

The Science Museum Foundation
(A Company Limited by Guarantee)

Annual Report and Financial Statements
for the period ended 31 March 2019

Charity Number: 1148691
Company Number: 8156772



THE SCIENCE MUSEUM FOUNDATION

Company Number: 08156772

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Trustees' and directors' strategic report for the period to 31 March 2019

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 period ended 31 March 2019 together with the audited financial statements and auditor's report.

During the period to 31 March 2019, the Trustees changed the accounting reference date of the charity from 31 July to 31 March. This is to align the accounting year with that of entities in the Science Museum Group. Comparative information is provided in this annual report for the year to 31 July 2018 and as at that date and is therefore not entirely comparable. Where financial performance information is given below, '2018' and '2017-18' should be taken to refer to the year to 31 July 2018 and '2019' and '2018-19' to the eight months to 31 March 2019, and where financial position information is given '2018' refers to 31 July 2018 and '2019' to 31 March 2019.

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 £50,055 (2018: £87,595) in support of the Science Museum Group (SMG). This was supplemented by investment income of £420,224 (2018: £644,050) and realised investment gains of £344,180, and offset by unrealised investment valuation losses of £1,117,469 (2018: supplemented by realised investment gains of £23,042 and unrealised investment gains of £1,469,369).

Grant awards

In 2018-19, one grant of £250,000 was awarded to SMG for the purchase of the Barnard Tompion clock. In the previous financial year, no grants were awarded.

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 2019, the Foundation had total funds of £29.1m (2018: £29.7m), of which £28.6m (2018: £29.1m) were restricted for grants in support of the Science Museum Group's activities. Unrestricted funds of £0.6m (2018: £0.6m) were held to cover the charity's operations.

At the year end, the charity's investments were valued at £28.7m (2018: £29.3m), including unrealised gains of £5.1m (2018: £6.2m). The balance at 31 March 2019 consisted of £21.4m (74%) in equity funds, £4.0m (14%) in corporate bond funds and £3.3m (12%) in liquidity funds, within the Investment Committee's benchmark portfolio ranges. The charity also held £0.7m (2018: £0.4m) in cash.

Financial performance

The Foundation's net expenditure for the period was £0.6m, net of an investment loss of £0.8m. Income of £0.5m was offset by expenditure of £0.3m, including a grant to SMG of £0.3m. In 2018, income was £0.7m and no grant payments were made.

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 2019, the level of funds – restricted and unrestricted – was considered appropriate.

Investment policy

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

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(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 Trustees do not wish to impose any specific ethical investment policy, but 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.

Investment performance

During the period to 31 March 2019, which saw significant market turbulence, the investment portfolio, adjusting for sales and purchases, lost 1.1% (2018: gained 7.9%). This did not meet the targeted return, but historic and subsequent performance has been strong and the Investment Committee is content with long-term performance.

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.

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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 two times:

| Member | Attended |
|-------------------|----------|
| Sir Donald Brydon | 2/2 |
| Michael Hoffman | 0/2 |
| David Jacob | 2/2 |

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 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

This report is for the eight-month period ended 31 March 2019, and the comparative period is the year ended 31 July 2018. The accounts have been prepared in accordance with the accounting policies set out on page 15 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 2015.

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

Mark Austin
Mike Blackburn
Lord Borwick
Sir Donald Brydon
Professor Richard Clegg
Robert Cowell
Edwina Dunn (resigned 31 May 2019)
Claudia Harding
Michael Hoffman
David Jacob
Ravi Rajagopal
Dame Fiona Woolf (appointed 11 February 2019)

Secretary

Jane Ellis (resigned 2 April 2019)
Ashley Wang (appointed 2 April 2019, resigned 7 September 2019)

Auditors

Baldwins Audit Services
Column House
London Road
Shrewsbury
Shropshire
SY2 6NN

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 16 September 2019 and signed on its behalf.



