to the date of the signing of these accounts are listed on page 8.

Policies and procedures for induction and training of Trustees

New Trustees are fully briefed on the objectives of the Science Museum Foundation and their role as directors and are given training appropriate to their knowledge and ability.

Organisation structure and management reporting

The Board of Trustees ('the Board') is responsible for the activities and assets of the Foundation. The Board holds at least two meetings a year at which they consider financial information and review the performance of investments.

Investment Committee

A sub-committee of the Board, the Investment Committee has authority to make decisions on the investment of funds and appointment of investment managers subject to the investment policy approved by the Board (see below). The Committee reviews the performance of investment managers at least every six months and monitors cash deposits, ensuring an appropriate balance between liquidity and rate of return. The Committee may co-opt up to two independent members should this be considered appropriate to lend expertise in particular areas of investment management.

During the year, the following people were members of the Investment Committee, which met four times:

<u>Member</u>	<u>Attended</u>
Christopher Cheetham (Trustee, Chair)	4/4
David Bennett (Trustee)	4/4
David Jacob (Trustee)	2/4
Carl Stewart (Trustee) (appointed 11 February 2025)	1/1

Investment objectives

The Foundation seeks to produce the best financial return within an acceptable level of risk. The investment objective for long term reserves is to generate a return in excess of 3% above inflation over the long term. The investment objective for short term reserves is to preserve capital value with minimum level of risk. Assets should be readily available to meet unanticipated cash flow requirements.

Grants Approval Committee

The Foundation's Grants Approval Committee, a sub-committee of the Foundation's Board, is responsible for assessing grant applications received from third parties. Formal grant applications including analysis of the strategic, economic, commercial, financial and management aspects of the

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proposal are scrutinised by the Grants Approval Committee in accordance with the Foundation's grant making policies. The Grants Approval Committee has sight of possible future grant commitments of the Foundation and undertakes a three-stage approval process, running from triage through to recommendation to award. Authority has been delegated from the Foundation's Board for the Grants Approval Committee to make small grant awards only of up to £10,000. Grants over £10,000 require formal Board approval and the final decision on any grant application rests with the Trustees.

Accountancy and administrative services

An agreement for the provision of accountancy and administrative services under which day-to-day financial management of the charity is performed by the Science Museum Group continues to exist. The system of internal control includes segregation of duties and regular review of management information. This agreement has been entered into on an arm's length basis; the overall management and control of the Foundation remains with the Trustees of the Foundation and no strategic management function is provided by way of this agreement.

Other matters

When necessary, the Trustees will seek advice and support from the charity's professional advisors including its auditors, bankers and lawyers.

The statutory books of the Foundation are held at the registered office.

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Reference and administrative details of the charity, its directors and advisors

The accounts have been prepared in accordance with the accounting policies set out on page 16 and comply with the charity's Memorandum of Association, applicable laws, including the Companies Act 2006, and the statement of recommended practice on accounting and reporting by charities effective from 1 January 2016.

Legal status

The Science Museum Foundation was incorporated as a company limited by guarantee (company number: 08156772) on 25 July 2012 and is registered as a charity (charity number: 1148691).

Registered address

The Science Museum
Exhibition Road
London
SW7 2DD

Company registration number

08156772

Charity registration number

1148691

Directors/Trustees

David Bennett
Christopher Cheetham
Robert Cowell
David Jacob (Chair)
Natasha Kaplinsky
Ajit Lalvani
David Meek
Ravi Rajagopal (resigned 22 April 2025)
Nicole Ronson
Carl Stewart
Alex Stitt

Auditor

Sayer Vincent LLP
110 Golden Lane
London
EC1Y 0TG

Bankers

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

Solicitors

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

Investment Adviser

Redington Limited
Floor 6
One Angel Court
London
EC2R 7HJ

Trustees' Responsibilities Statement

The Trustees are responsible for preparing the report and accounts in accordance with applicable law and regulations. Company law requires the Trustees to prepare accounts for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each person who was a Trustee at the time of this report confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report, which comprises the Trustees' Annual Report and the Strategic Report, was approved by the board on 29 September 2025 and signed on its behalf.

David Jacob
Chairman of Trustees

Independent Auditor's Report to the Members of Science Museum Foundation

Opinion

We have audited the financial statements of Science Museum Foundation (the 'charitable company') for the year ended 31 March 2025 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Science Museum Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

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- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard (Senior statutory auditor)

for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

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**Statement of financial activities
for the year to 31 March 2025**

	Notes	Restricted £	Unrestricted £	2025 Total £	Restricted £	Unrestricted £	2024 Total £
Income and endowments from							
Donations and grants	4	-	25,275	25,275	-	50,295	50,295
Investments	5	984,838	276	985,114	880,923	235	881,158
Total		984,838	25,551	1,010,389	880,923	50,530	931,453
Expenditure on							
Raising funds	6	-	515	515	-	539	539
Investment management fees		166,976	-	166,976	163,225	-	163,225
Charitable activities	7	3,500,000	15,885	3,515,885	8,250,000	16,653	8,266,653
Total		3,666,976	16,400	3,683,376	8,413,225	17,192	8,430,417
Net income/(expenditure) before net gains/(losses) on investments		(2,682,138)	9,151	(2,672,987)	(7,532,302)	33,338	(7,498,864)
Net (losses)/gains on investments	10	932,766	-	932,766	4,471,741	-	4,471,741
Net income/(expenditure)		(1,749,372)	9,151	(1,740,221)	(3,060,561)	33,338	(3,027,223)
Transfers between funds		-	-	-	-	-	-
Net movement in funds		(1,749,372)	9,151	(1,740,221)	(3,060,561)	33,338	(3,027,223)
Reconciliation of funds							
Total funds brought forward		35,882,289	656,125	36,538,414	38,942,850	622,787	39,565,637
Total funds carried forward		34,132,917	665,276	34,798,193	35,882,289	656,125	36,538,414

The statement of financial activities is in respect of continuing activities.

There were no recognised gains or losses other than those shown in the statement above.

The statement of financial activities complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 16 to 23 form part of these accounts.

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**Balance sheet
as at 31 March 2025**

	Note	2025 £	2024 £
Fixed assets			
Investments	10	<u>38,097,841</u>	<u>37,567,466</u>
		38,097,841	37,567,466
Current assets			
Debtors	11	846	993
Cash at bank and in hand		<u>1,192,660</u>	<u>4,163,094</u>
		1,193,506	4,164,087
Creditors: amounts falling due within one year	12	(4,493,154)	(5,193,139)
Net current assets		<u>(3,299,648)</u>	<u>(1,029,052)</u>
Total net assets / (liabilities)		<u>34,798,193</u>	<u>36,538,414</u>
Funds of the charity:			
Restricted income funds	13	34,132,917	35,882,289
Unrestricted funds	13	<u>665,276</u>	<u>656,125</u>
		<u>34,798,193</u>	<u>36,538,414</u>

The notes on pages 16 to 23 form part of these accounts.

Approved by the board on 29 September 2025.

David Jacob
Chairman of the Board of Trustees

Robert Cowell
Trustee

SCIENCE MUSEUM FOUNDATION

Company Number: 08156772

Charity Number: 1148691

Annual Report & Accounts 2024-25

**Statement of cash flows
for the year to 31 March 2025**

		2025	2024
	Note	£	£
Cash flows from operating activities	15	(4,305,710)	(4,336,599)
Cash flows from investing activities:			
Interest received		276	235
Proceeds from the sale of investments		8,330,336	8,468,979
Purchases of investments		(6,995,336)	(5,500,000)
		<u>1,335,276</u>	<u>2,969,214</u>
(Decrease)/ increase in cash and cash equivalents during period		<u>(2,970,434)</u>	<u>(1,367,385)</u>
Cash and cash equivalents at the beginning of the period		<u>4,163,094</u>	<u>5,530,479</u>
Cash and cash equivalents at the end of the period		<u>1,192,660</u>	<u>4,163,094</u>

The notes on pages 16 to 23 form part of these accounts.

**Notes to the financial statements
for the year to 31 March 2024****1. Charity information**

Science Museum Foundation ('the Foundation', 'the charity') is a company limited by guarantee, incorporated in England and Wales, and is registered with the Charity Commission. Its registered office is Science Museum, Exhibition Road, London, SW7 2DD.

2. Basis of preparation

The financial statements of the charity have been prepared in accordance with the Companies Act 2006, the Charities Act and *Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)*. The Foundation is a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

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

3. Principal accounting policies*Income*

Income is recognised when the charity is entitled to funds, it is probable that these funds will be received by the charity and the amount can be reliably measured. Entitlement to grant income is identified when the formal offer of funding is communicated in writing to the charity unless performance-related or other related conditions apply. Entitlement to donations is usually evidenced by receipt of funds.

Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Expenditure

Resources expended are recognised on an accruals basis, inclusive of VAT which cannot be reclaimed.

Governance costs

These comprise the costs of running the charity including audit and legal fees and are included within support costs and allocated across charitable objectives.

Taxation

The company is a registered charity and is not liable to United Kingdom taxes.

SCIENCE MUSEUM FOUNDATION

Company Number: 08156772

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Investments

Investment assets are measured initially at cost and subsequently at fair value (their market value) at the date of the balance sheet. Unrealised gains and losses on investments are recognised in the year they arise. Investments are treated as non-current where they are expected to be held over the medium to long-term, for which the charity's threshold is three years.

Unrestricted funds

These resources arise from the accumulated surpluses and deficits in the operation for charitable purposes and are expendable at the discretion of the Trustees in furtherance of the objectives of the charity.

Restricted funds

These resources arise from contributions received for specific purposes and are expended in accordance with those purposes.

4. Donations and grants

	2025	2024
	£	£
Unrestricted donations	<u>25,275</u>	<u>50,295</u>
	25,275	50,295

The charity received no grants in the current or prior year.

5. Investment income

	2025	2024
	£	£
Dividend income	276,903	332,542
Interest distributions from bond and cash fund investments	707,935	548,381
Interest	<u>276</u>	<u>235</u>
	985,114	881,158

6. Raising funds

	2025	2024
	£	£
Fundraising support	<u>515</u>	<u>539</u>
	515	539

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7. Charitable activities

In 2024-25, the charity made two grants to the Science Museum Group:

- a grant of £500,000 was made and paid in full under a new grant agreement exclusively for the Science Museum Group's *SIM Wonderlab* project.
- a grant of £3,000,000 was made and paid in full under a new grant agreement exclusively for SMG's *Science Education and Communications* projects.

	2025	2024
<u>Support costs</u>	£	£
Fees for administrative support	8,445	7,710
Other charges	1,092	1,532
Professional services	1,692	1,350
Audit fee	7,020	6,600
Audit fee - prior year adjustment (over-accrual)	(2,364)	-
	<u>15,885</u>	<u>17,192</u>

The costs shown above include VAT where charged.

8. Trustees' remuneration

In the year to 31 March 2025, no Trustees received remuneration or reimbursement for travel costs incurred in attending meetings. In the year to 31 March 2024, no Trustees received remuneration or reimbursement for travel costs incurred in attending meetings.

9. Staff costs

The charity has no employees. The Science Museum Group provides accounting and administration services and strategic fundraising support for which the Foundation is charged on an arm's length basis.

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10. Investments

All investments are in quoted investment funds and are stated at fair value:

2024-25	Fair value at 1 April 2024	Dividends accumulated	Investment management fees	Additions	Disposals	Realised gains on disposals	Unrealised gains/ (losses)	Net investment gains/ (losses)	Fair value at 31 March 2025
Fixed asset investments									
International equities	15,723,194	236,741	(21,324)	-	(1,550,000)	1,044,388	(753,271)	291,117	14,679,728
Emerging markets equities	1,628,503	40,162	(4,358)	-	-	-	100,239	100,239	1,764,546
Corporate bonds	2,388,785	36,225	(518)	-	(2,380,336)	143,228	(187,384)	(44,156)	-
Absolute return bonds	6,010,652	-	-	-	-	-	478,688	478,688	6,489,340
Multi-strategy funds	-	-	-	4,085,000	-	-	94,702	94,702	4,179,702
Short-dated bonds	4,567,933	184,699	(13,287)	-	-	-	66,524	66,524	4,805,869
Money market investments	7,248,399	487,011	(12,742)	2,910,336	(4,400,000)	308,262	(362,610)	(54,348)	6,178,656
Total investments	37,567,466	984,838	(52,229)	6,995,336	(8,330,336)	1,495,878	(563,112)	932,776	38,097,841

The investment gains/(losses) shown above include realised and unrealised gains/(losses).

Analysis of net investment movements:

	2025 £	2024 £
Investments at beginning of financial year (1 April)	37,567,466	35,237,574
Additions		
- purchases	6,995,336	5,500,000
- dividends and distributions reinvested into the fund	984,838	880,923
Disposals		
- sales	(8,330,336)	(8,468,979)
- investment manager fees paid from the fund	(52,229)	(53,793)
Other gain/(loss) in value	932,766	4,471,741
Investments at end of financial year (31 March)	38,097,841	37,567,466

The risks arising from these investments and the Trustees' responses are outlined in the financial review above.

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11. Debtors

	2025	2024
	£	£
Prepayments	846	993
	<u>846</u>	<u>993</u>

12. Creditors: amounts falling due within one year

	2025	2024
	£	£
Other creditors	4,484,394	5,182,765
Accruals	8,760	10,374
	<u>4,493,154</u>	<u>5,193,139</u>

Other creditors represent grant commitments (as described in Note 17). Disbursement of the grants will be made on receipt of an application from the grantee.

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13. Movement in funds

2024-25	1 April 2024	Income	Expenditure	Investments	Net income	Transfers of funds	Net movement in funds	31 March 2025
<u>Restricted funds</u>								
Science Museum Group objectives	27,590,105	984,838	(3,666,976)	-	(2,682,138)	1,495,878	(1,186,260)	26,403,845
Unrealised gains on investments	8,292,184	-	-	932,766	932,766	(1,495,878)	563,112	7,729,072
Total restricted funds	35,882,289	984,838	(3,666,976)	932,766	(1,749,372)	-	(1,749,372)	34,132,917
Unrestricted funds	656,125	25,551	(16,400)	-	9,151	-	9,151	665,276
TOTAL	36,538,414	1,010,389	(3,683,376)	932,766	(1,740,221)	-	(1,740,221)	34,798,193

2023-24	1 April 2023	Income	Expenditure	Investments	Net income	Transfers of funds	Net movement in funds	31 March 2024
<u>Restricted funds</u>								
Science Museum Group objectives	32,770,277	365,549	(8,413,225)	-	(8,047,676)	2,867,504	(5,180,172)	27,590,105
Unrealised gains on investments	6,172,573	515,374	-	4,471,741	4,987,115	(2,867,504)	2,119,611	8,292,184
Total restricted funds	38,942,850	880,923	(8,413,225)	4,471,741	(3,060,561)	-	(3,060,561)	35,882,289
Unrestricted funds	622,787	50,530	(17,192)	-	33,338	-	33,338	656,125
TOTAL	39,565,637	931,453	(8,430,417)	4,471,741	(3,027,223)	-	(3,027,223)	36,538,414

Restricted funds are held in accordance with the conditions specified by donors and to be used exclusively for those purposes, that is, in support of the Science Museum Group's activities. Unrestricted funds are free reserves of the charity and are expendable at the Trustees' discretion in accordance with the objectives of the charity.

