

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Trustees	Mr A J Aubrey Mrs J T Craven Ms F J Hesselden Mrs A M Hope Mr P C Smart (resigned 10 May 2021) Mrs L A Stradeski Dr E A Wood Ms J Rice-Bowen Mr J S Rogerson (resigned 18 May 2021) Mrs D C Watson (resigned 3 January 2020)
Company registered number	1948578
Charity registered number	292758
Registered office	Discovery Road Halifax West Yorkshire HX1 2NE
Company secretary	Miss T J Corbridge
Chief executive officer	Mrs L A Stradeski
Independent auditor	Armstrong Watson Audit Limited Chartered Accountants and Statutory Auditors Third Floor 10 South Parade Leeds West Yorkshire LS1 5QS
Bankers	Barclays Bank PLC 10 Market Street Bradford West Yorkshire BD1 1EG
Solicitors	Wrigleys LLP 19 Cookridge Street Leeds West Yorkshire LS2 3AG

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**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The chair presents their statement for the year.

Having served as the Chair of our Finance & General Purposes Committee since 2009, I have recently assumed the role of Interim Chair due to the retirement of Peter Smart, Chairman since 2012. It therefore falls to me to summarise the past year which, without a doubt, can only be characterised as the most exceptional and unpredictable in our history. In 2019 we experienced the highest number of visitors to Eureka! since 1998, and financial results which showed an operating surplus of over £270,000. The arrival of COVID-19 in the first quarter of 2020, resulted in six months of closure across the remainder of the year due to government-mandated lockdowns, and reduced capacity for the three months during which we were able to re-open. As a consequence, and in stark contrast to 2019, we experienced the lowest number of visitors to Eureka! since we opened in 1992 and an operating loss of £580,000. Although the CJRS (furlough scheme) has helped to support staff costs and job retention during closure, and some small government grants have offset overheads, we also experienced a drop of £821,000 in our unrestricted reserves fund to cover fixed costs and other essentials, the reduction of our workforce by over one-third and the closure of Eureka! Nursery.

As unexpected and difficult as this has been for trustees and staff alike, I can say with great confidence and immense satisfaction that we managed to address these challenges with the same fortitude and resilience that has seen us grow into the sustainable and successful national visitor attraction we have become over the past 29 years. We have done this with our eyes very clearly focussed on the future, and a goal of ensuring that we would be here to serve the many families and children who will benefit from the Eureka! experience in the years to come. On that basis, I am very pleased to report that 2020 was, in spite of everything, a successful year.

Capital projects and gallery redevelopments initially planned for 2020/21 were put on hold as part of our cost-saving measures. We quickly turned our attention to delivering an on-line digital programme of activities to maintain engagement with our visitors and build our profile. This was very successful and we are considering how a digital experience may factor into our plans for the future. We also focussed on reviewing, altering and enhancing facilities, operations and systems to achieve greater efficiencies and support the requirements of reduced capacity and social distancing going forward.

As trustees, we are ever mindful of our duties and obligations to take decisions which are in the best interests of the charity and its beneficiaries. To support this requirement, we initiated monthly joint meetings of our Finance & General Purposes Committee and our Human Resource and Health & Safety Committee. Over and above this, with the uncertainties and financial impacts of COVID-19 looming large, and an imperative to safeguard our future, we determined to review the bigger picture inclusive of future plans for development on our 13-acre Halifax site. As a result, we have begun to develop a new property strategy which will take into consideration a number of options for re-alignment and repurposing of our leasehold. This will support the next stage of our strategic planning and will address the challenges and opportunities which may arise as part of Calderdale Council's Station Gateway Scheme. We anticipate having a draft property strategy completed by summer 2021.

With all of the required capital funding in place, the development of our second visitor attraction, Eureka! Science + Discovery at Seacombe Ferry Terminal in Liverpool City Region was able to continue with only slight delays. With main contracts for base build and exhibition fit-out in place from early 2021, we are on track to open in summer 2022. Having a second visitor attraction will enable us to take a major step forward in our national remit to bring the Eureka! experience to as many children as possible, especially reaching out to those from more disadvantaged backgrounds. We are very grateful for the support of our major funders of this project: Liverpool City Region Combined Authority, the Inspiring Science Fund supported by BEIS, UKRI and the Wellcome Trust, Wirral Borough Council and the Johnson Foundation; the many other trusts, foundations and corporates who have enabled us to move forward; and all of the friends, colleagues and stakeholders who have offered support in so many ways these past few years, and sustained their commitment through the COVID-19 crisis.

We are also grateful to our loyal funders and stakeholders in Halifax who have supported us throughout this past difficult year, and especially to our visiting families and children who, since our re-opening in May 2021, are returning in great numbers to once again experience the play and learning Eureka! style, which they have been missing for so long. And without a doubt, appreciation and thanks goes out to our exceptional staff, whose patience, perseverance and never-ending enthusiasm through this challenging time has been outstanding.

