

NATIONAL SPACE CENTRE

Consolidated Trustees' Report and Financial Statements

Period ended 1 January 2017



Charity registration no. 1078832  
Company registration no. 03485236

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# National Space Centre

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## REPORT OF THE TRUSTEES

For the period ended 1 January 2017

### LEGAL AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

#### CHARITY REGISTRATION NUMBER

1078832

#### COMPANY REGISTRATION NUMBER

03485236

#### DIRECTORS AND TRUSTEES

Prof Sir M Sweeting (Chairman)

E Cassidy

N P Siesage

Prof D J Southwood

S M Sharma

C H Bishop

J Moore

A M Kapur

D Parker (resigned 5 November 2016)

G Moss

Prof E Yeoman

K Thomas

J Fry

R A Evernden (appointed 8 June 2017)

#### SECRETARY

J Barnacle

#### AUDITOR

RSM UK Audit LLP

Rivermead House,

7 Lewis Court

Grove Park

Leicester

LE19 1SD

#### BANKERS

Yorkshire Bank

29 Horsefair Street

Leicester

LE1 5BL

## REPORT OF THE TRUSTEES

For the period ended 1 January 2017

### **SOLICITORS**

Nelsons  
Provincial House  
37 New Walk  
Leicester  
LE1 6TU

### **PRINCIPAL & REGISTERED OFFICE**

National Space Centre  
Exploration Drive  
Leicester  
LE4 5NS

### **CHIEF EXECUTIVE OFFICER**

C H Bishop

### **FINANCE DIRECTOR**

A McNamee

### **SPACE ACADEMY DIRECTOR**

A Ojha

## REPORT OF THE TRUSTEES

For the period ended 1 January 2017

The trustees, who are also directors of the charitable company for the purposes of the Companies Act, submit their annual report including the strategic report and the financial statements for the period ended 1 January 2017.

### OBJECTIVES, AIMS AND PUBLIC BENEFIT STATEMENT

National Space Centre, a registered charity and a company limited by guarantee, and its subsidiaries were established to raise finance for the construction of the National Space Centre in Leicester, manage the project and operate the completed Centre.

The charity's object, as set out in its Memorandum and Articles of Association dated 18 December 1997, is the advancement of education for the public benefit, in particular but not exclusively, in relation to space & planetary science, astronomy and technology and their significance to life on Earth.

The Charity runs three business units; all of which help it achieve its object. The Visitor Attraction is highly educational and informative. The National Space Academy uses space as a context by which to teach science subjects and mathematics to GCSE, A level, BTEC and apprenticeship students and their teachers. NSC Creative provides film content for planetarium operators worldwide.

The National Space Academy's purpose is to materially enhance the size and quality of the UK science & engineering skills pool for the benefit of all industry sectors needing these skills. Programmes are delivered by a team of six full time employees and a growing network of over 30 seconded teachers, research scientists and industrial engineers across the UK.

The National Space Centre has an Education Award Scheme to help fund visits by disadvantaged groups of young people to whom bursaries are granted. Disadvantaged audiences will continue to be a focus of attention in 2017 as the function of the proposed new building extension continues to be assessed.

The Trustees consider that they have complied with their duties under section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

The trustees have adopted the provisions of the Charities Statement of Recommended Practice (FRS102) "Accounting and Reporting by Charities", in preparing the annual report and financial statements of the charity.

The trustees are appointed by the members of the company. They can either be members of the company or can be co-opted in recognition of their special expertise being valuable to the work of the Board.

The Memorandum and Articles of Association provide that one third of the trustees retire by rotation at each annual general meeting and may offer themselves for re-appointment. The following are nominating members and as such, have the right to a number of nominations, such nominations to be of their choice are appointed to act as trustee:

Leicester City Council

University of Leicester

Leicestershire Chamber of Commerce and Industry

Each nominating member has the right to replace from time to time its nominated trustees. In addition, the Board may appoint and remove additional trustees.

## REPORT OF THE TRUSTEES

For the period ended 1 January 2017

The charity seeks to ensure that its trustees have the appropriate mix of skills to properly guide the work of the charity and continues to consider putting in place succession arrangements for the ongoing development of the Board. New Board members are inducted by the chairman assisted by other trustees and the executive directors of the subsidiary company who ensure that each trustee understands his/her role on the Board and their responsibilities as Board members.

Day to day management of the group's activities is delegated to the Board of the subsidiary company, NSSC Operations Limited, and in particular its executive directors, Mr C St H Bishop, Chief Executive, Mrs A McNamee, Finance Director and Mr A Ojha, Space Academy Director, who are supported by an experienced senior management team.

The remuneration of the Key Management Personnel is set each year by the Remuneration Committee.

The charity is assisted by the University of Leicester in fulfilling its charitable objectives.

The charity has a number of related party relationships, which are discussed in note 29.

### FINANCIAL INSTRUMENTS

The charity does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The trustees do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or performance.

### HERITAGE ASSETS

The charity holds an extensive collection of heritage assets which are shown separately on the balance sheet. Additions to the collection are made by purchase, loan or donation. Items on loan are not included on the balance sheet. Trustees are committed to preserving and safeguarding heritage assets in the collection, recognising the heritage significance of these assets and their custodial responsibilities for both owned assets and those on loan.

### RESERVES

The policy of the trustees is to hold adequate reserves to place the National Space Centre in a firm financial position, to enable renewal and further investment in the Centre. Free reserves are defined as total reserves less capital funds, restricted and designated funds. Free reserves represent the funds of the charity which are not designated for particular purposes. In accordance with Charity Commission Guidelines, the trustees have examined the requirement to maintain free reserves. At 1 January 2017, free reserves held were £1,246,438 (27 December 2015: £1,160,154) which financed the working capital requirements of the National Space Centre. The Trustees have concluded that, in order to meet the objectives set out in its Ten Year Vision and to deliver *Vision 2015* in particular, additional funding in excess of £2 million will be required over the next 8 years; a large part of that funding will need to be generated by retained surpluses and, therefore, they expect free reserves to continue to build in future years.

In the longer term, the trustees propose to generate sufficient additional income such that the free funds cover operational requirements and provide a surplus which can be designated for the development, refurbishment and expansion of the National Space Centre, whilst recognising the need to finance the repayment of bank loans and interest on local authority loans.

### SUBSIDIARIES

#### • NSSC OPERATIONS LIMITED

The charity's wholly owned trading subsidiary carries out the day to day activities of the charity. NSSC Operations Limited will remit any accumulated profit it generates to the charity by way of gift aid. A summary of the trading results is shown in note 2 of the accounts.

#### • NSSC PROPERTY LIMITED

This is a dormant company.

## REPORT OF THE TRUSTEES

For the period ended 1 January 2017

### EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Staff Communication meetings are held on a quarterly basis for presentations and discussion of key areas including business updates and projects.

National Space Centre has a number of policies and procedures in relation to all personnel matters including:

- Equal Opportunities; and
- Health & Safety

The recruitment and training of staff is undertaken in accordance with the charity's equal opportunities policy and in line with the Equality Act 2010.

### VOLUNTEERS

The group has received the benefit of services of secondees from the University of Leicester. The Group is extremely grateful for these gifts in kind. It is extremely difficult to place a value on the time gifted and accordingly it is not included within the statement of financial activities.