Sir Donald Brydon
Chairman of Trustees

16 September 2019

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

We have audited the financial statements of Science Museum Foundation for the period ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

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 2019 and of its incoming resources and application of resources, including its income and expenditure, for the period 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Baldwins Audit Services

**Dawn Owen BA (Hons), FCA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services**

Column House
London Road
Shrewsbury
Shropshire
SY2 6NN

24 September 2019

Statement of financial activities
for the period to 31 March 2019 and year to 31 July 2018

| | Notes | 2019 Restricted £ | 2019 Unrestricted £ | 2019 Total £ | 2018 Restricted £ | 2018 Unrestricted £ | 2018 Total £ |
|------------------------------------|-------|-------------------------|---------------------------|--------------------|-------------------------|---------------------------|--------------------|
| Income and endowments from | | | | | | | |
| Donations and grants | 4 | 25,000 | 25,055 | 50,055 | - | 87,595 | 87,595 |
| Investments | 5 | 420,194 | 30 | 420,224 | 644,050 | - | 644,050 |
| Other income | | - | - | - | - | 183 | 183 |
| Total | | 445,194 | 25,085 | 470,279 | 644,050 | 87,778 | 731,828 |
| Expenditure on | | | | | | | |
| Raising funds | 6 | - | 377 | 377 | - | 391 | 391 |
| Charitable activities | 7 | 250,000 | 8,708 | 258,708 | - | 8,500 | 8,500 |
| Total | | 250,000 | 9,085 | 259,085 | - | 8,891 | 8,891 |
| Net gains/(losses) on investments | 10 | (773,289) | - | (773,289) | 1,492,411 | - | 1,492,411 |
| Net income/(expenditure) | | (578,095) | 16,000 | (562,095) | 2,136,461 | 78,887 | 2,215,348 |
| Transfers between funds | | - | - | - | - | - | - |
| Net movement in funds | | (578,095) | 16,000 | (562,095) | 2,136,461 | 78,887 | 2,215,348 |
| Reconciliation of funds | | | | | | | |
| Total funds brought forward | | 29,128,275 | 559,195 | 29,687,470 | 26,991,814 | 480,308 | 27,472,122 |
| Total funds carried forward | | 28,550,180 | 575,195 | 29,125,375 | 29,128,275 | 559,195 | 29,687,470 |

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 15 to 20 form part of these accounts.

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Balance sheet

as at 31 March 2019 and 31 July 2018

| | Note | 2019 £ | 2018 £ |
|--|------|-------------------|-------------------|
| Fixed assets | | | |
| Investments | 10 | 28,716,571 | 29,319,667 |
| | | 28,716,571 | 29,319,667 |
| Current assets | | | |
| Debtors | 11 | 1,270 | 769 |
| Accrued income | 12 | 12,500 | 12,500 |
| Cash at bank and in hand | | 654,584 | 357,294 |
| | | 668,354 | 370,563 |
| Creditors: amounts falling due within one year | 13 | (259,550) | (2,760) |
| Net current assets | | 408,804 | 367,803 |
| Total net assets / (liabilities) | | 29,125,375 | 29,687,470 |
| Funds of the charity: | | | |
| Restricted income funds | 14 | 28,550,180 | 29,128,275 |
| Unrestricted funds | 14 | 575,195 | 559,195 |
| | | 29,125,375 | 29,687,470 |

The notes on pages 15 to 20 form part of these accounts.

Approved by the board on 16 September 2019.



Sir Donald Brydon
Chairman of the Board of Trustees
16 September 2019



Robert Cowell
Trustee
16 September 2019

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Statement of cash flows

for the period to 31 March 2019 and year to 31 July 2018

| | | 2019 | 2018 |
|--|------|-----------------------|-----------------------|
| | Note | £ | £ |
| Cash flows from operating activities | 16 | 47,259 | 87,454 |
| Cash flows from investing activities: | | | |
| Dividends received | | - | - |
| Interest received | | 31 | 35 |
| Proceeds from the sale of investments | | 2,100,000 | 1,000,000 |
| Purchases of investments | | (1,850,000) | (1,000,000) |
| | | <u>250,031</u> | <u>35</u> |
| Increase in cash and cash equivalents during period | | <u>297,290</u> | <u>87,489</u> |
| Cash and cash equivalents at the beginning of the period | | 357,294 | 269,805 |
| Cash and cash equivalents at the end of the period | | <u>654,584</u> | <u>357,294</u> |

The notes on pages 15 to 20 form part of these accounts.

