

Dynamic Earth

DYNAMIC EARTH CHARITABLE TRUST

(A company limited by guarantee)

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 MARCH 2023

(Registered Number - SC138695)

Scottish Charity No. SC020363

DYNAMIC EARTH CHARITABLE TRUST

(A company limited by guarantee)

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Legal and administrative details

| | |
|---------------------------------------|---|
| Scottish Charity registration number: | SC020363 |
| Company registration number: | SC138695 |
| Company secretary: | Douglas Walker |
| Registered office: | Dynamic Earth Charitable Trust 110-112 Holyrood Road Edinburgh EH8 8AS |
| Bankers: | Lloyds Banking Group plc 300 Lawn Market Edinburgh EH1 2PH |
| Principal Solicitors: | Anderson Strathern 1 Rutland Court Edinburgh EH3 8EY |
| Auditor: | Thomson Cooper Chartered Accountants Statutory Auditors 3 Castle Court Carnegie Campus Dunfermline KY11 8PB |

Trustee's Report

The Board of Trustees hereby submit the Annual Report and Financial Statements for the company for the period ended 31 March 2023.

Structure and management

Dynamic Earth Charitable Trust is a company limited by guarantee governed by its Memorandum and Articles of Association. It is registered as a charity with the Office of the Scottish Charity Regulator. The Trustees serving during the period and since the period end, are as follows:

- Professor Sir Peter Downes (Chairman)
- Lord Provost, City of Edinburgh Council, Robert Aldridge (Appointed August 2022)
- Mark Bishop (Appointed September 2022)
- Candice Donnelly (Appointed September 2022)
- Jennifer Harrison (Appointed September 2022)
- Iain McCorquodale (Appointed September 2022)
- Heather Reid (Appointed September 2022)
- Jamie Dunlop (Appointed March 2023)
- Jo Coomber (Appointed March 2023)
- John Simpson (Retired July 2022)
- Colin Graham (Resigned December 2022)
- David Cochrane (Resigned December 2022)
- Gary Davies (Resigned December 2022)
- Malcolm Thoms (Resigned June 2023)

The Directors of the company are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees. The powers and authorities of the Trust and its respective Board of Trustees, including the appointment of Trustees to the company, are contained within the Memorandum and Articles of Association which were amended and certified on 25 January 2019.

Governance

The charity is governed by the Board of Trustees. New Trustees are recruited to the Board either by using normal recruitment channels. New Trustees receive an induction from Management to brief them on their legal duties and responsibilities as required in company law and within the Articles of Association, along with a summary of the future plans and objectives for the organisation. They may also meet with the Executive management team and other employees of the company as appropriate.

The Board of Trustees administer the charity through regular Board Meetings and through various sub committees designated by the Board. These include the: Audit & Risk, HR & Remuneration, and Fundraising Committees.

The Audit & Risk committee provides effective governance oversight of business planning, risk management and the approval of the annual accounts.

The HR & Remuneration committee provides effective governance oversight of all people-related strategies, and initiatives including, pay strategy, organisational development, the implementation of the annual staff survey and follow-up plan, training and development and EDI matters.

The Fundraising Committee provides the organisation with insight on philanthropic donations and fulfil the governance requirements for the detail scrutiny and oversight of the Fundraising Strategic Plan and delivery, in line with the Gift Acceptance Policy.

Additionally, there is a Health & Safety Committee that is attended by Management and relevant updates are provided to Trustees at the following Board meeting.

Trustee's Report (Continued)

The Chief Executive, is appointed by the Trustees to manage the day to day operations of the charity through its subsidiary company Dynamic Earth Enterprises Ltd. and may be elected to the Board as an Executive Trustee. The Chief Executive acts as head of the senior management team (named 'Leadership Team') who include the Scientific Director, Corporate Services Director, Fundraising & Marketing Director and Visitor Experience & Events Directors. Staff within the organisation each report within their teams to one of the Leadership Team. The Leadership Team attend and report performance to the Trustees at Board meetings and at other times as required.

With the exception of the Chief Executive, the Trustees are not remunerated. The charity has purchased insurance for the Trustees and officers of the charity against liability arising for wrongful acts in relation to the charity, as permitted under section 233 of the Companies Act 2006.

Charitable objectives and activities

In the face of a climate and ecological crisis, we empower people with an understanding of the Earth and its future. We do this by providing compelling engagement at our science centre in Edinburgh and learning programmes across Scotland. We are driven by a positive belief: people of all ages and backgrounds can be the problem-solvers of the future.

Vision: A positive future for us and our planet.

Mission: To empower people with understanding and empathy for the Earth.

We encourage people to engage with science in fun and meaningful ways, and inspire young and old to see themselves as the problem-solvers of the future. We work with partners in academia and industry to showcase the work that underpins our understanding of our impact on the environment. Our approach is to highlight solutions to the challenges we face and to encourage a positive and evidence-based outlook for the future.

Plans for Future Periods

In April 2023 Dynamic Earth launched its 10-year strategy. Dynamic Earth will increasingly shift its storytelling to helping people make sense, through science, of what is happening to the planet we live on. We believe in offering a message that inspires hope. Through science, and sustainable living, we can achieve a positive future for us and our planet. Dynamic Earth is here to help people make sense of the science and provide the inspiration for what we can each make happen. In this way we exist to tell the story of our planet "from beginning to mend".

1. Deliver Outstanding Science Engagement

We believe that growing science capital across Scotland, and beyond matters. Public understanding and interest in science is key to economic and social development, and essential to fostering and informed public response to the planetary crises.

2. Reach More People in More Ways

Science engagement should be available to all. We are committed to growing the number of people we engage with and the diversity of our audiences.

3. Enhance and Transform our Science Centre

We run an iconic science centre, located alongside Edinburgh's most famous geological landmark – Arthur's Seat. As well as an ongoing programme of enhancements, we believe it is the right point to reimagine the centre.

Trustee's Report (Continued)

4. Achieved Financial and Environmental Stability

We will prioritise growing our income so that we can increase our charitable impact. We are also committed to 'walking the talk' when it comes to reducing our own environmental impact.

5. Maximise the Quality of our Relationships

People are at the heart of everything we do. We see it as essential to act positively when engaging with staff, supports, suppliers and strategic partners. In other words, everyone who helps us deliver our science engagement activities.