### STRATEGIC REPORT

#### ACHIEVEMENTS, PERFORMANCE AND KEY PERFORMANCE INDICATORS

The Charity continues to fulfil its object and develop according to its *Ten Year Vision (2016-25)*. Its three business units continue to demonstrate a strong commercial performance, with a sustained 10% trading margin over the past five years. The Charity ended the year with a strong balance sheet and ambitious development plans, including a proposed building extension to increase capacity to better accommodate current family, school and corporate event volume.

#### Visitor Attraction

Total volume grew by 9% from 290,000 to 315,000 visitors, with growth in both family (11%) and school (5%) markets. Tim Peake's mission proved an obvious volume-driver and was the focus of significant educational activity and long term programming, with other space activity getting good media coverage and general trading conditions appearing favourable. Impressive new exhibition content includes an overhaul of the Mercury and Venus exhibits, the introduction of the popular *Space Oddities* gallery and a reconfiguration of the *Live Space* presentation area to accommodate bigger groups, better sound and clearer vision. Secondary spend in the Cargo Bay shop and new Boosters café was 9% and 13% up respectively; the former to be given an overhaul in early 2017. A concept design for the proposed extension has been approved and construction work could begin in January 2018 if requisite funds can be secured by summer 2017. Other projects include a refreshment of the Orbiting Earth with new Earth Observation content and a prospective *Britain's Space Race* gallery on the currently unused Deck 2 of the Rocket Tower.

Corporate hospitality income exceeded £500k for the year and will continue to be capped at this level by capacity limitations until more space is made available in the planned extension.

#### National Space Academy

The National Space Academy continues to grow with impressive delivery results in the UK, backed by a new three year contract with the UK Space Agency, and new contracts for programme delivery in China and four Gulf states.

## REPORT OF THE TRUSTEES

For the period ended 1 January 2017

The lead educator network has been boosted by new funding from the Ogden Trust which has introduced a new physics teacher (shared 50:50 with the local Gateway College) and several of its own teaching ambassadors to the network. Bursary schemes from the Ogden Trust and PPG Paints help to make programmes available to disadvantaged school groups for whom a visit or programme purchase would otherwise be impossible. Student participation UK-wide continues to grow whilst teacher participation has dipped slightly. Initial bookings for 2017 programmes suggest that this is not a cause for concern.

The post-16 Space Engineering course (with Loughborough College) continues to appeal to students with no family history of higher education and is popular with universities and their Widening Participation programmes: 28 students have taken this progression path in its first four years and five have taken high quality apprenticeship programmes with Airbus, Rolls-Royce and Bombardier. Affiliated college courses in Banbury, Birmingham, Glasgow, Newcastle, Salford, Surrey and West London are in various stages of development: work will continue to be done to ensure that these colleges aspire to attain or exceed the Loughborough model and performance.

The Higher Apprenticeship in Space Engineering remains largely unsupported by industry but will remain available until the impact of the apprenticeship levy (starts April 2017) can be assessed.

Programme delivery China has been well-received and achieved a high profile, with a longer term commitment possible. A contract with the UAE Space Agency on behalf of four Gulf states has been signed for an initial eighteen months followed by review and consideration of a further two years' extension.

Tim Peake's mission formed the basis of the *Astro Academy: Principia* suite of education films, created on behalf of the European Space Agency for use in the classroom by teachers. Launched in October 2016, the films feature experiments performed by Tim on board the International Space Station and repeated on Earth with contrasting results. The experiments were designed by the National Space Academy and prepared for flight with support from the University of Leicester. Films have been returned to the European Space Agency and will be edited for use by schools across Europe from Summer 2016 onward.

### **NSC Creative**

Commissioned work has been dominated by a series of animated films for the Ferrari World theme park in Abu Dhabi; practically completed by the end of 2016. Other ongoing work includes a focus on educational content for Virtual Reality headsets and the development of *The Planets 360* planetarium show with support from the Royal Astronomical Society's RAS 200 Fund. This will be launched in summer 2017.

External work is balanced with in-house project work for the exhibition development and marketing teams to ensure that new exhibition and web-based content is of the highest standard. 2017 projects will include design work for long term replacements of both the Challenger Learning Centre and SIM simulator; both of which are reaching end of life.

### **FINANCIAL REVIEW**

During the period, the charity continued to seek further sponsorship and grant support to fund development of the National Space Centre and to establish reserves to meet the costs of refreshing the exhibition.

Grants and sponsorships received in the year totalled £279,679 (27 December 2015 - £257,558), the majority for the National Space Academy. This included £99,776 from the UK Space Agency, £36,200 from the Science and Technology Facilities Council and £99,000 from the Lloyds Foundation Trust.

In 2016 the Group expended £487,429 on fixed assets and £11,203 on heritage assets.

The Group's net assets at 1 January 2017 were £24,490,204 compared to £24,663,537 at the start of the year.



## REPORT OF THE TRUSTEES

For the period ended 1 January 2017

### FUTURE PLANS

The Ten Year Vision (2016-25) sets ambitious long term growth targets and the milestones that must be achieved along the way. The Three Year Business Plan (2017-19) incorporates the detail of capital and programme development plans for each of the three business units. The most significant of these is the proposed extension of the building to provide 847m<sup>2</sup> of flexible new space for presentations, workshops, temporary exhibitions and corporate events. Funding bids are in train to help cover the £4.0m cost, with up to £250k to be allocated from reserves. £1.0m has been secured from Government's Local Growth Fund. Should funds be secured as planned, construction would take place over the calendar year 2018 for launch in early 2019.

A separate, but related, project is a prospective new main entrance and ticket sales facility at the base of the Rocket Tower that would take place at the same time as the extension to exploit the building site. Again, an early 2019 launch is feasible. Other major developments in the visitor attraction include a Britain's Space Race exhibition on Deck Two of the Rocket Tower, subject to Heritage Lottery Funding being secured, and a refurbishment of the Gas Giants exhibits following the completion of the Rocky Planets in 2016.

The National Space Academy will continue to grow its outputs in the UK. Bursary schemes with the Ogden Trust and PPG paints (both 2016-2018) are in place to help those who might otherwise struggle to pay. The affiliation of colleges delivering Space Engineering and related courses continues to grow, with courses in Brooklands (Surrey) and Glasgow likely by the end of 2018. A £350k contract with the UK Space Agency will see programme delivery to students in four Gulf states from 2017-20, and further work in China via the University of Nottingham's Ningbo campus is likely.

NSC Creative continues to broaden its work with investment in content for new Virtual Reality platforms at the end of 2016. The Ferrari World (Abu Dhabi) contract and the Planets 360 production will both be fulfilled in 2017. Business remains unpredictable but there is a strong pipeline of prospective projects at the start of 2017 that the team is working hard to secure.

### RISKS AND UNCERTAINTIES

The Trustees have established systems and procedures in order to identify, assess and manage major risks to which the charity is exposed. A detailed risk register has been established, covering the key areas of:

- Premises
- Financial control
- Operating environment
- Operational risks
- Strategy and management
- Personnel
- New project development
- Funding

## REPORT OF THE TRUSTEES

For the period ended 1 January 2017

This risk register is updated by the chief executive and the management team and reviewed by the audit committee on a regular basis. The likelihood of risks occurring is evaluated along with an assessment of any impacts arising. Safeguards are identified and a plan of action is implemented in respect of all manageable risks where the likelihood of occurrence and the financial or operational impact are assessed as high.

A Strategic Issues Register is updated monthly to guide the operating company in its most pressing decision-making areas and keep Trustees informed of its actions.