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Notes to the financial statements

for the period to 31 March 2019 and year to 31 July 2018

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 applicable United Kingdom accounting standards, including the *Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (effective January 2015)* ('FRS 102'), and with company law, including the Companies Act 2006 and amendments and Regulations issued thereunder. The Foundation is a public benefit entity under the FRS 102.

These financial statements have been prepared in accordance with charity legislation, including the Charities Act 2011, and follow *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 2015)* (the 'Charities SORP').

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.

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.

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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

| | 2019 | 2018 |
|------------------------|--------|--------|
| | £ | £ |
| Unrestricted donations | 25,055 | 87,595 |
| Restricted donations | 25,000 | - |
| | 50,055 | 87,595 |

In 2017-18 £6,250 of Gift Aid expected to be recovered on eligible donations was included in the above.

5. Investment income

| | 2019 | 2018 |
|--|---------|---------|
| | £ | £ |
| Dividend income | 344,008 | 526,644 |
| Interest distributions from bond and cash fund investments | 76,186 | 117,370 |
| Interest | 30 | 36 |
| | 420,224 | 644,050 |

6. Raising funds

| | 2019 | 2018 |
|---------------------|------|------|
| | £ | £ |
| Fundraising support | 377 | 391 |
| | 377 | 391 |

7. Charitable activities

No grants were made in support of the Foundation's charitable objectives in the current year.

In the period to 31 March 2019, a grant of £250,000 was awarded to the Science Museum Group in support of the purchase of the Barnard Tampion clock. No grants were awarded in 2017-18.

| | 2019 | 2018 |
|---------------------------------|-------|-------|
| | £ | £ |
| <u>Support costs</u> | | |
| Fees for administrative support | 5,023 | 4,443 |
| Other charges | 805 | 1,247 |
| Audit fee | 2,880 | 2,760 |
| | 8,708 | 8,500 |

The costs shown above include VAT where charged.

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8. Trustees' remuneration

The Trustees received no remuneration or expenses during the year

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 31 July 2018 £ | Additions/ accumulated dividends £ | Additions/ (Disposals) at cost £ | Investment gains/(losses) £ | Fair value at 31 March 2019 £ |
|--------------------------------|---------------------------------------|---|---|-----------------------------------|--|
| <u>Fixed asset investments</u> | | | | | |
| International equities | 13,360,331 | 142,594 | - | (142,584) | 13,360,331 |
| UK equities | 8,392,132 | 152,889 | (1,359,737) | (921,188) | 6,264,096 |
| Emerging markets equities | 2,195,565 | 48,526 | (396,083) | (100,048) | 1,747,960 |
| Corporate and high yield bonds | 3,885,315 | 72,153 | - | 38,705 | 3,996,173 |
| Money market funds | 1,486,324 | 4,032 | 1,850,000 | 7,655 | 3,348,011 |
| Total investments | 29,319,667 | 420,194 | 94,180 | (1,117,470) | 28,716,571 |

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

Analysis of net investment movements:

| | 2019 £ | 2018 £ |
|--|-------------------|-------------------|
| Investments at 1 August 2018 / 2019 | 29,319,667 | 27,183,241 |
| Additions | | |
| - purchases | 1,850,000 | 1,000,000 |
| - dividends and distributions | 420,194 | 667,057 |
| Disposals | | |
| - sales | (2,100,000) | (1,000,000) |
| Other gain/(loss) in value | (773,290) | 1,469,369 |
| Investments at 31 March 2019 / 31 July 2018 | 28,716,571 | 29,319,667 |

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

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11. Debtors

| | 2019 | 2018 |
|-------------|--------------|------------|
| | £ | £ |
| Prepayments | 1,270 | 769 |
| | <u>1,270</u> | <u>769</u> |

12. Accrued income

| | 2019 | 2018 |
|----------|---------------|---------------|
| | £ | £ |
| Gift Aid | 12,500 | 12,500 |
| | <u>12,500</u> | <u>12,500</u> |

13. Creditors: amounts falling due within one year

| | 2019 | 2018 |
|-----------------|----------------|--------------|
| | £ | £ |
| Trade creditors | 1,270 | - |
| Grants payable | 250,000 | - |
| Accruals | 8,280 | 2,760 |
| | <u>259,550</u> | <u>2,760</u> |

