

Registered number: 1948578

Charity number: 292758

EUREKA! THE NATIONAL CHILDREN'S MUSEUM

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Trustees

Mr A J Aubrey
Mrs J T Craven
Ms F J Hesselden
Mrs A M Hope
Mr P C Smart (resigned 10 May 2021)
Mrs L A Stradeski
Dr E A Wood
Ms J Rice-Bowen
Mr J S Rogerson (resigned 18 May 2021)
Mrs S J Higginson (appointed 4 March 2022)
Mrs K E L Ward (appointed 4 March 2022)
Mr J T Sutcliffe (appointed 4 March 2022)
Mr J H Kelly (appointed 4 March 2022)
Mrs F M Best (appointed 4 March 2022)
Mr S K A Aziz (appointed 4 March 2022)
Mrs S Sharif (appointed 4 March 2022)

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 auditor Armstrong Watson Audit Limited
Chartered Accountants and Statutory Auditors
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

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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

The chair presents their statement for the year.

Similar to 2020, our operations in 2021 were affected significantly by the continued presence and impact of COVID-19. Our second closure period, resulting from government lockdowns, extended from November 2020 through to May 2021, which meant that in total Eureka! was closed for a period of just under 12 months spanning the two years.

Whilst this represented a significant loss of income, and the continued requirement to cover core costs through the use of our available reserves, the support of the furlough scheme through closure periods went a long way to easing the financial impact. We were delighted to receive a reserves re-inflation grant of £677K through the Department of Culture, Media and Sport's Cultural Recovery Fund. In addition to this we received a grant of £106K from the same fund to support our re-opening costs. Our visiting families and children came back in full force once our doors were opened again, and with continued online booking and an increased visitor number cap of 1500 visitors per day, we have seen strong results in admissions income, shop and cafe sales and carpark income. With prudent financial management and a focus on keeping overheads down, we achieved a very impressive management account surplus and a significant recovery in our available reserves to conclude the year. This means we are in a comparable position financially to year-end 2019 pre-COVID.

In addition to being in a strong financial position, we have maintained our focus on experience excellence which has resulted in continued visitor engagement, enthusiasm and goodwill. Throughout the pandemic we offered Eureka@home, a digital experience which includes science experiments, storytelling and creative activities delivered online by our team of enablers and external performers. Although we had to put major gallery developments on hold during this period of uncertainty, closure periods provided an opportunity to do some routine maintenance and a general sprucing up of the museum through repairs to exhibits, painting, replacement of graphics etc., so everything looked bright and welcoming upon re-opening both indoors and out.

The trustees agreed that some of the deferred capital development would be picked up in 2022, with the major investment allocated to the re-development of the Garage exhibit in Living and Working Together. This project has been supported by the Cummings Foundation and the Hedley Trust and its completion will fulfil our commitment to these sponsors.

The other major project which was deferred due to COVID-19 was the outdoor playscape which had initially been scheduled for completion in 2021. However, as things have evolved, we are unable to progress this as we continue to await the finalisation of plans for the Halifax Station Gateway development which has major implications for our site and its future development. This has been a long-running project and, although we have had many meetings with Calderdale Council and provided them with our requirements and items for consideration, we have yet to receive a design scheme or proposal which supports our requirements and an agreement has not yet been reached.

Whilst our board supports the Halifax Station Gateway scheme in principle, and we are keen to see improvements in Halifax, our obligation is to act in the best interests of the charity and its beneficiaries. In delivering on this remit, we must ensure that Eureka! continues to consistently provide an outstanding visitor experience, which is safe and accessible for the families and young children we cater for. We must also ensure that we remain financially sustainable going forward; our business model and viability is reliant on earned revenues from visitor admissions and secondary spend including, importantly, the Eureka! Car Park, which is one of the main areas to be impacted by the Halifax Station Gateway scheme. We believe a collaborative approach is the best way forward, and will continue to work with Calderdale Council to achieve an outcome that brings shared benefit to all concerned parties.

Our major capital project of 2021 was the continued development of our new science and discovery centre at Seacombe Terminal in Liverpool City Region. With the working title of Eureka! Mersey, the new name and brand was announced in June 2021. It will be called Eureka! Science + Discovery, and is anticipated to open in late 2022. There have been a number of delays in completing the Base Build but at this stage, the exhibition fit-out is well under way and all elements are coming together brilliantly. Importantly, we will complete this project within the final budget of £11.4M, in spite of increased costs directly related to COVID-19 and escalating building and energy costs – this is a major achievement and one we are very proud of given the additional challenges and uncertainty of the past two years.

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CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

We began to recruit for some of the key roles at our new site late in 2021 and will slowly make appointments to ensure we have an expert and well-trained team in place for our opening. We intend to recruit locally for many of the roles in order to support the local economy. There is tremendous enthusiasm in the local and regional community for the opening of Eureka! Science + Discovery, and we are very grateful for the support of our major funders of this project: Liverpool City Region Combined Authority, the Inspiring Science Fund supported by BEIS, UKRI and the Wellcome Trust, Wirral Borough Council and the Johnson Foundation; the many other trusts, foundations and corporates, including our founding partner Orsted, who have enabled us to move forward; and all of the friends, colleagues and stakeholders who have offered support in so many ways these past few years, and sustained their commitment through the COVID-19 crisis. We anticipate a successful launch and bright future for our second visitor attraction.