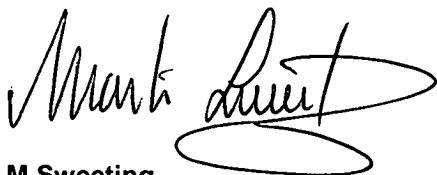
The two major risks identified by the business are the building extension and the National Space Park. Failure to deliver the extension would suppress income growth and not address capacity issues. £1m funding is confirmed and other bids have either been submitted or are in the process of being submitted. The National Space Park would give the University of Leicester a major presence on an adjacent site and would attract hi-tech businesses to the area. Again, Local Growth Funding has been confirmed and the overall site masterplan is in train.

### PROVISION OF INFORMATION TO AUDITOR

So far as each of the Trustees is aware at the time the report is approved:

- 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' Report and the Strategic Report were approved by the Board and signed on its behalf by:



**Prof Sir M Sweeting**

Chairman

Date: 4/7/17

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

For the period ended 1 January 2017

The trustees (who are also the directors of the National Space Centre for the purposes of company law) are responsible for preparing the Report of the Trustees 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 which 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 its income and expenditure, of the group for that period. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL SPACE CENTRE

### Opinion on financial statements

We have audited the financial statements of National Space Centre (the 'parent charitable company') and its subsidiary (the 'group') for the period ended 1 January 2017 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 1 January 2017 and of the group's incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent charitable company, 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.

### Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 9 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS  
OF NATIONAL SPACE CENTRE

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

*RSM UK Audit LLP*

Gareth Jones (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Rivermead House  
7 Lewis Court  
Grove Park  
Leicester  
LE19 1SD

Date *5/7/17*

# National Space Centre

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account)

For the period ended 1 January 2017

					<i>Period ended 1 January 2017 £</i>	<i>Period ended 27 December 2015 £</i>
<b>INCOME FROM:</b>	<b>Notes</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Capital restricted funds £</b>		
Donations & legacies:	3					
- Donations		-	98	-	98	31,198
Charitable activities:	4					
- Admissions		2,684,302	-	-	2,684,302	2,231,341
- Gift aid		323,772	25	-	323,797	280,197
- Grants		-	247,051	-	247,051	236,943
- Space Academy		216,998	-	-	216,998	100,214
Other trading activities:	5					
- Retail		633,832	-	-	633,832	526,747
- Catering / Corporate		1,056,424	-	-	1,056,424	905,959
- Creative Services		1,268,191	-	-	1,268,191	1,633,244
- Sponsorship		3,694	28,934	-	32,628	20,615
<b>TOTAL</b>	<b>6</b>	<b>6,187,213</b>	<b>276,108</b>	<b>-</b>	<b>6,463,321</b>	<b>5,966,458</b>
<b>EXPENDITURE ON:</b>						
Raising funds	7	(1,513,778)	-	-	(1,513,778)	(1,388,022)
Charitable activities	8	(4,289,008)	(279,096)	(554,772)	(5,122,876)	(4,859,356)
<b>TOTAL</b>		<b>(5,802,786)</b>	<b>(279,096)</b>	<b>(554,772)</b>	<b>(6,636,654)</b>	<b>(6,247,378)</b>
<b>NET INCOME/ (EXPENDITURE)</b>	<b>9</b>	<b>384,427</b>	<b>(2,988)</b>	<b>(554,772)</b>	<b>(173,333)</b>	<b>(280,920)</b>
<b>OTHER RECOGNISED GAINS/(LOSSES):</b>						
Deferred tax movements		-	-	-	-	50,000
<b>NET MOVEMENT IN FUNDS</b>		<b>384,427</b>	<b>(2,988)</b>	<b>(554,772)</b>	<b>(173,333)</b>	<b>(230,920)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		3,102,146	18,074	21,543,317	24,663,537	24,894,457
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>3,486,573</b>	<b>15,086</b>	<b>20,988,545</b>	<b>24,490,204</b>	<b>24,663,537</b>

# National Space Centre

## CONSOLIDATED BALANCE SHEET

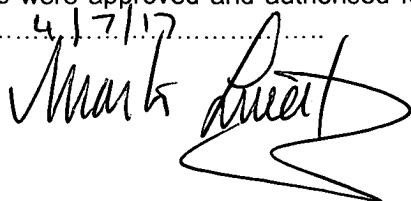
REGISTERED NUMBER: 03485236

At 1 January 2017

	Notes	Period ended 1 January 2017 £	Period ended 27 December 2015 £
<b>FIXED ASSETS</b>			
Tangible assets	12	20,042,508	20,389,302
Heritage assets	13	5,325,158	5,313,955
		<u>25,367,666</u>	<u>25,703,257</u>
<b>CURRENT ASSETS</b>			
Stocks	15	63,869	64,814
Debtors	16	394,036	324,773
Investments	18	1,014,431	1,309,165
Cash at bank and in hand		711,281	790,190
		<u>2,183,617</u>	<u>2,488,942</u>
<b>CREDITORS:</b> amounts falling due within one year	19	(852,412)	(1,200,512)
<b>NET CURRENT ASSETS</b>		<u>1,331,205</u>	<u>1,288,430</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>26,698,871</u>	<u>26,991,687</u>
<b>CREDITORS:</b> amounts falling due after more than one year	20	(2,208,667)	(2,328,150)
<b>TOTAL ASSETS LESS LIABILITIES</b>		<u>24,490,204</u>	<u>24,663,537</u>
<b>CAPITAL FUNDS</b>			
Restricted funds	23	20,988,545	21,543,317
<b>INCOME FUNDS</b>			
Unrestricted funds		3,486,573	3,102,146
Restricted funds	24	15,086	18,074
		<u>3,501,659</u>	<u>3,120,220</u>
<b>TOTAL CHARITY FUNDS</b>		<u>24,490,204</u>	<u>24,663,537</u>

The financial statements were approved and authorised for issue by the Board of trustees and were signed on its behalf on 4.1.17

Prof Sir M Sweeting  
Chairman



# National Space Centre

## COMPANY BALANCE SHEET

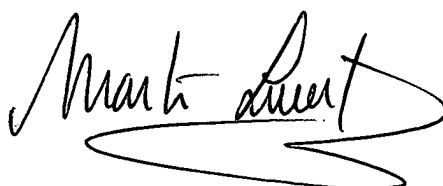
REGISTERED NUMBER: 03485236

At 1 January 2017

	Notes	Period ended 1 January 2017 £	Period ended 27 December 2015 £
<b>FIXED ASSETS</b>			
Tangible assets	12	19,646,942	19,918,793
Heritage assets	13	5,325,158	5,313,955
Investments	14	2	2
		<u>24,972,102</u>	<u>25,232,750</u>
<b>CURRENT ASSETS</b>			
Debtors	16	1,529,256	1,484,010
Cash at bank and in hand		96,968	18,074
		<u>1,626,224</u>	<u>1,502,084</u>
<b>CREDITORS:</b> amounts falling due within one year	19	(8,926)	(3,398)
<b>NET CURRENT ASSETS</b>		<u>1,617,298</u>	<u>1,498,686</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>26,589,400</u>	<u>26,731,436</u>
<b>CREDITORS:</b> amounts falling due after more than one year	20	(2,115,000)	(2,115,000)
<b>TOTAL ASSETS LESS LIABILITIES</b>		<u>24,474,400</u>	<u>24,616,436</u>
<b>CAPITAL FUNDS</b>			
Restricted funds	23	20,988,545	21,543,317
<b>INCOME FUNDS</b>			
Unrestricted funds	23	3,485,855	3,073,119
<b>TOTAL CHARITY FUNDS</b>		<u>24,474,400</u>	<u>24,616,436</u>

