



EUREKA! THE NATIONAL CHILDREN'S MUSEUM

FINANCIAL STATEMENTS

31 DECEMBER 2019

(A company limited by guarantee)

**REG. OF CO.'S
COPY**

ArmstrongWatson®

Accountants, Business & Financial Advisers

EUREKA! THE NATIONAL CHILDREN'S MUSEUM
(A company limited by guarantee)

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EUREKA! THE NATIONAL CHILDREN'S MUSEUM
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2019

Trustees

Mr A J Aubrey
Mrs J T Craven
Ms F J Hesselden
Mrs A M Hope
Mr P C Smart
Mrs L A Stradeski
Dr E A Wood
Ms J Rice-Bowen
Mrs D C Watson (resigned 3 January 2020)
Mr J S Rogerson (appointed 28 June 2019)

Company registered number

1948578

Charity registered number

292758

Registered office

Discovery Road, Halifax, West Yorkshire, HX1 2NE

Company secretary

Miss T J Corbridge

Chief executive officer

Mrs L A Stradeski

Independent auditors

Armstrong Watson Audit Limited, Third Floor, 10 South Parade, Leeds, West Yorkshire, LS1 5QS

Bankers

Barclays Bank PLC, 10 Market Street, Bradford, West Yorkshire, BD1 1EG

Solicitors

Wrigleys LLP, 19 Cookridge Street, Leeds, West Yorkshire, LS2 3AG

EUREKA! THE NATIONAL CHILDREN'S MUSEUM
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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

The chairman presents his statement for the period.

As I write this report, 2019 seems a very long time ago and much has happened in the intervening months. In this context, it was very rewarding to reflect on what was a very successful year for Eureka! and remind myself of the wonderful work that we do for the benefit of children and families everywhere. In fact, in 2019 we had 313,538 visitors, the highest number since 1998 and financial results which showed an operating surplus of over £270,000, £87,000 better than budget.

Some of the highlights of the year included the continued success of the Spark Gallery, our flexible digital arts space. In 2019 we worked in partnership again with Lumen Art Projects as well as IOU and Backstage Academy to host four successful exhibits. As part of our regular schedule of improvements we made enhancements to the Bedroom and other areas of Living and Working Together (LWT). These improvements were funded through our Spark Fund, established for this purpose in 2017, our 25th anniversary year. We would particularly like to thank the WW Spooner Charitable Trust for their continued support which enables annual improvements to the Living Room.

We also initiated a more substantial project in LWT with support from Cummins Turbo Technology. This involved the development of a concept for the replacement of the Garage which will eventually become an area focussed on sustainable transport. We also began the concept development for a substantial new outdoor playscape in front of the 1855 Station Building. Unfortunately, with the arrival of COVID in March 2020 and our subsequent requirement to reduce costs we have temporarily put a hold on further capital development. We will return to these projects in due course.

There was limited progress on larger scale site development issues but we continued to liaise with Calderdale Council to ensure that we are working together as the Halifax Station Gateway project evolves.

Our initiative to open a second Eureka! visitor attraction in the Wirral in Liverpool City Region progressed well in 2019. Having successfully secured £3M to support this development from the Inspiring Science Fund, a fund set up by the Wellcome Trust and BEIS to support new development at Science and Discovery Centres, we went on to secure the major funding of £6.4M for the project from the Liverpool City Region Combined Authority Strategic Investment Fund. This opened doors to other substantial grants and pledges from the Johnson Foundation, Garfield Weston Foundation, Fidelity UK Foundation and Foyle Foundation. We were also successful in our application to Wirral Council for a second grant to contribute to the total project cost. With additional funds secured in the early part of 2020, we now have the funding required to deliver the project to a reduced project cost of £11.175M. Our programme has been delayed somewhat as a result of COVID-19 but we remain on track to open in 2022 and anticipate a public launch that summer. We are so grateful to the funders, partners and other stakeholders who have made it possible for us to move this project forward. A particular thanks to the children and young people from the local community who participated in the co-creation process to help develop the content and experience that we will deliver.

All of our initiatives are achieved only with the enthusiasm and commitment of many individuals and organisations who share our goals and values around children, play and discovery. I am grateful to everyone who supported us in 2019, including my fellow Trustees, our team of staff, and volunteers, donors, partners and, of course, our visitors. As I said at the outset of my report, 2019 seems a long time ago and the current year has presented challenges we could never have anticipated at that time. It has been rewarding, therefore, to see this support continue and it fills me not only with pride but with confidence that Eureka! will ride out this storm and emerge stronger and more resilient than ever.

Mr P C Smart, Chair of Trustees



December 2020

EUREKA! THE NATIONAL CHILDREN'S MUSEUM
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees present their annual report together with the financial statements and auditor's report for the year ended 31 December 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT:

Eureka! is a company limited by guarantee governed by its Memorandum and Articles of Association dated 18 December 1985. It is registered as a charity with the Charity Commission.

APPOINTMENT OF TRUSTEES

Trustees are appointed by the members at the Annual General Meeting of the charity, after nomination by one member, as required by the charity's Articles of Association. The Board has power, at any time, to appoint any person to be a member of the Board to fill a casual vacancy or as an addition to the existing members of the Board. Trustees are required to retire by rotation on an annual basis.

TRUSTEES INDUCTION AND TRAINING

Upon appointment Eureka! trustees are given an induction pack which consists of the charity's Memorandum and Articles of Association, the business plan, the latest statutory accounts and other relevant strategic and operational documents. Through a meeting with the Chief Executive and other senior staff, trustees are briefed on their responsibilities and obligations as trustees, provided with appropriate Charity Commission documents and referred to the website for further information. Relevant information and training opportunities are routinely circulated and trustees are encouraged to ensure their knowledge is kept up to date. Key alterations to charitable law or requirements are addressed at trustee meetings.

ORGANISATION

The Board of Trustees administers the charity. The Board meets quarterly and subcommittees covering finance, human resources and health and safety meet regularly. A Chief Executive is appointed by the trustees to provide strategic leadership and manage the charity's day-to-day operations.

RELATED PARTIES

The charity has a subsidiary, 1855 Station Building Limited, which lets property in the 1855 Station Building at the Museum and operates an early years' centre and the museum's cafe, shop and car park.

OBJECTIVES AND ACTIVITIES

The charity's objects are to promote, maintain and advance public education by the promotion, establishment and maintenance of a museum, or museums, for children. It operates as a children's museum providing interactive educational exhibits and programmed workshops designed to increase child awareness, curiosity, understanding and enjoyment of the world in which we live. It also operates a nursery with the object of advancing the development and education of children under statutory school age by providing or supporting the provision of childcare within a safe and stimulating environment.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

STRATEGIC REPORT

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS

Each year, the strategic framework for Eureka! is reviewed, strategic priorities are agreed and corporate objectives are set.

Performance highlights in the four key strategic areas for 2019 are outlined below.

CORPORATE OBJECTIVES

EXPERIENCE EXCELLENCE

Performance Highlights

- A Net Promoter score of 7.0 was achieved , exceeding our target of 6.8 at Year End.
- The Spark Gallery hosted four successful digital arts exhibits across the year in partnership with Lumen Art Projects, IOU and Backstage Academy.
- The concept for the replacement to the Garage was developed in conjunction with Cummins Turbo Technology (CTT)
- A small scale improvement of new tarmac and playful marking was done for the outdoor area for the summer of 2019 with larger scale plans for a new playscape being developed for the future.