Another noteworthy achievement of 2021 was the trustee recruitment campaign we undertook at the end of the year. With our expansion to a two-site operation, the need to replace some recent vacancies due to retirements, and anticipation of some of our long-standing trustees standing down in the next few years, it was a good time to refresh and revitalise our board. As a result of our successful public campaign managed internally by our own team, we received many excellent applications. After a two-stage interview process, we made seven new appointments to our board, all outstanding individuals in their own right with a clear commitment to seeing Eureka! succeed.

On the subject of trustees, I would like to take this opportunity to thank my board colleagues who have given support over and above what is normally expected in the face of the greatest crisis to face Eureka! since it opened. I would also like to thank our staff team in Halifax; their contribution and commitment during this challenging time has been exemplary. And finally, a great debt of thanks is owed to our dedicated supporters and stakeholders, and most of all to our visitors, the families and children who continue to enjoy the Eureka! experience and return time and time again to share in the joy and learning each visit brings.

In closing, I would like to note that I will be concluding my term as Interim Chair in June 2022. It has been both challenging and rewarding to serve in this role over the past year. It has included a combination of uncertainty due to the external context and unpredictable impact of the pandemic, and profound excitement for the new journey we have begun with the forthcoming launch of Eureka! Science + Discovery and plans for new development in Halifax. I am delighted to state that Jane Rice-Bowen, Eureka! trustee since 2017, will take on the role of Chair for an initial three-year term from June 2022 onwards with the full support of the board.

As we enter our 30th year of operations, I have great confidence that the continued dedication and support of all of these valued individuals and groups, combined with the loyalty and support of our visitors will ensure a strong and successful future for Eureka!

AM. Hope

Alison Hope
Interim Chair of Trustees

Date: *30 June 2022*

EUREKA! THE NATIONAL CHILDREN'S MUSEUM
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their report for the year and financial statements for the year ended 31 December 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT:

Eureka! The National Children's Museum 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 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.

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 2021

STRATEGIC REPORT

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS

Strategic Priorities

Each year, the strategic framework for Eureka! is reviewed, strategic priorities are agreed and corporate objectives are set. 2021 was another exceptional year as it began in the midst of the second lockdown due to COVID-19 with no indication of when, or even if, Eureka! would be in a position to reopen and resume trading. Within this context, strategic priorities were set with a clear focus on objectives that would continue to support the charity through an extended closure period and facilitate a successful reopening and return to business when possible.

A brief summary of performance within each Strategic Priority is as follows:

Experience Excellence

- Sustain visitor engagement during closure

Visitor engagement was sustained through the digital delivery of Eureka@home. This was viewed more than 70k times since it launched and continues to attract an average of 500 views each week, with peaks over the school holiday weeks.

- Achieve successful re-opening when possible

Reopening occurred in May 2021 with online booking and a visitor cap of 1500 per day being put in place. Visitor numbers for 2021 were 149,062 and the majority of visitor feedback was positive.

Key improvements were made to the site and facility to make it more welcoming, attractive and functional whilst major capital development remained on hold due to ongoing uncertainty.

Financial Sustainability

- Deliver a break-even or better year-end result

A surplus was achieved in excess of forecast due to strong visitor numbers, and sales in shop, café, and carpark exceeding expectations.

- Maintain reserves at a minimum level of £400k

Available reserves were increased due to the support of a re-inflation grant of £677K from DCMS Cultural Recovery Fund and the surplus generated as outlined above. This has resulted in the charity delivering an outcome which is comparable to its year-end 2019 pre-COVID position.

Organisational Growth

- Agree key areas for investment to support recovery and growth

IT - The development of the IT system for both Eureka! Halifax and Eureka! Science + Discovery was escalated with delivery of both due in September 2022.

Property Strategy – JLL was appointed to develop a site-wide property strategy and to represent Eureka! in land negotiations regarding the Halifax Station Gateway (HSG) scheme and broader issues related to future responsibility for the heritage assets.

Baumann Lyons Architects were retained to consider options and requirements in consideration of HSG. Calderdale Council agreed to support and to cover professional fees in relation to HSG advice.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Maintenance and Development Fund (MDF) spend for 2022 was presented to the Finance & General Purpose Committee and the expenditure agreed with the majority allocated to the re-development of the Garage role play area in the Living and Working Together Gallery, and in fees to cover potential costs associated with the property negotiations.

- Eureka! Science + Discovery project to continue based on agreed programme

The Base Build progressed through to the end of 2021 but delays in completion arose in early 2022 and the project is now approximately 8 weeks behind schedule.

This has resulted in delays to exhibition fit-out which should now be complete in September/October 2022.

Costs remain within budget despite escalations in energy costs and building materials

New branding was launched in June 2021 and the website is under development for delivery in Summer 2022

Current projections for the launch are late 2022.