While there are some very serious challenges facing the entire planet, our story is really a story of hope. It's about celebrating the heroes and focusing on the positive to inspire everybody to take responsibility for our one shared planet.

Government Funding

The Scottish Government has confirmed grant funding for the four Scottish science centres in Scotland for the fiscal year 2023/24. This funding is extremely important in supporting the ongoing activity at Dynamic Earth. A funding offer for the year 2023/24 of £956,771 has been awarded to Dynamic Earth, and this will be utilised to help deliver two of our strategic objectives in the coming year: Deliver Outstanding Science Engagement and Reach More People in More Ways.

With a centre the size and complexity of Dynamic Earth, there is an on-going need for capital reinvestment, and therefore, a significant amount of management time and resource is focused on seeking out such funding.

Trustees' Responsibilities

The Trustees (who are also Directors of Dynamic Earth Charitable Trust for the purposes of company law) are responsible for preparing the Trustees' Report, Strategic Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 charitable company and the group and of the incoming and application of resources, including the 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 in the Charities SORP (FRS 102);
- Make judgements 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

Trustee's Report (Continued)

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are also responsible for ensuring that the assets are properly applied in accordance with charity law.

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

Statement of disclosure to our auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the group's auditors are unaware; and
- The Trustees, having made enquiries of fellow Trustees and the group auditors that they ought to have individually taken, have taken all steps that he/she is obliged to take as a Trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Thomson Cooper, Chartered Accountants, offer themselves for reappointment as auditor in accordance with section 485 (4) of the Companies Act 2006.

Signed by order of the Board



Professor Sir Peter Downes

(Trustee)

21 September 2023

Strategic Report

Introduction

Dynamic Earth

Dynamic Earth is Edinburgh's Science Centre and Planetarium, our mission is to empower people with an understanding and empathy for the Earth.

At Dynamic Earth, we present leading-edge scientific discovery that helps you draw conclusions and forge your own path so that, together, we can overcome the environmental crises we are all facing. Whether you're visiting us for the day, learning with us through our comprehensive programme of education, or making use of our fantastic facilities to host an event, we arm you with the science, the insights and even the language to form your position and share it with your family, friends, neighbours, colleagues and school pals.

Our core charitable mission centres around the advancement of knowledge on the planetary crises, including the climate and biodiversity crises, and overuse of resources. Backed by robust scientific evidence and working closely with partners in academia and industry, we are at the forefront of public engagement for environmental and sustainability issues and the positive, solutions-focused actions we can all take for a sustainable future for us and our planet. We engage and inspire people to be part of the solutions throughout all our work, from our formal schools workshops, teacher CLPL, our visitor gallery experience, Planetarium shows and all engagement programmes for the public, community, young people and remote audiences across Scotland and online. We connect experts with the public, helping to share research and knowledge in a way that is accessible and engaging.

Strategic Management

10-Year Strategy

Extensive development work during the reporting year has effectively refined and now launched a new 10-year strategy for Dynamic Earth called "*From Beginning to Mend*". This has helped underpin what Dynamic Earth has achieved and is outlined in this report and was publicly launched to staff, stakeholder and public audiences in a series of recent events in April/May 2023.

The overarching driver behind this new strategy is that for the first time in the Earth's 4.5 billion year history, a single species is shaping its future – us.

Our Purpose: In the face of a climate and ecological crisis, we empower people with an understanding of the Earth and its future. We do this by providing compelling engagement at our science centre in Edinburgh and learning programme across Scotland. We are driven by a positive belief: people of all ages and backgrounds can be the problem-solvers of the future.

Our Vision: A positive future for us and our planet

Our Mission: To empower people with understanding and empathy for the Earth

Strategic Report (Continued)

Strategic Objectives

The main objectives of our new strategy are:

1. Deliver Outstanding Science Engagement

We believe that growing science capital across Scotland, and beyond matters. Public understanding and interest in science is key to economic and social development, and essential to fostering and informed public response to the planetary crises.

2. Reach More People in More Ways

Science engagement should be available to all, we are committed to growing the number of people we engage with and the diversity of our audiences.

3. Enhance and Transform our Science Centre

We run an iconic science centre, located alongside Edinburgh's most famous geological landmark – Arthur's Seat. As well as an ongoing programme of enhancements, we believe it is the right point to reimagine the centre.

4. Achieved Financial and Environmental Stability

We will prioritise growing our income so that we can increase our charitable impact. We are also committed to 'walking the talk' when it comes to reducing our own environmental impact.

5. Maximise the Quality of our Relationships

People are at the heart of everything we do. We see it as essential to act positively when engaging with staff, supports, suppliers and strategic partners. In other words, everyone who helps us deliver our science engagement activities.

Organisational Values

Alongside creating our new vision, mission and strategy we have reviewed our values which underpin all the activities that we do. We believe how we deliver our charitable work is as important as what we do. Therefore we will build an even stronger shared community. To aid this our new values are:

| | |
|-------------------|--|
| Passionate | A love of science, a desire to share it in engaging ways and ensure every part of the charity is driven by a common set of ambitions. |
| Caring | We are for our people, the people we engage with and the accuracy of the science in our storytelling. We also care about how we manage personal data and the way we do business sustainability to minimise our impact on the planet. |
| Inclusive | We make sure everyone is welcome in terms of who we employ and engage with and seek to involve diverse communities. |

Strategic Report (Continued)

Business Environment

Dynamic Earth Learning and Engagement Programmes

Our exhibition and planetarium remain the foundation for experiential science learning at Dynamic Earth. Our focus for 2021-23 has been the development and launch of three new galleries and planetarium content collectively called 'Discover the Deep', that enables visitors to learn about the ocean biome via Scotland's scientific and historic marine heritage, with support from the National Lottery Heritage Fund. The new experience evolves around the remarkable story of Edinburgh scientist Charles Wyville Thomson whose pioneering expeditions off Scotland in the 19th century instigated the modern science of oceanography and revolutionised our understanding of ocean circulation and the deep sea. Visitors are also able to engage with the story of the Challenger Expedition and its legacy, threatened but globally significant marine environments off Scotland's coast at the Mingulay Reef and Hebrides Terrace Seamount, and find out about contemporary science via a final exhibition space with interactives relating to deep sea exploration. Discover the Deep represents a significant investment in our exhibition along with an extensive outreach engagement programme which began in June 2021 and is due to complete in September 2023.

