

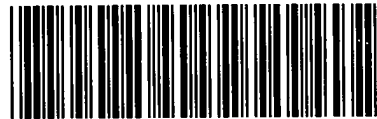
Co No 3485236

NATIONAL SPACE CENTRE

Consolidated Report and Financial Statements

Period ended 28 December 2014

TUESDAY



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COMPANIES HOUSE

BDO LLP
Pannell House
159 Charles Street
Leicester LE1 1LD
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National Space Centre

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National Space Centre

REPORT OF THE TRUSTEES

For the period ended 28 December 2014

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

M I Newcombe

Prof K A Pounds (retired 5 November 2014)

E Cassidy

N P Siesage

Prof D J Southwood

S M Sharma

C H Bishop

J Moore

M Kapur

D Parker

C Lane (resigned 30 October 2014)

G Moss

D G Cowcher

Prof E Yeoman (known as Prof E Bunce - appointed 5 November 2014)

K Thomas (appointed 10 February 2015)

M Traynor (resigned 1 May 2014)

SECRETARY

N P Siesage

AUDITOR

BDO LLP

Pannell House

159 Charles Street

Leicester

LE1 1LD

BANKERS

Yorkshire Bank

1st Floor

Provincial House

37 New Walk

Leicester

LE4 6TE

National Space Centre

REPORT OF THE TRUSTEES

For the period ended 28 December 2014

BANKERS (CONTINUED)

Barclays Bank plc
Leicester & Rutland Business Banking
Barclays House
PO Box 1500
Dominus Way
Meridian Business Park
Leicester
LE19 1RP

SOLICITORS

Nelsons
Provincial House
37 New Walk
Leicester
LE1 6TU

REGISTERED OFFICE

National Space Centre
Exploration Drive
Leicester
LE4 5NS

PRINCIPAL OFFICE

National Space Centre
Exploration Drive
Leicester
LE4 5NS

CHIEF EXECUTIVE OFFICER

C H Bishop

FINANCE DIRECTOR

A McNamee

SPACE ACADEMY DIRECTOR

A Ojha

National Space Centre

REPORT OF THE TRUSTEES

For the period ended 28 December 2014

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 28 December 2014

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. In association with Loughborough College it runs a post-16 course in Space Engineering and a post-18 Higher Apprenticeship in Space Engineering. Colleges in Banbury, Birmingham, Salford and West London have either started, or are about to start, similar courses and more affiliations are planned.

The National Space Centre has an Education Award Scheme to help fund visits by disadvantaged groups of young people to whom bursaries are granted.

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 Statement of Recommended Practice (SORP 2005) "Accounting and Reporting by Charities" issued in March 2005, and revised in April 2008, 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.

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

National Space Centre

REPORT OF THE TRUSTEES

For the period ended 28 December 2014

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 charity'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 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 23.

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 28 December 2014, free reserves held were £2,707,162 (29 December 2013: £2,046,948) which financed the working capital requirements of the National Space Centre, together with some of its past fixed asset purchases. 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.

National Space Centre

REPORT OF THE TRUSTEES

For the period ended 28 December 2014

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 Disability Discrimination Act (1995).

VOLUNTEERS

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 extremely difficult to place a value on the time gifted and accordingly it is not included within the statement of financial activities.

REPORT OF THE TRUSTEES – STRATEGIC REPORT

For the period ended 28 December 2014

STRATEGIC REPORT

ACHIEVEMENTS, PERFORMANCE AND KEY PERFORMANCE INDICATORS

The Charity continues to grow its three business units in line with its Ten Year Vision (2011-20); a revision of which will be developed in 2015 to cover the years 2016-25. All three business units fulfilled their charitable objectives and demonstrated strong commercial performance. The Charity ended the year with an operating surplus, a strong balance sheet and ambitious development plans.

Visitor Attraction

Total volume was 8% up year-on-year from 232,000 to 251,000 visitors, with growth in both family and school markets. General trading conditions appear favourable and space continues to make the headlines with Rosetta, Orion and Beagle 2 missions all making the front page. Ongoing investment in the visitor attraction and its maintenance programmes continue to provide an impressive experience, with new content throughout the galleries. 2015 sees the completion of the new Boosters café development and the arrival of a Gemini capsule from the Smithsonian Institute to take its place in the refurbished Foyer. The Sir Patrick Moore Planetarium capacity is being increased from 168 to 192 to help offset capacity issues at busy times.

Corporate hospitality income matched that of the previous year at £0.5m, with a strong recovery in the second half of the year after a first half affected by the absence of four out of six staff members on maternity leave. The team's inability to fulfil a significant proportion of enquiries for reasons of capacity will be a factor for consideration in the creation of the new Ten Year Vision.