FINANCIAL SUSTAINABILITY

Performance Highlights

- 313,538 visitors in the year, 17,538 more than budget
- Trading activities show a YE 2019 surplus, before intercompany recharges, of over £640,000, in line with budget
- An overall YE2019 operating surplus of over £270,000, £87,000 better than budget

Audience development plan resulted in growth in targeted areas as follows:

- o 19.8% of visitors coming from the top 20% of Indices of Multiple Deprivation
- o 27% of overall visitors are from the Audience Agency segment 'Trips and Treats'
- o 9.4% of our child visitors were aged 9+ during 2019

ORGANISATIONAL GROWTH

Performance Highlights

- Liaison with CMBC regarding revised plans and funding for the Station Gateway scheme continued throughout the year.
- The major grant for the development of Eureka! Mersey of £6,442,000 from the Strategic Investment Fund

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

of Liverpool City Region Combined Authority was approved in July. Other funding pledged and secured for Eureka! Mersey in 2019 brought us within £600K of our total project costs of £11.75M (subsequently adjusted)

DEDICATED AND EMPOWERED PEOPLE

Performance Highlights

- An employee survey undertaken in December 2019 was broadly positive and an action plan was developed to address issues identified.
- Two critical new roles were added to the staff complement, Assistant Director, Visitor and Site Operations (ADVSO) and an HR Manager.
- The ADVSO and Head of Visitor Services commenced a review of the use of volunteers alongside the deployment of Front of House (FOH) staff to be completed in early 2020.
- An initial structure for staff and volunteers was developed for Eureka! Mersey with further refinement to follow once the use of the site and programming activities are better defined.
- A trustee away day to consider future plans and associated risks was held in October 2019.

FINANCIAL REVIEW

SUMMARY

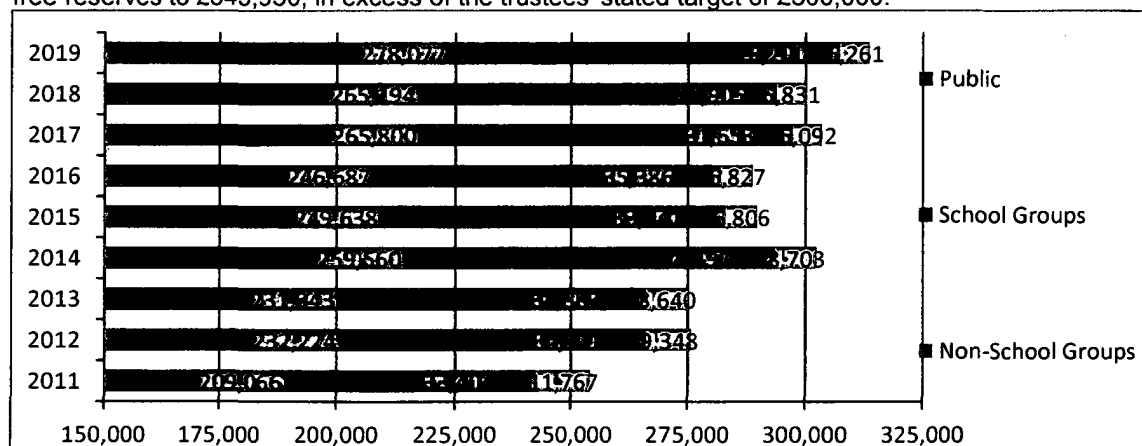
2019 produced an excellent financial performance for Eureka! The National Children's Museum.

Visitor numbers were 313,538, 5% more than in 2018, and the highest number of visitors to the museum in one year since 1998.

Overall incoming resources for the year were £4,558,092, an increase from £4,245,286 in 2018. This increase was primarily as a result of the increase in visitors to the site.

The net movement in funds improved from a deficit of £242,169 in 2018 to a surplus of £75,725 in 2019.

This allowed the charity to transfer a further £246,637 (2018: £334,750) to the designated funds while increasing free reserves to £545,950, in excess of the trustees' stated target of £500,000.



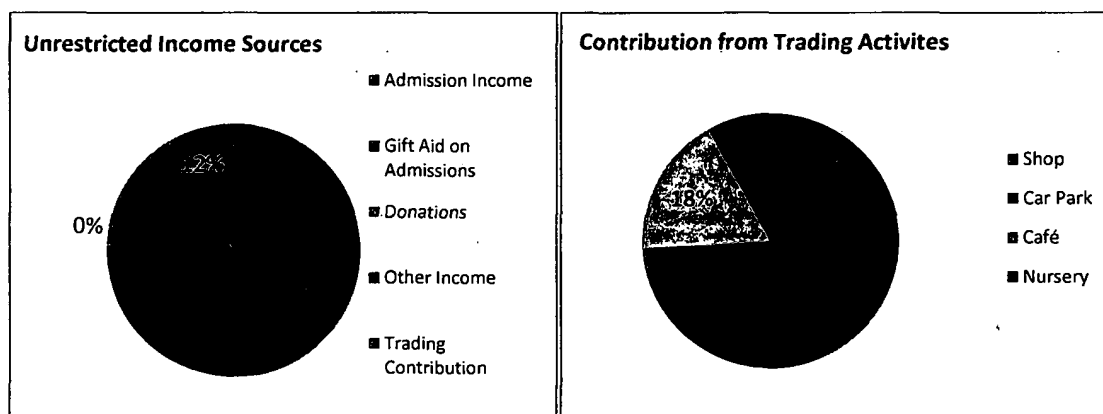
The annual pass continues to offer excellent value for money to our visitors, generating more visits and additional revenues through secondary spend in the museum car park, café and shop.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

INCOME AND EXPENDITURE

Income for the year was £4,558,092 (2018: £4,245,286) including unrestricted income of £1,952,516 from charitable activities, £1,798,702 from trading activities and £402,976 from gifts and donations. Restricted income of £391,039 was received from grants and donations, primarily relating to Eureka! Mersey, and any funds remaining at the year-end will be spent in future years.



Trading activities generated a surplus of £354,499, which will be paid under gift aid to the charity by its trading subsidiary, 1855 Station Building Limited (2018: £501,798). This reduction is due to revisions in intercompany rental and management recharges. The charity received a further £288,593 by way of rental and management charges from the trading subsidiary (2018: £76,538).

Charitable expenditure fell to £3,352,044 (2018: £3,440,034) as costs associated with the Eureka! Mersey projects were capitalised rather than treated as expenditure as they have been in prior years.

FUTURE PLANS

As of the writing of this report Eureka!'s plans will be focussed on addressing the requirements of a successful recovery from the impacts of the COVID19 crisis and ensuring that we remain sustainable well into the future. The extended period of closure which began in March 2020, social distancing restrictions and limited periods of opening prior to a further lockdown in November 2020 have seen a substantial reduction in our income. This required a comprehensive organisation-wide cost saving programme to offset the loss, including a reduction in our workforce. Government support through the furlough scheme was most helpful, but it was inevitable that we would still need to draw on our reserves to cover ongoing costs. It has been very reassuring to be able to rely on the available reserves which we had built up through prudent financial management over the years, but also concerning to see how rapidly they can diminish in such an unprecedented crisis. We are optimistic that news of the vaccine, improved track and trace and the eventual relaxation of social distancing restrictions will eventually enable us to return to a period of more normal operations and begin to build both our visitor numbers and our income back up.