Much of our engagement work is directed through the Science Learning Service that delivers a wide-ranging programme for schools and teachers of curriculum-linked workshops at all levels, career-long professional development and STEM careers events. The schools programme aims to engage and inspire pupils at all levels with topical, innovative and investigative science and technology-based activities. Dynamic Earth has three purpose-built learning suites which benefit from the latest technology and provide a contemporary learning environment to help inspire students in STEM learning and with a particular focus on Earth and environmental science.

In addition, strong links with the research community allow us to play a leading role in supporting public engagement with scientists and contemporary Scottish research in showcases, lectures and other events. Our public programme reinforces and extends the learning from the core exhibition and planetarium and has recently involved collaborative events with the Association of Science and Discovery Centres, UKRI, British Geological Survey, University of Edinburgh and other research groups. We offer upwards of 100 days of public programme activities on site at the centre each year.

Fundamental to our charitable mission, we seek to widen participation and boost confidence in the STEM context by working in partnership with local community organisations and remote rural communities via our Community Learning and Science Outreach services. Feedback and ongoing independent evaluation reaffirm that our Learning programme and activities are accessible, entertaining and encourage lifelong learning by communicating in a manner that is relevant to everyone. Financial support received from a range of Trusts and Foundations as well as Scottish Government help fund the charitable work and activities offered by the Learning team and we are very grateful for this contribution which allows us to provide a unique and valuable resource.

Schools and Teachers

In-person engagement with school pupils and teachers remained restricted by the impact of the Covid pandemic during the academic session 2021-22, however there were strong signs of recovery leading into the 2022-23 school year. In June 2022, we relaunched our schools' programme showcasing several improvements to the way we can support pupils, teachers and national educational priorities. We offer a wide range of curriculum-linked workshops (indoors and out) and now highlight linkage to other elements of the programme such as STEM careers events, CLPL, digital resources, online workshops, Young STEM leaders and meet-the-scientist opportunities. It is important that schools can identify and benefit from the multi-engagement opportunities ("learning pathways") that Dynamic Earth offers so that learners are supported as dynamically and effectively as possible.

Strategic Report (Continued)

Additions to the school programme during the reporting period include new workshops such as an innovative offer on Climate Justice at secondary level, a revised and updated version of 'Glaciers and Our Climate' as well as three new ocean literacy workshops targeting Early Years, Primary and Secondary levels related to our National Lottery Heritage Fund project Discover the Deep. Online workshops are now a permanent feature of our programme and are marketed to remote and rural schools who are not so able to visit us but are still looking for specific curriculum content that we are especially well placed to deliver. In total more than 25,000 individual school learners have taken part in a Dynamic Earth school workshop (as part of the more extensive school engagement programme) all of which focus on an element of Earth and planetary science.

Feedback from teachers continues to endorse our Science Learning Service and helps us refine and tweak the offer as the needs and expectations of learners evolve. Teachers tell us that the majority of school engagements (>85%) we deliver are to support a specific part of the curriculum. In 2022/23 we have delivered a significant CLPL programme specifically for teachers, both in person and online, with over 500 individuals from every local authority in Scotland taking part in one of our programmes. Many teachers experienced our Science Storytelling Online CLPL that was designed to align with the "Realising the Ambition: Being Me" national practice guidance for Early Years in Scotland.

Outdoor Learning

Our outdoor learning programme embraces our geographic location next to Holyrood Park and the extensive opportunities for STEM learning outside and in a natural setting. We have delivered over 1,800 science engagements outdoors for schools, young people and families. Development of our schools' programme overall is very much rooted in the principles of Learning for Sustainability and we maintain strong links with Scotland's United Nations University-recognised Regional Centre of Expertise on Education for Sustainable Development at Moray House, part of the University of Edinburgh. Our outdoor learning offer within the reporting period has included family walk that encouraged intergenerational engagement with nature and ecological science.

Outdoor learning opportunities are also a central feature of our Outdoor Summer Club which gives up to 100 young people (aged 7-12) week-long learning programmes on a range of environmental topics. We partner with Historic Environment Scotland to deliver interactive sessions in Holyrood Park on themes such as climate/weather, conservation, biodiversity and wildlife. Our long-running children's Science Club 'Dino's' which has over 3000 members also involves outdoor learning opportunities over an annual offer of workshops, coding sessions and family drop-in science days.

Community Engagement

Our community programme during the 2021-2023 reporting period has engaged more than 4,000 individuals across approx. 50 community organisations by providing tailored learning programmes, and for many - without this specialist support - it is unlikely they would have engaged with a place like Dynamic Earth or had other meaningful participation in science. The Community Learning programme at Dynamic Earth works with each community organisation individually in order to best respond to their needs, expectations and desires, so learning and development can be co-created with and for them. We firmly believe that science is something everyone can all be a part of and it can be a powerful tool in everyone's development. Our community learning programme is varied and diverse, in the activities as well as the people involved. Recent groups who we have worked with include Lifelong Learning Afghan Refugees, Edinburgh Children's Hospital Charity, Upward Mobility, VOCAL, Edinburgh Young Carers, Care for Carers, Multi-Cultural Family Base, LGBT Health & Wellbeing - Rainbow Families, Connecting Craigmillar (Social group for resettled refugee men), Alzheimers Scotland and Make A Wish.

Strategic Report (Continued)

Our Discovery Pass programmes (formerly known as Golden Tickets) are long-running examples of how we recognise that for many people and schools, accessing the science centre network is limited by cost. There are often more complex reasons why people do not engage with science but cost alone is a powerful barrier. All of the groups receiving passes are selected so that will most likely benefit more from a Discovery Pass specifically than they would from involvement in our more tailored and bespoke Community Learning programme outlined above. For some, this is simply because of the flexibility and autonomy that it offers; for others, it is because they support such a range of people that group visits and engagement sessions with our team would exclude some members of their community, and we don't have capacity to run separate sessions for each individual. We offer up to 20 passes for community organisations that equates to approximately 2,000 engagements per year.

Our School Discovery Pass traditionally offers free access to our learning programmes for one academic year for between 5 and 8 schools depending on the size of the schools and their aims for making use of the pass. At the current time (for the 2022-23 school year) we are supporting three secondary schools, four primary schools and one ASN school. All beneficiaries fall into low SIMD categories and highlight cost as a key barrier. These schools are also able to benefit from a Transport Subsidy funded by Scottish Government and administered as part our group bookings process.