The financial statements were approved and authorised for issue by the Board of trustees and were signed on its behalf on 4/7/17

Prof Sir M Sweeting  
Chairman





# National Space Centre

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 1 January 2017

	<i>Period ended 1 January 2017 £</i>	<i>Period ended 27 December 2015 £</i>
<b>Cash flows from operating activities:</b>		
Net cash provided by operating activities	252,693	1,022,855
<b>Cash flows from investing activities:</b>		
Interest received	13,210	9,643
Purchase of tangible fixed assets	(487,429)	(191,278)
Purchase of heritage assets	(11,203)	(14,528)
<b>Net cash used in investing activities</b>	<b>(485,422)</b>	<b>(196,163)</b>
<b>Cash flows from financing activities:</b>		
Interest paid	(8,523)	(9,973)
Repayment of capital element of finance leases	(132,391)	(170,727)
<b>Net cash used in financing activities</b>	<b>(140,914)</b>	<b>(180,700)</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>(373,643)</b>	<b>645,992</b>
Cash and cash equivalents at the beginning of the reporting period	2,099,355	1,453,363
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,725,712</b>	<b>2,099,355</b>
<b>Reconciliation of net expenditure to net cash flow from operating activities:</b>		
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(173,333)	(280,920)
Interest receivable	(13,210)	(9,643)
Interest payable	8,523	9,973
Depreciation of tangible fixed assets	834,223	881,004
Loss on sale of fixed assets	-	1,137
Decrease in stocks	945	7,214
(Increase)/decrease in debtors	(69,263)	15,068
(Decrease)/increase in creditors	(335,192)	399,022
<b>Net cash provided by operating activities</b>	<b>252,693</b>	<b>1,022,855</b>
<b>Analysis of cash and cash equivalents:</b>		
Cash at bank and in hand	711,281	790,190
Short term deposits	1,014,431	1,309,165
	<b>1,725,712</b>	<b>2,099,355</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

### 1. ACCOUNTING POLICIES

#### **General information**

National Space Centre is a charitable company incorporated in England. The charity is governed by its Memorandum and Articles of Association.

The address of the Charity's principal place of business is given on page 2. The nature of the Charity's operations is set out in the Report of the Trustees. The group consists of the National Space Centre and its two subsidiaries as set out on page 4.

#### **Basis of preparation**

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

National Space Centre 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 principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below:

#### **Reconciliation with previous generally accepted accounting practice**

These financial statements are the first financial statements of National Space Centre prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP (FRS102). The financial statements of National Space Centre for the period ended 27 December 2015 were prepared in accordance with previous UK GAAP and SORP 2005. The date of transition to FRS102 was 29 December 2014.

The financial statements are presented in sterling which is also the functional currency of the Charity.

Monetary amounts in these financial statements are rounded to the nearest whole £, except where otherwise indicated.

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102) a restatement of comparative items was required. Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from UK GAAP. Consequently, the charity has amended certain accounting policies to comply with FRS 102. There has been no impact on the reporting financial position or financial performance as shown under previous SORP at the date of transition to FRS102 or in the comparative period. As a result the charity has not presented the reconciliations and descriptions of the effect of the transition to FRS102 on; i) funds at the date of transition to FRS102; ii) funds at the end of the comparative period; and iii) net movement in funds for the comparative period as would normally be presented if there had been a change at the transition date.

Under FRS 102, the Statement of Cash Flows presents changes in cash and cash equivalents (which include cash in hand, deposits repayable on demand and overdrafts and short-term, highly liquid investments), showing changes arising from operating activities, investing activities and financing activities separately. Under previous SORP, the Cash Flow Statement presented changes in cash (which includes cash in hand, deposits repayable on demand and overdrafts) under the headings of operating activities, returns on investments and servicing of finance, capital expenditure and financial investment and financing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

1. ACCOUNTING POLICIES (continued)

**Reduced disclosures**

In accordance with FRS 102, the parent Charity has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

The financial statements of the parent Charity are included within these consolidated financial statements.

**Basis of consolidation**

The group accounts consolidate the financial statements of the Charity and its trading subsidiary undertakings. Intra-group transactions and balances are eliminated on the consolidation. Surpluses and deficits of organisations entering or leaving the group are included from the date of acquisition or up to the date of disposal. A separate Statement of Financial Activities (SOFA), or Income and Expenditure Account for the charity itself is not presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

**Going concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The Charity has adequate resources to continue operation existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Where income is received in advance of performance, its recognition is deferred and included in creditors until the contract is performed.

**Grant income**

Grants receivable in respect of capital expenditure are credited to the statement of financial activities on a receivable basis.

Grants income is recognised in the period in which the charitable group is entitled to receipt, receipt is probable and the amount can be recognised with reasonable certainty.

**Operating revenue recognition**

Income from admission fees is recognised on the date of admission for entry tickets. Income from shop and café sales is recognised at the point of sale. Income from show licence sales for NSC Creative is recognised at the date of installation. Project income for NSC Creative becomes due according to agreed milestones and income is recognised at these dates. Space Academy income, excluding grants, donations and sponsorships, is recognised on the date of delivery.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

### 1. ACCOUNTING POLICIES (continued)

#### **Annual passes**

Visitors may convert their admission tickets to annual passes. Income from these visitors is recognised in the period in which it is received.

#### **Sponsorship income**

Sponsorship income is recognised when invoiced, provided that the group has fulfilled its obligations under the sponsorship agreement.

#### **Gifts in kind**

The group benefits from many hours given freely by trustees, patrons and other supporters. In addition, the group has received the benefit of services of secondees from organisations including Leicester City Council and University of Leicester. The Group is extremely grateful for all of these gifts in kind. It is impractical to place a value on the time gifted and accordingly it is not included within the statement of financial activities.

Assets donated to the group are included within the statement of financial activities in the year in which they are donated.

#### **Expenditure**

Expenditure is recognised where a liability is incurred.

- expenditure on raising funds are those incurred in trading activities and raising funds.
- charitable activities include expenditure associated with education for the public benefit, operation of the National Space Centre and include direct costs and support costs relating to these activities.
- support costs have been allocated between charitable activities and cost of raising funds according to resources expended on each area.

#### **Fund accounting**

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects.

Restricted funds are those funds which have been given for particular purposes and projects.

Certain contributions by way of grants, donations and sponsorship, have specified purposes to which such funds should be allocated. Such funds are treated as restricted funds.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

### 1. ACCOUNTING POLICIES (continued)

#### ***Tangible fixed assets and depreciation***

Fixed assets are recorded at cost or, in the case where assets have been donated to the group, at valuation at the time of acquisition. Depreciation is provided on all capitalised tangible fixed assets excluding freehold land, at rates calculated to write off the cost, less estimated residual value, based on values prevailing at the date of acquisition, of each asset evenly over its expected useful life, as follows:

Leasehold property	150 years
Freehold buildings	50 years
Exhibition fit out	5 to 10 years
Plant & equipment	5 to 10 years
Motor vehicles	5 years
Challenger equipment	5 years
Challenger buildings	10 years
Office equipment	2½ years

Freehold land is not depreciated.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be reasonable.

Fixed assets are capitalised where the value exceeds £1,000.