Unfortunately, one consequence of the pandemic has been the closure of Eureka! Nursery which has operated for 18 years out of the 1855 Building and has been an integral element of our provision. With income and occupancy at very low levels, and the uncertain future of nurseries due to rising unemployment and more "working at home" the trustees had to take the difficult decision to cease operation of the nursery. A key part of this consideration was the requirement to ensure a strong focus on our core business of running the museum in order to support our successful recovery and ability to deliver to our primary objectives. Nonetheless, the decision to close was not made without a significant amount of regret. We are extremely grateful to the management and staff of the nursery who have done such an outstanding job caring for thousands of children over the years and we wish them all well in the future.

In spite of the pandemic, we have been able to continue with our plans to open Eureka! Mersey in 2022. This is due to it being a project which is largely funded separately from the Halifax operations. We see the Eureka! Mersey project as a fundamental element of Eureka!'s strategy moving forwards, and its location in East Wirral

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

and its place in the regeneration of this area is even more imperative given the impact that the pandemic has had in areas of deprivation like those which surround Eureka! Mersey. We will play a key role in raising the aspirations and future potential of children and young people in these areas, and plan to contribute substantially to the regional growth strategy for the Liverpool City Region by encouraging future studies and careers in key skills areas.

In terms of planning for our longer term future, we will most certainly be revisiting this at some point in 2021 with a planned board strategy day. The COVID pandemic inevitably has led to a re-think of various aspects of our provision and we will need to stand back, in the near future, and consider how we adapt to ensure we remain at the forefront of our sector and continue to deliver extraordinary experiences to a post-COVID generation of children, young people and families.

PRINCIPAL RISKS AND UNCERTAINTIES

Eureka! adopts the principles of risk management in order to protect the health, safety and welfare of its employees and its visitors, to protect its property, assets and other resources and to maintain its reputation and good standing.

The Board of Trustees reviews the major risks to which the charity is exposed on an annual basis, particularly those related to operations and finance. The trustees have given consideration to the appropriate policies, procedures and systems to mitigate the charity's exposure to the major risks and a risk register exists, which is regularly reviewed.

The key risks identified within the register are: the health and safety of visitors and staff, budgetary control and financial reporting and compliance with legislation and regulations.

INVESTMENT POWERS

Eureka! is a public benefit entity. The Memorandum and Articles of Association of the charity permit the trustees to invest the monies of the charity not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.

RESERVES

Eureka! The National Children's Museum recognises free reserves as that part of the Charity's unrestricted funds that are freely available to spend on any of the Charity's purposes.

During the year a review of the reserves policy was undertaken by the Finance and General Purposes committee and, taking account of all organisational risks, the trustees consider £500,000 free reserves to be adequate. This figure represents approximately three months of core operating costs and would allow the museum to review its activities in the event of a significant reduction in trading revenues, or other major occurrence, so as to avoid the closure of the museum and resultant loss of the public benefit it provides to its beneficiaries.

The development, refurbishment and maintenance of the museum's main building, galleries, grounds and heritage assets require significant funding. Unrestricted funds in excess of the required free reserves will be designated for these purposes each year.

At the end of 2019 Eureka! had free reserves of £545,950 (2018: £491,952) as defined by the Charity Commission.

The Trustees will continue to review various options, including the disposal of certain capital assets, and establishment of an endowment fund, in order to further secure the charity's future. Additional trading opportunities are also being explored which would facilitate a transfer of any net surplus generated into reserves. Eureka! operates as a going concern.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

COVID-19

Since March 2020 the global pandemic COVID-19 outbreak has had a significant impact on the worldwide economy. The Trustees are very much aware of the effects that this may subsequently have on the Group and have reviewed and adopted the relevant operational strategies in order to safeguard the business for the ensuing 12 months, this has included the planned closure of the Nursery from December 2020 as well as a formal restructuring process within the business.

The current lockdown restrictions have resulted in the Museum being closed for a significant period of time which has led to a significant reduction in income for the charity and its subsidiary as a whole. The Trustees alongside local management are meeting regularly to review plans, spending and budgets to ensure costs are being kept to a minimum during the times of enforced closure and to secure the future of the Museum and its activities.

AUDITORS

The auditors, Armstrong Watson Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion appointing the auditors at a meeting of the Trustees.

Approved by order of the members of the Board of Trustees and signed on behalf of the Trustees on 11 December 2020.



Mr P C Smart
Chair of Trustees

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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees (who are also directors of Eureka! The National Children's Museum for the purposes of company law) are responsible for preparing the Group strategic report, the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 judgments and accounting 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the trustees is aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUREKA! THE NATIONAL CHILDREN'S MUSEUM

OPINION

We have audited the financial statements of Eureka! The National Children's Museum (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the group Consolidated statement of financial activities incorporating income and expenditure account, the group Consolidated balance sheet, the group Consolidated statement of cash flows and the related notes, including a summary of 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 group's and of the parent charitable company's affairs as at 31 December 2019 and of the group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

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 group's or the parent charitable company'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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUREKA! THE NATIONAL CHILDREN'S MUSEUM

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

OPINION 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 including the Group strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Group strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our 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' report including the Group 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:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUREKA! THE NATIONAL CHILDREN'S MUSEUM

AUDITORS' 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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Karen Rae FCCA (Senior statutory auditor)
for and on behalf of
Armstrong Watson Audit Limited
Chartered Accountants and Statutory Auditors
Leeds
Date: 17 December 2020

EUREKA! THE NATIONAL CHILDREN'S MUSEUM
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019**

| | Note | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|--|------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| INCOME FROM: | | | | | |
| Donations and legacies | 2 | 402,976 | 391,039 | 794,015 | 815,002 |
| Income from charitable activities: | 3 | | | | |
| Operation of museum | | 1,952,516 | - | 1,952,516 | 1,785,851 |
| Income from other trading activities: | | | | | |
| Commercial trading activities | 4 | 1,798,701 | - | 1,798,701 | 1,634,665 |
| Interest receivable | 5 | 12,860 | - | 12,860 | 9,768 |
| TOTAL INCOME | | 4,167,053 | 391,039 | 4,558,092 | 4,245,286 |
| EXPENDITURE ON: | | | | | |
| Commercial trading activities | 4 | 1,155,607 | - | 1,155,607 | 1,056,329 |
| Charitable activities | | 2,983,398 | 368,647 | 3,352,045 | 3,440,034 |
| TOTAL EXPENDITURE | 6 | 4,139,005 | 368,647 | 4,507,652 | 4,496,363 |
| Net income / (expenditure) before taxation | | 28,048 | 22,392 | 50,440 | (251,077) |
| Taxation - Museum & Gallery Exhibitions Tax Relief | | 25,681 | - | 25,681 | 9,451 |
| NET INCOME / (EXPENDITURE) BEFORE INVESTMENT LOSSES | | 53,729 | 22,392 | 76,121 | (241,626) |
| Net losses on investments | | (395) | - | (395) | (543) |
| NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES | | 53,334 | 22,392 | 75,726 | (242,169) |
| NET MOVEMENT IN FUNDS | | 53,334 | 22,392 | 75,726 | (242,169) |
| RECONCILIATION OF FUNDS: | | | | | |
| Total funds brought forward | | 3,662,258 | 3,341,837 | 7,004,095 | 7,246,264 |
| TOTAL FUNDS CARRIED FORWARD | | 3,715,592 | 3,364,229 | 7,079,821 | 7,004,095 |

The notes on pages 17 to 38 form part of these financial statements.