Outreach

The Learning and Engagement Team deliver an outreach programme that complements work within the centre and enables us to take Dynamic Earth's messages and style of engagement out to various audience groups who may otherwise be unable to visit. A major aim of our outreach work is to reach communities and schools who would be unlikely to visit due to their rural and/or remote location. Delivering inclusive learning across Scotland reaching underserved audiences is an important contribution to a sustainable future for all.

In the reporting period we have delivered more than 10,000 face to face engagements by supporting a number of regional science festivals and community-led events in locations such as Orkney, Caithness, Borders and Dumfries and Galloway, as well as working directly with schools and organisations to deliver outreach to pupils and families in locations such as Oban/Argyll and Shetland.

A significant feature of our outreach programme is our mobile planetarium offer, the start of which was delayed by the Covid pandemic but has now reached more than 500 people in locations such as Skye, Falkirk and Caithness. Building this programme will be a core feature of our outreach strategy in future.

Partnership Programmes

Engaging directly with scientists and finding out about research projects is one of the most meaningful ways for many people to enhance their understanding of and connection to science. Throughout 2022/23 we have continued our commitment to partnering with other organisations involved in science learning, engagement and research to enable meet-the-scientist style events. During the reporting period this has included numerous opportunities for people both online and in person at Dynamic Earth.

In one example from December 2022, Dynamic Earth partnered with the British Geological Survey and scientists from The University of Innsbruck to deliver an online engagement session that connected 200 primary school pupils across 8 different Scottish local authority areas with scientists working to understand mega Tsunamis in Japan. Pupils got to see and hear from scientific teams working on the Chikyu research vessel – that was docked at Shimizu Port with a view of Mt Fuji - including a tour of the ship and the labs where the team were analysing core samples which help understand historical earthquakes and mega-tsunamis. In another example from March 2023, Dynamic Earth convened 17 organisations to provide an opportunity for upper Primary/lower Secondary school pupils and their teachers to investigate a myriad of careers available to them in STEM, with a focus upon the marine

Strategic Report (Continued)

sector. Contributors included: Marine Conservation Society, Seabird Centre, Tritonia, Seebyte, ESRI, Historic Environment Scotland, Institute of Physics, Jacobs Engineering, Scottish Water, Cirrus Logic, Skills Development Scotland, British Geological Survey, Scottish Association for Marine Science, MASTS and St Abb's Marine Station. Over 600 pupils attended talks, stands and shows throughout the day.

Investing in net zero improvements with support from Social Investment Scotland (SIS).

Dynamic Earth has embarked on a journey towards net zero that will depend on significant investment in new infrastructure and operational changes over the coming decade. Part of this journey is about improving energy efficiency to reduce GHG emissions and the charity has recently secured £190,000 in loan finance from responsible finance provider Social Investment Scotland (SIS) for sustainable upgrades to its iconic Stratosphere. The materials used for the design, glass, steel and fabric, make it difficult to heat and cool. The loan from SIS has been used to upgrade the airflow and lighting systems in the Stratosphere and lighting in other areas of the building. Collectively, these upgrades will result in significant energy savings of more than 200,000 kWh per year, and a reduction in greenhouse gas emissions (GHG) equivalent to more than 20 tonnes CO₂e (carbon dioxide equivalent) per year.

The new system, that required installation of five fans, including a huge 7-metre-wide destratification fan suspended from the curved roof, will help to transfer warm air that has risen up to the roof space back down to ground level. This will keep visitors warm and utilise otherwise wasted energy. The fans are being supplied and installed by CPA Engineered Solutions Ltd. LED lighting within the visitor centre will also be installed to cut energy use. Work was completed by the end of March 2023.

The new upgrades will not only help to reduce energy consumption but – just as critical in the face of a business-costs crisis – will allow for long-term cost savings. Dynamic Earth is among a number of businesses to sign up for the SME Climate Hub Race to Zero initiative and this partnership is a good example of what we are going to achieve this.

Business Performance & Position

Financial Periods

The accounts to 31 March 2023 are for a 17-month period. During the financial period the decision was made to align the organisation's financial year with the fiscal calendar.

Business Review

The mission of Dynamic Earth is the communication of Earth and Environmental science within a framework of public entertainment and more formally through our learning service. One of the key measures in terms of how successful the Trust has been, is to review visitor numbers to the Exhibition. During the 17-month period visitor numbers were impacted due to social distancing measures which were in place until April 2022. Within the 17-month period visits to the Exhibition were 162,841 (2021 – 51,000), while numbers through the learning service totalled 25,390 (2021 – 5,800).

The market for corporate hospitality was also significantly affected with total revenue generated in the 17-month period to 31st March 2023 of £1,053,000 this was significantly greater than the £66,000 achieved in 2021. During the 17-month period the Christmas of 2021 was significantly impacted by Government recommendations to postpone/cancel Christmas events which reduced income. The 2022 Christmas period was very successful and returned to pre-Covid business levels and this is expected to continue.

Strategic Report (Continued)

Capital expenditure in the 17-month period totalled over £291,574 (see note 16) with the largest elements of expenditure relating to: Luke Jerram's Gaia, a new finance system, replacement of pipework and pumps within the building and upgrading number of Projectors used within the Exhibition.

Dynamic Earth continues to hold a 5-star grading designating Dynamic Earth as a world class attraction.

Financial review

The charity's main objectives for the current reporting period, as set out in the annual business plan, were:

- To maintain a financially robust operating base from which the Trust can achieve its charitable aims. As a result of covid, financial performance of the company was focused on maintaining our ongoing financial viability and therefore targets were set at achieving breakeven.
- To attract visitor numbers to the exhibition of 240,000 in 'normal' times. As a result of the ongoing pandemic, this aim had been amended to one of opening the Centre as often as possible, in a safe manner and in line with Government restrictions.
- To ensure that the learning service provides a relevant and complimentary service for schools and that all Discovery Activities remain compliant with the principles of the Curriculum for Excellence. During Covid our focus was to continue developing our online (digital) offering given that face to face engagement with students was limited during the start of the 17month financial period.
- To work with the Scottish Government in promoting and supporting STEM engagement in schools, deliver lifelong learning across society and ensure that our activities support diversity, inclusivity and equity with all audience groups. In support of the above, to secure grant funding of £950,000+ from Scottish Government to help create a programme of activities appropriate in delivering the above aims.
- To seek out any public grants which were being made available to help Organisations which had been forced to close and therefore had not been able to generate normal income streams.
- To undertake and support initiatives which increase and spread the levels of scientific engagement with groups and individuals who would not normally visit Centres such as ours. This aim had been modified to realign engagement activities in a digitally focused way.
- The Charitable Trust to fundraise £250,000 to support capital development and wider charity delivery.
- To continue to operate the Centre as a five-star Attraction, in line with Visit Scotland grading.
- To maintain our gold accreditation in respect of the Green Tourism award – demonstrating our commitment to operate the Centre in an environmentally sustainable way.