National Space Academy

The National Space Academy's Evidence of Impact is increasingly impressive. The first cohort of students on the post-16 Space Engineering course, run jointly with Loughborough College, has progressed to university or an apprenticeship course and the second cohort appears to be heading in the same direction. Affiliated colleges in Banbury, Birmingham, Salford and West London are running similar courses: 400 A level students will be taught science subjects using space contexts by 2016.

The Higher Apprenticeship in Space Engineering started in January 2015.

Funding from the Lloyds Register Foundation has allowed a doubling of the network from 12 to 24 teachers, with three each in Scotland, Wales and Northern Ireland. Teachers work with research scientists and engineers to deliver high quality half-day and one-day masterclasses. Over 5,000 students and 1,000 teachers attended programmes in the academic year 2013/14, and 500 attended associated careers events.

NSC Creative

Significant commissions for clients in the UAE and Switzerland contributed to another record year for NSC Creative, with total receipts of £1.7m. License sales for in-house shows also reached record levels. The next in-house production, *We Are Stars*, will be launched in July 2015.

The 20-strong team has been split into two to better accommodate requests for web-based and exhibition content; much of the demand for which comes from the Visitor Attraction. Toshiba Medical remains a regular client for website development.

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 £299,499 (29 December 2013 - £265,184). This included £101k from the UK Space Agency for the National Space Academy and £70k from the

National Space Centre

REPORT OF THE TRUSTEES – STRATEGIC REPORT

For the period ended 28 December 2014

Science and Technology Facilities Council. The Lloyds Foundation Trust gave another £99,000 again for the National Space Academy.

In 2014 the Group expended £568,739 on fixed assets and £6,928 on heritage assets.

The Group's net assets at 28 December 2014 were £24,894,457 compared to £24,932,376 at the start of the year.

FUTURE PLANS

A revised Ten Year Vision (2016-25) will be completed in 2015 to set ambitious long term growth targets. It will seek specifically to address the issue of capacity and the amount of business (particularly school and corporate business) turned away by the Visitor Attraction at busy times. The prospect of a building extension for temporary exhibitions, workshops, lectures and corporate events is being considered, with a fund being set aside from reserves and developed with future surpluses. Matching funds will be sought from both the public and private sectors.

Further development in the Visitor Attraction will focus on bringing the original galleries up to date; particularly Into Space and The Planets in which new missions to both the rocky planets and gas giants will feature.

The National Space Academy will continue to develop the breadth of its delivery in the UK and Europe, and will seek to exploit the relationships developed in China in 2014. The affiliation of colleges delivering science and engineering courses using space as a teaching context will be grown from the current five: the north east of England being the next target region. 500 students will be on full time courses by 2016.

NSC Creative has been split into an animation team and design team to better fulfil its commitments. The former continues to secure commissions worldwide from existing and new markets; both dome and flat screen. The latter will play a stronger hand in the development of in-house web, literature and exhibition content.

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

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.

National Space Centre

REPORT OF THE TRUSTEES

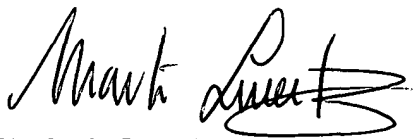
For the period ended 28 December 2014

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 Martin Sweeting

Chairman

Date:

04/08/15

STATEMENT OF TRUSTEES' RESPONSIBILITIES

For the period ended 28 December 2014

The trustees are responsible for preparing the trustees' annual 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 year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent charity and of the incoming resources and application of resources, including its income and expenditure, of the group for the year. 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

National Space Centre

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

For the period ended 28 December 2014

We have audited the financial statements of National Space Centre for the period ended 28 December 2014 which comprise the consolidated statement of financial activities, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees and 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 charity's trustees and 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 charity and the charity's trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

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 28 December 2014, 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report, which includes the strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

National Space Centre

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

For the period ended 28 December 2014

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:

- 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.

BDO LLP

Roger Merchant (senior statutory auditor)
for and on behalf of BDO LLP, statutory auditor
Leicester
United Kingdom
Date: *4/8/15*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

National Space Centre

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account)