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CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Finally, I would particularly like to thank my fellow trustees who have been called upon through this past year as never before, not only in terms of their commitment of time but most significantly, the requirement to review and consider an extensive amount of information and to make very difficult decisions to support the future sustainability of Eureka!

With the continued dedication and support of all of these valued individuals and groups, we are confident of a strong and successful future for Eureka! We look forward to welcoming many more generations of children and young people through our doors.



Alison Hope
Interim chair of trustees

Date: 5 July 2021

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report for the year and financial statements for the year ended 31 December 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT:

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

APPOINTMENT OF TRUSTEES

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

TRUSTEES INDUCTION AND TRAINING

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

ORGANISATION

The Board of Trustees administers the charity. The Board meets quarterly and subcommittees covering finance, human resources and health and safety meet regularly. These subcommittees moved to monthly meetings throughout 2020 to deal with the urgencies of COVID-19 and expedient decision-making. A Chief Executive is appointed by the trustees to provide strategic leadership and manage the charity's day-to-day operations.

RELATED PARTIES

The charity has a subsidiary, 1855 Station Building Limited, which lets property in the 1855 Station Building at the Museum and operates an early years' centre (until the closure of Eureka! Nursery in December 2020) and the museum's cafe, shop and car park.

OBJECTIVES AND ACTIVITIES

The charity's objects are to promote, maintain and advance public education by the promotion, establishment and maintenance of a museum, or museums, for children. It operates as a children's museum providing interactive educational exhibits and programmed workshops designed to increase child awareness, curiosity, understanding and enjoyment of the world in which we live. Commencing in 2002, as part of 1855 Station Building Limited, it has also operated a nursery with the object of advancing the development and education of children under statutory school age by providing or supporting the provision of childcare within a safe and stimulating environment. The nursery ceased operations in December 2020 due to the impact of the COVID-19 pandemic and there are no plans to reinstate this provision.

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

STRATEGIC REPORT

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS

Strategic Priorities

Each year, the strategic framework for Eureka! is reviewed, strategic priorities are agreed and corporate objectives are set. 2020 was an exceptional year in that strategic priorities were set as usual, but with the COVID-19 pandemic impacts coming into play from March 2020 onwards, the plan as initially conceived was no longer viable. At that time, Eureka! was required to move into a crisis management situation which involved the continuous adjustment of plans and the revision of financial forecasts on a regular basis as more information was available in the ever-changing context of COVID-19.

Key priorities for the short- to medium-term were agreed which would enable Eureka! to continue to operate and deliver its remit under the constraints of intermittent and unpredictable periods of closure, reduced operating hours during open periods with limited capacity and fewer visitor numbers, curtailing expenditure, maximising savings across all areas and putting in place a reduced staffing structure designed to deliver to the following key priorities:

- Short term focus on sustaining visitor numbers at reduced capacity levels over reduced days of operation for a period of at least six months.
- Reduced focus on schools, events and staff-driven special programming.
- Deferral of capital spend and major projects.
- Continued development of Eureka! Mersey project.

The charity's commitment to delivering a high-quality visitor experience remained paramount and to continue to engage visitors throughout periods of closure a programme of digital engagement consistent with the interactive experience was introduced.

During opening times, we ensured that we were compliant with government guidance whilst retaining as much of the play-based hands-on immersive experience for which Eureka! is renowned. After a period of closure of just under five months during the first lockdown period, our reopening in August 2020 was very successful and financial performance met expectations. The feedback from our visitors was overwhelmingly positive, across all areas of the experience.

Unfortunately, Eureka! was required to close once again in November 2020 and remained closed through the second lockdown until the 21st May 2021, when we reopened for weekends only through to the commencement of the summer holidays, with the exception of the June half-term when we were open for the full week. Performance during this period has thus far met forecasts.

The requirement to achieve significant cost savings resulted in the need to review and implement staff reductions across the organisation. This reduced our staff complement from 72 to 41 FTE, which included 17 FTE employed at Eureka! Nursery which ceased to operate in December 2020. In addition to being a cost-saving measure, the decision to close Eureka! Nursery has enabled the board to focus time and resources on its core business requirements to ensure a sustainable future for Eureka!

This included the continued development of the Eureka! Mersey project which the trustees deem to be a significant part of the charity's sustainability. In spite of some delays resulting from the first lockdown, and the loss of two recently-appointed employees as part of the organisation-wide staff reductions, the project progressed through RIBA Stage 4 during a very challenging time. The team remains committed to delivering an outstanding new Eureka! science and discovery centre in the Liverpool City Region in 2022 within the secured funding of £11.29M.

Throughout 2020, COVID-19 had a significant impact on Eureka! and our financial performance and results, summarised in these accounts reflects this. The CJRS (furlough scheme) was very helpful in supporting workforce retention, and a number of small government grants plus the deferral of VAT had a mitigating impact. The charity applied for a grant to support re-opening costs from the Cultural Recovery Fund- Heritage and await

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

final confirmation.