Results for the 17-month period ended 31 March 2023 show that the Trust and its subsidiary company generated a consolidated deficit of £115,155 (2021 as restated – £641,940 surplus). Dynamic Earth Charitable Trust, the parent entity, incurred a surplus of £478,351 (2021 as restated – £601,653 surplus). No income tax is payable by the Group on results for the year ended 31 March 2023 and the subsidiary company Dynamic Earth Enterprises Ltd. has tax losses available for carry forward of £769,833.

Group financial performance for the 17-month period to 31 March 2023 continued to be impacted by the Covid pandemic. This mainly impacted the first 6 months to April 2022 when restrictions were lifted. During this period earned income was lower than that anticipated across all business sectors. By 31 March 2023 the Science Centre had been fully open to 11 months and returned to its full offering and normal trading patterns.

Visitor numbers during the 17-month period fluctuated with the seasons as is normal however were hampered due to Covid restrictions which were in place in the first 6 months of the trading period. Once restrictions were lifted an increase in visitor numbers were seen as people felt more comfortable visiting an indoor attraction. Overall visitor numbers were 162,841 for the 17-month period compared to a

Strategic Report (Continued)

budgeted 167,930. For the 23/24 year target visitors of 175,000 are forecast for the 12month period showing a full return to pre-Covid levels of engagement.

We are extremely grateful for the assistance received from the Scottish Government which has provided ongoing financial support to the four science Centres in Scotland. Dynamic Earth received £954,620 in grant support for the fiscal year 22/23. Additionally, amount of £121,607 was received through the Gift Aid Scheme. This source of income is very important to the on-going development of the business and our core mission to promote Earth & Environmental Science.

These sources of income have been essential to the ongoing survival of Dynamic Earth and have allowed us to come through these exceptionally challenging and unique times.

Summary of Key Performance Indicators

The Board monitor the financial and operational performance of the organisation by reference to certain financial and non-financial key performance indicators, as follows;

| | 17-Month Period Ended Mar 23 | | As Restated Year Ended Oct 21 | | <u>Method of Calculation</u> |
|----------------------------------|------------------------------|---------------|-------------------------------|---------------|--|
| | <u>Actual</u> | <u>Target</u> | <u>Actual</u> | <u>Target</u> | |
| Admission Numbers | 162,841 | 167,930 | 51,000 | 50,000 | Entry numbers through gate. |
| Spend per Visitor | £15.44 | £14.96 | £14.50 | £13.00 | Visitor revenue divided by visitor numbers. |
| Total Income | £3.9m | £3.4m | £0.968m | £0.719m | Charitable and commercial income earned in the year. |
| Gross Profit % | 84% | 80% | 89% | 87% | Gross profit as a % of Operational income. |
| Payroll / Income % | 87% | 101% | 136% | 171% | Total employee payroll cost divided by operational income. |
| Change in Operating costs | 12% | 0% | 11% | 5% | % Year on year increase. |

Overall, the deficit in Net Movement in Funds of £115,155 (2021 as restated - £641,940 surplus) was a result of a challenging 17-month period which saw the organisation building its visitor numbers back to pre-Covid levels.

During the financial period new accounting policies were followed to better align the organisation with FRS102. Designated and Restricted reserves were created and grants are no longer held within deferred income all grants are recognised on the accruals basis.

Total grant income reported within the Statement of Financial Activities was £2,541,621 (2021 as restated – £4,208,277) of this £2,734,052 related to government funding. The prior year figure is inclusive of an additional £647k was received from the government as one-off wages support due to Covid-19.

Strategic Report (Continued)

Investment in the Centre's infrastructure and exhibition content are key to maintaining our appeal and popularity with the general public and educational groups. The value of capital investment during the 17-month period was £291,574 (2021 - £185,634) which came from designated reserves and capital fundraising programmes. The biggest investments made in the year were in relation to Luke Jerram's Gaia and a new finance system. The Centre utilises significant infrastructure consisting plant and equipment in operating both the charitable activities and commercial operations. It is necessary for these assets to be refurbished and replaced on a periodic basis. Spend in the 17-month period also included replacement of pipework and pumps within the building and upgrading number of Projectors used within the Exhibition.

Funds held on account at the yearend were £1,079,065 (2021 - £1,693,136). These include funds received for specific capital and educational projects. During the 17-month period £2,613,723 (2021 - £1,631,519) of cash funds were absorbed within operations and £2,289,187 (2021 - £2,184,669) was generated through financing activities. These sums mainly included capital and revenues grants received. The net decrease in cash balances held year on year was £614,071 (2021 - £367,648 increase). The movement in funds held year on year represents the investment required in the organisation during this recovery year.

Reserves Policy

During the year the trustees supported the decision to align the Financial Statements with the presentation requirements of FRS102. This was achieved through the creation of Designated and Restricted Reserves.

Restricted and Designated Capital reserves arose from historical capital grants received by Dynamic Earth. The policy aims to ensure the Designated Fixed Asset Reserve equals the Net Book Value of fixed assets less the value of the land.

Other Designated Funds are held for use for various projects that are currently ongoing or for ongoing capital improvements and future capital redevelopment of the science centre. These are approved on a case by case basis by the trustees, these must align with the organisation's strategic objectives.

Principal Risks and Uncertainties

Senior management have considered the risks to which the organisation may be exposed. The identification, assessment and appropriate management of potential risks facilitates the achievement of the organisation's strategic aims. The Board is responsible for managing the company's risks and for setting the organisation's risk appetite aligned to its strategic aims and objectives.