For the period ended 28 December 2014

		<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Capital restricted funds £</i>	<i>Period ended 28 December 2014 £</i>	<i>Period ended 29 December 2013 £</i>
INCOMING RESOURCES	Notes					
<i>Incoming resources from generated funds:</i>						
Voluntary income						
- Grants	3	-	269,667	-	269,667	217,283
- Donations	3	-	3,598	-	3,598	33,738
<i>Activities for generating funds:</i>						
- Sponsorship	3	2,632	27,200	-	29,832	47,901
- Commercial trading operations						
- Retail		455,634	-	-	455,634	425,203
- Catering / Corporate		811,000	-	-	811,000	793,891
- Creative Services		1,715,404	-	-	1,715,404	1,145,018
- Space Academy		87,831	37,000	-	124,831	186,985
<i>Incoming resources from charitable activities</i>						
- Admissions		1,971,005	-	-	1,971,005	1,874,825
- Gift aid		236,412	720	-	237,132	237,954
TOTAL INCOMING RESOURCES		5,279,918	338,185	-	5,618,103	4,962,798
RESOURCES EXPENDED						
<i>Cost of generating funds</i>						
Cost of generating voluntary income	4	(226,468)	-	-	(226,468)	(173,098)
<i>Commercial trading operations</i>						
- Retail	4	(227,244)	-	-	(227,244)	(225,923)
- Catering / Corporate	4	(563,607)	-	-	(563,607)	(557,466)
Charitable activities	4	(3,583,235)	(335,958)	(700,360)	(4,619,553)	(3,989,021)
Governance costs	4	(19,150)	-	-	(19,150)	(18,400)
TOTAL RESOURCES EXPENDED	4	(4,619,704)	(335,958)	(700,360)	(5,656,022)	(4,963,908)
NET RESULT FOR THE YEAR	5	660,214	2,227	(700,360)	(37,919)	(1,110)
FUNDS BROUGHT FORWARD		2,046,948	15,221	22,870,207	24,932,376	24,933,486
FUNDS CARRIED FORWARD	18	2,707,162	17,448	22,169,847	24,894,457	24,932,376

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.

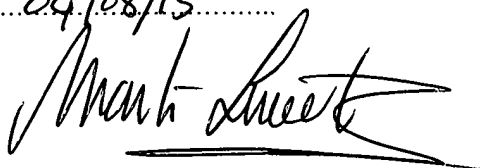
National Space Centre

CONSOLIDATED BALANCE SHEET REGISTERED NUMBER: 03485236 At 28 December 2014

	Notes	Period ended 28 December 2014 £	Period ended 29 December 2013 £
FIXED ASSETS			
Tangible assets	8	20,799,165	21,075,413
Heritage assets	9	5,299,427	5,292,499
		<u>26,098,592</u>	<u>26,367,912</u>
CURRENT ASSETS			
Stocks	11	72,028	66,906
Debtors	12	289,841	364,245
Cash in hand		1,453,363	1,186,190
		<u>1,815,232</u>	<u>1,617,341</u>
CREDITORS: amounts falling due within one year	13	(839,824)	(702,941)
NET CURRENT LIABILITIES		<u>975,408</u>	<u>914,400</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>27,074,000</u>	<u>27,282,312</u>
CREDITORS: amounts falling due after more than one year	14	(2,179,543)	(2,349,936)
TOTAL ASSETS LESS LIABILITIES		<u>24,894,457</u>	<u>24,932,376</u>
CAPITAL FUNDS			
Restricted funds	18	22,169,847	22,870,207
INCOME FUNDS			
Unrestricted funds	18	2,707,162	2,046,948
Restricted funds	18,19	17,448	15,221
		<u>2,724,610</u>	<u>2,062,169</u>
		<u>24,894,457</u>	<u>24,932,376</u>

The financial statements were approved and authorised for issue by the Board of trustees and were signed on its behalf on 04/08/15

Prof Sir Martin Sweeting
Chairman



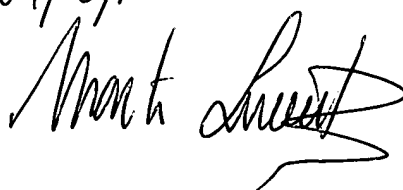
National Space Centre

COMPANY BALANCE SHEET
REGISTERED NUMBER: 03485236
At 28 December 2014

	Notes	Period ended 28 December 2014 £	Period ended 29 December 2013 £
FIXED ASSETS			
Tangible assets	8	20,479,449	21,065,370
Heritage assets	9	5,299,427	5,292,499
Investments	10	2	2
		<u>25,778,878</u>	<u>26,357,871</u>
CURRENT ASSETS			
Debtors	12	1,047,245	712,602
Cash in hand		16,876	15,319
		<u>1,064,121</u>	<u>727,921</u>
CREDITORS: amounts falling due within one year	13	(2)	(2)
NET CURRENT LIABILITIES		<u>1,064,119</u>	<u>727,919</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>26,842,997</u>	<u>27,085,790</u>
CREDITORS: amounts falling due after more than one year	14	(2,115,000)	(2,115,000)
TOTAL ASSETS LESS LIABILITIES		<u>24,727,997</u>	<u>24,970,790</u>
CAPITAL FUNDS			
Restricted funds	18	22,169,847	22,870,207
INCOME FUNDS			
Unrestricted funds	18	2,558,150	2,100,583
		<u>24,727,997</u>	<u>24,970,790</u>