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14. Analysis of net assets between funds

	Restricted 2025	Unrestricted 2025	Total 2025
	£	£	£
Investments	37,617,311	480,530	38,097,841
Debtors	-	846	846
Cash at bank and in hand	1,000,000	192,660	1,192,660
Creditors	(4,484,394)	(8,760)	(4,493,154)
	34,132,917	665,276	34,798,193

	Restricted 2024	Unrestricted 2024	Total 2024
	£	£	£
Investments	37,065,054	502,412	37,567,466
Debtors	-	993	993
Cash at bank and in hand	4,000,000	163,094	4,163,094
Creditors	(5,182,765)	(10,374)	(5,193,139)
	35,882,289	656,125	36,538,414

15. Reconciliation of net income to net cash flow from operating activities

	2025	2024
	£	£
Net income	(1,740,222)	(3,027,220)
Net losses/(gains) on investments	(932,766)	(4,471,741)
Investment income	(984,838)	(880,923)
Investment management fees	52,229	53,793
Interest on cash at bank	(276)	(235)
(Increase)/decrease in debtors	148	474
Increase/(decrease) in creditors	(699,985)	3,989,253
Net cash flow from/(used in) operating activities	(4,305,710)	(4,336,599)

16. Members' liability

The charity is a company limited by guarantee and has no share capital. The liability of each Member in the event of a winding-up is limited to £1.

17. Commitments

The remaining balance on a grant of £1,422,289 in support of the Science Museum Group's *Delivering Digital: Video Led Content Strategy* project was £484,394 at 31 March 2025, to be paid no later than 31 December 2025.

A grant of £4,000,000 in support of the Science Museum Group's *Central Hall* project was outstanding at 31 March 2025, to be paid no later than 30 June 2026.

18. Related party transactions

In accordance with the guidance in the Charities SORP, donations to the charity by Trustees are not disclosed, as no conditions have been attached to such donations received during the year.

19. Associated entities

Science Museum Group

The Foundation's charitable objectives are closely aligned to the operations of the Science Museum Group (SMG), but the charity and SMG have separate boards of trustees and are operated independently from each other.

The Chair of the Foundation, David Jacob, is a current member of SMG's advisory subcommittee *Partnerships Committee*, whose remit is to advise the Board of Trustees of SMG on development activities.

Transactions

In 2024-25, SMG charged £8,832 (2023-24: £7,710) for provision to the Foundation of accountancy and administrative services and fundraising support.

In 2024-25, the charity made two new grants to the Science Museum Group.

- A grant of £500,000 was made and paid in full for feasibility and design of the Science Museum Group's *SIM Wonderlab* project.
- A grant of £3,000,000 was made and paid in full for the Science Museum Group's *Science Education and Communications* projects.

In 2023-24, the Foundation made four grants to the Science Museum Group:

- A grant of £250,000 was made and paid in full for seed funding of the Science Museum Group's *SIM Wonderlab* project.
- A grant of £2,500,000 was made and paid in full for the Science Museum Group's *Science Education and Communications* projects.
- A grant of £1,500,000 was made and paid in full for the Science Museum Group's *Sound and Vision* project at the National Science and Media Museum (NSMM).
- A grant of £4,000,000 was awarded for the Science Museum Group's *Central Hall* project at the National Railway Museum (NRM). The total grant is to be paid no later than 30 June 2026.

SCIENCE MUSEUM FOUNDATION

England & Wales - Charity number 1148691

Accounts

The Science Museum Foundation
(A Company Limited by Guarantee)

Annual Report and Financial Statements
for the period ended 31 March 2024

Charity Number: 1148691
Company Number: 8156772

THE SCIENCE MUSEUM FOUNDATION

Company Number: 08156772

Charity Number: 1148691

Annual Report & Accounts 2023-24

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Trustees' and directors' strategic report for the year to 31 March 2024

The Trustees of The Science Museum Foundation ('the Foundation', 'the charity'), who are also directors of the company for the purposes of the Companies Act 2006, are pleased to present their annual report for the year ended 31 March 2024 together with the audited financial statements and auditor's report.

The Trustees consider that the information within their annual report meets the requirements of a Strategic Report, as defined by the Charities SORP.

Objectives and activities

Charitable objectives

The Trustees have referred to the guidance on public benefit when setting the aims and objectives, and in the planning of future activities of the Foundation. The objects of the charity are to:

- advance the public's knowledge and enjoyment of the Science Museum Group Collections;
- advance the public's knowledge and enjoyment of science and technology by means of the Science Museum Group Collections;
- provide educational facilities and services, instruction and information to the public in relation to Science Museum Group Collections;
- support the care, preservation and enhancement of the Science Museum Group Collections and related research;
- support the exhibition of the Science Museum Group Collections to the public and making of the Collections available to persons seeking to inspect them in connection with study or research, and
- support the furtherance of such of the purposes of the Science Museum Group as shall be exclusively charitable by providing financial and other assistance to enable the Science Museum Group or any other organisation (whether associated with Science Museum Group or otherwise) to undertake activities that advance such charitable purposes.

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

The Foundation aims to achieve these objects through the award of grants.

Specific aims

The primary goals of the Foundation are to raise funds for major capital projects to develop the museums within the Science Museum Group, along with other projects that support the Foundation's charitable objectives, and to receive donations and hold funds in anticipation of grant requests to enable such projects to be undertaken.

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Achievements and performance

Raising funds

During the period the Foundation raised £50,295 (2023: £370) in support of the Science Museum Group (SMG). This was supplemented by investment income of £881,923 (2023: £481,802).

The Foundation received no grant payments (2023: £5,450,000) in the year from the Science Museum Group.

The grants received in 2022-23 were made with the restriction to further the charitable objects of the Foundation (1) to raise funds for major capital projects to develop the museums within the Science Museum Group, along with other projects that support the Foundation's charitable objectives, and (2) to receive donations and hold funds in anticipation of grant requests to enable such projects to be undertaken, support the exhibition of the SMG Collections to the public and the making of the SMG Collections available to persons seeking to inspect them in connection with study or research.

In 2023-24, overall total net investment gains of £4,471,741 were recorded, which included an element of realised investment gains on disposals of £2,867,504. 2022-23 saw net investment losses of £895,020, which was net of realised investment gains on disposals of £67,507.

Grant awards

In 2023-24, the charity made four grants to the Science Museum Group:

- A grant of £250,000 was made and paid in full for seed funding of the Science Museum Group's *SIM Wonderlab* project. The ambition of the project is the development of a Wonderlab gallery at the Science and Industry Museum (SIM). This will be the fourth permanent Wonderlab at the Science Museum Group, following the recent success of the new Wonderlab at the National Railway Museum. The Wonderlab interactive galleries play a significant role in the Group's Inspiring Futures strategy and Learning Strategy.
- A grant of £2,500,000 was made and paid in full for the Science Museum Group's *Science Education and Communications* projects, to fund public exhibitions and learning activities which are offered to visitors including school groups both on site at its museums and offsite. The activities are a crucial component of the Group's *Inspiring Futures* strategy and Government's educational agenda.
- A grant of £1,500,000 was made and paid in full for the Science Museum Group's *Sound and Vision* project at the National Science and Media Museum (NSMM), a gallery which will inspire visitors with technologies that have revolutionised how we see and hear the world. Spanning two floors, Sound and Vision will create two new cutting-edge galleries, replacing outdated displays and bringing currently inaccessible space back into use.
- A grant of £4,000,000 was awarded for the Science Museum Group's *Central Hall* project at the National Railway Museum (NRM). The total grant is to be paid no later than 30 June 2026. The Central Hall project is the largest project in the York Masterplan programme. The project will deliver a new building that will connect the existing Station Hall and the Great Hall, creating level access across the NRM estate. Central Hall includes an improved orientation/welcome space, a gallery on the future of rail and an expanded shop and café.

In 2022-23, a grant of £1,422,289 was made in support of the Science Museum Group's *Delivering Digital: Video Led Content Strategy* project, with £239,524 paid in the year. No further payments were made in 2023-24, and the remaining funds are expected to be disbursed in 2024-25.

Investments

The Foundation's Investment Committee reviewed the possible funding commitments over the next ten years and identified long-term funds (defined as longer than three years) to be invested to generate a return in excess of inflation over the period until the award of any grants. The performance of these funds is explained in the financial review below.

Financial review

Financial position

At 31 March 2024, the Foundation had total funds of £36.5m (2023: £39.6m), of which £35.9m (2023: £38.9m) were restricted for grants in support of the Science Museum Group's activities. Unrestricted funds of £0.7m (2023: £0.6m) were held to cover the charity's operations and other charitable objectives.

At the year end, the charity's investments were valued at £37.6m (2023: £35.2m). The balance at 31 March 2024 consisted of £17.4m (46%) in equity funds, £13m (35%) in corporate and absolute return bond funds and £7.2m (19%) in money market funds. The charity also held £4.2m (2023: £5.5m) in cash.

Financial performance

The Foundation's net expenditure for the period was £3.0m, after investment gains of £4.5m. Income of £0.9m, was offset by expenditure of £8.4m, which included four grants to SMG totalling £8.3m, investment management fees, audit and other professional services costs. In 2023, income of £5.9m was offset by expenditure of £1.6m.

The Foundation is grateful to all its funders for donations and grants received in the year.

Reserves policy

The Trustees review the level of funds, together with known and likely future requests for support from those funds, at each board meeting and at least annually. It is the Foundation's policy to continue to build up reserves until they can be expended in furtherance of the charitable objectives.

At 31 March 2024, the level of funds – restricted and unrestricted – was considered appropriate.

Investment policy

The key provisions of the trustees' investment policy for the year ended 31 March 2024 around risk attitude, asset classes, currency, credit and liquidity risks and ethical investments are outlined below:

(a) Risk attitude

The key risk to the long-term reserves is inflation and assets should be invested to mitigate this risk over the long term. The Trustees understand that this is likely to mean that investment will be concentrated in real assets and the capital value will fluctuate. The short-term reserves are held to provide financial security and may be required at short notice. As such, investment of these assets is focused on reducing capital volatility.

(b) Assets

Long-term reserves can be invested widely and should be diversified. Asset classes can include cash, bonds, equities or property or any other asset that is deemed suitable. Short-term reserves can be invested in a range of cash, cash equivalent and fixed income products, including bonds.

(c) Currency

With long-term reserves, investment may be made in non-Sterling assets, but this should not exceed 50% of the total investment portfolio value. Hedging is permitted. Short-term reserves should be held in Sterling.

(d) Credit

The Foundation's cash balances should be deposited with institutions with a minimum rating of A or invested in a diversified money market fund with an equivalent credit quality rating of A. Deposits should be spread by counterparty, subject to a maximum exposure of 40% of the total cash balance per institution.

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(e) Liquidity

The Foundation will endeavour to consider potential grant requests out to the medium term in the management of its overall assets and likely liquidity needs, structuring the portfolio accordingly.

(f) Responsible investment

The Investment Committee is required to consider the nature of investments made and may exclude certain individual investments if they are perceived to conflict with the Foundation's purpose. When the Foundation invests through collective investment vehicles, the Trustees will select managers with evidence of strong ESG policies and will consider evidence of engagement seeking to influence positively investee companies in line with the recommendations of the Taskforce on Climate-Related Financial Disclosures.

The investment policy was revised and updated for approval by the Board of Trustees in November 2023.

Investment performance

During the period to 31 March 2024, returns were positive across all asset classes in which the Foundation is invested, with particularly strong returns from international equities, which are the largest holding. As a result, the investment portfolio (after adjusting for sales and purchases), gained 13.0% in value (2023: lost 2.0%). The portfolio remained defensively positioned, a strategy which had mitigated losses in 2022-23. In 2023-24, better returns were achieved by the fixed income funds in the portfolio and by the cash holdings, which mitigated the downside from lower equity holdings.

The world continues to face widespread geopolitical, fiscal and structural challenges and the potential for volatility in markets is expected to persist with inflation and recession risks. The Investment Committee is aware of these challenges and will continue to take appropriate steps to mitigate these risks through the next financial year.

Risk management

The Trustees have assessed the current risks to which the charity is exposed and are satisfied that by monitoring reserve levels and considering the potential business risks faced by the charity they are able to mitigate any potential risks that may arise.

The principal risks arising from investments around asset valuation, currency movements, credit worthiness, and liquidity are outlined above, alongside the trustees' position on each. To address investment risks, the Investment Committee has invested in funds administered by independent managers and monitors the quarterly valuation and performance reports of the funds.

In addressing accountancy, administrative and company secretarial risks, the Board places reliance on the risk analysis and control environment operated by the Science Museum Group with regard to such activities.

Plans for future periods

The key objectives in the coming year will be to:

- raise funds in support of the charitable objectives;
- review the long-term funding requirements and adjust investment holdings accordingly, and
- consider grant applications in line with the grant making policy.

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Structure, governance and management

Governing instrument

The Science Museum Foundation ("the Foundation") was incorporated as a company limited by guarantee (company number: 08156772) on 25 July 2012. It was registered as a charity with the Charity Commission (charity number: 1148691) on 23 August 2012.

Trustees

The Trustees of the Foundation comprise the only members of the charity under the Companies Act 2006. The Trustees of the Foundation may at any time appoint any person duly qualified to be appointed to fill a vacancy in their number. The number of Trustees of the charity is limited to sixteen at any one time. The Trustees who served during the period up to the date of the signing of these accounts are listed on page 8.

Policies and procedures for induction and training of Trustees

New Trustees are fully briefed on the objectives of the Science Museum Foundation and their role as directors and are given training appropriate to their knowledge and ability.

Organisation structure and management reporting

The Board of Trustees ('the Board') is responsible for the activities and assets of the Foundation. The Board holds at least two meetings a year at which they consider financial information and review the performance of investments.

Investment Committee

A sub-committee of the Board, the Investment Committee has authority to make decisions on the investment of funds and appointment of investment managers subject to the investment policy approved by the Board (see below). The Committee reviews the performance of investment managers at least every six months and monitors cash deposits, ensuring an appropriate balance between liquidity and rate of return. The Committee may co-opt up to two independent members should this be considered appropriate to lend expertise in particular areas of investment management.

During the year, the following people were members of the Investment Committee, which met four times:

<u>Member</u>	<u>Attended</u>
Christopher Cheetham (Trustee, Chair since 1 January 2022)	4/4
David Jacob (Trustee)	4/4
David Bennett (Trustee)	4/4

Investment objectives

The Foundation seeks to produce the best financial return within an acceptable level of risk. The investment objective for long term reserves is to generate a return in excess of 3% above inflation over the long term. The investment objective for short term reserves is to preserve capital value with minimum level of risk. Assets should be readily available to meet unanticipated cash flow requirements.

Grants Approval Committee

The Foundation's Grants Approval Committee, a sub-committee of the Foundation's Board, is responsible for assessing grant applications received from third parties. Formal grant applications including analysis of the strategic, economic, commercial, financial and management aspects of the proposal are scrutinised by the Grants Approval Committee in accordance with the Foundation's grant

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making policies. The Grants Approval Committee has sight of possible future grant commitments of the Foundation and undertakes a three-stage approval process, running from triage through to recommendation to award. Authority has been delegated from the Foundation's Board for the Grants Approval Committee to make small grant awards only of up to £10,000. Grants over £10,000 require formal Board approval and the final decision on any grant application rests with the Trustees.

Accountancy and administrative services

An agreement for the provision of accountancy and administrative services under which day-to-day financial management of the charity is performed by the Science Museum Group continues to exist. The system of internal control includes segregation of duties and regular review of management information. This agreement has been entered into on an arm's length basis; the overall management and control of the Foundation remains with the Trustees of the Foundation and no strategic management function is provided by way of this agreement.

Other matters

When necessary, the Trustees will seek advice and support from the charity's professional advisors including its auditors, bankers and lawyers.

The statutory books of the Foundation are held at the registered office.