Recruitment began in late 2021 and an Operations Director commenced his role in April 2022

Dedicated and Empowered People

- Staff Focus on communications and team building

Communications and regular contact were maintained via video and text throughout closure periods including several all-staff meetings held digitally.

An approach to hybrid working was trialled successfully and a policy has subsequently been introduced which will be monitored on an ongoing basis

Some internal restructuring has taken place to increase efficiency and support current and planned initiatives with continued limited resources

- Trustee Focus on board growth and development

A successful trustee recruitment campaign resulted in the appointment of seven new trustees, doubling the size of our board.

FINANCIAL REVIEW

SUMMARY

2021 saw the museum successfully re-open as Covid restrictions were lifted and, with the support of the Cultural Recovery Fund, return the charity's financial position to a more secure footing.

The museum re-opened in May 2021 with on-line booking only and a reduced capacity compared to pre-Covid operations. Across the remainder of the year 149,062 visitors were admitted to the museum, 26% more than in 2020.

In July 2021 on-site work began on a new attraction, Eureka! Science + Discovery, in Seacombe on the Wirral due to open in late 2022.

Overall incoming resources for the year were £8,804,515, an increase from £3,582,672 in 2020. This increase is primarily as a result of grant receipts associated with the new attraction and the Cultural Recovery Fund but also due to the uplift in visitors to the existing attraction.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

The net movement in funds for the year rose to a surplus of £6,274,369 in 2021, from a surplus of £10,658 in 2020. Within this restricted funds grew by £5,163,201 while unrestricted funds rose by £1,111,168.

As a result, the charity has transferred £931,417 (2020: (£381,464)) from general unrestricted funds to designated funds while retaining free reserves of £655,657.

INCOME AND EXPENDITURE

Income for the year was £8,804,515 (2020: £3,582,673) including unrestricted income of £1,236,344 from charitable activities, £715,488 from trading activities and £1,080,101 from gifts and donations. Restricted income of £5,438,784 was received from grants and donations, primarily relating to Eureka! Science & Discovery, and any funds remaining at the year-end will be spent in future years.

Trading activities, after intercompany recharges, generated a surplus of £137,369 and the trading subsidiary will, therefore, make a payment under gift aid to the charity in 2022. The charity received a further £224,186 by way of rental and management charges from the trading subsidiary (2020: £234,971).

Charitable expenditure fell to £2,164,979 (2020: £2,702,591) following the implementation of staffing restructures and cost reductions through COVID.

FUTURE PLANS

Having been through challenging times over the past two years, Eureka! is now looking to a period of sustained recovery and growth with plans to invest in capital development at Halifax and the expansion to a two-site operation with the opening of Eureka! Science + Discovery.

In Halifax, we will be reviewing the plans for capital investment and physical improvements, both indoors and outdoors, with a focus on streamlining operational efficiencies and enhancing the visitor experience. From a content and experience point-of-view, there is a full review of the galleries and physical spaces under way which will form the basis for a prioritised plan for investment and redevelopment. The refurbishment of the Garage area within the Living and Working Together gallery will be completed by the end of 2022. The audience focus in Halifax will continue to be on children from birth to 11 with an emphasis on play and a specialism in early years.

Beyond that, enhancements in Halifax will be considered within the context of an overarching Property Strategy which is currently being developed. This strategy will consider the potential challenges and opportunities presented through the Station Gateway Scheme being undertaken by Calderdale Council which has significant implications for the entire Eureka! site and operations and will require capital investment at a level the charity has not seen since its opening. At this stage, it is difficult to say much more on this front as an agreement with Calderdale Council has not been achieved and this will determine, to a great extent, the way forward for Eureka! in its current location.

Eureka! Science + Discovery will open late in 2022. The priority will be to establish this centre as a successful and sustainable visitor attraction, generating sufficient revenue to cover operating costs, and eventually a surplus to create its own Maintenance & Development Fund for reinvestment and available reserves as required by the board. We must also deliver the agreed outcomes to the local and regional community as required by our funding agreement. In summary, this involves increasing aspiration and encouraging children and young people to pursue studies and careers in the STEM subjects. We will continue to work closely with stakeholders, partners and funders who have supported the development of Eureka! Science + Discovery.

The fact that Eureka! is expanding to a two-site operation and the inevitable impact on organisational culture that this will entail requires a considered approach to change management. To address this and plan for the next five to 10 years of growth and development at Eureka!, the board will be holding a Strategy Day late in 2022. Out of this, we anticipate introducing a Strategic Direction document to guide us through the exciting times ahead.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Featuring prominently in this document will be a new emphasis on sustainability, the impacts of climate change and Eureka!'s approach to a green agenda. We have introduced several initiatives to move us in this direction already, so a first step to articulating a more focussed vision will be undertaking a review of where we are at present, and from there developing the strategy and action plan to move us further forward. We know this is not something that can be achieved quickly, and that there will be costs associated with some of the recommendations, but we are committed to doing our part for the environment, to the best of our ability and within our capacity.