The financial statements were approved and authorised for issue by the Board of trustees and were signed on its behalf on 04/05/15

Prof Sir Martin Sweeting
Chairman



National Space Centre

CONSOLIDATED CASH FLOW STATEMENT

For the period ended 28 December 2014

	<i>Note</i>	<i>Period ended 28 December 2014 £</i>	<i>Period ended 29 December 2013 £</i>
Reconciliation of net expenditure to net cash-inflow from operating activities			
Net expenditure		(37,919)	(1,110)
Interest		19,581	18,539
Depreciation of tangible fixed assets		837,975	801,478
Profit on sale of fixed assets		(13,548)	-
Decrease in stocks		(5,122)	5,320
Decrease/(increase) in debtors		74,404	95,123
(Decrease)/increase in creditors		1,193	133,551
Net cash inflow from operating activities		876,564	1,052,901
CASH FLOW STATEMENT			
Net cash inflow from operating activities		876,564	1,052,901
Returns on investment and servicing of finance	15	(19,581)	(18,539)
Investing activities	15	(235,391)	(204,726)
Cash inflow before financing		621,592	829,636
Financing	15	(319,383)	(51,119)
Increase in cash and bank		302,209	778,517
Reconciliation of net cash flow to movement in net debt:			
Increase in cash in the period		302,209	778,517
Repayment of bank loans		234,936	51,119
New finance leases		(319,716)	-
Repayment of finance leases		84,447	-
Net debt at 29 December 2013		(1,198,782)	(2,028,418)
Net debt at 28 December 2014	16	(896,906)	(1,198,782)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 28 December 2014

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP) – Accounting and Reporting by Charities (SORP 2005), issued in March 2005, applicable UK Accounting Standards, and the Companies Act 2006.

The charity's accounting reference date is 31 December 2014, however, the financial statements have been made up to 28 December 2014 as permitted by paragraph 390(3) of the Companies Act 2006.

Basis of consolidation

The group accounts consolidate the financial statements and all its subsidiary undertakings for the period ended 28 December 2014, on a line by line basis. The Statement of Financial Activities of the company is not presented as permitted by paragraph 408(3) of the Companies Act 2006 and paragraph 397 of the SORP. The company surplus for the year is £357,207 (2013: £13,735).

Income

Income is brought into the accounts on a receivable basis.

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 and amortised through the statement of financial activities over the expected useful economic lives of the relevant assets.

Grants income is recognised in the period in which the charitable group is entitled to receipt 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.

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.

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 28 December 2014

1. ACCOUNTING POLICIES (continued)

RESOURCES EXPENDED

Expenditure is recognised where a liability is incurred.

- costs of generating 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.
- governance costs include those costs incurred in the governance of the charity, which relate to the general running of the charity as opposed to the direct management costs inherent in generating funds. These costs include costs relating to the statutory audit.
- support costs have been allocated between charitable activity, governance and cost of generating 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.

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
Buildings	50 years
Exhibition fit out	5 to 10 years
Plant & equipment	5 to 10 years
Challenger equipment	5 years
Challenger buildings	10 years
Office equipment	2½ years
Motor Vehicles	5 years

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 £500.

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 28 December 2014

1. ACCOUNTING POLICIES (continued)

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 30, 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.

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 net realisable value. Net realisable value is based on estimated selling price less any further costs expected to be incurred prior to disposal.

Operating lease rentals

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

Finance lease

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.

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 28 December 2014

1. ACCOUNTING POLICIES (continued)

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.

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.

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 Properties 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 28 December 2014 £	Period ended 29 December 2013 £
Profit and loss account		
Income	5,039,022	4,450,902
Expenditure	(4,814,565)	(4,446,750)
Operating profit (loss)	224,457	4,152
Interest receivable	7,240	-
Interest payable	(26,821)	(18,998)
Net profit for the period	204,876	(14,846)
Balance sheet		
Fixed assets	319,716	10,044
Current assets	1,790,856	1,581,535
Creditors: amounts falling due within one year	(1,879,568)	(1,395,058)
Net current assets	(88,712)	186,477
Long term liabilities	(64,542)	(234,935)
Net liabilities	166,462	(38,414)
Aggregate share capital and reserves	166,462	(38,414)

