

NATIONAL SPACE CENTRE
Consolidated Trustees' Report and
Financial Statements
Period ended 31 December 2017

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COMPANIES HOUSE

Charity registration no. 1078832
Company registration no. 03485236

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National Space Centre

REPORT OF THE TRUSTEES

For the period ended 31 December 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

Prof S M Sharma

C H Bishop

J Moore

A M Kapur

G Moss

Prof E Yeoman

K Thomas

J Fry

R Evernden (appointed 8 June 2017)

SECRETARY

J Barnacle

AUDITOR

RSM UK Audit LLP

Chartered Accountants

Rivermead House,

7 Lewis Court

Grove Park

Leicester

LE19 1SD

BANKERS

Yorkshire Bank

29 Horsefair Street

Leicester

LE1 5BL

National Space Centre

REPORT OF THE TRUSTEES

For the period ended 31 December 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

Prof A Ojha OBE

National Space Centre

REPORT OF THE TRUSTEES

For the period ended 31 December 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 31 December 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 2018 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.

National Space Centre

REPORT OF THE TRUSTEES

For the period ended 31 December 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 Prof 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 31 December 2017, free reserves held were £1,287,214 (1 January 2017: £1,246,438) 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 31 December 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 Disability Discrimination Act (1995).

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)*. In 2017 its three business units delivered a strong commercial performance, and has now sustained a respectable trading margin for five consecutive years. It ended the year with a strong balance sheet and is set for a sustained period of capital development to replace ageing infrastructure and increase capacity to better accommodate family, school and corporate event volume.

Visitor Attraction

Total volume was sustained above 300,000 for a second consecutive year, with stability in family volume and 4% shrinkage in schools volume versus a Tim Peake-fuelled 2016. Additions to the visitor experience included two refurbished exhibits (*Powers of Ten* and *How It All Started*) in the Universe gallery, and a new Shop. Secondary spend in Boosters café, which received an overhaul in 2015, was 5% up. A Visitor Satisfaction Survey in August & September confirmed strong results for all aspects of the exhibition (particularly the planetarium and Rocket Tower), staff performance and word-of-mouth recommendation.

The space communications & public programmes teams continue to grow in influence and to recruit physics students from the University of Leicester to talk directly to visitors in the exhibition. In the summer holidays in 2016 and 2017, conversations were had with over 40,000 people in target family groups.

Corporate hospitality income rose by 22% year-on-year to a record £670k, with £1.8m worth of enquiries unable to be fulfilled.

National Space Academy

The National Space Academy continues to achieve its UK targets whilst growing its programme delivery in China and maintaining custom in the UAE. Core funders include the UK Space Agency, Science & Technology Facilities Council and the Lloyds Register Foundation.

The 30-strong lead educator network has delivered programmes to over 8,000 students and 1,000 teachers, with a combined £40,000 available in bursaries from the Ogden Trust and PPG Paints for

National Space Centre

REPORT OF THE TRUSTEES

For the period ended 31 December 2017

disadvantaged school groups for whom a visit or programme would otherwise be impossible. The Ogden Trust also funds a physics teacher who is shared 50:50 with the local Gateway College.

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. 35 students have taken this progression path in its first five years and eight have taken high quality apprenticeship programmes with Airbus, Rolls-Royce and Bombardier.

Sustained programme delivery in China has been established and is expected to continue growing. A student and teacher groups from Beijing is visiting Leicester for three weeks in summer 2018. A three year Government contract for delivery in the UAE was cut short by a request (which was rejected) to switch delivery to Saudi Arabia. The relationship with UAE contacts remains good and future programmes remain likely.

NSC Creative

2017 saw commissions completed for Ferrari World in Abu Dhabi, the Eden Project in the UK and a Saudi Arabia trade show. A new commission for the Bell Museum in Minneapolis was secured and will be completed in Q2 2018. Over £200k worth of license sales added to a £398k overall contribution and means that NSC Creative shows are played to over five million people each year in over 600 planetaria in 60 countries.

The Planets 360, with partial funding from the Royal Astronomical Society, opens in Q1 2018 to mark 100 years since the first performance of Holst's music.

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 (2018-20) incorporates the detail of capital and programme development plans for each of the three business units.