2022 marks 30 years since Eureka! welcomed visitors through the doors of the UK's first children's museum. Our path since that time has been one of leadership and innovation in the field of play-based learning and immersive experiences for children from birth to 11. The opening of Eureka! Science + Discovery in Liverpool City Region will see us break new ground, with a focus on encouraging children and young people up to the age of 14 and their families to explore the sciences and arts, inspiring them to pursue studies and careers in STEM subjects. With this breadth of audience and scope of content and experience, we believe we can have a tangible and widespread impact, helping to secure a more satisfying and sustainable future across the UK and beyond.

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 rising cost of living and operating costs and potential impact on visitor numbers, residual impact of COVID-19 and uncertainty in the face of a new variant, 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 AND RESERVES POLICY

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.

Furthermore, within the unpredictable context of the pandemic, the reserves policy was reviewed and the trustees established a £400,000 Strategic Future fund in addition to the free reserves of £500,000. This would be utilised in the unlikely event that the organisation decided to cease trading, to ensure that an orderly winding down of operations could be facilitated.

The development, refurbishment and maintenance of the museum's main building, galleries, grounds and heritage assets require significant funding. Given the creation, through both successful operating in the second half of 2021 and the receipt of the Cultural Recovery Fund, Eureka! is able to once again designate significant reserves to the Maintenance and Development Fund.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

At the end of 2021 Eureka! had free reserves of £655,657 (2020: £297,675) 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.

DISCLOSURE OF INFORMATION TO AUDITOR

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.

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.

AM Hope

Mrs A M Hope
Interim Chair

30 June 2022

EUREKA! THE NATIONAL CHILDREN'S MUSEUM
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic 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 . 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 Group and the Charitable Company and of their incoming resources and application of resources, including their 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 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

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

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 AUDITOR'S 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 charitable company') and its subsidiaries (together the 'group') for the year ended 31 December 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the 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 2021 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 Auditor's 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

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUREKA! THE NATIONAL CHILDREN'S MUSEUM (CONTINUED)

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 Auditor's 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 Group and 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 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUREKA! THE NATIONAL CHILDREN'S MUSEUM (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement on page 10, 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.

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group and parent charitable company through discussions with trustees, directors and other management and review of appropriate industry knowledge;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non compliance throughout the audit.

We assessed the susceptibility of the Group and the parent charitable company financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non compliance with laws and regulations.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUREKA! THE NATIONAL CHILDREN'S MUSEUM (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2.18 were indicative of potential bias.

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included, but were not limited to:

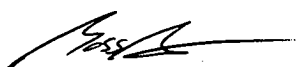
- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non compliance with laws and regulations and cannot be expected to detect all fraud and non compliance with laws and regulations.

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 Auditor's report.

Use of our report

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



Ross Preston (Senior statutory auditor)

for and on behalf of

Armstrong Watson Audit Limited

Chartered Accountants and Statutory Auditors

Leeds

Date: 30 June 2022

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	5,438,784	1,080,101	6,518,885	1,314,738
Charitable activities	4	-	1,236,344	1,236,344	845,575
Income from other trading activities:					
Commerical trading activities		-	715,488	715,488	794,554
Investments	5	-	4,207	4,207	10,429
Other income	6	-	329,591	329,591	617,377
Total income		5,438,784	3,365,731	8,804,515	3,582,673
Expenditure on:					
Commercial trading activities		-	400,329	400,329	869,424
Charitable activities	8	275,583	1,889,396	2,164,979	2,702,591
Total expenditure		275,583	2,289,725	2,565,308	3,572,015
Net income before taxation		5,163,201	1,076,006	6,239,207	10,658
Taxation - Museum & Gallery Exhibitions Tax relief		-	35,162	35,162	-
Net movement in funds		5,163,201	1,111,168	6,274,369	10,658
Reconciliation of funds:					
Total funds brought forward		4,196,270	2,894,209	7,090,479	7,079,821
Net movement in funds		5,163,201	1,111,168	6,274,369	10,658
Total funds carried forward		9,359,471	4,005,377	13,364,848	7,090,479

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 19 to 41 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 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	9,580,509	5,620,970
		<u>9,580,509</u>	<u>5,620,970</u>
Current assets			
Stocks	14	36,725	24,138
Debtors	15	1,884,110	465,074
Cash at bank and in hand	23	3,047,679	1,235,481
		<u>4,968,514</u>	<u>1,724,693</u>
Creditors: amounts falling due within one year	16	(1,184,175)	(255,184)
Net current assets		<u>3,784,339</u>	<u>1,469,509</u>
Total assets less current liabilities		<u>13,364,848</u>	<u>7,090,479</u>
Total net assets		<u><u>13,364,848</u></u>	<u><u>7,090,479</u></u>
Charity funds			
Restricted funds	19	9,359,471	4,196,270
Unrestricted funds	19	4,005,377	2,894,209
Total funds		<u><u>13,364,848</u></u>	<u><u>7,090,479</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 30 June 2022 and signed on their behalf by:

AM Hope

Mrs A M Hope
Trustee

The notes on pages 19 to 41 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 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	9,580,509	5,620,970
Investments	13	2	2
		<u>9,580,511</u>	<u>5,620,972</u>
Current assets			
Debtors	15	2,305,642	700,291
Cash at bank and in hand		2,586,530	1,110,662
		<u>4,892,172</u>	<u>1,810,953</u>
Creditors: amounts falling due within one year	16	(1,132,779)	(229,020)
Net current assets		<u>3,759,393</u>	<u>1,581,933</u>
Total assets less current liabilities		<u>13,339,904</u>	<u>7,202,905</u>
Total net assets		<u><u>13,339,904</u></u>	<u><u>7,202,905</u></u>
Charity funds			
Restricted funds	19	9,359,471	4,196,270
Unrestricted funds	19	3,980,433	3,006,635
Total funds		<u><u>13,339,904</u></u>	<u><u>7,202,905</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 30 June 2022 and signed on their behalf by:

AM. Hope

Mrs A M Hope
Trustee

The notes on pages 19 to 41 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 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities (note 22)	6,194,602	(169,376)
Cash flows from investing activities		
Dividends, interests and rents from investments	4,207	10,429
Purchase of tangible fixed assets	(4,386,611)	(857,694)
Net cash used in investing activities	(4,382,404)	(847,265)
Change in cash and cash equivalents in the year	1,812,198	(1,016,641)
Cash and cash equivalents at the beginning of the year	1,235,481	2,252,122
Cash and cash equivalents at the end of the year (note 23)	3,047,679	1,235,481

The notes on pages 19 to 41 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 2021

1. General information

Eureka! The National Children's Museum is a charitable company limited by guarantee and registered in England and Wales. The registered address is Eureka! The National Children's Museum, Discovery Road, Halifax, West Yorkshire, HX1 2NE.

The functioning and presentational currency is Sterling (£).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the 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 Consolidated statement of financial activities (SOFA) and Consolidated 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.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

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 (£).

2.2 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 2006. At 31 December 2021 there were seven members (2020: nine members).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 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 brought and the ongoing uncertainty as to any impact over the coming months, the Trustees feel that the charity is well placed to negotiate the 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 and for a period of 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, and the availability of funding both externally and internally. They have also considered future strategic and operational objectives for the ensuing 12 months and have considered and applied sensitivity analysis on the forecasts as appropriate.

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.

2.4 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.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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), general volunteer time is not recognised in the accounts.

Grants are included when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

The job retention scheme income amounts are recognised when there is reasonable assurance that the entity will comply with the conditions attaching to the grant and the grant will be received.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.5 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.

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.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.6 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 Statement of Financial Activities, including income and expenditure accounts.

The net income and expenditure account for the year dealt with in the accounts of the company was £6,136,999 (2020 - £458,505).

2.7 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 costs incurred to date. Depreciation on these assets is not charged until they are brought into use.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.8 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 the 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 presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

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 2021

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 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.

2.12 Cash at bank and in hand and cash equivalents

Cash at bank and in hand includes cash and instant access bank accounts. The cash equivalents includes short-term highly liquid investments with a short maturity of three months or less.

2.13 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.

2.14 Financial instruments

The Group 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.

2.15 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.

2.16 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 2021

2. Accounting policies (continued)

2.17 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 Group 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 Group 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.

2.18 Judgement in applying accounting policies and key sources of estimation uncertainty

The preparation of these financial statements require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

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

The Group and the company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

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 12 for the carrying amount of the property, plant and equipment and note 2.7 for the useful economic lives for each class of assets.

Bad debt provision

The Group and 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 15 for the net carrying amount of the debtors and associated impairment provision.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Income from donations and legacies

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Donations	5,438,784	1,080,101	6,518,885
	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	1,134,007	180,731	1,314,738
		2021 £	2020 £
Unrestricted			
Gift aid		234,396	160,438
Cultural Recovery Fund		783,300	-
Calderdale MBC		58,661	-
Spark Fund - Spooner Trust		2,000	1,000
Spark Fund - Others		1,579	579
Other		165	18,714
		1,080,101	180,731

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Restricted		
Inspiring Science Fund	2,063,545	856,823
Strategic Investment Fund	2,795,010	-
Headley Trust	25,000	-
ASDC	1,500	-
Arts Council England	-	6,000
Wirral BC	53,729	46,184
The Morrisons Foundation	-	25,000
The Foyle Foundation	-	100,000
The Johnson Foundation	200,000	100,000
The Garfield Weston Foundation	300,000	-
	<u>5,438,784</u>	<u>1,134,007</u>
 4. Income from charitable activities		
	Unrestricted funds 2021 £	Total funds 2021 £
Total income from operation of museum	<u>1,236,344</u>	<u>1,236,344</u>
	Unrestricted funds 2020 £	Total funds 2020 £
Total income from operation of museum	<u>845,575</u>	<u>845,575</u>
 5. Investment income		
	Unrestricted funds 2021 £	Total funds 2021 £
Bank deposit interest receivable	<u>4,207</u>	<u>4,207</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Investment income (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Bank deposit interest receivable	<u>10,429</u>	<u>10,429</u>