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Reference and administrative details of the charity, its directors and advisors

The accounts have been prepared in accordance with the accounting policies set out on page 16 and comply with the charity's Memorandum of Association, applicable laws, including the Companies Act 2006, and the statement of recommended practice on accounting and reporting by charities effective from 1 January 2016.

Legal status

The Science Museum Foundation was incorporated as a company limited by guarantee (company number: 08156772) on 25 July 2012 and is registered as a charity (charity number: 1148691).

Registered address

The Science Museum
Exhibition Road
London
SW7 2DD

Company registration number

08156772

Charity registration number

1148691

Directors/Trustees

David Bennett
Christopher Cheetham
Professor Richard Clegg (resigned 30 November 2023)
Robert Cowell
David Jacob (Chair)
Natasha Kaplinsky (appointed 20 February 2024)
Ajit Lalvani
David Meek
Ravi Rajagopal
Nicole Ronson
Carl Stewart
Alex Stitt (appointed 30 November 2023)

Auditor

Sayer Vincent LLP
110 Golden Lane
London
EC1Y 0TG

Bankers

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

Solicitors

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

Investment Adviser

Redington Limited
Floor 6
One Angel Court
London
EC2R 7HJ

Trustees' Responsibilities Statement

The Trustees are responsible for preparing the report and accounts in accordance with applicable law and regulations. Company law requires the Trustees to prepare accounts for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each person who was a Trustee at the time of this report confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report, which comprises the Trustees' Annual Report and the Strategic Report, was approved by the board on 19 September 2024 and signed on its behalf.

David Jacob
Chairman of Trustees

Independent Auditor's Report to the Members of The Science Museum Foundation

Opinion

We have audited the financial statements of Science Museum Foundation (the 'charitable company') for the year ended 30 March 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Science Museum Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

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- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard (Senior statutory auditor)

Date: 31 October 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

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**Statement of financial activities
for the year to 31 March 2024**

	Notes	Restricted £	Unrestricted £	2024 Total £	Restricted £	Unrestricted £	2023 Total £
Income and endowments from							
Donations and grants	4	-	50,295	50,295	5,450,000	370	5,450,370
Investments	5	880,923	235	881,158	481,760	42	481,802
Total		880,923	50,530	931,453	5,931,760	412	5,932,172
Expenditure on							
Raising funds	6	-	505	505	-	533	533
Investment management fees		163,225	-	163,225	46,556	-	46,556
Charitable activities	7	8,250,000	16,653	8,265,587	1,532,289	16,450	1,548,739
Total		8,413,225	17,192	8,430,417	1,578,845	16,983	1,595,828
Net income/(expenditure) before net gains/(losses) on investments		(7,532,302)	33,338	(7,498,864)	4,352,915	(16,571)	4,336,344
Net (losses)/gains on investments	10	4,471,741	-	4,471,741	(895,020)	-	(895,020)
Net income/(expenditure)		(3,060,561)	33,338	(3,027,223)	3,457,895	(16,571)	3,441,324
Transfers between funds					-	-	-
Net movement in funds		(3,060,561)	33,338	(3,027,223)	3,457,895	(16,571)	3,441,324
Reconciliation of funds							
Total funds brought forward		38,942,850	622,787	39,565,637	35,484,955	639,358	36,124,313
Total funds carried forward		35,882,289	656,125	36,538,414	38,942,850	622,787	39,565,637

The statement of financial activities is in respect of continuing activities.

There were no recognised gains or losses other than those shown in the statement above.

The statement of financial activities complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 16 to 23 form part of these accounts.

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**Balance sheet
as at 31 March 2024**

	Note	2024 £	2023 £
Fixed assets			
Investments	10	<u>37,567,466</u>	<u>35,237,573</u>
		37,567,466	35,237,573
Current assets			
Debtors	11	993	1,467
Cash at bank and in hand		<u>4,163,094</u>	<u>5,530,479</u>
		4,164,087	5,531,946
Creditors: amounts falling due within one year	12	(5,193,139)	(1,203,882)
Net current assets		<u>(1,029,052)</u>	<u>4,328,064</u>
Total net assets / (liabilities)		<u>36,538,414</u>	<u>39,565,637</u>
Funds of the charity:			
Restricted income funds	13	35,882,289	38,942,850
Unrestricted funds	13	<u>656,125</u>	<u>622,787</u>
		36,538,414	39,565,637

The notes on pages 16 to 23 form part of these accounts.

Approved by the board on 19 September 2024.

David Jacob
Chairman of the Board of Trustees

Robert Cowell
Trustee

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**Statement of cash flows
for the year to 31 March 2024**

		2024	2023
	Note	£	£
Cash flows from operating activities	15	(4,336,599)	5,093,690
Cash flows from investing activities:			
Interest received		235	42
Proceeds from the sale of investments		8,468,979	6,128,460
Purchases of investments		(5,500,000)	(5,888,704)
		<u>2,969,214</u>	<u>239,798</u>
(Decrease)/ increase in cash and cash equivalents during period		<u>(1,367,385)</u>	<u>5,333,488</u>
Cash and cash equivalents at the beginning of the period		<u>5,530,479</u>	<u>196,911</u>
Cash and cash equivalents at the end of the period		<u>4,163,094</u>	<u>5,530,479</u>

The notes on pages 16 to 23 form part of these accounts.

Notes to the financial statements for the year to 31 March 2024

1. Charity information

The Science Museum Foundation ('the Foundation', 'the charity') is a company limited by guarantee, incorporated in England and Wales, and is registered with the Charity Commission. Its registered office is Science Museum, Exhibition Road, London, SW7 2DD.

2. Basis of preparation

The financial statements of the charity have been prepared in accordance with the Companies Act 2006, the Charities Act and *Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)*. The Foundation is a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

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

3. Principal accounting policies

Income

Income is recognised when the charity is entitled to funds, it is probable that these funds will be received by the charity and the amount can be reliably measured. Entitlement to grant income is identified when the formal offer of funding is communicated in writing to the charity unless performance-related or other related conditions apply. Entitlement to donations is usually evidenced by receipt of funds.

Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Expenditure

Resources expended are recognised on an accruals basis, inclusive of VAT which cannot be reclaimed.

Governance costs

These comprise the costs of running the charity including audit and legal fees and are included within support costs and allocated across charitable objectives.

Taxation

The company is a registered charity and is not liable to United Kingdom taxes.

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Investments

Investment assets are measured initially at cost and subsequently at fair value (their market value) at the date of the balance sheet. Unrealised gains and losses on investments are recognised in the year they arise. Investments are treated as non-current where they are expected to be held over the medium to long-term, for which the charity's threshold is three years.

Unrestricted funds

These resources arise from the accumulated surpluses and deficits in the operation for charitable purposes and are expendable at the discretion of the Trustees in furtherance of the objectives of the charity.

Restricted funds

These resources arise from contributions received for specific purposes and are expended in accordance with those purposes.

4. Donations and grants

	2024	2023
	£	£
Unrestricted donations	50,295	370
Restricted grants	-	5,450,000
	<u>50,295</u>	<u>5,450,370</u>

The charity received no grants in the year. In 2022-23, £5,450,000 was received from the Science Museum Group exclusively for the furtherance of charitable objectives related to that organisation.

5. Investment income

	2024	2023
	£	£
Dividend income	332,542	329,339
Interest distributions from bond and cash fund investments	548,381	152,421
Interest	235	42
	<u>881,158</u>	<u>481,802</u>

6. Raising funds

	2024	2023
	£	£
Fundraising support	539	533
	<u>539</u>	<u>533</u>

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7. Charitable activities

In 2023-24, the charity made four grants to the Science Museum Group:

- A grant of £250,000 was made and paid in full under a new grant agreement exclusively for the Science Museum Group's *SIM Wonderlab* project.
- A grant of £2,500,000 was made and paid in full under a new grant agreement exclusively for SMG's *Science Education and Communications* projects.
- A grant of £1,500,000 was made and paid in full under a new grant agreement exclusively for the SMG's *Sound and Vision* project at the National Science and Media Museum (NSMM).
- A grant of £4,000,000 was awarded under a new grant agreement exclusively for the Science Museum Group's *Central Hall* project. The total grant is for £4,000,000 and is to be paid no later than 30 June 2026.

	2024	2023
<u>Support costs</u>	£	£
Fees for administrative support	7,710	7,166
Other charges	1,532	1,623
Professional services	1,350	1,984
Audit fee	6,600	6,210
	<u>17,192</u>	<u>16,983</u>

The costs shown above include VAT where charged.

8. Trustees' remuneration

In the year to 31 March 2024, no Trustees received remuneration or reimbursement for travel costs incurred in attending meetings. In the year to 31 March 2023, no Trustees received remuneration or reimbursement for travel costs incurred in attending meetings.

9. Staff costs

The charity has no employees. The Science Museum Group provides accounting and administration services and strategic fundraising support for which the Foundation is charged on an arm's length basis.

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10. Investments

All investments are in quoted investment funds and are stated at fair value:

2023-24	Fair value at 1 April 2023	Dividends accumulated	Investment management fees	Additions	Disposals	Realised gains on disposals	Unrealised gains/ (losses)	Net investment gains/ (losses)	Fair value at 31 March 2023
Fixed asset investments									
International equities	15,991,171	285,587	(22,330)	-	(4,000,000)	2,594,011	874,755	3,468,766	15,723,194
UK equities	213,474	3,319	-	-	(218,979)	80,844	(78,658)	2,186	-
Emerging markets equities	1,544,736	43,637	(3,864)	-	-	-	43,994	43,994	1,628,503
Corporate bonds	2,284,707	61,427	(3,213)	-	-	-	45,864	45,864	2,388,785
Absolute return bond funds	5,355,126	-	-	-	-	-	655,526	655,526	6,010,652
Short-dated bonds	4,250,686	164,661	(12,388)	-	-	-	164,974	164,974	4,567,933
Money market investments	5,597,674	322,292	(11,998)	5,500,000	(4,250,000)	192,649	(102,218)	90,431	7,248,399
Total investments	35,237,574	880,923	(53,793)	5,500,000	(8,468,979)	2,867,504	1,604,237	4,471,741	37,567,466

The investment gains/(losses) shown above include realised and unrealised gains/(losses).

Analysis of net investment movements:

	2024	2023
	£	£
Investments at beginning of financial year (1 April)	35,237,574	35,937,146
Additions		
- purchases	5,500,000	5,888,704
- dividends and distributions reinvested into the fund	880,923	481,760
Disposals		
- sales	(8,468,979)	(6,128,460)
- investment manager fees paid from the fund	(53,793)	(46,556)
Other gain/(loss) in value	4,471,741	(895,020)
Investments at end of financial year (31 March)	37,567,466	35,237,574

The risks arising from these investments and the Trustees' responses are outlined in the financial review above.

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11. Debtors

	2024	2023
	£	£
Prepayments	993	1,467
	<u>993</u>	<u>1,467</u>

12. Creditors: amounts falling due within one year

	2024	2023
	£	£
Other creditors	5,182,765	1,192,765
Accruals	10,374	11,117
	<u>5,193,139</u>	<u>1,203,882</u>

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13. Movement in funds

2023-24	1 April 2023	Income	Expenditure	Investments	Net income	Transfers of funds	Net movement in funds	31 March 2024
<u>Restricted funds</u>								
Science Museum Group objectives	32,770,277	365,549	(8,413,225)	-	(8,047,676)	2,867,504	(5,180,172)	27,590,105
Unrealised gains on investments	6,172,573	515,374	-	4,471,741	4,987,115	(2,867,504)	2,119,611	8,292,184
Total restricted funds	38,942,850	880,923	(8,413,225)	4,471,741	(3,060,561)	-	(3,060,561)	35,882,289
Unrestricted funds	622,787	50,530	(17,192)	-	33,338	-	33,338	656,125
TOTAL	39,565,637	931,453	(8,430,417)	4,471,741	(3,027,223)	-	(3,027,223)	36,538,414

2022-23	1 April 2022	Income	Expenditure	Investments	Net income	Transfers of funds	Net movement in funds	31 March 2023
<u>Restricted funds</u>								
Science Museum Group objectives	28,349,855	5,931,760	(1,578,845)	-	4,352,915	67,507	4,420,422	32,770,277
Unrealised gains on investments	7,135,100	-	-	(895,020)	(895,020)	(67,507)	(962,527)	6,172,573
Total restricted funds	35,484,955	5,931,760	(1,578,845)	(895,020)	3,457,895	-	3,457,895	38,942,850
Unrestricted funds	639,358	412	(16,983)	-	(16,571)	-	(16,571)	622,787
TOTAL	36,124,313	5,932,172	(1,595,828)	(895,020)	3,441,324	-	3,441,324	39,565,637

Restricted funds are held in accordance with the conditions specified by donors and to be used exclusively for those purposes, that is, in support of the Science Museum Group's activities. Unrestricted funds are free reserves of the charity and are expendable at the Trustees' discretion in accordance with the objectives of the charity.

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14. Analysis of net assets between funds

	Restricted 2024	Unrestricted 2024	Total 2024
	£	£	£
Investments	37,065,054	502,411	37,567,466
Debtors	-	993	993
Cash at bank and in hand	4,000,000	163,094	4,163,094
Creditors	(5,182,765)	(10,374)	(5,193,139)
	<u>35,882,289</u>	<u>656,125</u>	<u>36,538,414</u>

	Restricted 2023	Unrestricted 2023	Total 2023
	£	£	£
Investments	34,785,615	451,958	35,237,573
Debtors	-	1,467	1,467
Cash at bank and in hand	5,340,000	190,479	5,530,479
Creditors	(1,182,765)	(21,117)	(1,203,882)
	<u>38,942,850</u>	<u>622,787</u>	<u>39,565,637</u>

15. Reconciliation of net income to net cash flow from operating activities

	2024	2023
	£	£
Net income	(3,027,220)	3,441,324
Net losses/(gains) on investments	(4,471,741)	895,020
Investment income	(880,923)	(481,760)
Investment management fees	53,793	46,556
Interest on cash at bank	(235)	(42)
(Increase)/decrease in debtors	474	(1,467)
Increase/(decrease) in creditors	3,989,253	1,194,058
Net cash flow from/(used in) operating activities	<u>(4,336,599)</u>	<u>5,093,690</u>

16. Members' liability

The charity is a company limited by guarantee and has no share capital. The liability of each Member in the event of a winding-up is limited to £1.

17. Commitments

During 2022-23 the charity made a payment of £239,524 as the first instalment of a new grant agreement exclusively for the Science Museum Group's Delivering Digital: Video Led Content Strategy project. The total grant agreement awarded and accounted for is for £1,422,289, with the remaining balance at 31 March 2024 of £1,182,765 due to be paid no later than 31 December 2024.

During the current year the charity awarded a grant of £4,000,000 under a new grant agreement exclusively for the Science Museum Group's *Central Hall* project. The total grant is for £4,000,000 and is to be paid no later than 30 June 2026.

18. Related party transactions

Science Museum Group

The Foundation's charitable objectives are closely aligned to the operations of the Science Museum Group (SMG), but the charity and SMG have separate boards of trustees and are operated independently from each other.

The Chair of the Foundation, David Jacob, is a current member of SMG's advisory subcommittee *Partnership Panel*, whose remit is to advise the Board of Trustees of SMG on development activities.

Ajit Lalvani was appointed to the Foundation's Board of Trustees on 30 June 2022, he is currently a member of the SMG Board of Trustees (appointed 01 February 2019) and SMG's advisory subcommittee *Science Museum Advisory Board*, whose remit is to advise the group Director and Board of Trustees of SMG on the cultural offer.