The three major capital projects are:

- A new Ticket Sales Hall (£800k), supported by a Yorkshire Bank loan. Planning consent was confirmed in January 2018. Construction work on-site will take place from March to July 2018. This project will create a secure, purpose-built ticket sales facility with an obvious main entrance, undercover queuing area and a toilet for use by new arrivals. The current entrance hall will become the first gallery/orientation space to provide a better sense of arrival and welcome, and have newly available space for new and existing exhibition content. All internal barriers and turnstiles will be removed.
- Extended Reality for New Audiences (£2.7m) is the subject of a £1.88m bid to the Government/Wellcome Trust Inspiring Science Fund. This project will introduce a new Space Mission Simulation Facility to replace the Challenger Learning Centre, SIM simulator and Tranquillity Base gallery, but within the context of an overarching objective to engage socio-economically disadvantaged families from five Leicester communities from which visitor numbers are low. The need for new creative content for this facility will trigger an engagement with young people interested in gaming, design and social media to develop skills in content creation for virtual, mixed and augmented reality media: collectively, Extended Reality. This content will be used in the development of programmes for both on and off-site delivery, building science capital and introducing new potential life pathways with support from a range of project partners.
- An 850m² extension (£3.0m) to provide flexible new space for live presentations, workshops, temporary exhibitions and corporate events. £1.0m has been secured from the Local Growth Fund via the Leicester & Leicestershire Enterprise Partnership. £2.0m is required from other

National Space Centre

REPORT OF THE TRUSTEES

For the period ended 31 December 2017

sources. A fundraising consultancy has been appointed. Should funds be secured as planned, construction would take place over the calendar year 2019 for launch in early 2020.

Other major developments include an exhibition called *Britain's Space Race* which will be introduced to Deck Two of the Rocket Tower.

The National Space Academy will continue to grow its outputs in the UK and its programmes for China and the UAE. NSC Creative is at capacity until May 2018 when new pipeline projects are expected.

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 £299,753 (1 January 2017 - £279,679), the majority for the National Space Academy. This included £100,000 from the UK Space Agency, £67,947 from the Science and Technology Facilities Council and £99,000 from the Lloyds Foundation Trust.

In 2017 the Group expended £718,040 on fixed assets and £24,449 on heritage assets.

The Group's net assets at 31 December 2017 were £24,410,207 compared to £24,490,204 at the start of the year.

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.

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.

REPORT OF THE TRUSTEES

For the period ended 31 December 2017

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: 3 July 2018

STATEMENT OF TRUSTEES' RESPONSIBILITIES

For the period ended 31 December 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

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 subsidiaries (the 'group') for the period ended 31 December 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees and the incorporated Strategic Report, prepared for the purpose of company law for the financial period for which the financial statements are prepared, is consistent with the financial statements; and
- the Report of the Trustees and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees and the incorporated Strategic Report.

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.

Responsibilities of trustees

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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and 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 *12/07/18*

National Space Centre

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account)

For the period ended 31 December 2017

					<i>Period ended 31 December 2017 £</i>	<i>Period ended 1 January 2017 £</i>
INCOME FROM:	Notes	Unrestricted funds £	Restricted funds £	Capital restricted funds £		
Donations & legacies:	3					
- Donations		-	1,278	-	1,278	98
Charitable activities:	4					
- Admissions		2,623,227	-	-	2,623,227	2,684,302
- Gift aid		318,542	20	-	318,562	323,797
- Grants		-	277,447	-	277,447	247,051
- Space Academy		170,278	-	-	170,278	216,998
Other trading activities:	5					
- Retail		560,456	-	-	560,456	633,832
- Catering / Corporate		1,186,489	-	-	1,186,489	1,056,424
- Creative Services		1,352,943	-	-	1,352,943	1,268,191
- Sponsorship		10,088	22,306	-	32,394	32,628
TOTAL	6	6,222,023	301,051	-	6,523,074	6,463,321
EXPENDITURE ON:						
Raising funds	7	(1,479,799)	-	-	(1,479,799)	(1,513,778)
Charitable activities	8	(4,284,317)	(290,973)	(547,982)	(5,123,272)	(5,122,876)
TOTAL		(5,764,116)	(290,973)	(547,982)	(6,603,071)	(6,636,654)
NET INCOME/ (EXPENDITURE)	9	457,907	10,078	(547,982)	(79,997)	(173,333)
OTHER RECOGNISED GAINS/(LOSSES):						
Deferred tax movements		-	-	-	-	-
NET MOVEMENT IN FUNDS		457,907	10,078	(547,982)	(79,997)	(173,333)
RECONCILIATION OF FUNDS:						
Total funds brought forward		<u>3,486,573</u>	<u>15,086</u>	<u>20,988,545</u>	<u>24,490,204</u>	<u>24,663,537</u>
TOTAL FUNDS CARRIED FORWARD		3,944,480	25,164	20,440,563	24,410,207	24,490,204