6. Other income

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Job retention scheme income	279,591	279,591
Sponsorship income	50,000	50,000
Total 2021	<u>329,591</u>	<u>329,591</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Job retention scheme income	<u>617,377</u>	<u>617,377</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Trading Activities

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2021	2021	2021	2020
	£	£	£	£
Charity Trading Income				
Turnover	<u>715,488</u>	-	<u>715,488</u>	<u>794,554</u>
Charity Other Operating Income				
Job retention scheme income	<u>46,396</u>	-	<u>46,396</u>	<u>215,311</u>
Fundraising trading expenses				
Cost of sales	179,983	-	179,983	117,152
Administrative expenses	297,639	-	297,639	102,910
Wages and salaries	139,573	-	139,573	610,427
Employers NI	5,658	-	5,658	30,733
Pension costs	1,664	-	1,664	8,202
	<u>624,517</u>	<u>-</u>	<u>624,517</u>	<u>869,424</u>
 Net income from trading activities before taxation	 <u>137,369</u>	 <u>-</u>	 <u>137,369</u>	 <u>140,441</u>

Turnover of £715,488 (2020: £794,554) has been recognised in the consolidated statement of financial activities in relation to the trading subsidiary.

In addition, inter-company recharges of £224,185 (2020: £234,971) have been eliminated on consolidation.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Analysis of expenditure by expenditure type

	Staff Costs 2021 £	Depreciation 2021 £	Other Costs 2021 £	Total 2021 £	Total 2020 £
Costs Incurred by Trading Subsidiaries	<u>146,896</u>	<u>-</u>	<u>253,433</u>	<u>400,329</u>	869,424
Establishment	272,706	218,211	502,101	993,018	1,162,171
Exhibition	625,918	208,861	121,216	955,995	1,266,098
Publicity	120,778	-	61,817	182,595	240,272
Charitable Activities	<u>1,019,402</u>	<u>427,072</u>	<u>685,134</u>	<u>2,131,608</u>	<u>2,668,541</u>
Expenditure on governance	<u>-</u>	<u>-</u>	<u>33,371</u>	<u>33,371</u>	<u>34,050</u>
	<u>1,166,298</u>	<u>427,072</u>	<u>971,938</u>	<u>2,565,308</u>	<u>3,572,015</u>
Total 2020	<u>2,080,737</u>	<u>418,618</u>	<u>1,072,660</u>	<u>3,572,015</u>	

9. Support costs

	2021 £	2020 £
Governance		
Auditor's remuneration	19,435	17,536
Legal and professional	13,936	16,514
	<u>33,371</u>	<u>34,050</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Net Income/(Expenditure)

This is stated after charging:

	2021	2020
	£	£
Fees payable to the auditor for the audit of the Company's annual accounts	15,185	13,986
Fees payable to the auditor in respect of fees in relation to:		
Corporation tax	4,250	3,550
Depreciation of tangible assets owned by the group	427,072	418,618
	<u>446,457</u>	<u>436,154</u>

11. Staff costs

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	1,050,170	1,894,829	910,597	1,284,402
Social security costs	72,077	122,974	66,419	92,241
Contribution to defined contribution pension schemes	44,051	62,934	42,387	54,732
	<u>1,166,298</u>	<u>2,080,737</u>	<u>1,019,403</u>	<u>1,431,375</u>

The average number of persons employed by the Group and Company during the year was as follows:

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Museum	56	81	56	81
Nursery	-	27	-	-
Cafe	15	23	-	-
	<u>71</u>	<u>131</u>	<u>56</u>	<u>81</u>

The average headcount expressed as a full time equivalent was 49 in the current and 85 in the previous year.

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11. Staff costs (continued)

Ms L-A Stradeski, a Trustee, received remuneration of £91,794 in the year (2020: £98,646) in her capacity as Chief Executive. Pension contributions of 10% of salary were paid (2020 10%). None of the other Trustees received remuneration during the year.

Two other employees received remuneration amounting to more than £60,000 in the current accounting year.

Costs incurred in relation to key management personnel were £97,369 in total (2020: £104,957) and this was in relation to one person in the current and previous year.

The charity purchased insurance £538 (2020: £538) to protect against loss arising from neglect or default of its trustees and officers. No expenses (2020: £Nil) were reimbursed to any trustees.

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Tangible fixed assets

Group

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Exhibition equipment £	Assets under course of construction £	Total £
Cost or valuation						
At 1 January 2021	7,884,775	1,667	798,706	3,819,589	1,091,839	13,596,576
Additions	-	-	-	-	4,386,611	4,386,611
Disposals	-	-	(2,105)	-	-	(2,105)
At 31 December 2021	7,884,775	1,667	796,601	3,819,589	5,478,450	17,981,082
Depreciation						
At 1 January 2021	3,957,938	1,667	678,737	3,337,264	-	7,975,606
Charge for the year	157,176	-	61,035	208,861	-	427,072
On disposals	-	-	(2,105)	-	-	(2,105)
At 31 December 2021	4,115,114	1,667	737,667	3,546,125	-	8,400,573
Net book value						
At 31 December 2021	3,769,661	-	58,934	273,464	5,478,450	9,580,509
At 31 December 2020	3,926,837	-	119,969	482,325	1,091,839	5,620,970