In accordance with the guidance in the Charities SORP, donations to the charity by Trustees are not disclosed, as no conditions have been attached to such donations received during the year.

Transactions

In 2022-23, the Foundation received a grant payment of £5,450,000 in the year from the Science Museum Group, exclusively for the furtherance of the charitable objectives of that organisation. No grants were received in 2023-24.

In 2023-24, SMG charged £7,710 (2023: £7,110) for provision to the Foundation of accountancy and administrative services and fundraising support.

In 2023-24, the Foundation made four grants to the Science Museum Group:

- A grant of £250,000 was made and paid in full under a new grant agreement exclusively for the Science Museum Group's *SIM Wonderlab* project.
- A grant of £2,500,000 was made and paid in full under a new grant agreement exclusively for SMG's *Science Education and Communications* projects.
- A grant of £1,500,000 was made and paid in full under a new grant agreement exclusively for the SMG's *Sound and Vision* project at the National Science and Media Museum (NSMM).
- A grant of £4,000,000 was awarded under a new grant agreement exclusively for the Science Museum Group's *Central Hall* project. The total grant is for £4,000,000 and is to be paid no later than 30 June 2026.

In 2022-23, a grant of £1,422,289 was made in support of the Science Museum Group's *Delivering Digital: Video Led Content Strategy* project, with £239,524 paid in the year. No further payments were made in 2023-24, and the remaining funds are expected to be disbursed in 2024-25. Additional grants of £10,000 for the *Growing Diverse Talent* and £100,000 for the *Innovation Prize* were made and paid in full to the Science Museum Group in the same year.

SCIENCE MUSEUM FOUNDATION

England & Wales - Charity number 1148691

Accounts

The Science Museum Foundation
(A Company Limited by Guarantee)

Annual Report and Financial Statements
for the period ended 31 March 2023

Charity Number: 1148691
Company Number: 8156772

THE SCIENCE MUSEUM FOUNDATION

Company Number: 08156772

Charity Number: 1148691

Annual Report & Accounts 2022-23

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Trustees' and directors' strategic report for the year to 31 March 2023

The Trustees of The Science Museum Foundation ('the Foundation', 'the charity'), who are also directors of the company for the purposes of the Companies Act 2006, are pleased to present their annual report for the year ended 31 March 2023 together with the audited financial statements and auditor's report.

The Trustees consider that the information within their annual report meets the requirements of a Strategic Report, as defined by the Charities SORP.

Objectives and activities

Charitable objectives

The Trustees have referred to the guidance on public benefit when setting the aims and objectives, and in the planning of future activities of the Foundation. The objects of the charity are to:

- advance the public's knowledge and enjoyment of the Science Museum Group Collections;
- advance the public's knowledge and enjoyment of science and technology by means of the Science Museum Group Collections;
- provide educational facilities and services, instruction and information to the public in relation to Science Museum Group Collections;
- support the care, preservation and enhancement of the Science Museum Group Collections and related research;
- support the exhibition of the Science Museum Group Collections to the public and making of the Collections available to persons seeking to inspect them in connection with study or research, and
- support the furtherance of such of the purposes of the Science Museum Group as shall be exclusively charitable by providing financial and other assistance to enable the Science Museum Group or any other organisation (whether associated with Science Museum Group or otherwise) to undertake activities that advance such charitable purposes.

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

The Foundation aims to achieve these objects through the award of grants.

Specific aims

The primary goals of the Foundation are to raise funds for major capital projects to develop the museums within the Science Museum Group, along with other projects that support the Foundation's charitable objectives, and to receive donations and hold funds in anticipation of grant requests to enable such projects to be undertaken.

Achievements and performance

Raising funds

During the period the Foundation raised £370 (2022: £350) in support of the Science Museum Group (SMG). This was supplemented by investment income of £481,802 (2022: £340,902).

The Foundation received a grant payment of £5,450,000 (2022: nil) in the year from the Science Museum Group. The grant was made with restriction to further the following charitable objects of the Foundation, which are aligned with the Science Museum Group's own objectives:

- To raise funds for major capital projects to develop the museums within the Science Museum Group, along with other projects that support the Foundation's charitable objectives, and
- To receive donations and hold funds in anticipation of grant requests to enable such projects to be undertaken, support the exhibition of the SMG Collections to the public and the making of the SMG Collections available to persons seeking to inspect them in connection with study or research.

In 2022-23, overall total net investment losses of £895,020 were recorded, this figure includes an element of realised investment gains on disposals of £67,507. 2021-22 saw net investment gains of £2,070,273 of which £1,864,534 were realised. The change in investment performance in 2022-23 compared to the previous year is a result of market volatility, particularly in the first half of the year, and the new economic environment of high inflation, rising interest rates and slowing growth.

Grant awards

In 2022-23, the charity made three grants to the Science Museum Group:

A payment of £239,524 was made as the first instalment of a new grant agreement exclusively for the Science Museum Group's *Delivering Digital: Video Led Content Strategy* project. The total grant is for £1,422,289, with the balance to be paid no later than 31 December 2024. The ambition of the project is to deliver a new, video-led digital content strategy that addresses audience needs and delivers Science Museum Group's mission to remote audiences, growing that audience by two million over a two-year pilot and establishing the capabilities and approaches for sustained growth in the years following the grant period.

A payment in full of £10,000 was made under a new grant agreement exclusively for the Science Museum Group's *Growing Diverse Talent* project, to fund two intern roles within the Science Museum Group over one year. The Science Museum Group aims to increase access to cultural and heritage roles in underrepresented backgrounds through this project.

A payment in full of £100,000 was made under a new grant agreement exclusively for the Science Museum Group's *Innovation Prize*, a project to invite leaders in the digital industry to bid for the role of transforming Science Museum Group's digital collection.

In 2021-22, one grant was of £36,300 was awarded to SMG's Director and Chief Executive to enable the development of a research plan and a book proposal on the life & work of Lyon Playfair.

Investments

The Foundation's Investment Committee reviewed the possible funding commitments over the next ten years and identified long-term funds (defined as longer than three years) to be invested to generate a return in excess of inflation over the period until the award of any grants. The performance of these funds is explained in the financial review below.

Financial review

Financial position

At 31 March 2023, the Foundation had total funds of £40.7m (2022: £36.1m), of which £40.1m (2022: £35.5m) were restricted for grants in support of the Science Museum Group's activities. Unrestricted funds of £0.6m (2022: £0.6m) were held to cover the charity's operations and other charitable objectives.

At the year end, the charity's investments were valued at £35.2m (2022: £35.9m). The balance at 31 March 2023 consisted of £17.7m (50%) in equity funds, £11.9m (34%) in corporate and alternative bond funds and £5.6m (16%) in money market funds. The charity also held £5.5m (2022: £0.2m) in cash.

Financial performance

The Foundation's net income for the period was £4.6m, after investment losses of £0.9m. Income of £5.9m, which includes the grant from SMG of £5.4m, was offset by expenditure of £0.4m, which includes three grants to SMG totalling £0.3m, investment management fees, audit and other professional services costs. In 2022, income of £0.3m was offset by expenditure of £0.1m.

The Foundation is grateful to all its funders for donations and grants received in the year.

Reserves policy

The Trustees review the level of funds, together with known and likely future requests for support from those funds, at each board meeting and at least annually. It is the Foundation's policy to continue to build up reserves until they can be expended in furtherance of the charitable objectives.

At 31 March 2023, the level of funds – restricted and unrestricted – was considered appropriate.

Investment policy

The key provisions of the trustees' investment policy for the year ended 31 March 2023 around risk attitude, asset classes, currency, credit and liquidity risks and ethical investments are outlined below:

(a) Risk attitude

The key risk to the long-term reserves is inflation and assets should be invested to mitigate this risk over the long term. The Trustees understand that this is likely to mean that investment will be concentrated in real assets and the capital value will fluctuate. The short-term reserves are held to provide financial security and may be required at short notice. As such, investment of these assets is focused on reducing capital volatility.

(b) Assets

Long-term reserves can be invested widely and should be diversified. Asset classes can include cash, bonds, equities or property or any other asset that is deemed suitable. Short-term reserves can be invested in a range of cash, cash equivalent and fixed income products, including bonds.

(c) Currency

With long-term reserves, investment may be made in non-Sterling assets, but this should not exceed 50% of the total investment portfolio value. Hedging is permitted. Short-term reserves should be held in Sterling.

(d) Credit

The Foundation's cash balances should be deposited with institutions with a minimum rating of A or invested in a diversified money market fund with an equivalent credit quality rating of A. Deposits

should be spread by counterparty, subject to a maximum exposure of 40% of the total cash balance per institution.

(e) Liquidity

The Foundation will endeavour to consider potential grant requests out to the medium term in the management of its overall assets and likely liquidity needs, structuring the portfolio accordingly.

(f) Ethical investment

The Investment Committee is required to consider the nature of investments made and may exclude certain individual investments if they are perceived to conflict with the Foundation's purpose. When the Foundation invests through collective investment vehicles, the Trustees will select managers who demonstrate that they engage with investee companies to influence positively those companies in line with the recommendations of the Taskforce on Climate-Related Financial Disclosures.

The investment policy was revised and updated for approval by the Board of Trustees in February 2023.

Investment performance

During the period to 31 March 2023, market volatility, particularly in the first half of the year, alongside the economic environment of high inflation, rising interest rates and slowing growth resulted in the investment portfolio (after adjusting for sales and purchases), losing 2.0% value (2022: gained 7.0%): A strategy of defensive posturing in investments was enacted during the year to mitigate the reduction in portfolio value, with the resulting drop in value less than would have been expected when compared to underlying market movements.

The outlook for the long-term performance remains uncertain, as the world continues to respond to widespread fiscal and structural challenges and volatility in markets is expected to remain due to inflation and recession risks. The Investment Committee is aware of these challenges and will continue to take appropriate steps to mitigate these risks through the next financial year.

Risk management

The Trustees have assessed the current risks to which the charity is exposed and are satisfied that by monitoring reserve levels and considering the potential business risks faced by the charity they are able to mitigate any potential risks that may arise.

The principal risks arising from investments around asset valuation, currency movements, credit worthiness, and liquidity are outlined above, alongside the trustees' position on each. To address investment risks, the Investment Committee has invested in funds administered by independent managers and monitors the quarterly valuation and performance reports of the funds.

In addressing accountancy, administrative and company secretarial risks, the Board places reliance on the risk analysis and control environment operated by the Science Museum Group with regard to such activities.

Plans for future periods

The key objectives in the coming year will be to:

- raise funds in support of the charitable objectives;
- review the long-term funding requirements and adjust investment holdings accordingly, and
- consider grant applications in line with the grant making policy.

Structure, governance and managementGoverning instrument

The Science Museum Foundation ("the Foundation") was incorporated as a company limited by guarantee (company number: 08156772) on 25 July 2012. It was registered as a charity with the Charity Commission (charity number: 1148691) on 23 August 2012.

Trustees

The Trustees of the Foundation comprise the only members of the charity under the Companies Act 2006. The Trustees of the Foundation may at any time appoint any person duly qualified to be appointed to fill a vacancy in their number. The number of Trustees of the charity is limited to sixteen at any one time. The Trustees who served during the period up to the date of the signing of these accounts are listed on page 8.

Policies and procedures for induction and training of Trustees

New Trustees are fully briefed on the objectives of the Science Museum Foundation and their role as directors and are given training appropriate to their knowledge and ability.

Organisation structure and management reporting

The Board of Trustees ('the Board') is responsible for the activities and assets of the Foundation. The Board holds at least two meetings a year at which they consider financial information and review the performance of investments.

Investment Committee

A sub-committee of the Board, the Investment Committee has authority to make decisions on the investment of funds and appointment of investment managers subject to the investment policy approved by the Board (see below). The Committee reviews the performance of investment managers at least every six months and monitors cash deposits, ensuring an appropriate balance between liquidity and rate of return. The Committee may co-opt up to two independent members should this be considered appropriate to lend expertise in particular areas of investment management.

During the year, the following people were members of the Investment Committee, which met four times:

<u>Member</u>	<u>Attended</u>
Christopher Cheetham (Trustee, Chair since 1 January 2022)	4/4
David Jacob (Trustee)	4/4
David Bennett (Trustee)	4/4

Investment objectives

The Foundation seeks to produce the best financial return within an acceptable level of risk. The investment objective for long term reserves is to generate a return in excess of 3% above inflation over the long term. The investment objective for short term reserves is to preserve capital value with minimum level of risk. Assets should be readily available to meet unanticipated cash flow requirements.

Grants Approval Committee

The Foundation's Grants Approval Committee, a sub-committee of the Foundation's Board is responsible for assessing grant applications received from third parties. Formal grant applications including analysis of the strategic, economic, commercial, financial and management aspects of the proposal are scrutinised by the Grants Approval Committee in accordance with the Foundation's grant making policies. The Grants Approval Committee has sight of possible future grant commitments of the Foundation and undertakes a three-stage approval process, running from triage through to

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Company Number: 08156772

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recommendation to award. Authority has been delegated from the Foundation Board for the Grants Approval Committee to make small grant awards only of up to £10,000. Grants over £10,000 require formal Board approval and the final decision on any grant application rests with the Trustees of the Foundation.

Accountancy and administrative services

An agreement for the provision of accountancy and administrative services under which day-to-day financial management of the charity is performed by the Science Museum Group continues to exist. The system of internal control includes segregation of duties and regular review of management information. This agreement has been entered into on an arm's length basis; the overall management and control of the Foundation remains with the Trustees of the Foundation and no strategic management function is provided by way of this agreement.

Other matters

When necessary, the Trustees will seek advice and support from the charity's professional advisors including its auditors, bankers and lawyers.

The statutory books of the Foundation are held at the registered office.

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Reference and administrative details of the charity, its directors and advisors

The accounts have been prepared in accordance with the accounting policies set out on page 16 and comply with the charity's Memorandum of Association, applicable laws, including the Companies Act 2006, and the statement of recommended practice on accounting and reporting by charities effective from 1 January 2016.

Legal status

The Science Museum Foundation was incorporated as a company limited by guarantee (company number: 08156772) on 25 July 2012 and is registered as a charity (charity number: 1148691).

Registered address

The Science Museum
Exhibition Road
London
SW7 2DD

Company registration number

08156772

Charity registration number

1148691

Directors/Trustees

David Bennett	
Christopher Cheetham	
Professor Richard Clegg	
Robert Cowell	
David Jacob	(Chair)
David Meek	(appointed 30 April 2022)
Ravi Rajagopal	
Nicole Ronson	
Ajit Lalvani	(appointed 03 June 2022)
Carl Stewart	(appointed 18 August 2022)
Dame Fiona Woolf	(resigned 28 February 2023)

Auditor

Sayer Vincent LLP
Invicta House
108-11 Golden Lane
London
EC1Y 0TL

Bankers

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

Solicitors

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

Investment advisors

Redington Ltd
1 Angel Court
London
Ec2R 7HJ

Trustees' Responsibilities Statement

The Trustees are responsible for preparing the report and accounts in accordance with applicable law and regulations. Company law requires the Trustees to prepare accounts for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each person who was a Trustee at the time of this report confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report, which comprises the Trustees' Annual Report and the Strategic Report, was approved by the board on 26 September 2023 and signed on its behalf.