#### ***Heritage assets***

The group possesses a significant international collection of space artefacts, which is displayed in the National Space Centre. These artefacts include:

- spacecraft (e.g. rockets) and their components
- space suits and related items
- satellites (including models)
- extra-terrestrial rock samples
- other space related exhibits

Where such artefacts have been purchased, the purchase and installation costs are capitalised in the balance sheet.

In accordance with FRS 102, the group includes heritage assets at either;

- Valuation – where information regarding their value is readily available
- Cost – where assets are not valued but information regarding their cost price is readily available

Where reliable valuations or information relating to their cost is unavailable and cannot be obtained at a cost which is commensurate with the benefits to users of the financial statements, those assets are not recognised on the balance sheet. The majority of the charity's heritage assets are considered to be held for long term use. On this basis they are not depreciated unless, in the trustees' opinion, they have a finite life. The trustees will review the useful economic life attributable to each heritage asset on a regular basis where they will revise existing valuations and assess for any indicators of impairment.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

### 1. ACCOUNTING POLICIES (continued)

A number of heritage assets were valued at £4,390,000 in 2000 and are included in the balance sheet at that value. Other donated heritage assets have not been recognised, as the trustees consider that in the absence of reliable cost information, the expense of determining a reliable value for these artefacts is onerous compared with the additional benefit derived by users of the accounts.

#### **Stocks**

Stocks comprise catering supplies and goods for resale and are stated at the lower of cost and estimated selling price less costs to complete and sell.

#### **Cash and bank balances**

Cash and bank balances includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition.

#### **Current investments**

Current investments comprise of cash held on deposit which has a maturity date of more than 3 months from the date of acquisition.

#### **Operating lease rentals**

Operating lease rentals are charged to the statement of financial activities on a straight line basis over the lease term.

#### **Finance leases**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

#### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All exchange differences are taken to the statement of financial activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

**1. ACCOUNTING POLICIES (continued)**

***Pensions***

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

***Financial instruments***

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

**Financial assets and liabilities**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

**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. There are no critical accounting estimates and areas of judgement to note.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

2. NET INCOME FROM TRADING ACTIVITY OF SUBSIDIARY

The charity has two wholly owned subsidiaries which are incorporated in Great Britain. NSSC Operations Limited operates the National Space Centre, whilst NSSC Property Limited did not trade during the period. A summary of the trading results of NSSC Operations Limited is shown below. Audited accounts will be filed with the Registrar of Companies.

	Period ended 1 January 2017 £	Period ended 27 December 2015 £
<b>Profit and loss account</b>		
Income	5,846,160	5,269,594
Expenditure	(5,882,142)	(5,438,625)
Operating loss	(35,982)	(169,031)
Interest receivable	13,210	9,643
Interest payable	(8,523)	(9,973)
Net loss for the period	(31,295)	(169,361)
<b>Balance sheet</b>		
Fixed assets	395,565	470,508
Current assets	2,072,381	2,450,298
Creditors: amounts falling due within one year	(2,358,474)	(2,660,555)
Net current liabilities	(286,093)	(210,257)
Long term liabilities	(93,666)	(213,150)
Net assets	15,806	47,101
Aggregate share capital and reserves	15,806	47,101



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

## 3. DONATIONS &amp; LEGACIES

	<i>Unrestricted funds</i> £	<i>Restricted funds</i> £	<i>Period ended 1 January 2017</i> £	<i>Period ended 27 December 2015</i> £
<b>Donations:</b>				
Garfield Weston Foundation	-	-	-	30,000
Education Awards Scheme	-	98	98	1,198
	-	98	98	31,198

## 4. CHARITABLE ACTIVITIES

	<i>Unrestricted funds</i> £	<i>Restricted funds</i> £	<i>Period ended 1 January 2017</i> £	<i>Period ended 27 December 2015</i> £
<b>Admissions</b>	2,684,302	-	2,684,302	2,231,341
<b>Gift aid</b>	323,772	25	323,797	280,197
<b>Space Academy</b>	216,998	-	216,998	100,214
<b>Grants:</b>				
UK Space Agency	-	99,776	99,776	102,943
Lloyds Foundation Trust	-	99,000	99,000	99,000
Science and Technology Facilities Council	-	36,200	36,200	25,000
Satellite Applications Catapult	-	12,075	12,075	10,000
	-	247,051	247,051	236,943
	<b>3,225,072</b>	<b>247,076</b>	<b>3,472,148</b>	<b>2,848,695</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

## 5. OTHER TRADING ACTIVITIES

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<b>Period ended 1 January 2017</b>	<i>Period ended 27 December 2015</i>
	£	£	£	£
Retail	633,832	-	633,832	526,747
Catering / Corporate	1,056,424	-	1,056,424	905,959
Creative Services	1,268,191	-	1,268,191	1,633,244
Sponsorships:				
ITP Engines UK Ltd	-	12,434	12,434	5,000
Ogden Trust	-	15,000	15,000	10,500
Other sponsorship	3,694	1,500	5,194	5,115
	<b>2,962,141</b>	<b>28,934</b>	<b>2,991,075</b>	<b>3,086,565</b>

## 6. ANALYSIS OF INCOME

Income is attributable to geographical markets as follows:

	<b>Period ended 1 January 2017</b>	<i>Period ended 27 December 2015</i>
	£	£
<b>Turnover:</b>		
United Kingdom	5,917,692	5,125,592
Europe	307,837	342,723
Rest of World	237,792	498,143
<b>Total</b>	<b>6,463,321</b>	<b>5,966,458</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

7. EXPENDITURE – RAISING FUNDS

	<i>Costs of raising donations &amp; other income</i> £	<i>Retail</i> £	<i>Catering</i> £	<i>Period ended 1 January 2017</i> £	<i>Period ended 27 December 2015</i> £
Staff costs	65,130	50,261	339,805	455,196	327,847
Costs of sales	-	305,811	354,082	659,893	563,326
Marketing	160,019	-	-	160,019	182,066
Maintenance	-	-	665	665	1,095
Running and sundry	2,354	3,010	49,372	54,736	40,752
IT and licences	-	-	-	-	1,641
Cleaning	-	-	5,191	5,191	4,711
Travel	1,553	1,385	2,831	5,769	2,292
Creative services	171,423	-	-	171,423	263,192
Training and recruitment	511	375	-	886	715
Telephone and internet	-	-	-	-	385
	<u>400,990</u>	<u>360,842</u>	<u>751,946</u>	<u>1,513,778</u>	<u>1,388,022</u>

For the period ended 27 December 2015, the expenditure breakdown for raising funds was as follows:-

	£
Cost of generating donations and other income	486,794
Retail	257,025
Catering	644,203
	<u>1,388,022</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

8. EXPENDITURE – CHARITABLE ACTIVITIES

	<i>Charitable activities</i>	<i>Governance</i>	<i>Period ended 1 January 2017</i>	<i>Period ended 27 December 2015</i>
	£	£	£	£
Staff costs	3,027,101	-	3,027,101	2,812,313
Depreciation	834,223	-	834,223	881,004
Cost of sales	40,002	-	40,002	32,784
Utilities	210,862	-	210,862	199,131
Marketing	73,536	-	73,536	50,168
Space Academy	48,504	-	48,504	49,096
Maintenance	195,984	-	195,984	266,064
Running & sundry	140,731	-	140,731	151,782
Insurance & rent	105,307	-	105,307	79,875
IT & licences	134,566	-	134,566	111,053
Finance	27,061	-	27,061	25,047
Cleaning	43,002	-	43,002	34,462
Audit, legal & consultancy	15,843	22,255	38,098	30,670
Travel	120,564	-	120,564	78,943
Training & recruitment	44,607	-	44,607	30,153
Telephone & internet	15,340	-	15,340	9,151
Postage & stationery	23,388	-	23,388	17,660
	<b>5,100,621</b>	<b>22,255</b>	<b>5,122,876</b>	<b>4,859,356</b>