EUREKA! THE NATIONAL CHILDREN'S MUSEUM

(A company limited by guarantee)
REGISTERED NUMBER: 1948578

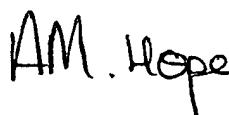
**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2019**

| | Note | £ | 2019 £ | £ | 2017 £ |
|---|------|------------------|------------------|------------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 10 | | 5,181,893 | | 5,258,896 |
| Investments | 11 | | - | | 397 |
| | | | <u>5,181,893</u> | | <u>5,259,293</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 12 | 33,402 | | 30,197 | |
| Debtors | 13 | 130,572 | | 380,703 | |
| Cash at bank and in hand | | 2,252,122 | | 1,759,458 | |
| | | <u>2,416,096</u> | | <u>2,170,358</u> | |
| CREDITORS: amounts falling due within one year | 14 | (518,168) | | (425,556) | |
| NET CURRENT ASSETS | | | <u>1,897,928</u> | | <u>1,744,802</u> |
| NET ASSETS | | | <u>7,079,821</u> | | <u>7,004,095</u> |
| CHARITY FUNDS | | | | | |
| Restricted funds | 16 | | 3,364,229 | | 3,341,837 |
| Unrestricted funds | 16 | | 3,715,592 | | 3,662,258 |
| TOTAL FUNDS | | | <u>7,079,821</u> | | <u>7,004,095</u> |

The financial statements were approved and authorised for issue by the Trustees on 11 December 2020 and signed on their behalf, by:



Mr P C Smart, Chair of Trustees



Mrs A M Hope, Trustee

The notes on pages 17 to 38 form part of these financial statements.

EUREKA! THE NATIONAL CHILDREN'S MUSEUM

(A company limited by guarantee)

REGISTERED NUMBER: 1948578

COMPANY BALANCE SHEET

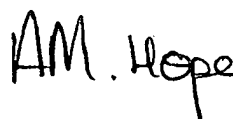
AS AT 31 DECEMBER 2019

| | Note | £ | 2019 £ | £ | 2018 £ |
|---|------|------------------|------------------|------------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 10 | | 5,181,893 | | 5,258,896 |
| Investments | 11 | | 2 | | 399 |
| | | | <u>5,181,895</u> | | <u>5,259,295</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 13 | 490,673 | | 377,515 | |
| Cash at bank and in hand | | 1,420,934 | | 1,181,787 | |
| | | <u>1,911,607</u> | | <u>1,559,302</u> | |
| CREDITORS: amounts falling due within one year | 14 | (349,102) | | (298,799) | |
| NET CURRENT ASSETS | | | <u>1,562,505</u> | | <u>1,260,503</u> |
| NET ASSETS | | | <u>6,744,400</u> | | <u>6,519,798</u> |
| CHARITY FUNDS | | | | | |
| Restricted funds | | | 3,364,229 | | 3,341,837 |
| Unrestricted funds | | | 3,380,171 | | 3,177,961 |
| TOTAL FUNDS | | | <u>6,744,400</u> | | <u>6,519,798</u> |

The financial statements were approved and authorised for issue by the Trustees on 11 December 2020 and signed on their behalf, by:



Mr P C Smart, Chair of Trustees



Mrs A M Hope, Trustee

The notes on pages 17 to 38 form part of these financial statements.

EUREKA! THE NATIONAL CHILDREN'S MUSEUM
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

| | Note | 2019 £ | 2018 £ |
|--|------|------------------|------------------|
| Cash flows from operating activities | | | |
| Net cash provided by/(used in) operating activities | 18 | 834,597 | (21,403) |
| Cash flows from investing activities: | | | |
| Dividends, interest and rents from investments | | 12,860 | 9,765 |
| Purchase of tangible fixed assets | | (354,793) | (208,776) |
| Net cash used in investing activities | | (341,933) | (199,011) |
| Change in cash and cash equivalents in the year | | 492,664 | (220,414) |
| Cash and cash equivalents brought forward | | 1,759,458 | 1,979,872 |
| Cash and cash equivalents carried forward | 19 | 2,252,122 | 1,759,458 |

The notes on pages 17 to 38 form part of these financial statements.

EUREKA! THE NATIONAL CHILDREN'S MUSEUM
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Eureka! The National Children's Museum meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006.

The functional and presentational currency of the charitable company is sterling (£).

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company. The trustees are directors for the purposes of the Companies Act. At 31 December 2019 there were nine members (2018: nine members).

1.3 Going concern

The Trustees have considered the on-going situation with regard to COVID-19 as part of their going concern assessment. The view of the Trustees is that, while they acknowledge the significant disruption that the pandemic has brought and will bring over the coming weeks and months, the Trustees feel that the charity is well placed to negotiate the unique set of conditions currently facing the UK economy. The principal financial risk facing the charity is its ability to generate sufficient income from visitor numbers and external funding to cover expenditure incurred in fulfilling the objectives of the charity. The Trustees have reviewed the cash position of the charity and cash forecasts at the date of signing the accounts and are satisfied that the charity will be able to meet all the financial commitments for the foreseeable future being at least 12 months from the date of signing.

In reaching their conclusion, the Trustees have considered cash flows covering a period of 12 months from the date of sign off, the various financial support measures that have been announced by the UK government and the availability of funding both externally and internally. They have also considered future strategic and operational objectives for the ensuing 12 months.

As a consequence, the Trustees believe that the charity is well placed to manage its financial risks successfully despite the current uncertain economic outlook. After making enquiries, the Trustees have a reasonable expectation that the charity has adequate reserves to continue in operational existence for the foreseeable future. Accordingly, the Trustees continue to adopt the going concern basis in preparing the accounts.

EUREKA! THE NATIONAL CHILDREN'S MUSEUM
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.5 Charitable Expenditure

Direct charitable expenditure includes all expenditure directly related to the objects of the charity and comprises the following:

Establishment costs

Establishment costs include all the costs relating to the maintenance and running of the museum building.

Exhibitions and service delivery

Exhibitions and service delivery include all costs related to the maintenance of the museum exhibits and the delivery of the product to the public.

Other expenditure

Other expenditure is analysed under the following two sub-headings:

Publicity costs

Publicity costs represent expenditure in relation to staff members who are directly engaged in fund raising, and the related costs of the fund raising department.

Governance costs

Governance costs are those incurred in connection with the administration of the company and compliance with constitutional and statutory requirements.

Allocation of costs

The charity's operating costs includes staff costs, depreciation and other related costs. Such costs are allocated between other charitable expenditure, fund-raising and publicity and management and administration. Staff costs are allocated according to the costs of staff working directly in the relevant departments and property costs are allocated according to the space used by each department. Where costs are not directly attributable to any department, they have been apportioned according to the total of all other costs relating to each department.