A risk framework model is used to align the management of risks and delegated responsibility to the Board's risk appetite. As part of this framework, a risk register is maintained and is reviewed by management on an annual basis. Particular attention is paid to operational matters including Health & Safety and also to those financial controls which safeguard the charity's assets.

If the risk assessment process highlights any matters which demonstrate a significant exposure to the organisation, such matters are reported to the Board for review. The Trustees have noted below the principal risks facing the Trust on an on-going basis.

Strategic Report (Continued)

- **High proportion of fixed overhead and variable revenues**

A large part of the Trust's income comes from visitors to the attraction, both local and overseas tourists. Annual visitor numbers can be affected by various external factors such as unusually good weather which see the public undertake alternative outdoor leisure activities. Similarly, prevailing economic conditions or events such as worldwide terrorism can have a significant impact on tourism to Scotland.

The nature of business at Dynamic Earth is such that a large proportion of the group's overheads are fixed. There is therefore a risk that substantial changes in revenue may lead to difficulties in covering such costs.

Management seek to mitigate this risk by closely monitoring fixed overheads against budget on a monthly basis and cost saving exercises are implemented when there is an anticipated decline in revenues.

- **Competition & Economic Environment**

Competition and Economic Environment are two key factors which affect visitor numbers.

A post-Covid economic environment coupled with the cost-of-living crises has resulted in a difficult economic environment for many people. Additionally, the leisure and tourism market in which the group operates is highly competitive.

As a result, there is a persistent downwards pressure on margins and the additional risk of being unable to meet customers' ever-changing expectations. Policies of regular price monitoring and on-going market research are in place to mitigate such risks.

- **Health & Safety**

Large numbers of the general public visit Dynamic Earth annually and it is essential that while visiting the Centre, all steps are taken to ensure everyone's health and safety. Management make sure that the Centre is fully compliant with all health and safety legislation through the adoption of various operational practices. These include a comprehensive risk review and assessment of all areas of operation.

Staff also undertake both internal and external training courses to ensure that they are fully aware of their responsibilities in all areas of health and safety. This includes attendance at courses such as NEBOSH & IOSH, first aid training, food preparation and hygiene, fire evacuation, liquor licensing and operating a staff induction programme. The Centre carries out periodic reviews with the Fire Brigade and Environmental Health departments, and occasionally employs risk consultants to undertake assessments of those policies and procedures in place.

An internal Health & Safety Committee meet regularly to review all aspects of Health and Safety. Minutes of these meetings are shared with the Board. A review of all incidents that have occurred within the Centre is undertaken to establish whether any changes in operational procedures are required. Routine daily checks are also completed by management before the Centre is opened to the public and then throughout the day on an ongoing basis.

Strategic Report (Continued)

- **Licensing**

A significant element of the group's income is normally delivered from hospitality and events. As part of the service offered, the organisation requires to have a late licence for the sale of liquor. This involves applying periodically to the Licensing Board at the Edinburgh City Council. If this licence was revoked, it would have a material impact on our ability to earn income from this area. To mitigate this risk, the Company employs licensing experts to offer advice and support to the business to ensure that we are fully compliant with all legislation and also to apply for our application to the Licensing Board each year. Staff also undertake training and certification on licensing laws and regulations to ensure that our operational practices are fully compliant and represent best practice methods.

We also actively pursue both an informal and formal dialogue with the Environmental Health Office in seeking their advice and approval in all matters affecting Operations. The Operations team have written procedures detailing work methods to ensure compliance with licensing legislation and ongoing staff training ensures that all new legal requirements are fully understood and applied.

- **External Funding**

Since 2003, Dynamic Earth has received annual grant funding from the Scottish Government. The amount of funding that is received is subject to periodic spending reviews and annual approval and enactment by the Scottish Government. Funding received is currently allocated for both revenue and capital purposes. If funding was significantly reduced or withdrawn, it would have a major impact on how the Centre is currently operated and managed. Senior management therefore maintain a regular dialogue with the Research & Science Engagement Team to keep abreast of future Government plans and policy. Contingency plans have been discussed should it become necessary to reduce costs as a result of a reduction in grant funding. Operational funding for the fiscal year 2023/24 has been confirmed at £956,771.

- **Essential Maintenance**

Dynamic Earth was established almost 25 years ago, we are facing an aging site with increased maintenance / renewal requirements which bring large cash outlays to minimal improvement to the customer experience or appeal.

For the 23/24 year a renewals plan has been established prioritising items which help ensure compliance requirements continue to be met or could significantly impact the customer experience if they stopped working however a large risk arises around unplanned maintenance which could result in closure or significantly impact the customer experience.

- **Covid-19**

During the 17-month financial period from November 2021 – March 2023 Covid-19 remained a significant risk until complete removal of Government restrictions in April 2022.

During the 17-month period the Science Centre was remained open however with appropriate restrictions as safety measures as required which hampered performance and public confidence in being in an enclosed space. Additionally, the recommendation from the Scottish Government in December 2021 to postpone Christmas Parties had an effect on the Events business. The complete removal of Government restrictions in April 2022 meant that we were able, at last, to fully reopen the Centre on an unrestricted 7 day per week basis.

Dynamic Earth Charitable Trust
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Strategic Report (Continued)

At September 2023 the Science Centre has been fully operational for 17 months with no restrictions in place. We remain optimistic that business performance will return to those levels experienced before the pandemic struck and going forwards Covid-19 will no longer be considered an individual significant risk and will be considered within the overall economic environment.

Signed by order of the Board



Professor Sir Peter Downes (Trustee)

21 September 2023

Auditors Report

INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF DYNAMIC EARTH CHARITABLE TRUST

Opinion

We have audited the financial statements of Dynamic Earth Charitable Trust (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 March 2023 which comprise the consolidated and company Statement of Financial Activities, the consolidated and company Balance Sheet, the consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 parent company's affairs as at 31 March 2023, and of the group's incoming resources and application of resources, including the income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

In auditing the financial statements, we have concluded that the directors' 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 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 directors with respect to going concern are described in the relevant sections of this report.

Auditors Report (Continued)

Other Information

The trustees are responsible for the other information contained within the annual report. 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. 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 are required to determine whether this gives rise to a material misstatement in the financial statements themselves.

We have nothing to report in this regard.

Opinions 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 strategic report and the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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 trustees' responsibilities statement set out on page 6, the trustees 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.