Governance costs for the period ended 27 December 2015 amounted to £19,056.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

**9. NET EXPENDITURE**

Net expenditure is stated after charging:

	<b>Period ended 1 January 2017 £</b>	<b>Period ended 27 December 2015 £</b>
Auditor's remuneration - audit services	16,440	15,700
- non-audit services	5,615	3,250
Depreciation of tangible fixed assets	834,223	881,004
- owned by the group	782,888	829,669
- held under finance lease	51,335	51,335
Loss on sale of fixed assets	-	1,137
Operating lease rentals - land and buildings	25,950	25,175
Inventories recognised as an expense	612,419	515,504

**10. TRUSTEES' EMOLUMENTS AND KEY MANAGEMENT PERSONNEL**

	<b>Period ended 1 January 2017 £</b>	<b>Period ended 27 December 2015 £</b>
Trustees' emoluments	123,357	118,690
Company pension contributions to money purchase pension scheme	13,030	13,118

Remuneration of trustees is contrary to general charity law. Approval has been obtained from the Charity Commission under section 198 of the Charities Act 2011 since such remuneration is considered to be in the best interests of the charity.

The Chief Executive and the Chairman of NSSC Operations Limited were paid £108,357 and £15,000 (27 December 2015 - £103,690 and £15,000) respectively for qualifying services in those capacities and £12,692 and £338 (27 December 2015 - £12,443 and £675) respectively for company pension contributions to a money purchase pension scheme. They received no remuneration as Trustees.

During the period retirement benefits were also accruing to 2 trustees, the Chairman and Chief Executive, (27 December 2015 – 2) in respect of money purchase pension schemes.

During the period £3,428 (27 December 2015 - £3,448) was paid to 4 trustees (2015: 5) for the reimbursement of expenses.

The total compensation including national insurance and pension contributions payable to key management personnel of the charity were £434,649 (2015: £421,938).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

## 11. STAFF COSTS

	<i>Period ended 1 January 2017</i>	<i>Period ended 27 December 2015</i>
	£	£
Staff costs were as follows:-		
Wages and salaries	3,087,646	2,779,159
Social security costs	245,421	222,778
Other pension costs	149,230	138,223
	<u>3,482,297</u>	<u>3,140,160</u>

The above amounts reflect the remuneration of individuals who have contracts of employment and exclude payments made to individuals contracted on a consultancy basis.

The number of employees whose emoluments amounted to over £60,000 in the period was as follows:-

	<i>Period ended 1 January 2017</i>	<i>Period ended 27 December 2015</i>
	No	No
Between £60,001 - £70,000	1	1
Between £100,001 - £110,000	1	1
	<u>2</u>	<u>2</u>

During the period retirement benefits were accruing to 2 employees whose emoluments amounted to over £60,000 (27 December 2015 – 2), the contributions in the year amount to £16,634 (27 December 2015: £16,308).

The average number of employees (expressed as full time equivalents) during the period was as follows:

	<i>Period ended 1 January 2017</i>	<i>Period ended 27 December 2015</i>
	No	No
Administration	61	51
Operations	59	59
	<u>120</u>	<u>110</u>

The average number of employees based on headcount is 166 (2015: 146).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

## 12. TANGIBLE FIXED ASSETS

*Group*

	<i>Land &amp; buildings</i> £	<i>Exhibition fit out</i> £	<i>Plant &amp; equipment</i> £	<i>Motor vehicles</i> £	<i>Challenger building &amp; equipment</i> £	<i>Total</i> £
<b>Cost or valuation</b>						
At 27 December 15	26,339,983	10,034,397	1,202,539	25,995	1,197,606	38,800,520
Additions	12,494	228,822	246,113	-	-	487,429
At 1 January 17	26,352,477	10,263,219	1,448,652	25,995	1,197,606	39,287,949
<b>Depreciation</b>						
At 27 December 15	7,175,978	9,229,366	803,070	5,198	1,197,606	18,411,218
Charge for the period	502,132	144,339	182,553	5,199	-	834,223
At 1 January 17	7,678,110	9,373,705	985,623	10,397	1,197,606	19,245,441
<b>Net book value</b>						
At 1 January 17	18,674,367	889,514	463,029	15,598	-	20,042,508
At 27 December 15	19,164,005	805,031	399,469	20,797	-	20,389,302

The net book value of assets held under finance leases or hire purchase contracts, included above are as follows:

	<b>1 January 2017</b> £	<b>27 December 2015</b> £
Plant and equipment	58,088	81,323
Exhibition fit out	224,800	252,900
	<u>282,888</u>	<u>334,223</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

12. TANGIBLE FIXED ASSETS (continued)

*Charitable Company*

	<i>Land &amp; buildings</i>	<i>Exhibition fit out</i>	<i>Plant &amp; equipment</i>	<i>Motor vehicles</i>	<i>Challenger building &amp; equipment</i>	<i>Total</i>
	£	£	£	£	£	£
<b>Cost or valuation</b>						
At 27 December 15	26,339,983	9,548,694	957,606	25,995	1,197,606	38,069,884
Additions	12,494	228,822	246,113	-	-	487,429
At 1 January 17	26,352,477	9,777,516	1,203,719	25,995	1,197,606	38,557,313
<b>Depreciation</b>						
At 27 December 15	7,175,978	9,076,018	696,291	5,198	1,197,606	18,151,091
Charge for the period	502,132	107,821	144,128	5,199	-	759,280
At 1 January 17	7,678,110	9,183,839	840,419	10,397	1,197,606	18,910,371
<b>Net book value</b>						
At 1 January 17	18,674,367	593,677	363,300	15,598	-	19,646,942
At 27 December 15	19,164,005	472,676	261,315	20,797	-	19,918,793



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

**12. TANGIBLE FIXED ASSETS** (continued)

**Group and Charitable Company**

Land and buildings are analysed as follows:

	<i>Freehold</i>	<i>Long leasehold</i>	<i>Total</i>
	£	£	£
<b>Cost</b>			
At 27 December 2015	25,231,983	1,108,000	26,339,983
Additions	12,494	-	12,494
	<hr/>	<hr/>	<hr/>
At 1 January 17	25,244,477	1,108,000	26,352,477
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 27 December 2015	7,068,758	107,220	7,175,978
Charge for the period	494,745	7,387	502,132
	<hr/>	<hr/>	<hr/>
At 1 January 17	7,563,503	114,607	7,678,110
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 1 January 17	17,680,974	993,393	18,674,367
	<hr/>	<hr/>	<hr/>
At 27 December 2015	18,163,225	1,000,780	19,164,005
	<hr/>	<hr/>	<hr/>

Freehold land and buildings include freehold land of £680,000 (2015: £680,000) that is not depreciated.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

### 13. HERITAGE ASSETS

#### *Group and Charitable Company*

	Artefacts £
<b>Cost or valuation</b>	
Items included at cost at 27 December 2015	923,955
Items included at valuation at 27 December 2015	4,390,000
	<hr/>
Cost or valuation at 27 December 2015	<b>5,313,955</b>
	<hr/>
<b>Additions</b>	
Additions at cost in 2016	11,203
	<hr/>
Cost or valuation at 1 January 17	<b>5,325,158</b>
	<hr/>

Various donated items, including flight suits, models, food and clothes, were valued by Art Dula, an American aerospace lawyer with expertise in acquiring and selling historical space items, in August 2000. The valuations are on a fair market value / replacement value on those parts of the collection where it is felt such a valuation can be reasonably made. The Trustees consider there to be no material impairment on the present market values / replacement values compares to those stated.