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FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Tangible fixed assets (continued)

Company

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Exhibition equipment £	Assets under the course of construction £	Total £
Cost or valuation						
At 1 January 2021	7,884,775	1,667	765,986	3,819,589	1,091,839	13,563,856
Additions	-	-	-	-	4,386,611	4,386,611
At 31 December 2021	<u>7,884,775</u>	<u>1,667</u>	<u>765,986</u>	<u>3,819,589</u>	<u>5,478,450</u>	<u>17,950,467</u>
Depreciation						
At 1 January 2021	3,957,938	1,667	646,017	3,337,264	-	7,942,886
Charge for the year	157,176	-	61,035	208,861	-	427,072
At 31 December 2021	<u>4,115,114</u>	<u>1,667</u>	<u>707,052</u>	<u>3,546,125</u>	<u>-</u>	<u>8,369,958</u>
Net book value						
At 31 December 2021	<u>3,769,661</u>	<u>-</u>	<u>58,934</u>	<u>273,464</u>	<u>5,478,450</u>	<u>9,580,509</u>
At 31 December 2020	<u>3,926,837</u>	<u>-</u>	<u>119,969</u>	<u>482,325</u>	<u>1,091,839</u>	<u>5,620,970</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Fixed asset investments

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	2
	<hr/>
At 31 December 2021	2
	<hr/> <hr/>
Net book value	
At 31 December 2021	2
	<hr/>
At 31 December 2020	2
	<hr/> <hr/>

14. Stocks

	Group 2021 £	Group 2020 £
Shop goods for resale	31,002	24,138
Catering goods for resale	5,723	-
	<hr/>	<hr/>
	36,725	24,138
	<hr/> <hr/>	<hr/> <hr/>

15. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due within one year				
Trade debtors	1,630,466	356,479	1,621,005	352,484
Other debtors	145,220	-	578,263	244,389
Prepayments and accrued income	108,424	108,595	106,374	103,418
	<hr/>	<hr/>	<hr/>	<hr/>
	1,884,110	465,074	2,305,642	700,291
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	932,266	74,074	918,938	69,398
Other taxation and social security	33,476	21,511	24,089	26,397
Other creditors	9,270	14,147	9,270	14,147
Accruals and deferred income	209,163	145,452	180,482	119,078
	1,184,175	255,184	1,132,779	229,020

17. Deferred income

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Deferred income				
Deferred income at 1 January 2021	27,692	77,099	12,994	7,401
Resources deferred during the year	50,860	27,692	37,324	12,994
Amounts released from previous periods	(27,692)	(77,099)	(12,994)	(7,401)
Deferred income at 31 December 2021	50,860	27,692	37,324	12,994

This balance is included within accruals and deferred income within creditors due within one year.

18. Financial instruments

	Group 2021 £	Group 2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure	4,823,367	1,339,475
	Group 2021 £	Group 2020 £
Financial liabilities		
Financial liabilities measured at amortised cost	1,065,382	157,394

Financial assets measured at fair value through income and expenditure 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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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

19. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Balance at 31 December 2021 £
Unrestricted funds						
Designated funds						
Spark Fund	14,383	3,579	-	-	-	17,962
Fixed asset fund	2,032,151	-	(152,893)	-	-	1,879,258
Maintenance & development fund	150,000	-	(28,917)	-	931,417	1,052,500
Strategic futures fund	400,000	-	-	-	-	400,000
	<u>2,596,534</u>	<u>3,579</u>	<u>(181,810)</u>	<u>-</u>	<u>931,417</u>	<u>3,349,720</u>
General funds						
General Funds	<u>297,675</u>	<u>3,362,152</u>	<u>(2,107,915)</u>	<u>35,162</u>	<u>(931,417)</u>	<u>655,657</u>
Total Unrestricted funds	<u>2,894,209</u>	<u>3,365,731</u>	<u>(2,289,725)</u>	<u>35,162</u>	<u>-</u>	<u>4,005,377</u>
Restricted funds						
All About Me (formerly Me and My Body)	619,903	-	(196,639)	-	-	423,264
1855 Station Building Project	2,053,291	-	(70,763)	-	-	1,982,528
Gift in kind for exhibitions	4,000	-	(500)	-	-	3,500
Other restricted funds	56,865	26,500	(1,404)	-	-	81,961
Eureka! Mersey	1,462,211	5,412,284	(6,277)	-	-	6,868,218
	<u>4,196,270</u>	<u>5,438,784</u>	<u>(275,583)</u>	<u>-</u>	<u>-</u>	<u>9,359,471</u>
Total of funds	<u>7,090,479</u>	<u>8,804,515</u>	<u>(2,565,308)</u>	<u>35,162</u>	<u>-</u>	<u>13,364,848</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

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 strategic future funds has been designated by the trustees to ensure that in the unlikely event that the organisation decided to cease trading an orderly winding down of operations could be facilitated.