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 28 December 2014

3. INCOMING RESOURCES

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	Period ended 28 December 2014	Period ended 29 December 2013
	£	£	£	£
Grants				
UK Space Agency	-	100,667	100,667	100,000
Lloyds Foundation	-	99,000	99,000	33,000
Science and Technology Facilities Council	-	70,000	70,000	54,445
European Space Agency	-	-	-	29,838
	-	269,667	269,667	217,283
Donations				
Garfield Weston Foundation	-	-	-	30,000
Education Awards Scheme	-	3,598	3,598	3,738
	-	3,598	3,598	33,738
Sponsorships				
ITP Engines UK Ltd	-	5,000	5,000	23,618
Inmarsat Global Ltd	-	-	-	6,667
Infoterra Ltd	-	4,000	4,000	4,333
Vega Consulting Services Ltd	-	4,000	4,000	4,333
Rolls Royce plc	-	-	-	5,000
Other sponsorship	2,632	14,200	16,832	3,950
	2,632	27,200	29,832	47,901

Income is attributable to geographical markets as follows:

Turnover	2014	2013
	£	£
United Kingdom	4,217,785	3,876,937
Europe	320,476	450,248
Rest of World	1,079,842	635,613
Total	5,618,103	4,962,798

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 28 December 2014

4. RESOURCES EXPENDED

	<i>Costs of generating voluntary income</i> £	<i>Retail</i> £	<i>Catering</i> £	<i>Charitable activities</i> £	<i>Governance</i> £	<i>Period ended 28 December 2014</i> £	<i>Period ended 29 December 2013</i> £
Staff costs	41,961	-	238,929	2,651,922	-	2,932,812	2,490,223
Depreciation	-	-	-	837,975	-	837,975	801,478
Cost of sales	-	223,340	283,022	22,731	-	529,093	501,410
Utilities	-	-	-	181,285	-	181,285	193,932
Marketing	162,906	-	8,651	45,106	-	216,663	173,941
Space	-	-	-	38,731	-	38,731	48,350
Academy	-	-	1,461	143,134	-	144,595	124,881
Maintenance	-	-	-	-	-	-	-
Running & sundry	535	3,626	25,909	125,439	-	155,509	142,116
Insurance & rent	-	-	-	88,727	-	88,727	85,599
IT & licences	18,150	-	91	134,964	-	153,205	126,929
Finance	-	-	-	39,969	-	39,969	42,537
Cleaning	-	-	3,175	35,029	-	38,204	32,712
Audit, legal & consultancy	-	-	-	5,378	19,150	24,528	30,415
Travel	695	128	2,136	81,542	-	84,501	60,238
Creative services	-	-	-	126,349	-	126,349	59,578
Training & recruitment	2,183	150	-	27,226	-	29,559	18,064
Telephone & internet	38	-	-	14,185	-	14,223	11,377
Postage & stationery	-	-	233	19,861	-	20,094	20,128
	<u>226,468</u>	<u>227,244</u>	<u>563,607</u>	<u>4,619,553</u>	<u>19,150</u>	<u>5,656,022</u>	<u>4,963,908</u>

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 28 December 2014

5. NET EXPENDITURE

Net expenditure is stated after charging:

	<i>Period ended 28 December 2014 £</i>	<i>Period ended 29 December 2013 £</i>
Auditor's remuneration - audit services	15,350	14,900
- non-audit services	3,550	3,500
Depreciation of tangible fixed assets	837,975	801,478
Operating lease rentals - land and buildings	21,000	21,000

6. TRUSTEES' EMOLUMENTS

	<i>Period ended 28 December 2014 £</i>	<i>Period ended 29 December 2013 £</i>
Emoluments	118,688	114,676
Company pension contributions to money purchase pension scheme	12,649	11,843

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 £103,688 and £15,000 (29 December 2013 - £99,676 and £15,000) respectively for qualifying services in those capacities and £12,199 and £450 (29 December 2013 - £11,843 and £nil) 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 two trustees, the Chairman and Chief Executive, (29 December 2013 – 1) in respect of money purchase pension schemes.

During the period £2,010 (29 December 2013 - £3,069) was paid to 3 trustees (2013: 3) for the reimbursement of expenses.

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 28 December 2014

7. STAFF COSTS

	<i>Period ended 28 December 2014</i>	<i>Period ended 29 December 2013</i>
	£	£
Staff costs were as follows:-		
Wages and salaries	2,602,492	2,231,466
Social security costs	209,220	178,343
Other pension costs	121,100	80,414
	<u>2,932,812</u>	<u>2,490,223</u>

The above amounts reflect the remuneration of individuals who have contracts of employment and excludes 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 28 December 2014</i>	<i>Period ended 29 December 2013</i>
	No	No
Between £60,001 - £70,000	1	1
Between £100,001 - £110,000	1	1

During the period retirement benefits were accruing to two employees whose emoluments amounted to over £60,000 (29 December 2013 – 2), the contributions in the year amount to £15,988 (29 December 2013: £12,762).