EUREKA! THE NATIONAL CHILDREN'S MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES (continued)

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.6 Basis of consolidation

The financial statements consolidate the accounts of Eureka! The National Children's Museum and its subsidiary undertaking, 1855 Station Building Limited.

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The net income and expenditure account for the year dealt with in the accounts of the company was £224,602 (2018 - £-196,539 deficit).

1.7 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. There is no depreciation charged on other fixed assets which are assets under construction. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|--|---------------------|
| Long-term leasehold property and - car park development | 2% straight line |
| Motor vehicles | - 25% straight line |
| Fixtures and fittings | - 25% straight line |
| Exhibition equipment | - 10% straight line |

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment.

EUREKA! THE NATIONAL CHILDREN'S MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES (continued)

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.10 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.14 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.15 Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.16 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

EUREKA! THE NATIONAL CHILDREN'S MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES (continued)

1.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.18 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the property, plant and equipment and note 11 for the useful economic lives for each class of assets.

Impairment of debtors

The charitable company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 13 for the net carrying amount of the debtors and associated impairment provision.

2. INCOME FROM DONATIONS AND GIFTS

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Donations | 402,976 | 391,039 | 794,015 | 815,002 |
| <i>Total 2018</i> | 356,990 | 458,012 | 815,002 | |

EUREKA! THE NATIONAL CHILDREN'S MUSEUM
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Unrestricted

| | 2019 £ | 2018 £ |
|------------------------------|----------------|----------------|
| Gift Aid | 400,280 | 353,691 |
| Spark Fund - Spooner Trust | 2,000 | 2,000 |
| Spark Fund - Others | 529 | 1,000 |
| Other unrestricted donations | 167 | 299 |
| | <u>402,976</u> | <u>356,990</u> |
| Total | <u>402,976</u> | <u>356,990</u> |

Restricted

| | 2019 £ | 2018 £ |
|------------------------------|----------------|----------------|
| Inspiring Science Fund | 134,225 | - |
| ASDC - Space | 1,500 | 200 |
| Morrisons Foundation | - | 44,250 |
| Fidelity | 200,000 | - |
| BBC Children In Need | - | 4,198 |
| Cummins Turbo Technologies | 31,314 | - |
| Heritage Lottery Fund | - | 31,587 |
| Art Fund | - | 1,250 |
| Arts Council England | 24,000 | 36,000 |
| Sovereign Healthcare | - | 6,000 |
| Wirral Borough Council | - | 308,000 |
| ASDC - Secret World Of Gases | - | 3,000 |
| Howden Joinery Group | - | 5,000 |
| The Hobson Charity | - | 18,527 |
| | <u>391,039</u> | <u>458,012</u> |
| Total | <u>391,039</u> | <u>458,012</u> |

3. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|--------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Total income | <u>1,952,516</u> | <u>-</u> | <u>1,952,516</u> | <u>1,785,851</u> |
| Total 2018 | <u>1,785,851</u> | <u>-</u> | <u>1,785,851</u> | |

EUREKA! THE NATIONAL CHILDREN'S MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. TRADING ACTIVITIES

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|--|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Charity trading income | | | | |
| Turnover | 1,798,701 | - | 1,798,701 | 1,634,665 |
| Fundraising trading expenses | | | | |
| Cost of sales | 315,692 | - | 315,692 | 297,673 |
| Administrative expenses | 166,957 | - | 166,957 | 141,155 |
| Wages and salaries | 633,091 | - | 633,091 | 580,859 |
| Employers NI | 32,368 | - | 32,368 | 32,364 |
| Pension costs | 7,499 | - | 7,499 | 4,278 |
| | <u>1,155,607</u> | <u>-</u> | <u>1,155,607</u> | <u>1,056,329</u> |
| Net income from trading activities before taxation | <u>643,094</u> | <u>-</u> | <u>643,094</u> | <u>578,336</u> |

Turnover of £1,798,701 (2018: £1,634,665) has been recognised in the consolidated statement of financial activities in relation to the trading subsidiary.

In addition, inter-company recharges of £288,593 (2018: £76,538) have been eliminated on consolidation.

5. INVESTMENT INCOME

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|----------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Bank deposit interest receivable | 12,860 | - | 12,860 | 9,768 |
| Total 2018 | <u>9,768</u> | <u>-</u> | <u>9,768</u> | |

EUREKA! THE NATIONAL CHILDREN'S MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

| | Staff costs 2019 £ | Depreciation 2019 £ | Other costs 2019 £ | Total 2019 £ | Total 2018 £ |
|-------------------------------------|--------------------------|---------------------------|--------------------------|--------------------|--------------------|
| Cost incurred by trading subsidiary | 672,958 | - | 482,650 | 1,155,608 | 1,056,329 |
| Establishment costs | 341,685 | 207,158 | 855,218 | 1,404,061 | 1,593,158 |
| Exhibition and service delivery | 956,831 | 224,638 | 381,406 | 1,562,875 | 1,440,385 |
| Publicity | 171,914 | - | 171,986 | 343,900 | 361,842 |
| Charitable activities | 1,470,430 | 431,796 | 1,408,610 | 3,310,836 | 3,395,385 |
| Expenditure on governance | - | - | 41,209 | 41,209 | 44,649 |
| | 2,143,388 | 431,796 | 1,932,469 | 4,507,653 | 4,496,363 |
| <i>Total 2018</i> | <i>2,060,414</i> | <i>435,765</i> | <i>2,000,184</i> | <i>4,496,363</i> | |

7. SUPPORT COSTS

| | Governance £ | Total 2019 £ | Total 2018 £ |
|------------------------|-----------------|--------------------|--------------------|
| Auditors' remuneration | 18,975 | 18,975 | 14,040 |
| Legal and professional | 22,234 | 22,234 | 30,609 |
| | 41,209 | 41,209 | 44,649 |
| <i>Total 2018</i> | <i>44,649</i> | <i>44,649</i> | |

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Depreciation of tangible fixed assets: | | |
| - owned by the charitable group | 431,796 | 435,765 |
| Auditors' remuneration - audit | 13,305 | 13,290 |
| Auditors' remuneration - Fees in relation to corporation tax | 5,670 | 750 |

EUREKA! THE NATIONAL CHILDREN'S MUSEUM
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. STAFF COSTS

Staff costs were as follows:

| | 2019 £ | 2018 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,959,704 | 1,893,123 |
| Social security costs | 127,616 | 124,765 |
| Other pension costs | 56,068 | 42,526 |
| | <u>2,143,388</u> | <u>2,060,414</u> |

The average number of persons employed by the group during the year was as follows:

| | 2019 No. | 2018 No. |
|---------|-------------|-------------|
| Museum | 83 | 85 |
| Nursery | 27 | 27 |
| Cafe | 23 | 26 |
| | <u>133</u> | <u>138</u> |

Average headcount expressed as a full time equivalent:

| | 2019 No. | 2018 No. |
|-------------|-------------|-------------|
| Group (FTE) | 85 | 86 |

Ms L-A Stradeski, a Trustee, received remuneration of £111,083 in the year (2018: £108,770) in her capacity as Chief Executive. Pension contributions of 10% of salary were paid (2018 10%). None of the other Trustees received remuneration during the year.

No other employees received remuneration amounting to more than £60,000 in either year.