The Eureka! Mersey restricted funds balance represents grants and donations received for the purpose of developing Eureka! Science + Discovery at Seacombe.

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 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 December 2020 £</i>
Unrestricted funds					
Designated funds					
Spark Fund	12,804	1,579	-	-	14,383
Fixed asset fund	2,142,755	-	(144,437)	33,833	2,032,151
Maintenance & development fund	1,014,082	-	(48,785)	(815,297)	150,000
Strategic futures fund	-	-	-	400,000	400,000
	<u>3,169,641</u>	<u>1,579</u>	<u>(193,222)</u>	<u>(381,464)</u>	<u>2,596,534</u>
General funds					
General Funds	<u>545,951</u>	<u>2,447,087</u>	<u>(3,076,827)</u>	<u>381,464</u>	<u>297,675</u>
Total Unrestricted funds	<u>3,715,592</u>	<u>2,448,666</u>	<u>(3,270,049)</u>	<u>-</u>	<u>2,894,209</u>

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19. Statement of funds (continued)

Restricted funds - prior year

All About Me (formerly Me and My Body)	816,542	-	(196,639)	-	619,903
1855 Station Building Project	2,124,053	-	(70,763)	-	2,053,290
Gift in kind for exhibitions	4,500	-	(500)	-	4,000
Other restricted funds	84,909	6,000	(34,043)	-	56,866
Eureka! Mersey	334,225	1,128,007	(21)	-	1,462,211
	<u>3,364,229</u>	<u>1,134,007</u>	<u>(301,966)</u>	<u>-</u>	<u>4,196,270</u>
Total of funds	<u>7,079,821</u>	<u>3,582,673</u>	<u>(3,572,015)</u>	<u>-</u>	<u>7,090,479</u>

20. Summary of funds

Summary of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Balance at 31 December 2021 £
Designated funds	2,596,534	3,579	(181,810)	-	931,417	3,349,720
General funds	297,675	3,362,152	(2,107,915)	35,162	(931,417)	655,657
Restricted funds	4,196,270	5,438,784	(275,583)	-	-	9,359,471
	<u>7,090,479</u>	<u>8,804,515</u>	<u>(2,565,308)</u>	<u>35,162</u>	<u>-</u>	<u>13,364,848</u>

Summary of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2020 £
Designated funds	3,169,641	1,579	(193,222)	(381,464)	2,596,534
General funds	545,951	2,447,087	(3,076,827)	381,464	297,675
Restricted funds	3,364,229	1,134,007	(301,966)	-	4,196,270
	<u>7,079,821</u>	<u>3,582,673</u>	<u>(3,572,015)</u>	<u>-</u>	<u>7,090,479</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	7,701,260	1,879,249	9,580,509
Current assets	2,373,495	2,595,019	4,968,514
Creditors due within one year	(715,284)	(468,891)	(1,184,175)
Total	9,359,471	4,005,377	13,364,848

Analysis of net assets between funds - prior year

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	3,588,818	2,032,152	5,620,970
Current assets	638,442	1,086,250	1,724,692
Creditors due within one year	(30,990)	(224,193)	(255,183)
Total	4,196,270	2,894,209	7,090,479

22. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	Group 2020 £
Net income for the year (as per Statement of Financial Activities)	6,274,369	10,658
Adjustments for:		
Depreciation charges	427,072	418,618
Dividends, interests and rents from investments	(4,207)	(10,429)
(Increase)/decrease in stocks	(12,587)	9,264
(Increase)/decrease in debtors	(1,419,036)	(334,501)
Increase/(decrease) in creditors	928,991	(262,985)
Net cash provided by/(used in) operating activities	6,194,602	(169,375)

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23. Analysis of cash and cash equivalents

	Group 2021 £	<i>Group 2020 £</i>
Cash in hand	2,291,430	882,346
Notice deposits (less than 3 months)	756,249	353,135
Total cash and cash equivalents	3,047,679	<i>1,235,481</i>

24. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash and cash equivalents	1,235,481	1,812,198	3,047,679
	1,235,481	1,812,198	3,047,679

25. 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 £44,051 (2020: £62,934). At the year end date outstanding contributions to the plans amounted to £8,523 (2020: £14,116).

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26. Operating lease commitments

At 31 December 2021 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Not later than 1 year	4,835	6,215	4,835	6,215
Later than 1 year and not later than 5 years	3,525	8,360	3,525	8,360
	8,360	14,575	8,360	14,575

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 2021, the company was due £7,917 (2020: £66,077) and £7,917 (2020: £19,000) of these balances are due within one year. £nil (2020: £47,077) are due between one and five years and £nil (2020: £nil) are due after five years.

27. 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 28 to the accounts. At 31 December 2020, Eureka! The National Children's Museum was owed £433,043 by 1855 Station Building Limited (2020: £219,587). Eureka! The National Children's Museum has made management re-charges of £224,186 (2020: £234,971) to 1855 Station Building Limited.

28. Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Holding	Included in consolidation
1855 Station Building Limited	03613193	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets /(liabilities) £
1855 Station Building Limited	761,884	624,515	137,369	24,946