National Space Centre

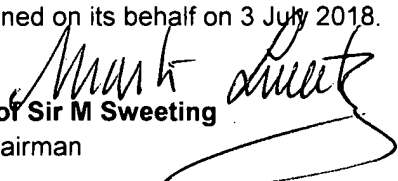
CONSOLIDATED BALANCE SHEET

REGISTERED NUMBER: 03485236

At 31 December 2017

	Notes	Period ended 31 December 2017 £	Period ended 1 January 2017 £
FIXED ASSETS			
Tangible assets	12	19,898,366	20,042,508
Heritage assets	13	5,349,607	5,325,158
		25,247,973	25,367,666
CURRENT ASSETS			
Stocks	15	113,973	63,869
Debtors	16	550,624	394,036
Investments	18	516,620	1,014,431
Cash at bank and in hand		1,120,427	711,281
		2,301,644	2,183,617
CREDITORS: amounts falling due within one year	19	(770,486)	(852,412)
NET CURRENT ASSETS		1,531,158	1,331,205
TOTAL ASSETS LESS CURRENT LIABILITIES		26,779,131	26,698,871
CREDITORS: amounts falling due after more than one year	20	(2,368,924)	(2,208,667)
TOTAL ASSETS LESS LIABILITIES		24,410,207	24,490,204
CAPITAL FUNDS			
Restricted funds	23	20,440,563	20,988,545
INCOME FUNDS			
Unrestricted funds		3,944,480	3,486,573
Restricted funds	24	25,164	15,086
		3,969,644	3,501,659
TOTAL CHARITY FUNDS		24,410,207	24,490,204

The financial statements were approved and authorised for issue by the Board of trustees and were signed on its behalf on 3 July 2018.


Prof Sir M Sweeting
Chairman

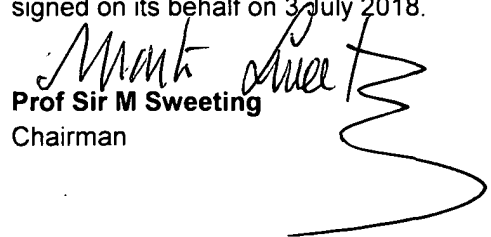
National Space Centre

COMPANY BALANCE SHEET REGISTERED NUMBER: 03485236 At 31 December 2017

	Notes	Period ended 31 December 2017 £	Period ended 1 January 2017 £
FIXED ASSETS			
Tangible assets	12	19,342,914	19,646,942
Heritage assets	13	5,349,607	5,325,158
Investments	14	2	2
		24,692,523	24,972,102
CURRENT ASSETS			
Debtors	16	1,588,405	1,529,256
Cash at bank and in hand		90,421	96,968
		1,678,826	1,626,224
CREDITORS: amounts falling due within one year	19	(3,246)	(8,926)
NET CURRENT ASSETS		1,675,580	1,617,298
TOTAL ASSETS LESS CURRENT LIABILITIES		26,368,103	26,589,400
CREDITORS: amounts falling due after more than one year	20	(2,115,000)	(2,115,000)
TOTAL ASSETS LESS LIABILITIES		24,253,103	24,474,400
CAPITAL FUNDS			
Restricted funds	23	20,440,563	20,988,545
INCOME FUNDS			
Unrestricted funds	23	3,812,540	3,485,855
TOTAL CHARITY FUNDS		24,253,103	24,474,400

The Company's Net Income and Net Movement in Funds for the period were a deficit of £221,297 (2016: Deficit of £142,036).