Costs incurred in relation to key management personnel were £118,498 in total (2018 £115,916).

The charity purchased insurance £538 (2018: £538) to protect against loss arising from neglect or default of its trustees and officers. Expenses of £504 (2018: £346) were reimbursed to two trustees (2018 two trustees).

EUREKA! THE NATIONAL CHILDREN'S MUSEUM
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. TANGIBLE FIXED ASSETS

| Group | Long-term leasehold property including car park development £ | Motor vehicles £ | Fixtures and fittings £ | Exhibition equipment £ | Assets under the course of construction £ |
|-----------------------|--|---------------------------------|--|---------------------------------------|--|
| Cost | | | | | |
| At 1 January 2019 | 7,884,775 | 1,667 | 733,441 | 3,853,051 | - |
| Additions | - | - | 65,609 | 21,206 | 267,978 |
| Disposals | - | - | (34,178) | (54,668) | - |
| At 31 December 2019 | 7,884,775 | 1,667 | 764,872 | 3,819,589 | 267,978 |
| Depreciation | | | | | |
| At 1 January 2019 | 3,643,587 | 1,598 | 610,420 | 2,958,433 | - |
| Charge for the year | 157,175 | 69 | 49,914 | 224,638 | - |
| On disposals | - | - | (34,178) | (54,668) | - |
| At 31 December 2019 | 3,800,762 | 1,667 | 626,156 | 3,128,403 | - |
| Net book value | | | | | |
| At 31 December 2019 | 4,084,013 | - | 138,716 | 691,186 | 267,978 |
| At 31 December 2018 | 4,241,188 | 69 | 123,021 | 894,618 | - |

| Group | Total £ |
|-----------------------|--------------------|
| Cost | |
| At 1 January 2019 | 12,472,934 |
| Additions | 354,793 |
| Disposals | (88,846) |
| At 31 December 2019 | 12,738,881 |
| Depreciation | |
| At 1 January 2019 | 7,214,038 |
| Charge for the year | 431,796 |
| On disposals | (88,846) |
| At 31 December 2019 | 7,556,988 |
| Net book value | |
| At 31 December 2019 | 5,181,893 |
| At 31 December 2018 | 5,258,896 |

EUREKA! THE NATIONAL CHILDREN'S MUSEUM
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

| Company | Long-term leasehold property £ | Motor vehicles £ | Fixtures and fittings £ | Office equipment £ | Assets under the course of construction £ |
|-----------------------|---|---------------------------------|--|-----------------------------------|--|
| Cost | | | | | |
| At 1 January 2019 | 7,884,775 | 1,667 | 700,721 | 3,853,051 | - |
| Additions | - | - | 65,609 | 21,206 | 267,978 |
| Disposals | - | - | (34,178) | (54,668) | - |
| At 31 December 2019 | <u>7,884,775</u> | <u>1,667</u> | <u>732,152</u> | <u>3,819,589</u> | <u>267,978</u> |
| Depreciation | | | | | |
| At 1 January 2019 | 3,643,587 | 1,598 | 577,700 | 2,958,433 | - |
| Charge for the year | 157,175 | 69 | 49,914 | 224,638 | - |
| On disposals | - | - | (34,178) | (54,668) | - |
| At 31 December 2019 | <u>3,800,762</u> | <u>1,667</u> | <u>593,436</u> | <u>3,128,403</u> | <u>-</u> |
| Net book value | | | | | |
| At 31 December 2019 | <u>4,084,013</u> | <u>-</u> | <u>138,716</u> | <u>691,186</u> | <u>267,978</u> |
| At 31 December 2018 | <u>4,241,188</u> | <u>69</u> | <u>123,021</u> | <u>894,618</u> | <u>-</u> |

| Company | Total £ |
|-----------------------|--------------------|
| Cost | |
| At 1 January 2019 | 12,440,214 |
| Additions | 354,793 |
| Disposals | (88,846) |
| At 31 December 2019 | <u>12,706,161</u> |
| Depreciation | |
| At 1 January 2019 | 7,181,318 |
| Charge for the year | 431,796 |
| On disposals | (88,846) |
| At 31 December 2019 | <u>7,524,268</u> |
| Net book value | |
| At 31 December 2019 | <u>5,181,893</u> |
| At 31 December 2018 | <u>5,258,896</u> |

EUREKA! THE NATIONAL CHILDREN'S MUSEUM
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. FIXED ASSET INVESTMENTS

| | Listed securities £ |
|--|---------------------------|
| Group | |
| Market value | |
| At 1 January 2019 and 31 December 2019 | 20,900 |
| Impairment | |
| At 1 January 2019 | 20,503 |
| Charge for the year | 397 |
| At 31 December 2019 | 20,900 |
| Net book value | |
| At 31 December 2019 | - |
| At 31 December 2018 | 397 |

Group investments at market value comprise:

| | UK £ | Overseas £ | 2018 £ |
|--------------------|---------|---------------|-----------|
| Listed investments | - | - | 397 |

All the fixed asset investments are listed on UK stock exchange are represented by Redhall Group plc 10,000 ordinary shares of 25p each. This entity is currently in administration, therefore the full value of the investment has been written down to £nil value at the year end date.

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**NOTES TO THE FINANCIAL STATEMENTS
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11. FIXED ASSET INVESTMENTS (continued)

| | Listed securities £ | Sub total carried forward £ |
|--|--------------------------------------|---|
| Company | | |
| Market value | | |
| At 1 January 2019 and 31 December 2019 | 20,900 | 20,900 |
| Impairment | | |
| At 1 January 2019 | 20,503 | 20,503 |
| Charge for the year | 397 | 397 |
| At 31 December 2019 | 20,900 | 20,900 |
| Net book value | | |
| At 31 December 2019 | - | - |
| At 31 December 2018 | 397 | 397 |
| | Sub total brought forward £ | Shares in group undertakings £ |
| Company | | Total £ |
| Market value | | |
| At 1 January 2019 and 31 December 2019 | 20,900 | 2 |
| Impairment | | |
| At 1 January 2019 | 20,503 | - |
| Charge for the year | 397 | - |
| At 31 December 2019 | 20,900 | - |
| Net book value | | |
| At 31 December 2019 | - | 2 |
| At 31 December 2018 | 397 | 2 |
| Company investments at market value comprise: | | |
| | 2019 £ | 2018 £ |
| Listed investments | - | 397 |
| Group | 2 | 2 |
| Total | 2 | 399 |

All the fixed asset investments are held in the UK. For more on group investments, see note 23.

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12. STOCKS

| | <u>Group</u> | | <u>Company</u> | |
|---------------------------|---------------|---------------|----------------|----------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Shop goods for resale | 28,107 | 25,844 | - | - |
| Catering goods for resale | 5,295 | 4,353 | - | - |
| | <u>33,402</u> | <u>30,197</u> | <u>-</u> | <u>-</u> |

Stock recognised in cost of sales during the year as an expense was £315,693 (2018: £297,673).