David Jacob
Chairman of Trustees

26 September 2023

Independent Auditor's Report to the Members of The Science Museum Foundation

Opinion

We have audited the financial statements of Science Museum Foundation (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Science Museum Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:

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Company Number: 08156772

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- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard (Senior statutory auditor)

Date: 13 December 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

**Statement of financial activities
 for the year to 31 March 2023**

	Notes	2023 Restricted £	2023 Unrestricted £	2023 Total £	2022 Restricted £	2022 Unrestricted £	2022 Total £
Income and endowments from							
Donations and grants	4	5,450,000	370	5,450,370	-	350	350
Investments	5	481,760	42	481,802	340,902	-	340,902
Total		5,931,760	412	5,932,172	340,902	350	341,252
Expenditure on							
Raising funds	6	-	533	533	-	750	750
Investment management fees		46,556	-	46,556	46,678	-	46,678
Charitable activities	7	1,532,289	16,450	1,548,739	36,300	23,162	59,462
Total		1,578,845	16,983	1,595,828	82,978	23,912	106,890
Net (losses)/gains on investments	10	(895,020)	-	(895,020)	2,070,273	-	2,070,273
Net income/(expenditure)		3,457,895	(16,571)	3,441,324	2,328,197	(23,562)	2,304,635
Transfers between funds		-	-	-	-	-	-
Net movement in funds		3,457,895	(16,571)	3,441,324	2,328,197	(23,562)	2,304,635
Reconciliation of funds							
Total funds brought forward		35,484,955	639,358	36,124,313	33,156,758	662,920	33,819,678
Total funds carried forward		38,942,850	622,787	39,565,637	35,484,955	639,358	36,124,313

The statement of financial activities is in respect of continuing activities.

There were no recognised gains or losses other than those shown in the statement above.

The statement of financial activities complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 16 to 23 form part of these accounts.

THE SCIENCE MUSEUM FOUNDATION

Company Number: 08156772

Charity Number: 1148691

Annual Report & Accounts 2022-23

**Balance sheet
as at 31 March 2023**

	Note	2023 £	2022 £
Fixed assets			
Investments	10	<u>35,237,573</u>	<u>35,937,146</u>
		35,237,573	35,937,146
Current assets			
Debtors	11	1,467	-
Cash at bank and in hand		<u>5,530,479</u>	<u>196,991</u>
		5,531,946	196,991
Creditors: amounts falling due within one year	12	(1,203,882)	(9,824)
Net current assets		<u>4,328,064</u>	<u>187,167</u>
Total net assets / (liabilities)		<u>39,565,637</u>	<u>36,124,313</u>
Funds of the charity:			
Restricted income funds	13	38,942,850	35,484,955
Unrestricted funds	13	<u>622,787</u>	<u>639,358</u>
		39,565,637	36,124,313

The notes on pages 16 to 23 form part of these accounts.

Approved by the board on 26 September 2023.

David Jacob
Chairman of the Board of Trustees

Robert Cowell
Trustee

THE SCIENCE MUSEUM FOUNDATION

Company Number: 08156772

Charity Number: 1148691

Annual Report & Accounts 2022-23

**Statement of cash flows
for the year to 31 March 2023**

		2023	2022
	Note	£	£
Cash flows from operating activities	15	5,093,690	(192,676)
Cash flows from investing activities:			
Interest received		42	-
Proceeds from the sale of investments		6,128,460	9,961,677
Purchases of investments		(5,888,704)	(9,961,677)
		<u>239,798</u>	<u>-</u>
(Decrease)/ increase in cash and cash equivalents during period		<u>5,333,488</u>	<u>(192,676)</u>
Cash and cash equivalents at the beginning of the period		<u>196,911</u>	<u>389,667</u>
Cash and cash equivalents at the end of the period		<u>5,530,479</u>	<u>196,991</u>

The notes on pages 16 to 23 form part of these accounts.

**Notes to the financial statements
for the year to 31 March 2023**

1. Charity information

The Science Museum Foundation ('the Foundation', 'the charity') is a company limited by guarantee, incorporated in England and Wales, and is registered with the Charity Commission. Its registered office is Science Museum, Exhibition Road, London, SW7 2DD.

2. Basis of preparation

The financial statements of the charity have been prepared in accordance with the Companies Act 2006, the Charities Act and *Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)*. The Foundation is a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

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

3. Principal accounting policies

Income

Income is recognised when the charity is entitled to funds, it is probable that these funds will be received by the charity and the amount can be reliably measured. Entitlement to grant income is identified when the formal offer of funding is communicated in writing to the charity unless performance-related or other related conditions apply. Entitlement to donations is usually evidenced by receipt of funds.

Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Expenditure

Resources expended are recognised on an accruals basis, inclusive of VAT which cannot be reclaimed.

Governance costs

These comprise the costs of running the charity including audit and legal fees and are included within support costs and allocated across charitable objectives.

Taxation

The company is a registered charity and is not liable to United Kingdom taxes.

THE SCIENCE MUSEUM FOUNDATION

Company Number: 08156772

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Investments

Investment assets are measured initially at cost and subsequently at fair value (their market value) at the date of the balance sheet. Unrealised gains and losses on investments are recognised in the year they arise. Investments are treated as non-current where they are expected to be held over the medium to long-term, for which the charity's threshold is three years.

Unrestricted funds

These resources arise from the accumulated surpluses and deficits in the operation for charitable purposes and are expendable at the discretion of the Trustees in furtherance of the objectives of the charity.

Restricted funds

These resources arise from contributions received for specific purposes and are expended in accordance with those purposes.

4. Donations and grants

	2023	2022
	£	£
Unrestricted donations	370	350
Restricted Grants	5,450,000	-
	<u>5,450,370</u>	<u>350</u>

The charity received a grant payment of £5,450,000 in the year (2022: nil) from the Science Museum Group exclusively for the furtherance of the charitable objectives of the Science Museum Group.

5. Investment income

	2023	2022
	£	£
Dividend income	329,339	298,272
Interest distributions from bond and cash fund investments	152,421	42,630
Interest	42	-
	<u>481,802</u>	<u>340,902</u>

6. Raising funds

	2023	2022
	£	£
Fundraising support	533	750
	<u>533</u>	<u>750</u>

7. Charitable activities

In 2022-23, the charity made 3 grants to the Science Museum Group:

A payment of £239,524 was made as the first instalment of a new grant agreement exclusively for the Science Museum Group's *Delivering Digital: Video Led Content Strategy* project. The total grant awarded and accounted for is £1,422,289, with the balance to be paid no later than 31 December 2024.

A payment in full of £10,000 was made under a new grant agreement exclusively for the Science Museum Group's *Growing Diverse Talent* project.

A payment in full of £100,000 was made under a new grant agreement exclusively for the Science Museum Group's *Innovation Prize* project.

THE SCIENCE MUSEUM FOUNDATION

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In 2021-22, one grant of £36,300 was awarded to SMG's Director and Chief Executive to enable the development of a research plan and a book proposal on the life and work of Lyon Playfair.

	2023	2022
<u>Support costs</u>	£	£
Fees for administrative support	7,166	6,780
Other charges	1,623	1,566
Professional services	1,984	6,992
Audit fee	6,210	7,824
	<hr/> 16,983	<hr/> 23,162

The costs shown above include VAT where charged.

8. Trustees' remuneration

In the year to 31 March 2023, no Trustees received remuneration or reimbursement for travel costs incurred in attending meetings. In the year to 31 March 2022, no Trustees received remuneration and one Trustee received expenses of £98 for the reimbursement of travel costs incurred in attending a meeting.

9. Staff costs

The charity has no employees. The Science Museum Group provides accounting and administration services and strategic fundraising support for which the Foundation is charged on an arm's length basis.

10. Investments

All investments are in quoted investment funds and are stated at fair value:

	Fair value at 1 April 2022	Dividends accumulated	Investment management fees	Additions	Disposals	Realised gains on disposals	Unrealised gains/ (losses)	Net investment gains/ (losses)	Fair value at 31 March 2023
2022-23									
Fixed asset investments									
International equities	16,529,773	277,392	(20,463)	-	-	-	(795,531)	(795,531)	15,991,171
UK equities	208,571	6,734	(268)	244	-	-	(1,807)	(1,807)	213,474
Emerging markets equities	1,619,015	45,213	(3,917)	-	-	-	(115,575)	(115,575)	1,544,736
Corporate bonds	2,535,492	42,956	(3,267)	-	-	-	(290,474)	(290,474)	2,284,707
Absolute return bond funds	3,493,024	-	-	1,720,000	-	-	142,102	142,102	5,355,126
Short-dated bonds	-	29,182	(5,229)	4,168,460	-	-	58,273	58,273	4,250,686
Money market investments	11,551,271	80,283	(13,412)	-	(6,128,460)	67,507	40,485	107,992	5,597,674
Total investments	35,937,146	481,760	(46,556)	5,888,704	(6,128,460)	67,507	(962,527)	(895,020)	35,237,573

The investment gains/(losses) shown above include realised and unrealised gains/(losses).

Analysis of net investment movements:

	2023	2022
	£	£
Investments at beginning of financial year (1 April)	35,937,146	33,572,649
Additions		
- purchases	5,888,704	9,961,677
- dividends and distributions reinvested into the fund	481,760	340,902
Disposals		
- sales	(6,128,460)	(9,961,677)
- investment manager fees paid from the fund	(46,556)	(46,678)
Other gain/(loss) in value	(895,020)	2,070,273
Investments at end of financial year (31 March)	35,237,574	35,937,146

The risks arising from these investments and the Trustees' response are outlined in the financial review above.

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Company Number: 08156772

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Annual Report & Accounts 2022-23

11. Debtors

	2023	2022
	£	£
Prepayments	1,467	-
	<u>1,467</u>	<u>-</u>

12. Creditors: amounts falling due within one year

	2023	2022
	£	£
Other creditors	1,192,765	-
Accruals	11,117	9,824
	<u>1,203,882</u>	<u>9,824</u>

13. Movement in funds

	1 April 2022	Income	Expenditure	Investments	Net income	Transfers of funds	Net movement in funds	31 March 2023
2022-23								
Restricted funds								
Science Museum Group objectives	28,349,855	5,931,760	(1,578,845)		4,352,915	67,507	4,420,422	32,770,277
Unrealised gains on investments	7,135,100	-	-	(895,020)	(895,020)	(67,507)	(962,527)	6,172,573
Total restricted funds	35,484,955	5,931,760	(1,578,845)	(895,020)	3,457,895	-	3,457,895	38,942,850
Unrestricted funds	639,358	412	(16,983)	-	(16,571)	-	(16,571)	622,787
TOTAL	36,124,313	5,932,172	(1,595,828)	(895,020)	3,441,324	-	3,441,324	39,565,637

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2021-22	1 April 2021	Income	Expenditure	Investments	Net income	Transfers of funds	Net movement in funds	31 March 2022
Restricted funds								
Science Museum Group objectives	26,227,398	340,902	(82,978)		257,924	1,864,533	2,122,457	28,349,855
Unrealised gains on investments	6,929,360	-	-	2,070,273	2,070,273	(1,864,533)	205,740	7,135,100
Total restricted funds	33,156,758	340,902	(82,978)	2,070,273	2,328,197	-	2,328,197	35,484,955
Unrestricted funds	662,920	350	(23,912)	-	(23,562)	-	(23,562)	639,358
TOTAL	33,819,678	341,252	(106,890)	2,070,273	2,304,635	-	2,304,635	36,124,313

Restricted funds are held in accordance with the conditions specified by donors and to be used exclusively for those purposes, that is, in support of the Science Museum Group's activities. Unrestricted funds are free reserves of the charity and are expendable at the Trustees' discretion in accordance with the objectives of the charity.

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14. Analysis of net assets between funds

	Restricted 2023 £	Unrestricted 2023 £	Total 2023 £
Investments	34,785,615	451,958	35,237,573
Debtors	-	1,467	1,467
Cash at bank and in hand	5,340,000	190,479	5,530,479
Creditors	(1,182,765)	(21,117)	(1,203,882)
	38,942,850	622,787	39,565,637

	Restricted 2022 £	Unrestricted 2022 £	Total 2022 £
Investments	35,484,955	452,191	35,937,146
Cash at bank and in hand	-	196,991	196,991
Creditors	-	(9,824)	(9,824)
	35,484,955	639,358	36,124,313

15. Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income	3,441,324	2,304,635
Net losses/(gains) on investments	895,020	(2,070,273)
Investment income	(481,760)	(340,902)
Investment management fees	46,556	46,678
Interest on cash at bank	(42)	-
(Increase)/decrease in debtors	(1,467)	-
Increase/(decrease) in creditors	1,194,058	(132,814)
Net cash flow from/(used in) operating activities	5,093,690	(192,676)

16. Members' liability

The charity is a company limited by guarantee and has no share capital. The liability of each Member in the event of a winding-up is limited to £1.

17. Commitments

During the year the charity made a payment of £239,524 as the first instalment of a new grant agreement exclusively for the Science Museum Group's *Delivering Digital: Video Led Content Strategy* project. The total grant agreement awarded and accounted for is for £1,422,289, with the remaining balance at 31 March 2023 of £1,182,765 due to be paid no later than 31 December 2024.

18. Related party transactions

Science Museum Group

The Foundation's charitable objectives are closely aligned to the operations of the Science Museum Group (SMG), but the charity and SMG have separate boards of trustees and are operated independently from each other.

The Chair of the Foundation, David Jacob, is a current member of SMG's advisory subcommittee *Partnership Panel*, whose remit is to advise the Board of Trustees of SMG on development activities.

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Ajit Lalvani was appointed to the Foundation's Board of Trustees on 30 June 2022, he is currently a member of the SMG Board of Trustees (appointed 01 February 2019) and SMG's advisory subcommittee *Science Museum Advisory Board*, whose remit is to advise the group Director and Board of Trustees of SMG on the cultural offer.

After her appointment to the Foundation's Board of Trustees on 11 February 2019, Dame Fiona Woolf has served as a trustee of both the Foundation and SMG (resigned from the Foundation's Board of Trustees 28 February 2023).

In accordance with the guidance in the Charities SORP, donations to the charity by Trustees are not disclosed, as no conditions have been attached to such donations received during the year.

The Foundation received a grant payment of £5,450,000 in the year from the Science Museum Group exclusively for the furtherance of the charitable objectives of the Science Museum Group. No grants were made by SMG to the Foundation during the years to 31 March 2022 or 31 March 2021.

SMG charged £7,110 (2022: £7,530) for provision to the Foundation of accountancy and administrative services and fundraising support.

In 2022-23, the Foundation made 3 grants to the Science Museum Group:

A payment of £239,524 was made as the first instalment of a new grant agreement exclusively for the Science Museum Group's *Delivering Digital: Video Led Content Strategy* project. The total grant awarded and accounted for is £1,422,289.

A payment in full of £10,000 was made under a new grant agreement exclusively for the Science Museum Group's *Growing Diverse Talent* project.

A payment in full of £100,000 was made under a new grant agreement exclusively for the Science Museum Group's *Innovation Prize* project.

In 2021-22, one grant was of £36,300 was awarded to SMG's Director and Chief Executive to enable the development of a research plan and a book proposal on the life & work of Lyon Playfair.

SCIENCE MUSEUM FOUNDATION

England & Wales - Charity number 1148691

Accounts

The Science Museum Foundation
(A Company Limited by Guarantee)

Annual Report and Financial Statements
for the period ended 31 March 2022

Charity Number: 1148691
Company Number: 8156772

THE SCIENCE MUSEUM FOUNDATION

Company Number: 08156772

Charity Number: 1148691

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Trustees' and directors' strategic report for the year to 31 March 2022

The Trustees of The Science Museum Foundation ('the Foundation', 'the charity'), who are also directors of the company for the purposes of the Companies Act 2006, are pleased to present their annual report for the year ended 31 March 2022 together with the audited financial statements and auditor's report.

The Trustees consider that the information within their annual report meets the requirements of a Strategic Report, as defined by the Charities SORP.