FINANCIAL REVIEW

SUMMARY

2020 was a challenging year financially for Eureka! The National Children's Museum.

The closure of the museum in March 2020 and then the reduced capacity from August to October before the second closure in November saw visitor numbers fall to 117,840, 62% fewer than in 2019.

Overall incoming resources for the year were £3,582,673, a reduction from £4,558,092 in 2019. This reduction is as a result of the large fall in visitors and would have been significantly larger were it not for grant receipts for the Eureka! Mersey project and the support of the coronavirus job retention scheme (CJRS).

The net movement in funds fell from a surplus of £75,726 in 2019 to a surplus of £10,658 in 2020. Within this restricted funds grew by £832,041 while unrestricted funds fell by £821,383.

As a result, the charity has transferred £381,464 (2019: (£246,637)) from designated funds to general unrestricted funds to maintain free reserves of £297,675.

INCOME AND EXPENDITURE

Income for the year was £3,582,673 (2019: £4,558,092) including unrestricted income of £845,575 from charitable activities, £794,554 from trading activities and £180,731 from gifts and donations. Restricted income of £1,134,007 was received from grants and donations, primarily relating to Eureka! Mersey, and any funds remaining at the year-end will be spent in future years.

Trading activities, after intercompany recharges, generated a deficit of £94,530 and the trading subsidiary is, therefore, unable to make a payment under gift aid to the charity. The deficit is due to the fall in revenues in trading activities associated with the museum. The charity received a further £234,971 by way of rental and management charges from the trading subsidiary (2019: £288,593).

Charitable expenditure fell to £2,702,591 (2019: £3,352,045) as costs associated with operating the museum reduced during periods of closure.

FUTURE PLANS

Having been through an extremely challenging period over the past year, Eureka! is looking to a bright, promising and successful future. Our plans for 2021 and into 2022 will be largely focussed on recovery from the operational and financial impacts of COVID-19.

We will be reviewing the plans for capital investment and physical improvements both indoors and outdoors at our site in Halifax, with a focus on streamlining operational efficiencies and enhancing the visitor experience. Having moved exclusively to online bookings, there is a requirement to invest in an upgraded IT system which is fit for purpose and which will address activity both in Halifax and at the new visitor attraction, which will open in 2022, at Seacombe Ferry Terminal in East Wirral, Liverpool City Region.

From a content and experience point-of-view, there is a full review of the galleries and physical spaces under way which will form the basis for a prioritised plan for investment and redevelopment. The refurbishment of the Garage area within the Living and Working Together gallery, and the outdoor Playscape are two of the projects which were under way prior to COVID-19 and will be resumed and completed within the next 18 months. This will be dependent, of course, on whether the funding, some of which is already in place, can be secured in total.

The enhancements in Halifax will be considered within the context of an overarching Property Strategy which is currently being developed. This strategy will consider the potential challenges and opportunities presented through the Station Gateway Scheme being undertaken by Calderdale Council which could have significant

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FOR THE YEAR ENDED 31 DECEMBER 2020

implications for our site and operations.

We will continue with the development of the Eureka! Mersey project, working towards an opening in summer 2022. It has been very gratifying that this project has been able to proceed through this very turbulent period in which many projects have been delayed or even cancelled. This has been possible due to the fact that the financial resources required to deliver the project were fully in place at the time the pandemic hit, all due to the support of third-party funders. A major milestone was achieved in June 2021 with the signoff of the two main contracts for base build and exhibition fit-out and work is to commence on site in July.

2022 will mark 30 years since Eureka! welcomed visitors through the doors of the UK's first children's museum. Our path since that time has been one of leadership and innovation in the field of play-based learning and immersive experiences for children from birth to 11. The opening of Eureka! Science + Discovery in Merseyside will see us break new ground, with a focus on encouraging children and young people up to the age of 14 and their families to explore the sciences and arts, inspiring them to pursue studies and careers which could change the world for the better.

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

The key risks identified within the register are: the impact of Covid-19 on our ability to operate, the health and safety of visitors and staff, budgetary control and financial reporting and compliance with legislation and regulations.

INVESTMENT POWERS

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

RESERVES AND RESERVES POLICY

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

It remains the view of the trustees, taking into account organisational risks, that a target for free reserves of £500,000 is ideal. This figure represents approximately three months of core operating costs and would allow the museum to review its activities in the event of a significant reduction in trading revenues.

However, during the year a review of the reserves policy was undertaken by the Finance and General Purposes committee and the trustees decided to prioritise the creation a £400,000 Strategic Future fund to ensure that in the unlikely event that the organisation decided to cease trading an orderly winding down of operations could be facilitated.