13. DEBTORS

| | <u>Group</u> | | <u>Company</u> | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Trade debtors | 22,634 | 23,174 | 4,625 | 10,413 |
| Other debtors | - | - | 381,658 | 12,649 |
| Prepayments and accrued income | 107,938 | 357,529 | 104,390 | 354,453 |
| | <u>130,572</u> | <u>380,703</u> | <u>490,673</u> | <u>377,515</u> |

14. CREDITORS: Amounts falling due within one year

| | <u>Group</u> | | <u>Company</u> | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Trade creditors | 184,265 | 108,228 | 161,747 | 90,532 |
| Other taxation and social security | 79,276 | 47,889 | 34,326 | 21,861 |
| Other creditors | 13,124 | 3,503 | 13,124 | 23,988 |
| Accruals and deferred income | 241,503 | 265,936 | 139,905 | 162,418 |
| | <u>518,168</u> | <u>425,556</u> | <u>349,102</u> | <u>298,799</u> |

| | <u>Group</u> | | <u>Company</u> | |
|--------------------------------------|---------------|---------------|----------------|---------------|
| | £ | £ | £ | £ |
| Deferred income | | | | |
| Deferred income at 1 January 2019 | 89,588 | 72,201 | 14,811 | 9,731 |
| Resources deferred during the year | 77,099 | 89,588 | 7,401 | 14,811 |
| Amounts released from previous years | (89,588) | (72,201) | (14,811) | (9,731) |
| Deferred income at 31 December 2019 | <u>77,099</u> | <u>89,588</u> | <u>7,401</u> | <u>14,811</u> |

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15. FINANCIAL INSTRUMENTS

| | 2019 £ | 2018 £ |
|--|------------------|------------------|
| Financial assets measured at amortised cost | <u>2,274,756</u> | <u>1,783,278</u> |
| Financial liabilities measured at amortised cost | <u>339,855</u> | <u>264,454</u> |

Financial assets measured at amortised cost comprises trade debtors, other debtors and cash in hand.

Financial liabilities measured at amortised cost comprises trade creditors, taxation and social security, accruals.

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16. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

| | Balance at 1 January 2018 £ | Income £ | Expenditure £ | Taxation £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 December 2019 £ |
|--|--------------------------------------|------------------|--------------------|---------------|--------------------------|-------------------------|---|
| Designated funds | | | | | | | |
| Spark Fund | 10,275 | 2,529 | - | - | - | - | 12,804 |
| Fixed asset fund | 2,201,280 | - | (145,339) | - | 86,814 | - | 2,142,755 |
| Maintenance & development fund | 958,751 | - | (104,492) | - | 159,823 | - | 1,014,082 |
| | <u>3,170,306</u> | <u>2,529</u> | <u>(249,831)</u> | <u>-</u> | <u>246,637</u> | <u>-</u> | <u>3,169,641</u> |
| General funds | | | | | | | |
| General unrestricted funds | 491,952 | 4,164,524 | (3,889,174) | 25,681 | (246,637) | (395) | 545,951 |
| Total Unrestricted funds | <u>3,662,258</u> | <u>4,167,053</u> | <u>(4,139,005)</u> | <u>25,681</u> | <u>-</u> | <u>(395)</u> | <u>3,715,592</u> |
| Restricted funds | | | | | | | |
| All About Me (formerly Me and My Body) 1855 Station Building Project | 1,013,181 | - | (196,639) | - | - | - | 816,542 |
| Gift in kind for exhibitions | 2,194,816 | - | (70,763) | - | - | - | 2,124,053 |
| Other restricted funds | 16,473 | - | (11,973) | - | - | - | 4,500 |
| Eureka! Mersey | 62,731 | 56,814 | (34,636) | - | - | - | 84,909 |
| | 54,636 | 334,225 | (54,636) | - | - | - | 334,225 |
| | <u>3,341,837</u> | <u>391,039</u> | <u>(368,647)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,364,229</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS (continued)

| | | | | | | | |
|----------------|------------------|------------------|--------------------|---------------|----------|--------------|------------------|
| Total of funds | <u>7,004,095</u> | <u>4,558,092</u> | <u>(4,507,652)</u> | <u>25,681</u> | <u>-</u> | <u>(395)</u> | <u>7,079,821</u> |
|----------------|------------------|------------------|--------------------|---------------|----------|--------------|------------------|

The fixed asset fund has been set up to assist in identifying those funds that are not free funds and it represents the net book value of tangible fixed assets funded from unrestricted funds, with the exception of fixed assets held in subsidiary companies.

The maintenance & development fund has been designated by the trustees for refurbishment and repairs to the museum assets.

The Eureka! Mersey restricted funds balance represents the Wirral Council grant less costs associated with architectural and exhibition design.

The balances on the All About Me, 1855 Station Building Project, Yorkshire Forward and gifts in kind for exhibition funds are represented by the purchase of tangible fixed assets, less associated depreciation charges.

STATEMENT OF FUNDS - PRIOR YEAR

| | <i>Balance at 1 January 2018 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Taxation £</i> | <i>Transfers in/out £</i> | <i>Gains/ (Losses) £</i> | <i>Balance at 31 December 2018 £</i> |
|--------------------------------|--|---------------------|--------------------------|-----------------------|-----------------------------------|----------------------------------|--|
| Designated funds | | | | | | | |
| Spark Fund | 14,775 | 3,000 | - | - | (7,500) | - | 10,275 |
| Fixed asset fund | 2,211,242 | - | (150,961) | - | 140,999 | - | 2,201,280 |
| Maintenance & development fund | 858,297 | - | (100,797) | - | 201,251 | - | 958,751 |
| | <u>3,084,314</u> | <u>3,000</u> | <u>(251,758)</u> | <u>-</u> | <u>334,750</u> | <u>-</u> | <u>3,170,306</u> |
| General funds | | | | | | | |
| General unrestricted funds | 659,798 | 3,784,274 | (3,626,278) | 9,451 | (334,750) | (543) | 491,952 |
| Total Unrestricted funds | <u>3,744,112</u> | <u>3,787,274</u> | <u>(3,878,036)</u> | <u>9,451</u> | <u>-</u> | <u>(543)</u> | <u>3,662,258</u> |

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16. STATEMENT OF FUNDS (continued)

Restricted funds

| | | | | | | | |
|--|------------------|------------------|--------------------|--------------|----------|--------------|------------------|
| All About Me (formerly Me and My Body) | 1,209,820 | - | (196,639) | - | - | - | 1,013,181 |
| 1855 Station Building Project | 2,265,579 | - | (70,763) | - | - | - | 2,194,816 |
| Yorkshire Fund | 699 | - | (699) | - | - | - | - |
| Gift in kind for exhibitions | 22,946 | 5,000 | (11,473) | - | - | - | 16,473 |
| Other restricted funds | 3,108 | 145,012 | (85,389) | - | - | - | 62,731 |
| Eureka! Mersey | - | 308,000 | (253,364) | - | - | - | 54,636 |
| | <u>3,502,152</u> | <u>458,012</u> | <u>(618,327)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,341,837</u> |
| Total of funds | <u>7,246,264</u> | <u>4,245,286</u> | <u>(4,496,363)</u> | <u>9,451</u> | <u>-</u> | <u>(543)</u> | <u>7,004,095</u> |