Objectives and activities

Charitable objectives

The Trustees have referred to the guidance on public benefit when setting the aims and objectives, and in the planning of future activities of the Foundation. The objects of the charity are to:

- advance the public's knowledge and enjoyment of the Science Museum Group Collections;
- advance the public's knowledge and enjoyment of science and technology by means of the Science Museum Group Collections;
- provide educational facilities and services, instruction and information to the public in relation to Science Museum Group Collections;
- support the care, preservation and enhancement of the Science Museum Group Collections and related research;
- support the exhibition of the Science Museum Group Collections to the public and making of the Collections available to persons seeking to inspect them in connection with study or research, and
- support the furtherance of such of the purposes of the Science Museum Group as shall be exclusively charitable by providing financial and other assistance to enable the Science Museum Group or any other organisation (whether associated with Science Museum Group or otherwise) to undertake activities that advance such charitable purposes.

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

The Foundation aims to achieve these objects through the award of grants.

Specific aims

The primary goals of the Foundation are to raise funds for major capital projects to develop the museums within the Science Museum Group, along with other projects that support the Foundation's charitable objectives, and to receive donations and hold funds in anticipation of grant requests to enable such projects to be undertaken.

Achievements and performance

Raising funds

During the period the Foundation raised £350 (2021: £56,910) in support of the Science Museum Group (SMG). This was supplemented by investment income of £340,902 (2021: £593,943).

In 2021-22, net investment gains of £2,070,273 were recorded. This figure includes realised investment gains of £1,864,534. Investment gains during 2021-22 were lower when compared with 2020-21 due to the uncertainty in the global markets. 2020-21 saw net investment gains of £6,170,047 of which £831,461 were realised.

Grant awards

In 2021-22, one grant of £36,300 was awarded to SMG's Director and Chief Executive to enable the development of a research plan and a book proposal on the life & work of Lyon Playfair.

In 2020-21, one grant of £124,500 was awarded to SMG to enable the acquisition of the freehold of the Bullnose building in York from Network Rail. The grant will enable capital works to be carried out and ensure the quality of the entrance and approaches to the National Railway Museum.

Investments

The Foundation's Investment Committee reviewed the possible funding commitments over the next ten years and identified long-term funds (defined as longer than three years) to be invested to generate a return in excess of inflation over the period until the award of any grants. The performance of these funds is explained in the financial review below.

Financial review

Financial position

At 31 March 2022, the Foundation had total funds of £36.1m (2021: £33.8m), of which £35.5m (2021: £33.2m) were restricted for grants in support of the Science Museum Group's activities. Unrestricted funds of £0.6m (2021: £0.7m) were held to cover the charity's operations.

At the year end, the charity's investments were valued at £35.9m (2021: £33.6m). The balance at 31 March 2022 consisted of £18.4m (51%) in equity funds, £6.0m (17%) in corporate and alternative bond funds and £11.6m (32%) in money market funds. The charity also held £0.2m (2020: £0.4m) in cash.

Financial performance

The Foundation's net income for the period was £2.3m, after investment gains of £2.1m. Income of £0.3m was offset by expenditure of £0.1m, which includes a grant to SMG, audit and other professional services costs. In 2021, income of £0.7m was offset by expenditure of £0.2m, including a grant to SMG of £0.1m.

The Foundation is grateful to all its funders for donations and grants received in the year.

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Reserves policy

The Trustees review the level of funds, together with known and likely future requests for support from those funds, at each board meeting and at least annually. It is the Foundation's policy to continue to build up reserves until they can be expended in furtherance of the charitable objectives.

At 31 March 2022, the level of funds – restricted and unrestricted – was considered appropriate.

Investment policy

The key provisions of the trustees' investment policy for the year ended 31 March 2022 around risk attitude, asset classes, currency, credit and liquidity risks and ethical investments are outlined below:

(a) Risk attitude

The key risk to the long-term reserves is inflation and assets should be invested to mitigate this risk over the long term. The Trustees understand that this is likely to mean that investment will be concentrated in real assets and the capital value will fluctuate. The short-term reserves are held to provide financial security and may be required at short notice. As such, investment of these assets is focused on reducing capital volatility.

(b) Assets

Long-term reserves can be invested widely and should be diversified. Asset classes can include cash, bonds, equities or property or any other asset that is deemed suitable. Short-term reserves can be invested in a range of cash, cash equivalent and fixed income products, including bonds.

(c) Currency

With long-term reserves, investment may be made in non-Sterling assets, but this should not exceed 50% of the total investment portfolio value. Hedging is permitted. Short-term reserves should be held in Sterling.

(d) Credit

The Foundation's cash balances should be deposited with institutions with a minimum rating of A or invested in a diversified money market fund with an equivalent credit quality rating of A. Deposits should be spread by counterparty, subject to a maximum exposure of 40% of the total cash balance per institution.

(e) Liquidity

The Foundation will endeavour to consider potential grant requests out to the medium term in the management of its overall assets and likely liquidity needs, structuring the portfolio accordingly.

(f) Ethical investment

The Investment Committee is required to consider the nature of investments made and may exclude certain individual investments if they are perceived to conflict with the Foundation's purpose. When the Foundation invests through collective investment vehicles, the Trustees will select managers who demonstrate that they engage with investee companies to influence positively those companies in line with the recommendations of the Taskforce on Climate-Related Financial Disclosures.

The investment policy was revised and updated for approval by the Board of Trustees in September 2021.

Investment performance

During the period to 31 March 2022, which saw recovery stagnate from the strong gains experienced during 2020-21, the investment portfolio, adjusting for sales and purchases, gained 7.0% (2021: gained 25.0%). The outlook for the long-term performance remains uncertain, as the world continues to recover from the Covid 19 pandemic and responds to widespread fiscal and structural challenges. Evidence of this uncertainty is provided by the increase in inflation and continued supply chain disruption in the first half of 2022. The Investment Committee is aware of these challenges and will continue to take appropriate steps to mitigate these risks through the next financial year.

Risk management

The Trustees have assessed the current risks to which the charity is exposed and are satisfied that by monitoring reserve levels and considering the potential business risks faced by the charity they are able to mitigate any potential risks that may arise.

The principal risks arising from investments around asset valuation, currency movements, credit worthiness, and liquidity are outlined above, alongside the trustees' position on each. To address investment risks, the Investment Committee has invested in funds administered by independent managers and monitors the quarterly valuation and performance reports of the funds.

In addressing accountancy, administrative and company secretarial risks, the Board places reliance on the risk analysis and control environment operated by the Science Museum Group with regard to such activities.

Plans for future periods

The key objectives in the coming year will be to:

- raise funds in support of the charitable objectives;
- review the long-term funding requirements and adjust investment holdings accordingly, and
- consider grant applications in line with the grant making policy.

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Structure, governance and management

Governing instrument

The Science Museum Foundation ("the Foundation") was incorporated as a company limited by guarantee (company number: 08156772) on 25 July 2012. It was registered as a charity with the Charity Commission (charity number: 1148691) on 23 August 2012.

Trustees

The Trustees of the Foundation comprise the only members of the charity under the Companies Act 2006. The Trustees of the Foundation may at any time appoint any person duly qualified to be appointed to fill a vacancy in their number. The number of Trustees of the charity is limited to sixteen at any one time. The Trustees who served during the period up to the date of the signing of these accounts are listed on page 8.

Policies and procedures for induction and training of Trustees

New Trustees are fully briefed on the objectives of the Science Museum Foundation and their role as directors and are given training appropriate to their knowledge and ability.

Organisation structure and management reporting

The Board of Trustees ("the Board") is responsible for the activities and assets of the Foundation. The Board holds at least two meetings a year at which they consider financial information and review the performance of investments.

Investment Committee

A sub-committee of the Board, the Investment Committee has authority to make decisions on the investment of funds and appointment of investment managers subject to the investment policy approved by the Board (see below). The Committee reviews the performance of investment managers at least every six months and monitors cash deposits, ensuring an appropriate balance between liquidity and rate of return. The Committee may co-opt up to two independent members should this be considered appropriate to lend expertise in particular areas of investment management.

During the year, the following people were members of the Investment Committee, which met four times:

<u>Member</u>	<u>Attended</u>
David Jacob (Trustee, Chair until 1 January 2022)	4/4
David Bennett (Trustee)	4/4
Sir Donald Brydon (Trustee to 1 January 2021)	4/4
Christopher Cheetham (Trustee, Chair since 1 January 2022)	3/4

Investment objectives

The Foundation seeks to produce the best financial return within an acceptable level of risk. The investment objective for long term reserves is to generate a return in excess of 3% in excess of inflation over the long term. The investment objective for short term reserves is to preserve capital value with minimum level of risk. Assets should be readily available to meet unanticipated cash flow requirements.

Accountancy and administrative services

An agreement for the provision of accountancy and administrative services under which day-to-day financial management of the charity is performed by the Science Museum Group continues to exist. The system of internal control includes segregation of duties and regular review of management information. This agreement has been entered into on an arm's length basis; the overall management

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and control of the Foundation remains with the Trustees of the Foundation and no strategic management function is provided by way of this agreement.

Other matters

When necessary, the Trustees will seek advice and support from the charity's professional advisors including its auditors, bankers and lawyers.

The statutory books of the Foundation are held at the registered office.

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Reference and administrative details of the charity, its directors and advisors

The accounts have been prepared in accordance with the accounting policies set out on page 16 and comply with the charity's Memorandum of Association, applicable laws, including the Companies Act 2006, and the statement of recommended practice on accounting and reporting by charities effective from 1 January 2016.

Legal status

The Science Museum Foundation was incorporated as a company limited by guarantee (company number: 08156772) on 25 July 2012 and is registered as a charity (charity number: 1148691).

Registered address

The Science Museum
Exhibition Road
London
SW7 2DD

Company registration number

08156772

Charity registration number

1148691

Directors/Trustees

David Bennett	
Sir Donald Brydon	(resigned 1 January 2021)
Christopher Cheetham	(appointed 4 August 2021)
Professor Richard Clegg	
Robert Cowell	
Frederic De Mevius	(resigned 21 April 2021)
Claudia Harding	(resigned 21 April 2021)
David Jacob	
David Meek	(appointed 30 April 2022)
Ravi Rajagopal	
Nicole Ronson	
Dame Fiona Woolf	(resigned 31 March 2022)

Auditor

Sayer Vincent LLP
Invicta House
108-11 Golden Lane
London
EC1Y 0TL

Bankers

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

Solicitors

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

Trustees' Responsibilities Statement

The Trustees are responsible for preparing the report and accounts in accordance with applicable law and regulations. Company law requires the Trustees to prepare accounts for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each person who was a Trustee at the time of this report confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report, which comprises the Trustees' Annual Report and the Strategic Report, was approved by the board on 29 November 2022 and signed on its behalf.

David Jacob
Chairman of Trustees

29 November 2022

Independent Auditor's Report to the Members of The Science Museum Foundation

Opinion

We have audited the financial statements of Science Museum Foundation (the 'charitable company') for the year ended 30 March 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 30 March 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Science Museum Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:

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- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard (Senior statutory auditor)

15 December 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

**Statement of financial activities
 for the year to 31 March 2022**

	Notes	2022 Restricted £	2022 Unrestricted £	2022 Total £	2021 Restricted £	2021 Unrestricted £	2021 Total £
Income and endowments from							
Donations and grants	4	-	350	350	-	56,910	56,910
Investments	5	340,902	-	340,902	593,916	27	593,943
Total		340,902	350	341,252	593,916	56,937	650,853
Expenditure on							
Raising funds	6	-	750	750	-	506	506
Investment management fees		46,678	-	46,678	47,078	-	47,078
Charitable activities	7	36,300	23,162	59,462	124,500	14,326	138,826
Total		82,978	23,912	106,890	171,578	14,832	186,410
Net gains on investments	10	2,070,273	-	2,070,273	6,170,047	-	6,170,047
Net income/(expenditure)		2,328,197	(23,562)	2,304,635	6,592,385	42,105	6,634,490
Transfers between funds		-	-	-	-	-	-
Net movement in funds		2,328,197	(23,562)	2,304,635	6,592,385	42,105	6,634,490
Reconciliation of funds							
Total funds brought forward		33,156,758	662,920	33,819,678	26,564,373	620,815	27,185,188
Total funds carried forward		35,484,955	639,358	36,124,313	33,156,758	662,920	33,819,678

The statement of financial activities is in respect of continuing activities.

There were no recognised gains or losses other than those shown in the statement above.

The statement of financial activities complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 16 to 21 form part of these accounts.

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Balance sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	10	<u>35,937,146</u>	<u>33,572,649</u>
		35,937,146	33,572,649
Current assets			
Cash at bank and in hand		<u>196,991</u>	<u>389,667</u>
		196,991	389,667
Creditors: amounts falling due within one year	11	(9,824)	(142,638)
Net current assets		<u>187,167</u>	<u>247,029</u>
Total net assets / (liabilities)		<u>36,124,313</u>	<u>33,819,678</u>
Funds of the charity:			
Restricted income funds	12	35,484,955	33,156,758
Unrestricted funds	12	<u>639,358</u>	<u>662,920</u>
		36,124,313	33,819,678

The notes on pages 16 to 21 form part of these accounts.

David Jacob
Chairman of the Board of Trustees
29 November 2022

Robert Cowell
Trustee
29 November 2022

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**Statement of cash flows
for the year to 31 March 2022**

		2022	2021
	Note	£	£
Cash flows from operating activities	14	(192,676)	75,528
Cash flows from investing activities:			
Interest received		-	27
Proceeds from the sale of investments		9,961,677	3,323,818
Purchases of investments		(9,961,677)	(3,323,818)
		<u>-</u>	<u>27</u>
(Decrease)/ increase in cash and cash equivalents during period		(192,676)	75,555
Cash and cash equivalents at the beginning of the period		<u>389,667</u>	<u>314,112</u>
Cash and cash equivalents at the end of the period		<u>196,991</u>	<u>389,667</u>

The notes on pages 16 to 21 form part of these accounts.

**Notes to the financial statements
for the year to 31 March 2022**

1. Charity information

The Science Museum Foundation ('the Foundation', 'the charity') is a company limited by guarantee, incorporated in England and Wales, and is registered with the Charity Commission. Its registered office is Science Museum, Exhibition Road, London, SW7 2DD.

2. Basis of preparation

The financial statements of the charity have been prepared in accordance with the Companies Act 2006, the Charities Act and *Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)*. The Foundation is a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

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

3. Principal accounting policies

Income

Income is recognised when the charity is entitled to funds, it is probable that these funds will be received by the charity and the amount can be reliably measured. Entitlement to grant income is identified when the formal offer of funding is communicated in writing to the charity unless performance-related or other related conditions apply. Entitlement to donations is usually evidenced by receipt of funds.

Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Expenditure

Resources expended are recognised on an accruals basis, inclusive of VAT which cannot be reclaimed.

Governance costs

These comprise the costs of running the charity including audit and legal fees and are included within support costs and allocated across charitable objectives.

Taxation

The company is a registered charity and is not liable to United Kingdom taxes.

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Investments

Investment assets are measured initially at cost and subsequently at fair value (their market value) at the date of the balance sheet. Unrealised gains and losses on investments are recognised in the year they arise. Investments are treated as non-current where they are expected to be held over the medium to long-term, for which the charity's threshold is three years.

Unrestricted funds

These resources arise from the accumulated surpluses and deficits in the operation for charitable purposes and are expendable at the discretion of the Trustees in furtherance of the objectives of the charity.

Restricted funds

These resources arise from contributions received for specific purposes and are expended in accordance with those purposes.