The average number of employees during the period was as follows:

	<i>Period ended 28 December 2014</i>	<i>Period ended 29 December 2013</i>
	No	No
Administration	49	43
Operations	56	54
	<u>105</u>	<u>97</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 28 December 2014

8. TANGIBLE FIXED ASSETS

Group

	<i>Land & buildings £</i>	<i>Exhibition fit out £</i>	<i>Plant & equipment £</i>	<i>Motor vehicles £</i>	<i>Challenger building & equipment £</i>	<i>Total £</i>
Cost or valuation						
At 29 December 13	26,333,809	9,601,227	740,225	12,995	1,197,606	37,885,862
Additions	1,120	262,819	304,800	-	-	568,739
Disposals	-	(32,877)	(38,202)	-	-	(71,079)
At 28 December 14	<u>26,334,929</u>	<u>9,831,169</u>	<u>1,006,823</u>	<u>12,995</u>	<u>1,197,606</u>	<u>38,383,522</u>
Depreciation						
At 29 December 13	6,172,330	8,874,204	566,309	-	1,197,606	16,810,449
Charge for the period	501,724	227,308	106,344	2,599	-	837,975
Disposals	-	(27,149)	(36,918)	-	-	(64,067)
At 28 December 14	<u>6,674,054</u>	<u>9,074,363</u>	<u>635,735</u>	<u>2,599</u>	<u>1,197,606</u>	<u>17,584,357</u>
Net book value						
At 28 December 14	<u>19,660,875</u>	<u>756,806</u>	<u>371,088</u>	<u>10,396</u>	<u>-</u>	<u>20,799,165</u>
At 29 December 13	<u>20,161,479</u>	<u>727,023</u>	<u>173,916</u>	<u>12,995</u>	<u>-</u>	<u>21,075,413</u>

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 28 December 2014

8. TANGIBLE FIXED ASSETS (continued)

Charitable Company

	<i>Land & buildings</i> £	<i>Exhibition fit out</i> £	<i>Plant & equipment</i> £	<i>Motor vehicles</i> £	<i>Challenger building & equipment</i> £	<i>Total</i> £
Cost or valuation						
At 29 December 13	26,333,809	9,480,698	687,419	12,995	1,197,606	37,712,527
Additions	1,120	81,332	174,058	-	-	256,510
Disposals	-	(32,877)	(38,203)	-	-	(71,080)
Transfers intra group	-	(20,560)	-	-	-	(20,560)
At 28 December 14	26,334,929	9,508,593	823,274	12,995	1,197,606	37,877,397
Depreciation						
At 29 December 13	6,172,330	8,767,417	509,804	-	1,197,606	16,647,157
Charge for the period	501,724	217,264	93,270	2,599	-	814,857
Disposals	-	(27,148)	(36,918)	-	-	(64,066)
At 28 December 14	6,674,054	8,957,533	566,156	2,599	1,197,606	17,397,948
Net book value						
At 28 December 14	19,660,875	551,060	257,118	10,396	-	20,479,449
At 29 December 13	20,161,479	713,281	177,615	12,995	-	21,065,370

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 28 December 2014

8. 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>
	£	£	£
Cost			
At 29 December 2013	25,225,809	1,108,000	26,333,809
Additions	1,120	-	1,120
At 28 December 2014	<u>25,226,929</u>	<u>1,108,000</u>	<u>26,334,929</u>
Depreciation			
At 29 December 2013	6,079,922	92,408	6,172,330
Charge for the period	494,299	7,425	501,724
At 28 December 2014	<u>6,574,221</u>	<u>99,833</u>	<u>6,674,054</u>
Net book value			
At 28 December 2014	<u>18,652,708</u>	<u>1,008,167</u>	<u>19,660,875</u>
At 29 December 2013	<u>19,145,887</u>	<u>1,015,592</u>	<u>20,161,479</u>

Freehold land and buildings include freehold land of £680,000 (2013: £680,000) that is not depreciated.

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 28 December 2014

9. HERITAGE ASSETS

Group and Charitable Company

	Artefacts £
Cost or valuation	
Items included at cost at 29 December 2013	902,499
Items included at valuation at 29 December 2013	4,390,000
Cost or valuation at 29 December 2013	<u>5,292,499</u>
Additions	
Additions at cost in 2014	6,928
Cost or valuation at 28 December 2014	<u>5,299,427</u>

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 2013 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.

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 28 December 2014

9. HERITAGE ASSETS (continued)

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.