The financial statements were approved and authorised for issue by the Board of trustees and were signed on its behalf on 3 July 2018.


Prof Sir M Sweeting
Chairman

National Space Centre

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 December 2017

	<i>Period ended 31 December 2017 £</i>	<i>Period ended 1 January 2017 £</i>
Cash flows from operating activities:		
Net cash provided by operating activities	486,528	252,693
Cash flows from investing activities:		
Interest received	2,661	13,210
Purchase of tangible fixed assets	(718,040)	(487,429)
Purchase of heritage assets	(24,449)	(11,203)
Net cash used in investing activities	(739,828)	(485,422)
Cash flows from financing activities:		
Interest paid	(9,415)	(8,523)
New finance	300,000	-
Repayment of capital element of finance leases	(125,950)	(132,391)
Net cash generated/(used) by/in financing activities	164,635	(140,914)
Change in cash and cash equivalents in the reporting period	(88,665)	(373,643)
Cash and cash equivalents at the beginning of the reporting period	1,725,712	2,099,355
Cash and cash equivalents at the end of the reporting period	1,637,047	1,725,712
Reconciliation of net expenditure to net cash flow from operating activities:		
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(79,997)	(173,333)
Interest receivable	(2,661)	(13,210)
Interest payable	9,415	8,523
Depreciation of tangible fixed assets	856,885	834,223
Loss on disposal of fixed assets	5,297	-
(Decrease)/increase in stocks	(50,104)	945
Increase in debtors	(156,588)	(69,263)
Decrease in creditors	(95,719)	(335,192)
Net cash provided by operating activities	486,528	252,693
Analysis of cash and cash equivalents:		
Cash at bank and in hand	1,120,427	711,291
Short term deposits	516,620	1,014,431
	1,637,047	1,725,712

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2017

1. ACCOUNTING POLICIES

General information

National Space Centre ("the Charity") 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 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.

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2017

1. ACCOUNTING POLICIES (continued)

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 Group 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 Group 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 Group 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.

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.

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2017

1. ACCOUNTING POLICIES (continued)

- 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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2017

1. ACCOUNTING POLICIES (continued)

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 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 31 December 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.

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 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 of NSSC Operations Limited will be filed with the Registrar of Companies.

	<i>Period ended 31 December 2017 £</i>	<i>Period ended 1 January 2017 £</i>
Profit and loss account		
Income	5,957,307	5,846,160
Expenditure	(5,809,253)	(5,882,142)
Operating profit/(loss)	148,054	(35,982)
Interest receivable	2,661	13,210
Interest payable	(9,415)	(8,523)
Net profit/(loss) for the period	141,300	(31,295)
Balance sheet		
Fixed assets	555,453	395,565
Current assets	2,202,491	2,072,381
Creditors: amounts falling due within one year	(2,346,914)	(2,358,474)
Net current liabilities	(144,423)	(286,093)
Long term liabilities	(253,924)	(93,666)
Net assets	157,106	15,806
Aggregate share capital and reserves	157,106	15,806

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2017

3. DONATIONS & LEGACIES

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Period ended 31 December 2017 £</i>	<i>Period ended 1 January 2017 £</i>
Donations:				
Education Awards Scheme	-	1,278	1,278	98
	-	1,278	1,278	98

4. CHARITABLE ACTIVITIES

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Period ended 31 December 2017 £</i>	<i>Period ended 1 January 2017 £</i>
Admissions	2,623,227	-	2,623,227	2,684,302
Gift aid	318,542	20	318,562	323,797
Space Academy	170,278	-	170,278	216,998
Grants:				
UK Space Agency	-	100,000	100,000	99,776
Lloyds Foundation Trust	-	99,000	99,000	99,000
Science and Technology Facilities Council	-	67,947	67,947	36,200
Satellite Applications Catapult	-	10,500	10,500	12,075
	-	277,447	277,447	247,051
	3,112,047	277,467	3,389,514	3,472,148