The development, refurbishment and maintenance of the museum's main building, galleries, grounds and heritage assets require significant funding. Given the reduction in unrestricted reserves in 2020 all such projects, other than those currently ongoing, have been paused and funds previously designated within a Maintenance & Development fund re-designated as free reserves.

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At the end of 2020 Eureka! had free reserves of £297,675 (2019: £545,951) as defined by the Charity Commission. The Trustees will continue to review various options, including the disposal of certain capital assets, and establishment of an endowment fund, in order to further secure the charity's future. Additional trading opportunities are also being explored which would facilitate a transfer of any net surplus generated into reserves. Eureka! operates as a going concern.

COVID-19

The government's response to COVID-19 through two national lockdowns and the continued requirement of social distancing restrictions has resulted in the Museum being closed for a total of just under 12 months in the period between March 2020 and May 2021 and operating with reduced visitor numbers during open periods.

This has led to a significant reduction in income for the charity and its subsidiary as a whole. Throughout this period, the Trustees and executive have been meeting regularly to review plans, spending and budgets to ensure that appropriate measures and monitoring is in place to secure the future of the Museum and its activities.

Although there is evidence that the threat of COVID-19 and its widespread impacts are under control, and no further periods of lockdown are anticipated at this time, these regular meetings will continue until there is greater confidence and certainty about the future. The impact of Covid 19 on going concern is covered in accounting policy 2.3 in the notes to the financial statements.

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as each of the trustees is aware:

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

AUDITORS

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

Approved by order of the members of the board of trustees

and signed on their behalf by:

01 July 2021

:

AM Hope

Mrs A M Hope
Trustee

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial 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 the Charitable Company and of their incoming resources and application of resources, including their income and expenditure of the charitable group, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Opinion

We have audited the financial statements of Eureka! The National Children's Museum (the 'parent charitable company') and its subsidiaries (together the 'group') for the year ended 31 December 2020 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Group Strategic report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement on page 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 the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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



Ross Preston (Senior statutory auditor)

for and on behalf of

Armstrong Watson Audit Limited

Chartered Accountants and Statutory Auditors

Leeds

Date: 5 July 2021

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	3	1,134,007	180,731	1,314,738	794,015
Income from charitable activities:	4				
Operation of Museum		-	845,575	845,575	1,952,516
Income from other trading activities:					
Commercial trading activities		-	794,554	794,554	1,798,701
Investments	5	-	10,429	10,429	12,860
Other income	6	-	617,377	617,377	-
Total income		1,134,007	2,448,666	3,582,673	4,558,092
Expenditure on:					
Commercial trading activities	7	-	869,424	869,424	1,155,607
Charitable activities	8	301,966	2,400,625	2,702,591	3,352,045
Total expenditure		301,966	3,270,049	3,572,015	4,507,652
Net income/(expenditure) before net losses on investments		832,041	(821,383)	10,658	50,440
Net losses on investments		-	-	-	(395)
Net income/(expenditure) before taxation		832,041	(821,383)	10,658	50,045
Taxation - Museum & Gallery Exhibitions Tax relief		-	-	-	25,681
Net movement in funds		832,041	(821,383)	10,658	75,726
Reconciliation of funds:					
Total funds brought forward		3,364,229	3,715,592	7,079,821	7,004,095
Net movement in funds		832,041	(821,383)	10,658	75,726
Total funds carried forward		4,196,270	2,894,209	7,090,479	7,079,821

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

The notes on pages 18 to 43 form part of these financial statements.

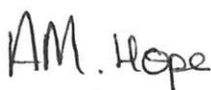
EUREKA! THE NATIONAL CHILDREN'S MUSEUM
(A company limited by guarantee)
REGISTERED NUMBER: 1948578

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	5,620,970	5,181,893
		<u>5,620,970</u>	<u>5,181,893</u>
Current assets			
Stocks	14	24,138	33,402
Debtors	15	465,074	130,572
Cash at bank and in hand	23	1,235,481	2,252,122
		<u>1,724,693</u>	<u>2,416,096</u>
Creditors: amounts falling due within one year	16	(255,184)	(518,168)
Net current assets		<u>1,469,509</u>	<u>1,897,928</u>
Total assets less current liabilities		<u>7,090,479</u>	<u>7,079,821</u>
Total net assets		<u><u>7,090,479</u></u>	<u><u>7,079,821</u></u>
Charity funds			
Restricted funds	19	4,196,270	3,364,229
Unrestricted funds	19	2,894,209	3,715,592
Total funds		<u><u>7,090,479</u></u>	<u><u>7,079,821</u></u>

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

The financial statements were approved and authorised for issue by the Trustees on 5 July 2021 and signed on their behalf by:


Mrs A M Hope
Trustee

The notes on pages 18 to 43 form part of these financial statements.