Auditors Report (Continued)

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: existence and timing of recognition of income, posting of unusual journals along with complex transactions and non-compliance with laws and regulations. We discussed these risks with management, designed audit procedures to test the timing and existence of revenue, tested a sample of journals to confirm they were appropriate and inspected minutes from meetings held by management and trustees for any reference to breaches of laws and regulations. In addition, we reviewed areas of judgement for indicators of management bias to address these risks.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the officers and other management (as required by the auditing standards).

We reviewed the laws and regulations in areas that directly affect the financial statements including applicable company law and considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

With the exception of any known or possible non-compliance with relevant and significant laws and regulations, and as required by the auditing standards, our work in respect of these was limited to enquiry of the officers and management of the company.

We communicated identified laws and regulations and potential fraud risks throughout our team and remained alert to any indications of non-compliance or fraud throughout the audit. However the primary responsibility for the prevention and detection of fraud rests with the directors.

Owing 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. We are not responsible for

Auditors Report (Continued)

preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of Our Report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's members and trustees those matters we are required to state to them in an audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, the charity's members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Sharon Collins (Senior Statutory Auditor)
for and on behalf of
Thomson Cooper, Statutory Auditors
Dunfermline

Date: **27. September 2023**

Thomson Cooper is eligible to act as an auditor in terms of section 1212 of the Companies Act.

Dynamic Earth Charitable Trust
(a company limited by guarantee)
Financial statements for period ended 31 March 2023

Consolidated Statement of Financial Activities

Current Financial Period

| <u>Income</u> | Notes | Unrestricted | Restricted | Period | Restated |
|---|--------------|-------------------------|--------------------------|--------------------------|--------------------------|
| | | Funds | Funds | Ended | Year Ended |
| | | £ | £ | 31.03.23 | 31.10.21 |
| | | | | £ | £ |
| Donations and legacies | 3 | 1,559,833 | 981,788 | 2,541,621 | 4,208,277 |
| Charitable activities | | | | | |
| Visitor admissions & Education activities | 4 | 1,433,032 | - | 1,433,032 | 506,382 |
| Other trading activities | | | | | |
| Commercial trading operations | | 2,508,883 | - | 2,508,883 | 405,267 |
| Other income | | - | - | - | 56,794 |
| Investment income | 5 | <u>2,039</u> | <u>-</u> | <u>2,039</u> | <u>132</u> |
| Total Income | | 5,503,787 | 981,788 | 6,485,575 | 5,176,852 |
| <u>Expenditure</u> | | | | | |
| Raising funds | | | | | |
| Commercial trading operations | | 3,337,477 | 394,898 | 3,732,375 | 1,790,243 |
| Charitable activities | | | | | |
| Operation of Exhibition and Education service | 7 | <u>2,281,465</u> | <u>586,890</u> | <u>2,868,355</u> | <u>2,744,669</u> |
| Total Expenditure | | 5,618,942 | 981,788 | 6,600,730 | 4,534,912 |
| Net Movement in Funds through SOFA | | (115,155) | - | (115,155) | 641,940 |
| Transfers and other movements | 23 | (400,176) | (828,152) | (1,228,328) | - |
| Total funds brought forward | | <u>1,895,871</u> | <u>13,604,679</u> | <u>15,500,550</u> | <u>14,858,610</u> |
| Total funds carried forward | 23 | <u>1,380,540</u> | <u>12,776,527</u> | <u>14,157,067</u> | <u>15,500,550</u> |

The statement of financial activities includes all gains and losses recognised in the period.
All income and expenditure derive from continuing activities.
The accompanying notes form part of these accounts.

Dynamic Earth Charitable Trust
(a company limited by guarantee)
Financial statements for period ended 31 March 2023

Consolidated Statement of Financial Activities

Prior Financial Year

| <u>Income</u> | Notes | Restated Unrestricted Funds £ | Restated Restricted Funds £ | Restated Year Ended 31.10.21 £ |
|---|-----------|--|--------------------------------------|---|
| Donations and legacies | 3 | 2,992,401 | 1,215,876 | 4,208,277 |
| Charitable activities | | | | |
| Visitor admissions & Education activities | 4 | 506,382 | - | 506,382 |
| Other trading activities | | | | |
| Commercial trading operations | | 405,267 | - | 405,267 |
| Other income | | 56,794 | - | 56,794 |
| Investment income | 5 | 132 | - | 132 |
| Total Income | | 3,960,976 | 1,215,876 | 5,176,852 |
| Expenditure | | | | |
| Raising funds | | | | |
| Commercial trading operations | | 1,392,437 | 397,806 | 1,790,243 |
| Charitable activities | | | | |
| Operation of Exhibition and Education service | 7 | 1,236,609 | 1,508,060 | 2,744,669 |
| Total Expenditure | | 2,629,046 | 1,905,866 | 4,534,912 |
| Net Movement in Funds | | 1,331,930 | (689,990) | 641,940 |
| Reconciliation of Funds | | | | |
| Total funds brought forward | | 563,941 | 14,294,669 | 14,858,610 |
| Total funds carried forward | 23 | 1,895,871 | 13,604,679 | 15,500,550 |

The statement of financial activities includes all gains and losses recognised in the period.
All income and expenditure derive from continuing activities.
The accompanying notes form part of these accounts.

Dynamic Earth Charitable Trust
(a company limited by guarantee)
Financial statements for period ended 31 March 2023

Company Statement of Financial Activities

Current Financial Period

| | | Unrestricted Funds | Restricted Funds | Period Ended 31.03.23 | Restated Year Ended 31.10.21 |
|---|-----------|--------------------------------|---------------------------------|---------------------------------|---------------------------------------|
| <u>Income from:</u> | Notes | £ | £ | £ | £ |
| Donations and legacies | 3 | 1,389,998 | 981,788 | 2,371,786 | 3,560,694 |
| Charitable activities | | | | | |
| Visitor admissions & Education activities | 4 | 1,433,032 | - | 1,433,032 | 506,382 |
| Other trading activities | | | | | |
| Other income | | 727,815 | - | 727,815 | 236,794 |
| Investment income | 5 | <u>1,837</u> | <u>-</u> | <u>1,837</u> | <u>126</u> |
| Total Income | | <u>3,552,682</u> | <u>981,788</u> | <u>4,534,470</u> | <u>4,303,996</u> |
| Expenditure on: | | | | | |
| Raising funds | | | | | |
| Commercial trading operations | | 2,671,503 | 397,803 | 3,069,306 | 1,954,730 |
| Charitable activities | | | | | |
| Operation of Exhibition and Education service | 7 | <u>402,828</u> | <u>583,985</u> | <u>986,813</u> | <u>1,747,613</u> |
| Total Expenditure | | <u>3,074,331</u> | <u>981,788</u> | <u>4,056,119</u> | <u>3,702,343</u> |
| Net Movement in Funds | | 478,351 | - | 478,351 | 601,653 |
| Transfers and other movements | 23 | (400,176) | (828,152) | (1,228,328) | - |
| Total funds brought forward | | <u>1,842,004</u> | <u>13,604,679</u> | <u>15,446,683</u> | <u>14,845,030</u> |
| Total funds carried forward | 23 | <u><u>1,920,179</u></u> | <u><u>12,776,527</u></u> | <u><u>14,696,706</u></u> | <u><u>15,446,683</u></u> |