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2017

5. OTHER TRADING ACTIVITIES

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Period ended 31 December 2017</i>	<i>Period ended 1 January 2017</i>
	£	£	£	£
Retail	560,456	-	560,456	633,832
Catering / Corporate	1,186,489	-	1,186,489	1,056,424
Creative Services	1,352,943	-	1,352,943	1,268,191
Sponsorships:				
ITP Engines UK Ltd	-	-	-	12,434
PPG Architectural Coatings	-	12,556	12,556	-
Ogden Trust	-	9,750	9,750	15,000
Other sponsorship	10,088	-	10,088	5,194
	3,109,976	22,306	3,132,282	2,991,075

6. ANALYSIS OF INCOME

Income is attributable to geographical markets as follows:

	<i>Period ended 31 December 2017</i>	<i>Period ended 1 January 2017</i>
	£	£
Turnover:		
United Kingdom	5,860,919	5,917,692
Europe	134,865	307,837
Rest of World	527,290	237,792
Total	6,523,074	6,463,321

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2017

7. EXPENDITURE – RAISING FUNDS

	<i>Costs of raising donations & other income</i>	<i>Retail</i>	<i>Catering</i>	<i>Period ended 31 December 2017</i>	<i>Period ended 1 January 2017</i>
	£	£	£	£	£
Staff costs	66,864	50,019	422,589	539,472	455,196
Costs of sales	-	254,572	365,531	620,103	659,893
Marketing	126,214	-	361	126,575	160,019
Maintenance	-	-	1,025	1,025	665
Running and sundry	8,788	2,265	45,221	56,274	54,736
IT and licences	-	156	540	696	-
Cleaning	-	-	7,007	7,007	5,191
Travel	3,703	1,530	1,773	7,006	5,769
Creative services	120,286	-	-	120,286	171,423
Training and recruitment	483	872	-	1,355	886
	326,338	309,414	844,047	1,479,799	1,513,778

For the period ended 1 January 2017, the expenditure breakdown for raising funds was as follows:-

	£
Cost of generating donations and other income	400,990
Retail	360,842
Catering	751,946
	1,513,778

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2017

8. EXPENDITURE – CHARITABLE ACTIVITIES

	<i>Charitable activities</i>	<i>Governance</i>	<i>Period ended 31 December 2017</i>	<i>Period ended 1 January 2017</i>
	£	£	£	£
Staff costs	3,072,665	-	3,072,665	3,027,101
Depreciation	856,885	-	856,885	834,223
Cost of sales	43,733	-	43,733	40,002
Utilities	218,804	-	218,804	210,862
Marketing	42,788	-	42,788	73,536
Space Academy	51,362	-	51,362	48,504
Maintenance	155,902	-	155,902	195,984
Running & sundry	147,939	-	147,939	140,731
Insurance & rent	106,223	-	106,223	105,307
IT & licences	152,943	-	152,943	134,566
Finance	34,602	-	34,602	27,061
Cleaning	45,440	-	45,440	43,002
Audit, legal & consultancy	4,319	24,899	29,218	38,098
Travel	91,185	-	91,185	120,564
Training & recruitment	23,681	-	23,681	44,607
Telephone & internet	30,092	-	30,092	15,340
Postage & stationery	19,810	-	19,810	23,388
	5,098,373	24,899	5,123,272	5,122,876

Governance costs for the period ended 1 January 2017 amounted to £22,255.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2017

9. NET EXPENDITURE

Net expenditure is stated after charging:

	<i>Period ended 31 December 2017</i>	<i>Period ended 1 January 2017</i>
	<i>£</i>	<i>£</i>
Auditor's remuneration - audit services	19,398	16,440
- non-audit services	5,501	5,615
Depreciation of tangible fixed assets	856,885	834,223
- owned by the group	666,705	782,888
- held under finance lease	51,335	51,335
Loss on disposal of fixed assets	5,297	-
Operating lease rentals - land and buildings	25,463	25,950
Inventories recognised as an expense	587,576	612,419

10. TRUSTEES' EMOLUMENTS AND KEY MANAGEMENT PERSONNEL

	<i>Period ended 31 December 2017</i>	<i>Period ended 1 January 2017</i>
	<i>£</i>	<i>£</i>
Trustees' emoluments	125,796	123,357
Company pension contributions to money purchase pension scheme	12,946	13,030

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 £110,796 and £15,000 (1 January 2017 - £108,357 and £15,000) respectively for qualifying services in those capacities and £12,946 and £- (1 January 2017 - £12,692 and £338) respectively for company pension contributions to a money purchase pension scheme.