EUREKA! THE NATIONAL CHILDREN'S MUSEUM**(A company limited by guarantee)****REGISTERED NUMBER: 1948578****COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	5,620,970	5,181,893
Investments	13	2	2
		5,620,972	5,181,895
Current assets			
Debtors	15	700,291	490,673
Cash at bank and in hand		1,110,662	1,420,934
		1,810,953	1,911,607
Creditors: amounts falling due within one year	16	(229,020)	(349,102)
Net current assets		1,581,933	1,562,505
Total assets less current liabilities		7,202,905	6,744,400
Total net assets		7,202,905	6,744,400
Charity funds			
Restricted funds	19	4,196,270	3,364,229
Unrestricted funds	19	3,006,635	3,380,171
Total funds		7,202,905	6,744,400

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

The financial statements were approved and authorised for issue by the Trustees on
5 July 2021 and signed on their behalf by:

AM. Hope
Mrs A M Hope
Trustee

The notes on pages 18 to 43 form part of these financial statements.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash flows from operating activities		
Net cash used in operating activities (note 22)	(169,375)	834,597
Cash flows from investing activities		
Dividends, interests and rents from investments	10,429	12,860
Purchase of tangible fixed assets	(857,695)	(354,793)
Net cash used in investing activities	(847,266)	(341,933)
Change in cash and cash equivalents in the year	(1,016,641)	492,664
Cash and cash equivalents at the beginning of the year	2,252,122	1,759,458
Cash and cash equivalents at the end of the year (note 23)	<u>1,235,481</u>	<u>2,252,122</u>

The notes on pages 18 to 43 form part of these financial statements

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

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

The functioning and presentational currency is Sterling (£).

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

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

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

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

2.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company. The trustees are directors for the purposes of the Companies Act 2006. At 31 December 2020 there were nine members (2019: nine members).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.3 Going concern

The Trustees have considered the on-going situation with regard to COVID-19 as part of their going concern assessment. The view of the Trustees is that, while they acknowledge the significant disruption that the pandemic brought and the ongoing uncertainty as to how long restrictions will continue over the coming months, the Trustees feel that the charity is well placed to negotiate the conditions currently facing the UK economy.

The principal financial risk facing the charity is its ability to generate sufficient income from visitor numbers and external funding to cover expenditure incurred in fulfilling the objectives of the charity. The Trustees have reviewed the cash position of the charity and cash forecasts at the date of signing the accounts and are satisfied that the charity will be able to meet all the financial commitments for the foreseeable future being at least 12 months from the date of signing.

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

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

2.4 Income

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

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

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised in the accounts.

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.5 Charitable expenditure

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

Establishment costs

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

Exhibitions and service delivery

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

Other expenditure

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

Publicity costs

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

Governance costs

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

Allocation of costs

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.6 Basis of consolidation

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

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its Statement of Financial Activities, including income and expenditure accounts.

The net income and expenditure account for the year dealt with in the accounts of the company was £458,505 (2019 - £224,602).

2.7 Tangible fixed assets and depreciation

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

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

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

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

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

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

2.8 Investments

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

Subsidiary undertakings

Investments in subsidiaries are valued at cost less provision for impairment.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.9 Interest receivable

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

2.10 Stocks and work in progress

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

2.11 Debtors

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

2.12 Cash at bank and in hand and cash equivalents

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

2.13 Liabilities and provisions

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

2.14 Financial instruments

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

2.15 Taxation

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

2.16 Pensions

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.17 Fund accounting

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

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

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

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

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

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

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

Critical accounting estimates and assumptions:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property, plant and equipment and note 2.7 for the useful economic lives for each class of assets.

Bad debt provision

The Group and the charitable company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for the net carrying amount of the debtors and associated impairment provision.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Income from donations and legacies

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Donations	1,134,007	180,731	1,314,738

	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	391,039	402,976	794,015

	2020 £	2019 £
Unrestricted		
Gift aid	160,438	400,280
Spark Fund - Spooner Trust	1,000	2,000
Spark Fund - Others	579	529
Other	18,714	167
	180,731	402,976

	2020 £	2019 £
Restricted		
Inspiring Science Fund	856,823	134,225
ASDC - Space	-	1,500
The Fidelity Foundation	-	200,000
Cummins Turbo Technologies	-	31,314
Arts Council England	6,000	24,000
Wirral BC	46,184	-
The Morrisons Foundation	25,000	-
The Foyle Foundation	100,000	-
The Johnson Foundation	100,000	-
	1,134,007	391,039

EUREKA! THE NATIONAL CHILDREN'S MUSEUM
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £
Total income from operation of museum	845,575	845,575

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Total income from operation of museum	1,952,516	1,952,516

5. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Bank deposit interest receivable	10,429	10,429

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Bank deposit interest receivable	12,860	12,860