There were no material additions or disposals to the heritage assets held by the Charity in 2016 or the previous four years.

The National Space Centre maintains a register for its collections of heritage assets which records the nature, provenance and current location of each asset. The National Space Centre uses artefacts to help interpret storylines in the exhibition. The curatorial work collects, conserves, records and makes publicly available material telling the story of British and World Space exploration in the past, present and future.

This purpose will be achieved through:

- a) acquisitions, organisation and preservation of objects, manuscripts, pamphlets, photographs.
- b) informing, inspiring and entertaining its users through the provision and promotion of interpretative displays and related services.
- c) undertaking, enabling and publishing research relevant to the subject area of the National Space Centre.

These are items of scientific importance which are held for the furtherance of the National Space Centre's objects and are considered to be heritage assets.

Assets are only disposed of where, in the opinion of the Trustees, an item does not contribute to the interest and diversity of the National Space Centre's collection or, in exceptional circumstances, where the disposal will provide the National Space Centre with funding that, in the opinion of the Trustees, is considered essential to the National Space Centre's being able to fulfil its charitable objects in the future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

**13. HERITAGE ASSETS (continued)**

Approximately £2,015,000 (2015: £4,000,000) of loaned items are also held. In many cases these items have been obtained on permanent or long term loans from museums and similar institutions and the group may not sell or otherwise dispose of these items without the prior consent of the donor. The value of these items is not included on the balance sheet.

**Preservation and Management**

Expenditure which in the Trustees' view is required to preserve or clearly prevent further deterioration of individual collection items is recognised in the Income and Expenditure Account when it is occurred. The Charity has an on-going programme of conservation.

Heritage assets are insured in total for £12,000,000 including loan items.

The environmental conditions in which the assets are held are continually monitored by a building management system and a network of dataloggers. Relative humidity, temperature and light exposure are regularly measured and remedial action taken if necessary. A loaned dog space suit was moved from an exposed position to one out of direct sunlight when it became apparent that it was not possible to protect it from the harmful effects of sunlight. Heritage assets are also inspected regularly and any maintenance required is carried out promptly. Specialist care and advice is sought as needed from a variety of experts including the National Science Museum. The collection is held at the National Space Centre, on display for the public to view. The collection is protected by a security team. Some of the articles are available for handling by the public, most being in display cases or behind barriers.

**14. INVESTMENTS**

**Charitable Company**

				<b>Subsidiary undertakings</b>
				<b>£</b>
Cost at 27 December 2015 and 1 January 2017				<b>2</b>
<b>Name of Company</b>	<b>Company no.</b>	<b>Holding</b>	<b>Proportion of investment</b>	<b>Nature of business</b>
NSSC Operations Limited	04141856	Ordinary shares	100%	Operation of National Space Centre
NSSC Property Limited	03486099	Ordinary shares	100%	Dormant

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

## 15. STOCKS

	<i>At 1 January 2017</i>		<i>At 27 December 2015</i>	
	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	£	£	£	£
Goods for resale	63,869	-	64,814	-

## 16. DEBTORS

	<i>At 1 January 2017</i>		<i>At 27 December 2015</i>	
	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	£	£	£	£
Trade debtors	206,660	-	152,060	-
Other debtors	24,437	16,082	20,570	20,570
Amounts owed by subsidiary undertakings	-	1,513,174	-	1,463,440
Prepayments	112,939	-	102,143	-
Deferred taxation (note 17)	50,000	-	50,000	-
	<b>394,036</b>	<b>1,529,256</b>	<b>324,773</b>	<b>1,484,010</b>

## 17. DEFERRED TAXATION

	<i>At 1 January 2017</i>		<i>At 27 December 2015</i>	
	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	£	£	£	£
The deferred taxation included in the Balance Sheet is as follows:				
Included in debtors (note 16)	50,000	-	50,000	-
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Brought forward	(50,000)	-	-	-
Profit and loss account movement arising during the period	-	-	(50,000)	-
	<b>(50,000)</b>	<b>-</b>	<b>(50,000)</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

**18. CURRENT INVESTMENTS**

	<i>At 1 January 2017</i>		<i>At 27 December 2015</i>	
	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	£	£	£	£
Cash equivalents on deposit	<b>1,014,431</b>	-	1,309,165	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**19. CREDITORS:** amounts falling due within one year

	<i>At 1 January 2017</i>		<i>At 27 December 2015</i>	
	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	£	£	£	£
Net obligations under finance leases	<b>119,484</b>	-	132,392	-
Trade creditors	<b>217,696</b>	-	192,424	-
Other taxes and social security costs	<b>157,513</b>	-	192,909	-
Other creditors	<b>25,565</b>	<b>2</b>	49,002	<b>2</b>
Deferred income (note 26)	<b>154,850</b>	-	400,721	-
Accruals	<b>177,304</b>	<b>8,924</b>	233,064	3,396
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>852,412</b>	<b>8,926</b>	1,200,512	3,398
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The finance leases are secured through a cross guarantee which is in place between National Space Centre and NSSC Operations Limited.

**20. CREDITORS:** amounts falling due after more than one year

	<i>At 1 January 2017</i>		<i>At 27 December 2015</i>	
	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	£	£	£	£
Loan note	<b>2,000,000</b>	<b>2,000,000</b>	2,000,000	2,000,000
Loan	<b>115,000</b>	<b>115,000</b>	115,000	115,000
Net obligations under finance leases	<b>93,667</b>	-	213,150	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>2,208,667</b>	<b>2,115,000</b>	2,328,150	2,115,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

**20. CREDITORS:** amounts falling due after more than one year (continued)

The loan note is repayable to Leicester City Council at the discretion of the National Space Centre. Interest accrues on the loan should group annual net profits exceed £100,000 in a financial year. In such circumstances, interest accrues at 6% of net income, pro-rated on the basis of the value of loan notes in issue.

The loan is repayable to Leicester City Council immediately if the annual net profits of the National Space Centre exceed £500,000.

The finance lease is secured through a cross guarantee which is in place between National Space Centre and NSSC Operations Limited. All amounts are wholly repayable within 5 years.

**21. FINANCIAL INSTRUMENTS**

	At 1 January 2017 £	At 27 December 2015 £
Financial assets:		
Debt instruments measured at amortised cost	231,097	172,630
	<u>231,097</u>	<u>172,630</u>
Financial liabilities:		
Measured at amortised cost	2,748,716	2,935,032
	<u>2,748,716</u>	<u>2,935,032</u>

**22. MEMBERSHIP**

The National Space Centre is incorporated under the Companies Act 2006 as a company limited by guarantee having no share capital. The liability of members to contribute towards the debts of the charity in the event of a deficit on winding up is limited to £10 each.