During the period £2,483 (1 January 2017 - £3,428) was paid to 3 trustees (2016: 4) for the reimbursement of expenses.

The total compensation including national insurance and pension contributions payable to key management personnel of the Charity was £447,667 (2016: £434,649).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2017

11. STAFF COSTS

	<i>Period ended 31 December 2017</i>	<i>Period ended 1 January 2017</i>
	£	£
Staff costs were as follows:-		
Wages and salaries	3,194,940	3,087,646
Social security costs	257,679	245,421
Other pension costs	159,518	149,230
	3,612,137	3,482,297

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 31 December 2017</i>	<i>Period ended 1 January 2017</i>
	No	No
Between £60,001 - £70,000	1	1
Between £100,001 - £110,000	-	1
Between £110,001 - £120,000	1	-

During the period retirement benefits were accruing to 2 employees whose emoluments amounted to over £60,000 (1 January 2017 – 2), the contributions in the year amount to £16,967 (1 January 2017: £16,634).

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

	<i>Period ended 31 December 2017</i>	<i>Period ended 1 January 2017</i>
	No	No
Administration	54	61
Operations	66	59
	120	120

The average number of employees based on headcount is 185 (2016: 166).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2017

12. 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 1 January 17	26,352,477	10,263,219	1,448,652	25,995	1,197,606	39,287,949
Additions	5,775	591,288	120,977	-	-	718,040
Disposals	-	(194,657)	(53,375)	-	-	(248,032)
At 31 December 17	26,358,252	10,659,850	1,516,254	25,995	1,197,606	39,757,957
Depreciation						
At 1 January 17	7,678,110	9,373,705	985,623	10,397	1,197,606	19,245,441
Disposals	-	(189,360)	(53,375)	-	-	(242,735)
Charge for the period	502,132	168,093	181,461	5,199	-	856,885
At 31 December 17	8,180,242	9,352,438	1,113,709	15,596	1,197,606	19,859,591
Net book value						
At 31 December 17	18,178,010	1,307,412	402,545	10,399	-	19,898,366
At 1 January 17	18,674,367	889,514	463,029	15,598	-	20,042,508

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

	<i>31 December 2017</i>	<i>1 January 2017</i>
	£	£
Plant and equipment	34,853	58,088
Exhibition fit out	196,700	224,800
	<u>231,553</u>	<u>282,888</u>

Included within Exhibition Fit Out above is an asset in the course of construction with a cost and net book value of £234,830 (2016: £nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2017

12. 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 1 January 17	26,352,477	9,777,516	1,203,719	25,995	1,197,606	38,557,313
Additions	5,775	356,457	120,977	-	-	483,209
Disposals	-	(74,127)	(12,649)	-	-	(86,776)
At 31 December 17	26,358,252	10,059,846	1,312,047	25,995	1,197,606	38,953,746
Depreciation						
At 1 January 17	7,678,110	9,183,839	840,419	10,397	1,197,606	18,910,371
Disposals	-	(68,832)	(12,649)	-	-	(81,481)
Charge for the period	502,132	131,575	143,036	5,199	-	781,942
At 31 December 17	8,180,242	9,246,582	970,806	15,596	1,197,606	19,610,832
Net book value						
At 31 December 17	18,178,010	813,264	341,241	10,399	-	19,342,914
At 1 January 17	18,674,367	593,677	363,300	15,598	-	19,646,942

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 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>
	£	£	£
Cost			
At 1 January 17	25,244,477	1,108,000	26,352,477
Additions	5,775	-	5,775
At 31 December 17	25,250,252	1,108,000	26,358,252
Depreciation			
At 1 January 17	7,563,503	114,607	7,678,110
Charge for the period	494,745	7,387	502,132
At 31 December 17	8,058,248	121,994	8,180,242
Net book value			
At 31 December 17	17,192,004	986,006	18,170,010
At 1 January 17	17,680,974	993,393	18,674,367

Freehold land and buildings include freehold land of £680,000 (2016: £680,000) that is not depreciated.