6. Other income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Job retention scheme income	617,377	617,377	-

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Trading Activities

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2020	2020	2020	2019
	£	£	£	£
Charity Trading Income				
Turnover	<u>794,554</u>	-	<u>794,554</u>	<u>1,798,701</u>
Charity Other Operating Income				
Job retention scheme income	<u>215,311</u>	-	<u>215,311</u>	-
Fundraising trading expenses				
Cost of sales	117,152	-	117,152	315,692
Administrative expenses	102,910	-	102,910	166,957
Wages and salaries	610,427	-	610,427	633,091
Employers NI	30,733	-	30,733	32,368
Pension costs	8,202	-	8,202	7,499
	<u>869,424</u>	<u>-</u>	<u>869,424</u>	<u>1,155,607</u>
Net income from trading activities before taxation	<u>140,441</u>	<u>-</u>	<u>140,441</u>	<u>643,094</u>

Turnover of £794,554 (2019: £1,798,701) has been recognised in the consolidated statement of financial activities in relation to the trading subsidiary.

In addition, inter-company recharges of £234,971 (2019: £288,593) have been eliminated on consolidation.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Analysis of expenditure by expenditure type

	Staff Costs 2020 £	Depreciation 2020 £	Other Costs 2020 £	Total 2020 £	Total 2019 £
Costs Incurred by Trading Subsidiaries	<u>649,362</u>	<u>-</u>	<u>220,062</u>	<u>869,424</u>	1,155,608
Establishment	369,991	209,756	582,424	1,162,171	1,404,061
Exhibition	912,178	208,862	145,058	1,266,098	1,562,875
Publicity	149,206	-	91,066	240,272	343,900
Charitable Activities	<u>1,431,375</u>	<u>418,618</u>	<u>818,548</u>	<u>2,668,541</u>	<u>3,310,836</u>
Expenditure on governance	<u>-</u>	<u>-</u>	<u>34,050</u>	<u>34,050</u>	<u>41,209</u>
	<u>2,080,737</u>	<u>418,618</u>	<u>1,072,660</u>	<u>3,572,015</u>	<u>4,507,653</u>
Total 2019	<u>2,143,388</u>	<u>431,976</u>	<u>1,932,469</u>	<u>4,507,653</u>	

9. Support costs

	2020 £	2019 £
Governance		
Auditor's remuneration	17,536	18,975
Legal and professional	16,514	22,234
	<u>34,050</u>	<u>41,209</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Net Income/(Expenditure)

This is stated after charging:

	2020	2019
	£	£
Fees payable to the auditor for the audit of the Company's annual accounts	13,986	13,305
Fees payable to the auditor in respect of fees in relation to:		
Corporation tax	3,550	5,670
Depreciation of tangible assets owned by the group	418,618	431,796

11. Staff costs

	Group	<i>Group</i>	Company	<i>Company</i>
	2020	<i>2019</i>	2020	<i>2019</i>
	£	<i>£</i>	£	<i>£</i>
Wages and salaries	1,894,829	1,959,704	1,284,402	1,326,613
Social security costs	122,974	127,616	92,241	95,248
Contribution to defined contribution pension schemes	62,934	56,068	54,732	48,569
	2,080,737	2,143,388	1,431,375	1,470,430

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

	Group	<i>Group</i>	Company	<i>Company</i>
	2020	<i>2019</i>	2020	<i>2019</i>
	No.	<i>No.</i>	No.	<i>No.</i>
Museum	81	83	81	83
Nursery	27	27	-	-
Cafe	23	23	-	-
	131	133	81	83

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

Ms L-A Stradeski, a Trustee, received remuneration of £98,646 in the year (2019: £111,083) in her capacity as Chief Executive. Pension contributions of 10% of salary were paid (2019 10%). None of the other Trustees received remuneration during the year.

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

Costs incurred in relation to key management personnel were £104,957 in total (2019: £118,498) and this was in relation to one person in the current and previous year.

The charity purchased insurance £538 (2019: £538) to protect against loss arising from neglect or default of its trustees and officers. No expenses (2019: £504) were reimbursed to any trustees (2019 two trustees).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Tangible fixed assets

Group

	Long-term leasehold property including car park development £	Motor vehicles £	Fixtures and fittings £	Exhibition equipment £	Assets under course of construction £	Total £
Cost or valuation						
At 1 January 2020	7,884,775	1,667	764,872	3,819,589	267,978	12,738,881
Additions	-	-	33,834	-	823,861	857,695
At 31 December 2020	7,884,775	1,667	798,706	3,819,589	1,091,839	13,596,576
Depreciation						
At 1 January 2020	3,800,762	1,667	626,156	3,128,403	-	7,556,988
Charge for the year	157,176	-	52,581	208,861	-	418,618
At 31 December 2020	3,957,938	1,667	678,737	3,337,264	-	7,975,606
Net book value						
At 31 December 2020	3,926,837	-	119,969	482,325	1,091,839	5,620,970
At 31 December 2019	4,084,013	-	138,716	691,186	267,978	5,181,893

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Tangible fixed assets (continued)