4. Donations and grants

	2022	2021
	£	£
Unrestricted donations	350	56,910
	<hr/> 350	<hr/> 56,910

5. Investment income

	2022	2021
	£	£
Dividend income	298,272	463,618
Interest distributions from bond and cash fund investments	42,630	130,298
Interest	-	27
	<hr/> 340,902	<hr/> 593,943

6. Raising funds

	2022	2021
	£	£
Fundraising support	750	506
	<hr/> 750	<hr/> 506

7. Charitable activities

In 2021-22, one grant of £36,300 was awarded to SMG's Director and Chief Executive to enable the development of a research plan and a book proposal on the life and work of Lyon Playfair.

In 2020-21, one grant of £124,500 was awarded to SMG to enable the acquisition of the freehold of the Bullnose building in York from Network Rail. The grant will enable capital works to be carried out and ensure protection of entrance and approaches to the National Railway Museum.

	2022	2021
	£	£
<u>Support costs</u>		
Fees for administrative support	6,780	5,014
Other charges	1,566	1,632
Professional services	6,992	480
Audit fee	7,824	7,200
	<hr/> 23,162	<hr/> 14,326

The costs shown above include VAT where charged.

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8. Trustees' remuneration

In the year to 31 March 2022, no Trustees received remuneration and one Trustee received expenses of £98 for the reimbursement of travel costs incurred in attending a meeting. In the year to 31 March 2021, no Trustees received remuneration or expenses.

9. Staff costs

The charity has no employees. The Science Museum Group provides accounting and administration services and strategic fundraising support for which the Foundation is charged on an arm's length basis.

10. Investments

All investments are in quoted investment funds and are stated at fair value:

2021-22 <u>Fixed asset investments</u>	Fair value at 1 April 2021	Dividends accumulated	Investment management fees	Additions	Disposals	Realised gains on disposals	Unrealised gains/ (losses)	Net investment gains/ (losses)	Fair value at 31 March 2022
International equities	14,269,161	209,395	(20,378)	-	-	-	2,071,595	2,071,595	16,529,773
UK equities	5,761,629	60,615	(3,046)	-	(5,863,425)	1,715,216	(1,462,418)	252,798	208,571
Emerging markets equities	2,272,738	28,262	(4,275)	-	(598,252)	138,907	(218,365)	(79,458)	1,619,015
Corporate bonds	2,677,591	42,630	(3,755)	-	-	-	(180,974)	(180,974)	2,535,492
Absolute return bond funds	-	-	-	3,500,000	-	-	(6,976)	(6,976)	3,493,024
Money market investments	8,591,530	-	(15,224)	6,461,677	(3,500,000)	10,411	2,877	13,288	11,551,271
Total investments	33,572,649	340,902	(46,678)	9,961,677	(9,961,677)	1,864,534	205,739	2,070,273	35,937,146

The investment gains/(losses) shown above include realised and unrealised gains/(losses).

Analysis of net investment movements:

	2022 £	2021 £
Investments at beginning of financial year (1 April)	33,572,649	26,855,764
Additions		
- purchases	9,961,677	3,323,818
- dividends and distributions reinvested into the fund	340,902	593,916
Disposals		
- sales	(9,961,677)	(3,323,818)
- investment manager fees paid from the fund	(46,678)	(47,078)
Other gain/(loss) in value	2,070,273	6,170,047
Investments at end of financial year (31 March)	35,937,146	33,572,649

The risks arising from these investments and the Trustees' response are outlined in the financial review above.

11. Creditors: amounts falling due within one year

	2022	2021
	£	£
Grants payable	-	124,500
Accruals	9,824	18,138
	<u>9,824</u>	<u>142,638</u>

12. Movement in funds

2021-22	1 April 2021	Income	Expenditure	Investments	Net income	Transfers of funds	Net movement in funds	31 March 2022
<u>Restricted funds</u>								
Science Museum Group objectives	26,227,398	340,902	(82,978)	-	257,924	1,864,533	2,122,457	28,349,855
Unrealised gains on investments	6,929,360	-	-	2,070,273	2,070,273	(1,864,533)	205,740	7,135,100
Total restricted funds	33,156,758	340,902	(82,978)	2,070,273	2,328,197	-	2,328,197	35,484,955
Unrestricted funds	662,920	350	(23,912)	-	(23,562)	-	(23,562)	639,358
TOTAL	33,819,678	341,252	(106,890)	2,070,273	2,304,635	-	2,304,635	36,124,313

2020-21	1 April 2020	Income	Expenditure	Investments	Net income	Transfers of funds	Net movement in funds	31 March 2021
<u>Restricted funds</u>								
Science Museum Group objectives	24,973,599	593,916	(171,578)	-	422,338	831,461	1,253,799	26,227,398
Unrealised gains on investments	1,590,774	-	-	6,170,047	6,170,047	(831,461)	5,338,586	6,929,360
Total restricted funds	26,564,373	593,916	(171,578)	6,170,047	6,592,385	-	6,592,385	33,156,758
Unrestricted funds	620,815	56,937	(14,832)	-	42,105	-	42,105	662,920
TOTAL	27,185,188	650,853	(186,410)	6,170,047	6,634,490	-	6,634,490	33,819,678

Restricted funds are held in accordance with the conditions specified by donors and to be used exclusively for those purposes, that is, in support of the Science Museum Group's activities. Unrestricted funds are free reserves of the charity and are expendable at the Trustees' discretion in accordance with the objectives of the charity.

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13. Analysis of net assets between funds

	Restricted 2022 £	Unrestricted 2022 £	Total 2022 £
Investments	35,484,955	452,191	35,937,146
Cash at bank and in hand	-	196,991	196,991
Creditors	-	(9,824)	(9,824)
	35,484,955	639,358	36,124,313

	Restricted 2021 £	Unrestricted 2021 £	Total 2021 £
Investments	33,156,758	415,891	33,572,649
Cash at bank and in hand	-	389,667	389,667
Creditors	-	(142,638)	(142,638)
	33,156,758	662,920	33,819,678

14. Reconciliation of net income to net cash flow from operating activities

	2022 £	2021 £
Net income	2,304,635	6,634,490
Net gains on investments	(2,070,273)	(6,170,047)
Investment income	(340,902)	(593,943)
Investment management fees	46,678	47,078
Decrease in accrued income	-	18,750
Increase/(decrease) in creditors	(132,814)	139,200
Net cash flow from/(used in) operating activities	(192,676)	75,528

15. Members' liability

The charity is a company limited by guarantee and has no share capital. The liability of each Member in the event of a winding-up is limited to £1.

16. Related party transactions

Science Museum Group

The Foundation's charitable objectives are closely aligned to the operations of the Science Museum Group (SMG), but the charity and SMG have separate boards of trustees and are operated independently from each other. After her appointment to the Foundation's Board of Trustees on 11 February 2019, Dame Fiona Woolf has served as a trustee of both the Foundation and SMG.

In accordance with the guidance in the Charities SORP, donations to the charity by Trustees are not disclosed, as no conditions have been attached to such donations received during the year

SMG charged £7,530 (2021: £5,520) for provision to the Foundation of accountancy and administrative services and fundraising support.

In 2021-22, one grant of £36,300 was awarded to SMG's Director and Chief Executive to enable the development of a research plan and a book proposal on the life & work of Lyon Playfair.

No grants were made to the Foundation by SMG during the years to 31 March 2022 or 31 March 2021.

SCIENCE MUSEUM FOUNDATION

England & Wales - Charity number 1148691

Accounts

The Science Museum Foundation
(A Company Limited by Guarantee)

Annual Report and Financial Statements
for the year ended 31 March 2021

Charity Number: 1148691
Company Number: 8156772

THE SCIENCE MUSEUM FOUNDATION

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Trustees' and directors' strategic report for the year to 31 March 2021

The Trustees of The Science Museum Foundation ('the Foundation', 'the charity'), who are also directors of the company for the purposes of the Companies Act 2006, are pleased to present their annual report for the year ended 31 March 2021 together with the audited financial statements and auditor's report.

The Trustees consider that the information within their annual report meets the requirements of a Strategic Report, as defined by the Charities SORP.

Objectives and activities

Charitable objectives

The Trustees have referred to the guidance on public benefit when setting the aims and objectives, and in the planning of future activities of the Foundation. The objects of the charity are to:

- advance the public's knowledge and enjoyment of the Science Museum Group Collections;
- advance the public's knowledge and enjoyment of science and technology by means of the Science Museum Group Collections;
- provide educational facilities and services, instruction and information to the public in relation to Science Museum Group Collections;
- support the care, preservation and enhancement of the Science Museum Group Collections and related research;
- support the exhibition of the Science Museum Group Collections to the public and making of the Collections available to persons seeking to inspect them in connection with study or research, and
- support the furtherance of such of the purposes of the Science Museum Group as shall be exclusively charitable by providing financial and other assistance to enable the Science Museum Group or any other organisation (whether associated with Science Museum Group or otherwise) to undertake activities that advance such charitable purposes.

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

The Foundation aims to achieve these objects through the award of grants.

Specific aims

The primary goals of the Foundation are to raise funds for major capital projects to develop the museums within the Science Museum Group, along with other projects that support the Foundation's charitable objectives, and to receive donations and hold funds in anticipation of grant requests to enable such projects to be undertaken.

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Achievements and performance

Raising funds

During the period the Foundation raised £56,910 (2020: £56,465) in support of the Science Museum Group (SMG). This was supplemented by investment income of £546,865 (2020: £722,653).

In 2020-21, net investment gains of £6,170,047 were recorded, reflecting the strong recovery in global equity markets after falls in February and March 2020. This figure includes realised investment gains of £831,461. 2019-20 saw realised investment gains of £907,629 and unrealised investment losses of £3,491,029.

Grant awards

In 2020-21, one grant of £124,500 was awarded to SMG to enable the acquisition of the freehold of the Bullnose building in York from Network Rail. The grant will enable capital works to be carried out and ensure the quality of the entrance and approaches to the National Railway Museum. The cash payment of the grant will be made in 2021.

In 2019-20, two grants were awarded to SMG, one of £100,000 in support of the purchase of the Rowland Emmet artwork, *A Quiet Afternoon in the Cloud Cuckoo Valley*, and one of £25,000 in support of the Science Museum's *Top Secret* exhibition. The latter of these was received by the Foundation from the Hintze Family Charitable Foundation.

Investments

The Foundation's Investment Committee continued to review the possible funding commitments over the next ten years and identified long-term funds (defined as longer than three years) to be invested to generate a return in excess of inflation over the period until the award of any grants. The performance of these funds is explained in the financial review below.

Financial review

Financial position

At 31 March 2021, the Foundation had total funds of £33.8m (2020: £27.2m), of which £33.1m (2020: £26.6m) were restricted for grants in support of the Science Museum Group's activities. Unrestricted funds of £0.7m (2020: £0.6m) were held to cover the charity's operations.

At the year end, the charity's investments were valued at £33.6m (2020: £26.9m), including unrealised gains of £2.0m (2020: £1.6m). The balance at 31 March 2021 consisted of £22.3m (66%) in equity funds, £2.7m (8%) in corporate bond funds and £8.6m (26%) in money market funds. The charity also held £0.4m (2020: £0.3m) in cash.

Financial performance

The Foundation's net income for the period was £6.6m, after an investment gain of £6.2m. Income of £0.6m was offset by expenditure of £0.1m, including a grant to SMG of £0.1m. In 2020, income of £0.8m was offset by expenditure of £0.1m, including a grant to SMG of £0.1m.

The Foundation is grateful to all its funders for donations and grants received in the year.

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Reserves policy

The Trustees review the level of funds, together with known and likely future requests for support from those funds, at each board meeting and at least annually. It is the Foundation's policy to continue to build up reserves until they can be expended in furtherance of the charitable objectives.

At 31 March 2021, the level of funds – restricted and unrestricted – was considered appropriate.

Investment policy

The key provisions of the trustees' investment policy for the year ended 31 March 2021 around risk attitude, asset classes, currency, credit and liquidity risks, and ethical investments are outlined below:

(a) Risk attitude

The key risk to the long-term reserves is inflation and assets should be invested to mitigate this risk over the long term. The Trustees understand that this is likely to mean that investment will be concentrated in real assets and the capital value will fluctuate. The short-term reserves are held to provide financial security and may be required at short notice. As such, investment of these assets is focused on reducing capital volatility.

(b) Assets

Long-term reserves can be invested widely and should be diversified. Asset classes can include cash, bonds, equities or property or any other asset that is deemed suitable. Short-term reserves can be invested in a range of cash, cash equivalent and fixed income products, including bonds.

(c) Currency

With long-term reserves, investment may be made in non-Sterling assets, but this should not exceed 50% of the total investment portfolio value. Hedging is permitted. Short-term reserves should be held in Sterling.

(d) Credit

The Foundation's cash balances should be deposited with institutions with a minimum rating of A or invested in a diversified money market fund with an equivalent credit quality rating of A. Deposits should be spread by counterparty, subject to a maximum exposure of 40% of the total cash balance per institution.

(e) Liquidity

Income from short-term reserves may be used to fund the Foundation's activities. Due to the nature of these reserves, trustees wish to keep at least 25% of their value in assets that can be realised within one month.

(f) Ethical investment

The Investment Committee is required to consider the nature of investments made and may exclude certain individual investments if they are perceived to conflict with the Foundation's purpose. When the Foundation invests through collective investment vehicles, the Trustees will select managers who demonstrate that they engage with investee companies to influence positively those companies in line with the recommendations of the Taskforce on Climate-Related Financial Disclosures.

The investment policy was revised and updated for approval by the Board of Trustees in April 2021.

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Investment performance

During the year to 31 March 2021, which saw recovery from the market turbulence experienced in February and March 2020, the investment portfolio, adjusting for sales and purchases, gained 25.0% (2020: lost 6.6%). The outlook for the long-term performance remains uncertain, as the world recovers from the past year and responds to widespread fiscal and structural challenges. The Investment Committee is aware of these challenges and will take appropriate steps to mitigate these risks through the next financial year.

Risk management

The Trustees have assessed the current risks to which the charity is exposed and are satisfied that by monitoring reserve levels and considering the potential business risks faced by the charity they are able to mitigate any potential risks that may arise.

The principal risks arising from investments around asset valuation, currency movements, credit worthiness, and liquidity are outlined above, alongside the trustees' position on each. To address investment risks, the Investment Committee has invested in funds administered by independent managers and monitors the quarterly valuation and performance reports of the funds.

In addressing accountancy, administrative and company secretarial risks, the Board places reliance on the risk analysis and control environment operated by the Science Museum Group with regard to such activities.

Plans for future periods

The key objectives in the coming year will be to:

- raise funds in support of the charitable objectives;
- review the long-term funding requirements and adjust investment holdings accordingly, and
- consider grant applications in line with the grant making policy.

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Structure, governance and management

Governing instrument

The Science Museum Foundation ("the Foundation") was incorporated as a company limited by guarantee (company number: 08156772) on 25 July 2012. It was registered as a charity with the Charity Commission (charity number: 1148691) on 23 August 2012.

Trustees

The Trustees of the Foundation comprise the only members of the charity under the Companies Act 2006. The Trustees of the Foundation may at any time appoint any person duly qualified to be appointed to fill a vacancy in their number. The number of Trustees of the charity is limited to sixteen at any one time. The Trustees who served during the period up to the date of the signing of these accounts are listed on page 8.

Policies and procedures for induction and training of Trustees

New Trustees are fully briefed on the objectives of the Science Museum Foundation and their role as directors and are given training appropriate to their knowledge and ability.

Organisation structure and management reporting

The Board of Trustees ('the Board') is responsible for the activities and assets of the Foundation. The Board holds at least two meetings a year at which they consider financial information and review the performance of investments.