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2017

13. HERITAGE ASSETS

Group and Charitable Company

	Artefacts £
Cost or valuation	
Items included at cost at 1 January 2017	935,158
Items included at valuation at 1 January 2017	4,390,000
Cost or valuation at 1 January 2017	<u>5,325,158</u>
Additions	
Additions at cost in 2017	<u>24,449</u>
Cost or valuation at 31 December 17	<u>5,349,607</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 2017 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.

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2017

13. HERITAGE ASSETS (continued)

Approximately £2,015,000 (2016: £2,015,000) 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 Statement of Financial Activities 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

				Subsidiary undertakings
				£
Cost at 2 January and 31 December 2017				2
<hr/>				
Name of Company	Company no.	Holding	Proportion of investment	Nature of business
NSSC Operations Limited	04141856	Ordinary shares	100%	Operation of National Space Centre
NSSC Property Limited	03486099	Ordinary shares	100%	Dormant

The registered office of these companies is Exploration Drive, Leicester, LE4 5NS.

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2017

15. STOCKS

	<i>At 31 December 2017</i>		<i>At 1 January 2017</i>	
	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	£	£	£	£
Goods for resale	113,973	-	63,869	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

16. DEBTORS

	<i>At 31 December 2017</i>		<i>At 1 January 2017</i>	
	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	£	£	£	£
Trade debtors	262,710	-	206,660	-
Other debtors	74,187	11,976	24,437	16,082
Amounts owed by subsidiary undertakings	-	1,576,429	-	1,513,174
Prepayments	163,727	-	112,939	-
Deferred taxation (note 17)	50,000	-	50,000	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	550,624	1,588,405	394,036	1,529,256
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17. DEFERRED TAXATION

	<i>At 31 December 2017</i>		<i>At 1 January 2017</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	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	£	£	£	£
Brought forward	(50,000)	-	(50,000)	-
Profit and loss account movement arising during the period	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carried forward	(50,000)	-	(50,000)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The deferred tax asset relates to taxable losses carried forward

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2017

18. CURRENT INVESTMENTS

	<i>At 31 December 2017</i>		<i>At 1 January 2017</i>	
	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	£	£	£	£
Cash equivalents on deposit	516,620	-	1,014,431	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

19. CREDITORS: amounts falling due within one year

	<i>At 31 December 2017</i>		<i>At 1 January 2017</i>	
	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	£	£	£	£
Bank loans	39,609	-	-	-
Net obligations under finance leases	93,667	-	119,484	-
Trade creditors	320,305	-	217,696	-
Other taxes and social security costs	116,441	-	157,513	-
Other creditors	13,707	2	25,565	2
Deferred income (note 26)	77,766	-	154,850	-
Accruals	108,991	3,244	177,304	8,924
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	770,486	3,246	852,412	8,926
	<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 31 December 2017</i>		<i>At 1 January 2017</i>	
	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	£	£	£	£
Bank loan	253,924	-	-	-
Loan note	2,000,000	2,000,000	2,000,000	2,000,000
Loan	115,000	115,000	115,000	115,000
Net obligations under finance leases	-	-	93,667	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2,368,924	2,115,000	2,208,667	2,115,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

National Space Centre

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 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 bank loan taken out in the year has a term of seven years and is repayable in monthly instalments. The loan has interest charged at Base Rate plus 2.5%.

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

21. FINANCIAL INSTRUMENTS

	<i>At 31 December 2017 £</i>	<i>At 1 January 2017 £</i>
Financial assets:		
Debt instruments measured at amortised cost	336,897	231,097
	<u>336,897</u>	<u>231,097</u>
Financial liabilities:		
Measured at amortised cost	2,945,203	2,748,716
	<u>2,945,203</u>	<u>2,748,716</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>
Charitable Company			
At 2 January 2017	20,988,545	3,485,855	24,474,400
Net (expenditure)/income for the financial period	(547,982)	326,685	(221,297)
At 31 December 2017	<u>20,440,563</u>	<u>3,812,540</u>	<u>24,253,103</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 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

GROUP	<i>At 2 January 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>At 31 December 2017 £</i>
Education Awards Scheme	15,086	1,298	(1,220)	15,164
National Space Academy	-	299,753	(289,753)	10,000
	<u>15,086</u>	<u>301,051</u>	<u>(290,973)</u>	<u>25,164</u>
	<u><u>15,086</u></u>	<u><u>301,051</u></u>	<u><u>(290,973)</u></u>	<u><u>25,164</u></u>
Prior year	<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>
	<u><u>18,074</u></u>	<u><u>276,108</u></u>	<u><u>(279,096)</u></u>	<u><u>15,086</u></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
- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2017

24. RESTRICTED REVENUE FUNDS (continued)

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.

25. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Restricted funds £	Unrestricted funds £	At 31 December 2017 £	At 1 January 2017 £
Fund balances at are represented by:				
Tangible fixed assets	17,298,208	2,600,158	19,898,366	20,042,508
Heritage assets	5,292,499	57,108	5,349,607	5,325,158
Current assets	20	2,301,624	2,301,644	2,183,617
Current liabilities	(10,000)	(760,486)	(770,486)	(852,412)
Long term liabilities	(2,115,000)	(253,924)	(2,368,924)	(2,208,667)
	<u>20,465,727</u>	<u>3,944,480</u>	<u>24,410,207</u>	<u>24,490,204</u>

Prior year	Restricted funds £	Unrestricted funds £	At 1 January 2017 £	At 27 December 2015 £
Fund balances at are represented by:				
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>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2017

25. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

Company	<i>Restricted funds £</i>	<i>Unrestricted funds £</i>	<i>At 31 December 2017 £</i>	<i>At 1 January 2017 £</i>
Fund balances at are represented by:				
Tangible fixed assets	17,263,044	2,079,870	19,342,914	19,646,942
Heritage assets	5,292,499	57,108	5,349,607	5,325,158
Investments	-	2	2	2
Current assets	20	1,678,806	1,678,826	1,626,224
Current liabilities	-	(3,246)	(3,246)	(8,926)
Long term liabilities	(2,115,000)	-	(2,115,000)	(2,115,000)
	<u>20,440,563</u>	<u>3,812,540</u>	<u>24,253,103</u>	<u>24,474,400</u>
Prior year			<i>At 1 January 2017 £</i>	<i>At 27 December 2015 £</i>
Fund balances at are represented by:				
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>

ANALYSIS OF FREE RESERVES

Group

	<i>At 31 December 2017 £</i>	<i>At 1 January 2017 £</i>
Total unrestricted reserves	3,944,480	3,486,573
Less unrestricted fixed assets	(2,600,158)	(2,207,477)
Less unrestricted heritage assets	(57,108)	(32,658)
Total free reserves	<u>1,287,214</u>	<u>1,246,438</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2017

26. DEFERRED INCOME

	<i>At 1 January 2017 £</i>	<i>Income received/ invoiced in year £</i>	<i>Amount released to income £</i>	<i>Accruals at 31 December 2017 £</i>	<i>At 31 December 2017 £</i>
Grant and sponsorship income	106,182	169,642	(290,003)	33,000	18,821
Corporate events	33,668	690,426	(680,149)	-	43,945
NSC Creative	15,000	1,352,943	(1,352,943)	-	15,000
	<u>154,850</u>	<u>2,213,011</u>	<u>(2,323,095)</u>	<u>33,000</u>	<u>77,766</u>

27. CAPITAL COMMITMENTS

	<i>At 31 December 2017 £</i>	<i>At 1 January 2017 £</i>
Contracted for, but not provided in the financial statements	<u>45,850</u>	<u>30,120</u>

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 31 December 2017 £</i>	<i>At 1 January, 2017 £</i>
Amounts due:		
Less than one year	21,000	21,000
Between two and five years	84,000	84,000
After more than five years	183,750	204,750
	<u>288,750</u>	<u>309,750</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2017

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 £1,025,000 (2016: £1,000,000) in respect of a management charge. At the year end, the charity was owed £1,576,429 (2016: £1,513,174) 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 £159,518 (period ended 1 January 2017 - £149,230). Contributions totalling £24,658 (period ended 1 January 2017 - £23,884) 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 31 December 2017

32. STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE PERIOD ENDED 1 JANUARY 2017

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