Company

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Exhibition equipment £	Assets under the course of construction £	Total £
Cost or valuation						
At 1 January 2020	7,884,775	1,667	732,152	3,819,589	267,978	12,706,161
Additions	-	-	33,834	-	823,861	857,695
At 31 December 2020	7,884,775	1,667	765,986	3,819,589	1,091,839	13,563,856
Depreciation						
At 1 January 2020	3,800,762	1,667	593,436	3,128,403	-	7,524,268
Charge for the year	157,176	-	52,581	208,861	-	418,618
At 31 December 2020	3,957,938	1,667	646,017	3,337,264	-	7,942,886
Net book value						
At 31 December 2020	3,926,837	-	119,969	482,325	1,091,839	5,620,970
At 31 December 2019	4,084,013	-	138,716	691,186	267,978	5,181,893

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13. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 January 2020	20,900
Amounts written off	(20,900)
At 31 December 2020	-
Impairment	
At 1 January 2020	20,900
Amounts written off	(20,900)
At 31 December 2020	-
Net book value	
At 31 December 2020	-
<i>At 31 December 2019</i>	<i>-</i>

All the fixed asset investments are listed on the UK stock exchange are represented by Redhall Group PLC 10,000 ordinary shares of 25p each. This entity has been dissolved in May 2021, therefore the investment has been written out of the accounts in the current year.

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13. Fixed asset investments (continued)

Company	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 January 2020	2	20,900	20,902
Amounts written off	-	(20,900)	(20,900)
At 31 December 2020	2	-	2
Impairment			
At 1 January 2020	-	20,900	20,900
Amounts written off	-	(20,900)	(20,900)
At 31 December 2020	-	-	-
Net book value			
At 31 December 2020	2	-	2
<i>At 31 December 2019</i>	<i>2</i>	<i>-</i>	<i>2</i>

14. Stocks

	Group 2020 £	Group 2019 £
Shop goods for resale	24,138	28,107
Catering goods for resale	-	5,295
	24,138	33,402

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15. Debtors

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Due within one year				
Trade debtors	356,479	22,634	352,484	4,625
Other debtors	-	-	244,389	381,658
Prepayments and accrued income	108,595	107,938	103,418	104,390
	<u>465,074</u>	<u>130,572</u>	<u>700,291</u>	<u>490,673</u>

16. Creditors: Amounts falling due within one year

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Trade creditors	74,074	184,265	69,398	161,747
Other taxation and social security	21,511	79,276	26,397	34,326
Other creditors	14,147	13,124	14,147	13,124
Accruals and deferred income	145,452	241,503	119,078	139,905
	<u>255,184</u>	<u>518,168</u>	<u>229,020</u>	<u>349,102</u>

17. Deferred income

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Deferred income				
Deferred income at 1 January 2020	77,099	89,588	7,401	14,811
Resources deferred during the year	27,692	77,099	12,994	7,401
Amounts released from previous periods	(77,099)	(89,588)	(7,401)	(14,811)
Deferred income at 31 December 2020	<u>27,692</u>	<u>77,099</u>	<u>12,994</u>	<u>7,401</u>

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

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NOTES TO THE FINANCIAL STATEMENTS
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18. Financial instruments

	Group 2020 £	<i>Group 2019 £</i>
Financial assets		
Financial assets measured at fair value through income and expenditure	1,339,475	<i>2,274,756</i>
	Group 2020 £	<i>Group 2019 £</i>
Financial liabilities		
Financial liabilities measured at amortised cost	157,394	<i>339,855</i>

Financial assets measured at fair value through income and expenditure comprises trade debtors, other debtors and cash in hand.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2020 £
Unrestricted funds					
Designated funds					
Spark Fund	12,804	1,579	-	-	14,383
Fixed asset fund	2,142,755	-	(144,437)	33,833	2,032,151
Maintenance & development fund	1,014,082	-	(48,785)	(815,297)	150,000
Strategic futures fund	-	-	-	400,000	400,000
	<u>3,169,641</u>	<u>1,579</u>	<u>(193,222)</u>	<u>(381,464)</u>	<u>2,596,534</u>
General funds					
General Funds	<u>545,951</u>	<u>2,447,087</u>	<u>(3,076,827)</u>	<u>381,464</u>	<u>297,675</u>
Total Unrestricted funds	<u>3,715,592</u>	<u>2,448,666</u>	<u>(3,270,049)</u>	<u>-</u>	<u>2,894,209</u>
Restricted funds					
All About Me (formerly Me and My Body)	-	-	-	-	-
	816,542	-	(196,639)	-	619,903
1855 Station Building Project	2,124,053	-	(70,763)	-	2,053,290
Gift in kind for exhibitions	4,500	-	(500)	-	4,000
Other restricted funds	84,909	6,000	(34,043)	-	56,866
Eureka! Mersey	334,225	1,128,007	(21)	-	1,462,211
	<u>3,364,229</u>	<u>1,134,007</u>	<u>(301,966)</u>	<u>-</u>	<u>4,196,270</u>
Total of funds	<u>7,079,821</u>	<u>3,582,673</u>	<u>(3,572,015)</u>	<u>-</u>	<u>7,090,479</u>