Approximately £4,000,000 (2013: £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 constantly monitored by a building management system. 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 on display cases or behind barriers.

10. INVESTMENTS

Charitable Company

	Subsidiary undertakings
	£
Cost at 29 December 2013 and 28 December 2014	2

Name of Company	Holding	Proportion of investment	Nature of business
NSSC Operations Limited	Ordinary shares	100%	Operation of National Space Centre
NSSC Property Limited	Ordinary shares	100%	Dormant

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 28 December 2014

11. STOCKS

	<i>At 28 December 2014</i>		<i>At 29 December 2013</i>	
	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	£	£	£	£
Goods for resale	72,028	-	66,906	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

12. DEBTORS

	<i>At 28 December 2014</i>		<i>At 29 December 2013</i>	
	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	£	£	£	£
Trade debtors	207,621	-	228,412	-
Other debtors	9,259	9,259	20,486	20,486
Amounts owed by subsidiary undertakings	-	1,037,986	-	692,116
Prepayments	72,961	-	115,347	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	289,841	1,047,245	364,245	712,602
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 28 December 2014

13. CREDITORS: amounts falling due within one year

	<i>At 28 December 2014</i>		<i>At 29 December 2013</i>	
	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	£	£	£	£
Bank loans due within one year	-	-	35,036	-
Net obligations under finance leases and hire purchase contracts	170,726	-	-	-
Trade creditors	232,368	-	198,098	-
Other taxes and social security costs	79,306	-	110,705	-
Other creditors	28,672	2	18,848	2
Deferred income (note 21)	104,319	-	177,081	-
Accruals	224,433	-	163,173	-
	<u>839,824</u>	<u>2</u>	<u>702,941</u>	<u>2</u>

The bank loan was secured against land and certain long leasehold property within the National Space Centre and a debenture which is in place over the fixed and floating assets of National Space Centre and NSSC Operations Limited. In addition there is a cross guarantee between National Space Centre and NSSC Operations Limited.

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

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 28 December 2014

14. CREDITORS: amounts falling due after more than one year

	<i>At 28 December 2014</i>		<i>At 29 December 2013</i>	
	Group	Company	Group	Company
	£	£	£	£
Loan note	2,000,000	2,000,000	2,000,000	2,000,000
Loan	115,000	115,000	115,000	115,000
Bank loans	-	-	234,936	-
Net obligations under finance leases and hire purchase contracts	64,543	-	-	-
	<u>2,179,543</u>	<u>2,115,000</u>	<u>2,349,936</u>	<u>2,115,000</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	<i>At 28 December 2014</i>		<i>At 29 December 2013</i>	
	Group	Company	Group	Company
	£	£	£	£
Bank loans	-	-	117,118	-
Net obligations under finance leases and hire purchase contracts	64,543	-	-	-
	<u>64,543</u>	<u>-</u>	<u>117,118</u>	<u>-</u>

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 bank loan was secured against land and certain long leasehold property within National Space Centre and a debenture which is in place over the fixed and floating assets of National Space Centre and NSSC Operations Limited.

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

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 28 December 2014

15. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FINANCE

	<i>At 28 December 2014</i>	<i>At 29 December 2013</i>
	£	£
Returns on investment and servicing of finance		
Interest received	7,240	-
Interest paid	(26,821)	(18,998)
	<u>(19,581)</u>	<u>(18,998)</u>
Capital expenditure		
Payments to acquire tangible fixed assets	(249,023)	(204,726)
Payments to acquire heritage assets	(6,928)	-
Proceeds on sale of tangible fixed assets	20,560	-
	<u>(235,391)</u>	<u>(204,726)</u>
Financing		
Repayment of loans	(234,936)	(51,119)
Repayment of capital element of finance leases	(84,447)	-
	<u>(319,383)</u>	<u>(51,119)</u>

16. ANALYSIS OF CHANGES IN NET DEBT

	<i>At 29 December 2013</i>	<i>Cash flows</i>	<i>Other non- cash changes</i>	<i>At 28 December 2014</i>
	£			
Cash and bank	1,186,190	267,173	-	1,453,363
Bank overdraft	(35,036)	35,036	-	-
	<u>1,151,154</u>	<u>302,209</u>	<u>-</u>	<u>1,453,363</u>
Debt:				
Debt due in more than one year	(2,349,936)	234,936	-	(2,115,000)
Finance leases	-	84,447	(319,716)	(235,269)
	<u>(1,198,782)</u>	<u>621,592</u>	<u>(319,716)</u>	<u>(896,906)</u>

Other non-cash changes relate to the new finance leases in year.

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 28 December 2014

17. 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.