SUMMARY OF FUNDS - CURRENT YEAR

| | Balance at 1 January 2018 £ | Income £ | Expenditure £ | Taxation £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 December 2019 £ |
|------------------|--------------------------------------|------------------|--------------------|---------------|--------------------------|-------------------------|---|
| Designated funds | 3,170,306 | 2,529 | (249,831) | - | 246,637 | - | 3,169,641 |
| General funds | 491,952 | 4,164,524 | (3,889,174) | 25,681 | (246,637) | (395) | 545,951 |
| | <u>3,662,258</u> | <u>4,167,053</u> | <u>(4,139,005)</u> | <u>25,681</u> | <u>-</u> | <u>(395)</u> | <u>3,715,592</u> |
| Restricted funds | 3,341,837 | 391,039 | (368,647) | - | - | - | 3,364,229 |
| | <u>7,004,095</u> | <u>4,558,092</u> | <u>(4,507,652)</u> | <u>25,681</u> | <u>-</u> | <u>(395)</u> | <u>7,079,821</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS - PRIOR YEAR

| | <i>Balance at 1 January 2018 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Taxation £</i> | <i>Transfers in/out £</i> | <i>Gains/ (Losses) £</i> | <i>Balance at 31 December 2018 £</i> |
|------------------|--|---------------------|--------------------------|-----------------------|-----------------------------------|----------------------------------|--|
| Designated funds | 3,084,314 | 3,000 | (251,758) | - | 334,750 | - | 3,170,306 |
| General funds | 659,798 | 3,784,274 | (3,626,278) | 9,451 | (334,750) | (543) | 491,952 |
| | <u>3,744,112</u> | <u>3,787,274</u> | <u>(3,878,036)</u> | <u>9,451</u> | <u>-</u> | <u>(543)</u> | <u>3,662,258</u> |
| Restricted funds | 3,502,152 | 458,012 | (618,327) | - | - | - | 3,341,837 |
| | <u>7,246,264</u> | <u>4,245,286</u> | <u>(4,496,363)</u> | <u>9,451</u> | <u>-</u> | <u>(543)</u> | <u>7,004,095</u> |

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

| | <i>Unrestricted funds 2019 £</i> | <i>Restricted funds 2019 £</i> | <i>Total funds 2019 £</i> |
|-------------------------------|--|--|---------------------------------------|
| Tangible fixed assets | 2,142,756 | 3,039,137 | 5,181,893 |
| Current assets | 2,058,239 | 357,857 | 2,416,096 |
| Creditors due within one year | (485,403) | (32,765) | (518,168) |
| | <u>3,715,592</u> | <u>3,364,229</u> | <u>7,079,821</u> |

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | <i>Unrestricted funds 2018 £</i> | <i>Restricted funds 2018 £</i> | <i>Total funds 2018 £</i> |
|-------------------------------|--|--|---------------------------------------|
| Tangible fixed assets | 2,201,281 | 3,057,615 | 5,258,896 |
| Fixed asset investments | 397 | - | 397 |
| Current assets | 1,840,220 | 330,138 | 2,170,358 |
| Creditors due within one year | (379,640) | (45,916) | (425,556) |
| | <u>3,662,258</u> | <u>3,341,837</u> | <u>7,004,095</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2019 | Group |
|--|-----------------|------------------|
| | £ | 2018 |
| | | £ |
| Net income/(expenditure) for the year (as per Statement of Financial Activities) | 75,726 | (242,169) |
| Adjustment for: | | |
| Depreciation charges | 431,796 | 435,765 |
| Losses on investments | 397 | 543 |
| Dividends, interest and rents from investments | (12,860) | (9,768) |
| (Increase)/Decrease in stocks | (3,205) | (2,149) |
| Decrease/(increase) in debtors | 250,131 | (255,065) |
| Increase in creditors | 92,612 | 51,440 |
| Net cash provided by/(used in) operating activities | 834,597 | (21,403) |

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2019 | Group |
|--------------|------------------|------------------|
| | £ | 2018 |
| | | £ |
| Cash in hand | 2,252,122 | 1,759,458 |
| Total | 2,252,122 | 1,759,458 |

20. PENSION COMMITMENTS

The group make contributions to the personal pension plans of various employees. These schemes are of the defined contribution type. The total pension cost for the group during the year was £42,526 (2018: £42,526). At the year end date outstanding contributions to the plans amounted to £13,124 (2018: £3,503).

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**NOTES TO THE FINANCIAL STATEMENTS
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21. OPERATING LEASE COMMITMENTS

At 31 December 2019 the total of the group's future minimum lease payments under non-cancellable operating leases was:

| Group | 2019 | 2018 |
|-------------------------|---------------|-------------|
| | £ | £ |
| Amounts payable: | | |
| Within 1 year | 7,189 | 7,189 |
| Between 1 and 5 years | 14,575 | 21,764 |
| | <hr/> | <hr/> |
| Total | 21,764 | 28,953 |
| | <hr/> <hr/> | <hr/> <hr/> |

At 31 December 2019 the company had annual commitments under non-cancellable operating leases as follows:

| | | |
|-------------------------|---------------|-------------|
| Company | | |
| Amounts payable: | | |
| Within 1 year | 7,189 | 7,189 |
| Between 1 and 5 years | 14,575 | 21,764 |
| | <hr/> | <hr/> |
| Total | 21,764 | 28,953 |
| | <hr/> <hr/> | <hr/> <hr/> |

The group via its subsidiary company, 1855 Station Building Limited is also a lessor and had the following lease payments under non-cancellable operating leases as follows:

At 31 December 2019, the company was due £85,077 (2018: £109,897) and £19,000 (2018: £24,821) of these balances are due within one year, £66,077 (2018: £76,000) are due between one and five years and £nil (2018: £9,077) are due after five years.

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22. RELATED PARTY TRANSACTIONS

Eureka! The National Children's Museum has one subsidiary, 1855 Station Building Limited. The trading results of this subsidiary are summarised in note 23 to the accounts. At 31 December 2018, Eureka! The National Children's Museum was owed £381,458 by 1855 Station Building Limited (2018: creditor balance of £75,348). Eureka! The National Children's Museum has made management re-charges of £288,593 (2018: £76,538) to 1855 Station Building Limited.

23. COVID-19

Since March 2020 the global pandemic COVID-19 outbreak has had a significant impact on the worldwide economy. The Trustees are aware of the effects that this may subsequently have on the charity and have reviewed and adopted the relevant operational strategies in order to safeguard the business for the ensuing 12 months.

In preparing the financial statements, the Trustees have considered the impact of the Coronavirus pandemic. Since the widespread transmission of Coronavirus did not arise until after the year end, the Trustees, in line with relevant guidance, consider the Coronavirus pandemic and its subsequent impact on the UK economy to be a non-adjusting post balance sheet event. Accordingly, no adjustments have been made to the financial statements as a result of the Coronavirus pandemic.

24. PRINCIPAL SUBSIDIARIES

1855 Station Building Limited

| | |
|---|-------------------------------|
| Subsidiary name | 1855 Station Building Limited |
| Company registration number | 03613193 |
| Basis of control | Parent company |
| Equity shareholding % | 100% |
| Total assets as at 31 December 2019 | £ 886,147 |
| Total liabilities as at 31 December 2019 | £ 550,723 |
| Total equity as at 31 December 2019 | £ 335,424 |
| Turnover for the year ended 31 December 2019 | £ 1,798,701 |
| Expenditure for the year ended 31 December 2019 | £ 1,444,202 |
| Profit for the year ended 31 December 2019 | £ 354,499 |