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19. Statement of funds (continued)

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

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

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

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

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

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19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Unrestricted funds							
Designated funds							
Spark Fund	10,275	2,529	-	-	-	-	12,804
Fixed asset fund	2,201,280	-	(145,339)	-	86,814	-	2,142,755
Maintenance & development fund	958,751	-	(104,492)	-	159,823	-	1,014,082
	<u>3,170,306</u>	<u>2,529</u>	<u>(249,831)</u>	<u>-</u>	<u>246,637</u>	<u>-</u>	<u>3,169,641</u>
General funds							
General unrestricted funds	491,952	4,164,524	(3,889,174)	25,681	(246,637)	(395)	545,951
Total Unrestricted funds	<u>3,662,258</u>	<u>4,167,053</u>	<u>(4,139,005)</u>	<u>25,681</u>	<u>-</u>	<u>(395)</u>	<u>3,715,592</u>

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19. Statement of funds (continued)

Restricted funds

All About Me (formerly Me and My Body)
1855 Station Building Project
Gift in kind exhibitions
Other restricted funds
Eureka! Mersey

1,013,181	-	(196,639)	-	-	-	816,542
2,194,816	-	(70,763)	-	-	-	2,124,053
16,473	-	(11,973)	-	-	-	4,500
62,731	56,814	(34,636)	-	-	-	84,909
54,636	334,225	(54,636)	-	-	-	334,225
<u>3,341,837</u>	<u>391,039</u>	<u>(368,647)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,364,229</u>
<u>7,004,095</u>	<u>4,558,092</u>	<u>(4,507,652)</u>	<u>25,681</u>	<u>-</u>	<u>(395)</u>	<u>7,079,821</u>

Total of funds

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Summary of funds

Summary of funds - current year

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

Summary of funds - prior year

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

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21. Analysis of net assets between funds

Analysis of net assets between funds - current year

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

Analysis of net assets between funds - prior year

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	3,039,137	2,142,756	5,181,893
Current assets	357,857	2,058,239	2,416,096
Creditors due within one year	(32,766)	(485,403)	(518,169)
Total	3,364,228	3,715,592	7,079,820

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

	Group 2020 £	Group 2019 £
Net income for the period (as per Statement of Financial Activities)	10,658	75,726
Adjustments for:		
Depreciation charges	418,618	431,796
Losses on investments	-	397
Dividends, interests and rents from investments	(10,429)	(12,860)
Decrease/(increase) in stocks	9,264	(3,205)
(Increase)/decrease in debtors	(334,501)	250,131
(Decrease)/increase in creditors	(262,985)	92,612
Net cash provided by/(used in) operating activities	(169,375)	834,597

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23. Analysis of cash and cash equivalents

	Group 2020 £	<i>Group 2019 £</i>
Cash in hand	882,346	1,634,156
Notice deposits (less than 3 months)	353,135	617,966
Total cash and cash equivalents	<u>1,235,481</u>	<u>2,252,122</u>

24. Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash and cash equivalents	2,252,122	(1,016,641)	1,235,481
	<u>2,252,122</u>	<u>(1,016,641)</u>	<u>1,235,481</u>

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25. Pension commitments

The group make contributions to the personal pension plans of various employees. These schemes are of the defined contribution type. The total pension cost for the group during the year was £62,934 (2019: £56,068). At the year end date outstanding contributions to the plans amounted to £14,116 (2019: £13,124).

26. Operating lease commitments

At 31 December 2020 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Not later than 1 year	6,215	<i>7,189</i>	6,215	<i>7,189</i>
Later than 1 year and not later than 5 years	8,360	<i>14,575</i>	8,360	<i>14,575</i>
	14,575	<i>21,764</i>	14,575	<i>21,764</i>

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

At 31 December 2020, the company was due £66,077 (2019: £85,077) and £19,000 (2019: £19,000) of these balances are due within one year. £47,077 (2019: £66,077) are due between one and five years and £nil (2019: £nil) are due after five years.

27. Related party transactions

Eureka! The National Children's Museum has one subsidiary, 1855 Station Building Limited. The trading results of this subsidiary are summarised in note 28 to the accounts. At 31 December 2020, Eureka! The National Children's Museum was owed £219,587 by 1855 Station Building Limited (2019: £381,458). Eureka! The National Children's Museum has made management re-charges of £234,971 (2019: £288,593) to 1855 Station Building Limited.

28. Principal subsidiaries

The following was a subsidiary undertaking of the Company:

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

The financial results of the subsidiary for the year were:

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28. Principal subsidiaries (continued)

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £
1855 Station Building Limited	1,009,865	1,104,395	(94,530)
Net assets /(liabilities) £			
(112,423)			