18. RECONCILIATION OF FUNDS

	<i>Capital funds</i>	<i>Revenue funds</i>		<i>Total</i>
	<i>£</i>	<i>Restricted</i>	<i>Unrestricted</i>	<i>£</i>
<i>Group</i>		<i>£</i>	<i>£</i>	
At 29 December 2013	22,870,207	15,221	2,046,948	24,932,376
Net incoming/(outgoing) resources for the financial period	(700,360)	2,227	660,214	(37,919)
At 28 December 2014	22,169,847	17,448	2,707,162	24,894,457
		<i>Capital funds</i>	<i>Unrestricted revenue funds</i>	<i>Total</i>
		<i>£</i>	<i>£</i>	<i>£</i>
Charitable Company				
At 29 December 2013		22,870,207	2,100,583	24,970,790
Net incoming/(outgoing) resources for the financial period		(700,360)	457,567	(242,793)
At 28 December 2014		22,169,847	2,558,150	24,727,997

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.

National Space Centre

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For the period ended 28 December 2014

19. RESTRICTED REVENUE FUNDS

	<i>At 29 December 2013</i>	<i>Incoming resources</i>	<i>Outgoing resources</i>	<i>At 28 December 2014</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Education Awards Scheme	15,221	4,319	(2,092)	17,448
National Space Academy	-	333,866	(333,866)	-
	<u>15,221</u>	<u>338,185</u>	<u>(335,958)</u>	<u>17,448</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 programme of student master classes, teacher CPD and careers events is delivered by a network of outstanding teachers and project scientists that use the context of space to teach physics, chemistry, biology, mathematics, geography and applied science to GCSE, A-level and BTEC students and their teachers.

Its purpose is to materially enhance the size and quality of the UK science and engineering skills pool. Government, Industry and academia have all expressed concern about student progression onto both academic and vocational pathways in STEM areas and the impact this will have on future economic growth and prosperity.

A three year pilot Space Academy programme has proved successful in boosting student attainment, teacher effectiveness and influencing course choices at A-level. The National Space Academy extended its reach throughout England in 2011 and will do so across the UK from 2015.

Led by the National Space Centre, the programme is funded by the UK Space Agency, ESA (European Space Agency), STFC (Science and Technology Facilities council) and industrial/academic partners from the UK Space Sector.

In its first phase (2011-2015), the network of teachers is based in schools across England, administered from Head Office in Leicester (responsible for delivery in the Midlands and North) and a regional office in Harwell, Oxfordshire (responsible for delivery in the South).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period ended 28 December 2014

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<i>Restricted funds £</i>	<i>Unrestricted funds £</i>	<i>At 28 December 2014 £</i>	<i>At 29 December 2013 £</i>
Fund balances at are represented by:				
Tangible fixed assets	18,985,993	1,813,172	20,799,165	21,075,413
Heritage assets	5,299,427	-	5,299,427	5,292,499
Current assets	16,875	1,798,355	1,815,230	1,617,340
Current liabilities	-	(839,824)	(839,824)	(702,941)
Long term liabilities	(2,115,000)	(64,543)	(2,179,543)	(2,349,936)
	<u>22,187,295</u>	<u>2,707,160</u>	<u>24,894,455</u>	<u>24,932,375</u>

21. DEFERRED INCOME

	<i>As at 29 December 2013</i>	<i>Income received/ invoiced in year</i>	<i>Amount released to incoming resources</i>	<i>At 28 December 2014</i>
Grant and sponsorship income	90,667	291,400	(294,867)	87,200
Corporate events	13,143	495,497	(491,521)	17,119
NSC Creative	73,271	1,642,133	(1,715,404)	-
	<u>177,081</u>	<u>2,429,030</u>	<u>(2,501,792)</u>	<u>104,319</u>

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 28 December 2014

22. OTHER FINANCIAL COMMITMENTS

Operating leases

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

	<i>At 28 December 2014</i>	<i>At 29 December 2013</i>
	£	£
Operating leases which expire:		
Between two and five years	21,000	21,000
	=====	=====

23. RELATED PARTY TRANSACTIONS

A number of the trustees have been invited to join the Board as representatives of partner organisations. As such, a range of financial and non-financial links exist between the charity and the organisations by which its trustees are employed. No further disclosure has been made in respect of these organisations in which the trustees have an involvement where the transactions (primarily grants receivable, as disclosed in note 3) have been subject to public scrutiny and are in the public domain.

24. 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 £121,101 (period ended 29 December 2013 - £80,414). Contributions totalling £38,691 (period ended 29 December 2013 - £13,307) were payable to the funds at the balance sheet date and are included in creditors.

25. CONTROLLING PARTIES

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