Investment Committee

A sub-committee of the Board, the Investment Committee has authority to make decisions on the investment of funds and appointment of investment managers subject to the investment policy approved by the Board (see below). The Committee reviews the performance of investment managers at least every six months and monitors cash deposits, ensuring an appropriate balance between liquidity and rate of return. The Committee may co-opt up to two independent members should this be considered appropriate to lend expertise in particular areas of investment management.

During the year, the following people were members of the Investment Committee, which met five times:

<u>Member</u>	<u>Attended</u>
David Jacob (Trustee, Chair)	4/5
David Bennett (Trustee)	4/5
Sir Donald Brydon (Trustee to 1 January 2021)	5/5
Christopher Cheetham (Trustee to 7 November 2020)	5/5

Investment objectives

The Foundation seeks to produce the best financial return within an acceptable level of risk. The investment objective for long term reserves is to generate a return in excess of 3% in excess of inflation over the long term.

Accountancy and administrative services

An agreement for the provision of accountancy and administrative services under which day-to-day financial management of the charity is performed by the Science Museum Group continues to exist. The system of internal control includes segregation of duties and regular review of management information. This agreement has been entered into on an arm's length basis; the overall management and control of the Foundation remains with the Trustees of the Foundation and no strategic management function is provided by way of this agreement.

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Other matters

When necessary, the Trustees will seek advice and support from the charity's professional advisors including its auditors, bankers and lawyers.

The statutory books of the Foundation are held at the registered office.

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Reference and administrative details of the charity, its directors and advisors

The accounts have been prepared in accordance with the accounting policies set out on page 17 and comply with the charity's Memorandum of Association, applicable laws, including the Companies Act 2006, and the statement of recommended practice on accounting and reporting by charities effective from 1 January 2016.

Legal status

The Science Museum Foundation was incorporated as a company limited by guarantee (company number: 08156772) on 25 July 2012 and is registered as a charity (charity number: 1148691).

Registered address

The Science Museum
Exhibition Road
London
SW7 2DD

Company registration number

08156772

Charity registration number

1148691

Directors/Trustees

David Bennett	(appointed 11 May 2020)
Sir Donald Brydon	(resigned 1 January 2021)
Christopher Cheetham	(resigned 7 November 2020) (re-appointed 4 August 2021)
Professor Richard Clegg	
Robert Cowell	
Frederic De Mevius	(resigned 21 April 2021)
Claudia Harding	(resigned 21 April 2021)
David Jacob	
Ravi Rajagopal	
Nicole Ronson Allalouf	(appointed 6 November 2020)
Dame Fiona Woolf	
Mark Austin	(resigned 31 October 2020)
Mike Blackburn	(resigned 21 April 2021)
Lord Borwick	(resigned 26 September 2020)

Auditor

Azets Audit Services
1st Floor
Copthall House
1 New Road
Stourbridge
DY8 1PH

Bankers

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

Solicitors

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

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Trustees' Responsibilities Statement

The Trustees are responsible for preparing the report and accounts in accordance with applicable law and regulations. Company law requires the Trustees to prepare accounts for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each person who was a Trustee at the time of this report confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report, which comprises the Trustees' Annual Report and the Strategic Report, was approved by the board on 6 December 2021 and signed on its behalf.



David Jacob
Chairman of Trustees

6 December 2021

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Independent Auditor's Report to the Members of The Science Museum Foundation

Opinion

We have audited the financial statements of Science Museum Foundation (the 'charitable company') for the year ended 31 March 2021 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements,

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we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' and directors' strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' and directors' strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).

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

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Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Jane Swann BA (Hons) BFP FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

1st Floor
Copthall House
1 New Road
Stourbridge
DY8 1PH

9 December 2021

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**Statement of financial activities (including Income and Expenditure Account)
for the year to 31 March 2021**

	Notes	Restricted £	Unrestricted £	2021 Total £	Restricted £	Unrestricted £	2020 Total £
Income and endowments from							
Donations and grants	4	-	56,910	56,910	-	56,465	56,465
Investments	5	546,838	27	646,865	722,593	60	722,653
Other income		-	-	-	-	600	600
Total		546,838	56,937	603,775	722,593	57,125	779,718
Expenditure on							
Raising funds	6	-	506	506	-	565	565
Charitable activities	7	124,500	14,326	138,826	125,000	10,940	135,940
Total		124,500	14,832	139,332	125,000	11,505	136,505
Net gains/(losses) on investments	10	6,170,047	-	6,170,047	(2,583,400)	-	(2,583,400)
Net income/(expenditure)		6,592,385	42,105	6,634,490	(1,985,807)	45,620	(1,940,187)
Transfers between funds		-	-	-	-	-	-
Net movement in funds		6,592,385	42,105	6,634,490	(1,985,807)	45,620	(1,940,187)
Reconciliation of funds							
Total funds brought forward		26,564,373	620,815	27,185,188	28,550,180	575,195	29,125,375
Total funds carried forward		33,156,758	662,920	33,819,678	26,564,373	620,815	27,185,188

The statement of financial activities is in respect of continuing activities.

There were no recognised gains or losses other than those shown in the statement above.

The statement of financial activities complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 17 to 23 form part of these accounts.

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**Balance sheet
as at 31 March 2021**

	Note	2021 £	2020 £
Fixed assets			
Investments	10	<u>33,572,649</u>	<u>26,855,764</u>
		33,572,649	26,855,764
Current assets			
Accrued income	11	-	18,750
Cash at bank and in hand		<u>389,667</u>	<u>314,112</u>
		389,667	332,862
Creditors: amounts falling due within one year	12	(142,638)	(3,438)
Net current assets		<u>247,029</u>	<u>329,424</u>
Total net assets / (liabilities)		<u>33,819,678</u>	<u>27,185,188</u>
Funds of the charity:			
Restricted income funds	13	33,156,758	26,564,373
Unrestricted funds	13	<u>662,920</u>	<u>-620,815</u>
		33,819,678	27,185,188

The notes on pages 17 to 23 form part of these accounts.

Approved by the board on 06 December 2021.



David Jacob
Chairman of the Board of Trustees
6 December 2021



Robert Cowell
Trustee
6 December 2021

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**Statement of cash flows
for the year to 31 March 2021**

	2021	2020
	£	£
Cash flows from operating activities	15 75,528	(340,532)
Cash flows from investing activities:		
Dividends received	-	-
Interest received	27	60
Proceeds from the sale of investments	3,323,818	2,193,000
Purchases of investments	<u>(3,323,818)</u>	<u>(2,193,000)</u>
	27	60
Increase in cash and cash equivalents during period	<u>75,555</u>	<u>(340,472)</u>
Cash and cash equivalents at the beginning of the period	<u>314,112</u>	<u>654,584</u>
Cash and cash equivalents at the end of the period	<u>389,667</u>	<u>314,112</u>

The notes on pages 17 to 23 form part of these accounts.

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Notes to the financial statements for the year to 31 March 2021

1. Charity information

The Science Museum Foundation ('the Foundation', 'the charity') is a private company limited by guarantee, incorporated in England and Wales, and is registered with the Charity Commission. Its registered office is Science Museum, Exhibition Road, London, SW7 2DD.

2. Basis of preparation

The financial statements of the charity have been prepared in accordance with the Companies Act 2006, the Charities Act and *Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)*. The Foundation is a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

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

3. Principal accounting policies

Income

Income is recognised when the charity is entitled to funds, it is probable that these funds will be received by the charity and the amount can be reliably measured. Entitlement to grant income is identified when the formal offer of funding is communicated in writing to the charity unless performance-related or other related conditions apply. Entitlement to donations is usually evidenced by receipt of funds.

Expenditure

Resources expended are recognised on an accruals basis, inclusive of VAT which cannot be reclaimed.

Governance costs

These comprise the costs of running the charity including audit and legal fees and are included within support costs and allocated across charitable objectives.

Taxation

The company is a registered charity and is not liable to United Kingdom taxes.

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Investments

Investment assets are measured initially at cost and subsequently at fair value (their market value) at the date of the balance sheet. Unrealised gains and losses on investments are recognised in the year they arise. Investments are treated as non-current where they are expected to be held over the medium to long-term, for which the charity's threshold is three years.

Unrestricted funds

These resources arise from the accumulated surpluses and deficits in the operation for charitable purposes and are expendable at the discretion of the Trustees in furtherance of the objectives of the charity.

Restricted funds

These resources arise from contributions received for specific purposes and are expended in accordance with those purposes.

4. Donations and grants

	2021	2020
	£	£
Unrestricted donations	56,910	56,465
Restricted donations	-	-
	<u>56,910</u>	<u>56,465</u>

5. Investment income

	2021	2020
	£	£
Dividend income	416,540	576,564
Interest distributions from bond and cash fund investments	130,298	146,029
Interest	27	60
	<u>546,865</u>	<u>722,653</u>

6. Raising funds

	2021	2020
	£	£
Fundraising support	506	565
	<u>506</u>	<u>565</u>

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7. Charitable activities

In 2020-21, one grant was of £124,500 was awarded to SMG to enable the acquisition of the freehold of the Bullnose building in York from Network Rail. The grant will enable capital works to be carried out and ensure protection of entrance and approaches to the National Railway Museum.

In 2019-20, two grants were awarded to SMG, one of £100,000 in support of the purchase of the Rowland Emmet artwork, *A Quiet Afternoon in the Cloud Cuckoo Valley*, and one of £25,000 in support of the Science Museum's *Top Secret* exhibition.

	2021	2020
	£	£
Support costs		
Fees for administrative support	5,014	5,207
Other charges	1,632	1,875
Professional services	480	858
Audit fee	7,200	3,000
	<u>14,326</u>	<u>10,940</u>

The costs shown above include VAT where charged.

8. Trustees' remuneration

In the year to 31 March 2021, no Trustees received remuneration or expenses. In the period to 31 March 2020, no Trustees received remuneration, and £491 of expenses were paid to one Trustee for the reimbursement of travel costs incurred in attending Board meetings

9. Staff costs

The charity has no employees. The Science Museum Group provides accounting and administration services and strategic fundraising support for which the Foundation is charged on an arm's length basis.

THE SCIENCE MUSEUM FOUNDATIONCompany Number: 08156772
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All investments are in quoted investment funds and are stated at fair value:

	Fair value at 1 April 2020	Additions/ accumulated dividends	Additions/ (Disposals) at cost	Profit/(Loss) Disposals	Investment gains/(losses)	Fair value at 31 March 2021
	£	£	£	£	£	£
<u>Fixed asset investments</u>						
International equities	11,026,254	216,525	(1,054,334)	485,617	3,595,099	14,269,161
UK equities	4,852,443	155,490	(419,034)	69,631	1,103,099	5,761,629
Emerging markets equities	1,764,757	44,524	(169,891)	22,973	610,375	2,272,738
Corporate and high yield bonds	3,944,351	113,365	(1,680,559)	253,240	47,194	2,677,591
Money market funds	5,267,959	16,934	3,323,818	-	(17,181)	8,591,530
Total investments	26,855,764	546,838	-	831,461	5,338,586	33,572,649

The investment gains/(losses) shown above include realised and unrealised gains/(losses).

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

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Analysis of net investment movements:

	2021	2020
	£	£
Investments at beginning of financial year (1 April)	26,855,764	28,716,571
Additions		
- purchases	3,323,818	2,193,000
- dividends and distributions	546,838	722,593
Disposals		
- sales	(3,323,818)	(2,193,000)
Other gain/(loss) in value	6,170,047	(2,583,400)
Investments at end of financial year (31 March)	<u>33,572,649</u>	<u>26,855,764</u>

The risks arising from these investments and the Trustees' response are outlined in the financial review above.

11. Accrued income

	2021	2020
	£	£
Gift Aid	-	18,750
	<u>-</u>	<u>18,750</u>

12. Creditors: amounts falling due within one year

	2021	2020
	£	£
Grants payable	124,500	-
Accruals	18,138	3,438
	<u>142,638</u>	<u>-3,438</u>

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13. Movement in funds

2020-21	1 April 2020	Income	Expenditure	Investments	Net Income	Transfers of funds	Net movement in funds	31 March 2021
Restricted funds								
Science Museum Group objectives	24,973,699	546,838	(124,500)		422,338	831,461	1,253,799	26,227,398
Unrealised gains on investments	1,690,774	-	-	6,170,047	6,170,047	(831,461)	5,338,586	6,929,360
Total restricted funds	26,664,373	546,838	(124,500)	6,170,047	6,592,385	-	6,692,385	33,156,758
Unrestricted funds	620,816	56,937	(14,832)	-	42,105	-	42,105	662,920
TOTAL	27,185,188	603,775	(139,332)	6,170,047	6,634,490	-	6,634,490	33,819,678

2019-20	1 April 2019	Income	Expenditure	Investments	Net Income	Transfers of funds	Net movement in funds	31 March 2020
Restricted funds								
Science Museum Group objectives	23,443,377	722,593	(100,000)		622,593	907,629	1,530,222	24,973,599
"Top Secret" exhibition at Science Museum	25,000	-	(25,000)		(25,000)	-	(25,000)	-
Unrealised gains on investments	5,081,803	-	-	(2,583,400)	(2,583,400)	(907,629)	(3,491,029)	1,590,774
Total restricted funds	28,550,180	722,593	(125,000)	(2,583,400)	(1,985,807)	-	(1,986,807)	26,564,373
Unrestricted funds	575,195	57,126	(11,505)	-	45,620	-	45,620	620,816
TOTAL	29,125,375	779,718	(136,505)	(2,583,400)	(1,940,187)	-	(1,940,187)	27,185,188

Restricted funds are held in accordance with the conditions specified by donors and to be used exclusively for those purposes. Unrestricted funds are free reserves of the charity and are expendable at the Trustees' discretion in accordance with the objectives of the charity.

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14. Analysis of net assets between funds

	Restricted 2021 £	Unrestricted 2021 £	Total 2021 £
Investments	33,156,758	415,891	33,572,649
Cash at bank and in hand	-	389,667	389,667
Creditors	-	(142,638)	(142,638)
	<u>33,156,758</u>	<u>662,920</u>	<u>33,819,678</u>

15. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure)	6,634,490	(1,940,187)
Net gains on investments	(6,170,047)	2,583,400
Investment income	(546,865)	(722,653)
Decrease in debtors	-	1,270
(Increase)/decrease in accrued income	18,750	(6,250)
Increase/(decrease) in creditors	139,200	(256,112)
Net cash flow from/(used in) operating activities	<u>75,528</u>	<u>(340,532)</u>

16. Members' liability

The charity is a company limited by guarantee and has no share capital. The liability of each Member in the event of a winding-up is limited to £1.

17. Related party transactions

Science Museum Group

The Foundation's charitable objectives are closely aligned to the operations of the Science Museum Group (SMG), but the charity and SMG have separate boards of trustees and are operated independently from each other. After her appointment to the Foundation's Board of Trustees on 11 February 2019, Dame Fiona Woolf has served as a trustee of both the Foundation and SMG.

In accordance with the guidance in the Charities SORP, donations to the charity by Trustees are not disclosed, as no conditions have been attached to such donations received during the year

SMG charged £5,520 (2020: £5,772) for provision to the Foundation of accountancy and administrative services and fundraising support.

In 2020-21, one grant was of £124,500 was awarded to SMG to enable the acquisition of the freehold of the Bullnose building from Network Rail. The grant will enable capital works to be carried out and ensure protection of entrance and approaches to the National Railway Museum. The cash payment of the grant will be made 2021-22.

No grants were made to the Foundation by SMG during the years to 31 March 2021 or period to 31 March 2020.