**23. RECONCILIATION OF FUNDS**

The results of the parent charity are as follows:

	<i>Restricted capital funds</i> £	<i>Unrestricted revenue funds</i> £	<i>Total</i> £
<b>Charitable Company</b>			
At 27 December 2015	21,543,317	3,073,119	24,616,436
Net (expenditure)/income for the financial period	(554,772)	412,736	(142,036)
At 1 January 2017	<u>20,988,545</u>	<u>3,485,855</u>	<u>24,474,400</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

### 23. RECONCILIATION OF FUNDS (continued)

Capital funds are restricted grants from the Millennium Commission and East Midlands Development Agency (EMDA) for the design and build of the National Space Centre.

The Millennium Commission and Leicestershire Economic Partnership provided funding for the Human Space Flight Gallery and John Eggleston Suite. The Millennium Commission and the Wellcome Trust provided funding for the Astronaut planetarium show and the refurbishment of the planetarium. EMDA and Science and Technology Facilities Council (STFC) provided funding for the Space Now gallery.

### 24. RESTRICTED REVENUE FUNDS

<b>GROUP</b>	<i>At 27 December 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>At 1 January 2017 £</i>
Education Awards Scheme	18,074	123	(3,111)	15,086
National Space Academy	-	275,985	(275,985)	-
	<u>18,074</u>	<u>276,108</u>	<u>(279,096)</u>	<u>15,086</u>

The Education Awards Scheme aims to develop ways of ensuring a positive impact on the lives of disadvantaged school and community groups by enabling them to visit the National Space Centre, or participate in a National Space Centre programme, free of charge.

The National Space Academy has the dual goals of engaging young people with the sciences and maths using the inspirational context of space, and facilitating pathways into space sector careers by working with industry, academia, and secondary, further and higher education. The Academy works in the following areas towards these goals:

- Curriculum linked masterclasses for secondary (high school) and college students
- Regional, national and international teacher training
- The full-time two-year Space Engineering course for pre-university students
- The National Higher Apprenticeship in Space Engineering for early career space professionals
- Supporting the UK's first full-time schools with space embedded throughout the curriculum
- Careers conferences for more than a thousand secondary school, college and university students each year focused on career progression routes into the UK space and wider science and engineering sectors.

The Academy is part funded by the National Space Centre, the UK Space Agency, the Science and Technology Facilities Council (STFC), the Satellite Applications Catapult and the Lloyds Register Foundation, with additional support from The Ogden Trust.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

## 25. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	<i>Restricted funds</i> £	<i>Unrestricted funds</i> £	<i>At 1 January 2017</i> £	<i>At 27 December 2015</i> £
<b>Fund balances at are represented by:</b>				
Tangible fixed assets	17,835,031	2,207,477	20,042,508	20,389,302
Heritage assets	5,292,500	32,658	5,325,158	5,313,955
Current assets	24	2,183,593	2,183,617	2,488,942
Current liabilities	(8,924)	(843,488)	(852,412)	(1,200,512)
Long term liabilities	(2,115,000)	(93,667)	(2,208,667)	(2,328,150)
	<u>21,003,631</u>	<u>3,486,573</u>	<u>24,490,204</u>	<u>24,663,537</u>

Company	<i>Restricted funds</i> £	<i>Unrestricted funds</i> £	<i>At 1 January 2017</i> £	<i>At 27 December 2015</i> £
<b>Fund balances at are represented by:</b>				
Tangible fixed assets	17,819,945	1,826,997	19,646,942	19,918,793
Heritage assets	5,292,500	32,658	5,325,158	5,313,955
Investments	-	2	2	2
Current assets	24	1,626,200	1,626,224	1,502,084
Current liabilities	(8,924)	(2)	(8,926)	(3,398)
Long term liabilities	(2,115,000)	-	(2,115,000)	(2,115,000)
	<u>20,988,545</u>	<u>3,485,855</u>	<u>24,474,400</u>	<u>24,616,436</u>

## 26. DEFERRED INCOME

	<i>As at 27 December 2015</i> £	<i>Income received/ invoiced in year</i> £	<i>Amount released to income</i> £	<i>At 1 January 2017</i> £
Grant and sponsorship income	86,867	298,995	(279,680)	106,182
Corporate events	27,718	564,433	(558,483)	33,668
NSC Creative	286,136	997,055	(1,268,191)	15,000
	<u>400,721</u>	<u>1,860,483</u>	<u>(2,106,354)</u>	<u>154,850</u>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

### 27. CAPITAL COMMITMENTS

	<i>At 1 January 2017 £</i>	<i>At 27 December 2015 £</i>
Contracted for, but not provided in the financial statements	<b>30,120</b>	24,987

### 28. OTHER FINANCIAL COMMITMENTS

#### Operating leases

The group had total commitments under non-cancellable operating leases in respect of land and buildings as follows:

	<i>At 1 January 2017 £</i>	<i>At 27 December 2015 £</i>
Amounts due:		
Less than one year	<b>21,000</b>	21,000
Between two and five years	<b>84,000</b>	84,000
After more than five years	<b>204,750</b>	225,750
	<b>309,750</b>	330,750

### 29. RELATED PARTY TRANSACTIONS

A number of the trustees have been invited to join the Board as representatives of partner organisations. There have been no financial transactions between the charity and the partner organisations during the year.

During the year, the charity's subsidiary, NSSC Operations Limited, charged the charity £1,000,000 (2015: £700,000) in respect of a management charge. At the year end, the charity was owed £1,513,174 (2015: £1,463,440) by NSSC Operations Limited.

### 30. PENSION COMMITMENTS

The group makes monthly contributions to individual's personal pension schemes. The pension cost charge represents contributions payable by the group and amounted to £149,230 (period ended 27 December 2015 - £138,223). Contributions totalling £23,884 (period ended 27 December 2015 - £82,873) were payable to the funds at the balance sheet date and are included in creditors.

### 31. CONTROLLING PARTIES

In the opinion of the trustees, given the structure of the charity, there is no ultimate controlling party.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 1 January 2017

**32. STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE PERIOD ENDED 27 DECEMBER 2015**

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Capital restricted funds</i>	<i>Total</i>
<i>INCOME FROM:</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Donations & legacies:				
- Donations	-	31,198	-	31,198
Charitable activities:				
- Admissions	2,231,341	-	-	2,231,341
- Gift aid	279,717	480	-	280,197
- Space Academy	100,214	-	-	100,214
- Grants	-	236,943	-	236,943
Other trading activities:				
- Retail	526,747	-	-	526,747
- Catering / Corporate	905,959	-	-	905,959
- Creative Services	1,633,244	-	-	1,633,244
- Sponsorship	3,615	17,000	-	20,615
<b>TOTAL</b>	<b>5,680,837</b>	<b>285,621</b>	<b>-</b>	<b>5,966,458</b>
<b>EXPENDITURE ON:</b>				
Raising funds	(1,388,022)	-	-	(1,388,022)
Charitable activities	(3,947,831)	(284,995)	(626,530)	(4,859,356)
<b>TOTAL</b>	<b>(5,335,853)</b>	<b>(284,995)</b>	<b>(626,530)</b>	<b>(6,247,378)</b>
<b>NET INCOME/ (EXPENDITURE)</b>	<b>344,984</b>	<b>626</b>	<b>(626,530)</b>	<b>(280,920)</b>
<b>OTHER RECOGNISED GAINS/(LOSSES):</b>				
Deferred tax movements	50,000	-	-	50,000
<b>NET MOVEMENT IN FUNDS</b>	<b>394,984</b>	<b>626</b>	<b>(626,530)</b>	<b>(230,920)</b>