14. Movement in funds

| 2018-19 | 1 August 2018 | Income | Expenditure | Investments | Net income | Transfers of funds | Net movement in funds | 31 March 2019 |
|---|----------------------|----------------|--------------------|--------------------|-------------------|---------------------------|------------------------------|----------------------|
| <u>Restricted funds</u> | | | | | | | | |
| Science Museum Group objectives | 22,929,002 | 420,194 | (250,000) | - | 170,194 | 344,181 | 514,375 | 23,443,377 |
| "Top Secret" exhibition at Science Museum | - | 25,000 | - | - | 25,000 | - | 25,000 | 25,000 |
| Unrealised gains on investments | 6,199,273 | - | - | (773,289) | (773,289) | (344,181) | (1,117,470) | 5,081,803 |
| Total restricted funds | 29,128,275 | 445,194 | (250,000) | (773,289) | (578,095) | - | (578,095) | 28,550,180 |
| <u>Unrestricted funds</u> | | | | | | | | |
| | 559,195 | 25,085 | (9,085) | - | 16,000 | - | 16,000 | 575,195 |
| TOTAL | 29,687,470 | 470,279 | (259,085) | (773,289) | (562,095) | - | (562,095) | 29,125,375 |

| 2017-18 | 1 August 2017 | Income | Expenditure | Investments | Net income/ (expenditure) | Transfers of funds | Net movement in funds | 31 July 2018 |
|---------------------------------|----------------------|----------------|--------------------|--------------------|----------------------------------|---------------------------|------------------------------|---------------------|
| <u>Restricted funds</u> | | | | | | | | |
| Science Museum Group objectives | 22,261,910 | 644,050 | - | - | 644,050 | 23,042 | 667,092 | 22,929,002 |
| Unrealised gains on investments | 4,729,904 | - | - | 1,492,411 | 1,492,411 | (23,042) | 1,469,369 | 6,199,273 |
| Total restricted funds | 26,991,814 | 644,050 | - | 1,492,411 | 2,136,461 | - | 2,136,461 | 29,128,275 |
| <u>Unrestricted funds</u> | | | | | | | | |
| | 480,308 | 87,778 | (8,891) | - | 78,887 | - | 78,887 | 559,195 |
| TOTAL | 27,472,122 | 731,828 | (8,891) | 1,492,411 | 2,215,348 | - | 2,215,348 | 29,687,470 |

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.

During 2018-19 a donation was received that was restricted for support of the "Top Secret" exhibition at the Science Museum, planned for summer 2019.

THE SCIENCE MUSEUM FOUNDATION

Company Number: 08156772

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15. Analysis of net assets between funds

| | Restricted 2019 £ | Unrestricted 2019 £ | Total 2019 £ |
|--------------------------|-------------------------|---------------------------|--------------------|
| Investments | 28,525,180 | 191,391 | 28,716,571 |
| Debtors | - | 1,270 | 1,270 |
| Accrued income | - | 12,500 | 12,500 |
| Cash at bank and in hand | 275,000 | 379,584 | 654,584 |
| Creditors | (250,000) | (9,550) | (259,550) |
| | 28,550,180 | 575,195 | 29,125,375 |

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

| | 2019 £ | 2018 £ |
|--|---------------|---------------|
| Net income/(expenditure) | (562,095) | 2,215,348 |
| Net gains on investments | 773,289 | (1,492,411) |
| Investment income | (420,224) | (644,050) |
| (Increase)/decrease in debtors | (501) | 10,692 |
| (Increase)/decrease in accrued income | - | 1,925 |
| Increase/(decrease) in creditors | 256,790 | (4,050) |
| Net cash flow from/(used in) operating activities | 47,259 | 87,454 |

17. 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.

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. During the period to 31 March 2019, after her appointment to the Foundation's Board of Trustees on 11 February 2019, Dame Fiona Woolf served as a trustee of both the Foundation and SMG.

SMG charged £5,400 (2018: £4,885) for provision to the Foundation of accountancy and administrative services and fundraising support.

One grant of £250,000 was awarded by the Foundation to SMG during the period to 31 March 2019 to support the purchase of the Barnard Tampion clock. This balance was owing to SMG at 31 March 2019. No grant was made during the year to 31 July 2018.

No grants were made to the Foundation by SMG during the period to 31 March 2019 or year to 31 July 2018.