The statement of financial activities includes all gains and losses recognised in the period.
All income and expenditure derive from continuing activities.
The accompanying notes form part of these accounts.

Dynamic Earth Charitable Trust
(a company limited by guarantee)
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Company Statement of Financial Activities

Prior Financial Year

| | | Restated Unrestricted Funds | Restated Restricted Funds | Restated Year Ended 31.10.21 |
|---|-----------|-----------------------------------|---------------------------------|------------------------------------|
| <u>Income from:</u> | Notes | £ | £ | £ |
| Donations and legacies | 3 | 2,344,818 | 1,215,876 | 3,560,694 |
| Charitable activities | | | | |
| Visitor admissions & Education activities | 4 | 506,382 | - | 506,382 |
| Other trading activities | | | | |
| Other income | | 236,794 | - | 236,794 |
| Investment income | 5 | <u>126</u> | <u>-</u> | <u>126</u> |
| Total Income | | <u>3,088,120</u> | <u>1,215,876</u> | <u>4,303,996</u> |
| <u>Expenditure on:</u> | | | | |
| Raising funds | | | | |
| Commercial trading operations | | 1,559,832 | 394,898 | 1,954,730 |
| Charitable activities | | | | |
| Operation of Exhibition and Education service | 7 | <u>236,645</u> | <u>1,510,968</u> | <u>1,747,613</u> |
| Total Expenditure | | <u>1,796,477</u> | <u>1,905,866</u> | <u>3,702,343</u> |
| Net Movement in Funds | | 1,291,643 | (689,990) | 601,653 |
| Reconciliation of Funds | | | | |
| Total funds brought forward | | <u>550,361</u> | <u>14,294,669</u> | <u>14,845,030</u> |
| Total funds carried forward | 23 | <u><u>1,842,004</u></u> | <u><u>13,604,679</u></u> | <u><u>15,446,683</u></u> |


The statement of financial activities includes all gains and losses recognised in the period.
All income and expenditure derive from continuing activities.
The accompanying notes form part of these accounts.

Dynamic Earth Charitable Trust
(a company limited by guarantee)
Financial statements for period ended 31 March 2023

Consolidated Statement of Financial Position

| | Notes | 31.03.23 £ | Restated 31.10.21 £ |
|--|-------|-------------------|---------------------------|
| <u>FIXED ASSETS</u> | | | |
| Tangible Fixed Assets | 16 | 12,791,782 | 13,451,385 |
| Land | 18 | 600,000 | 600,000 |
| | | <u>13,391,782</u> | <u>14,051,385</u> |
| <u>CURRENT ASSETS</u> | | | |
| Stock | 20 | 63,025 | 62,816 |
| Debtors | 21 | 509,847 | 224,995 |
| Cash at Bank and in Hand | | 1,079,065 | 1,693,136 |
| | | <u>1,651,937</u> | <u>1,980,947</u> |
| <u>CURRENT LIABILITIES</u> | | | |
| Creditors - (amounts falling due within 1 year) | 22 | (728,806) | (531,782) |
| NET CURRENT ASSETS | | <u>923,131</u> | <u>1,449,165</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 14,314,913 | 15,500,550 |
| CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | 22 | <u>(157,846)</u> | <u>-</u> |
| NET ASSETS | | <u>14,157,067</u> | <u>15,500,550</u> |
| <u>CAPITAL AND RESERVES</u> | | | |
| Unrestricted Reserves | 23 | 1,380,540 | 1,895,871 |
| Restricted Reserves | 23 | 12,776,527 | 13,604,679 |
| | | <u>14,157,067</u> | <u>15,500,550</u> |

These accounts were approved by the Trustees and authorised for issue on 21 September 2023 and signed on their behalf by:



(Professor Sir Peter Downes, Chairman)
Charity Number SC020363

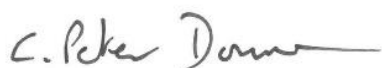
The accompanying notes form part of these accounts.

Dynamic Earth Charitable Trust
(a company limited by guarantee)
Financial statements for period ended 31 March 2023

Company Statement of Financial Position

| | Notes | 31.03.23 £ | Restated 31.10.21 £ |
|--|-------|-------------------|---------------------------|
| <u>FIXED ASSETS</u> | | | |
| Tangible Fixed Assets | 16 | 12,789,349 | 13,446,519 |
| Land | 18 | 600,000 | 600,000 |
| Investments | 19 | 500,000 | 500,001 |
| | | <u>13,889,349</u> | <u>14,546,520</u> |
| <u>CURRENT ASSETS</u> | | | |
| Stock | 20 | - | - |
| Debtors | 21 | 253,282 | 118,043 |
| Cash at Bank and in Hand | | 893,210 | 1,462,153 |
| | | <u>1,146,492</u> | <u>1,580,196</u> |
| <u>CURRENT LIABILITIES</u> | | | |
| Creditors - (amounts falling due within 1 year) | 22 | (181,289) | (680,033) |
| NET CURRENT ASSETS/ (LIABILITIES) | | <u>965,203</u> | <u>900,153</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 14,854,552 | 15,446,683 |
| CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | 22 | (157,846) | - |
| NET ASSETS | | <u>14,696,706</u> | <u>15,446,683</u> |
| CAPITAL AND RESERVES | | | |
| Unrestricted Reserves | 23 | 1,920,179 | 1,842,004 |
| Restricted Reserves | 23 | 12,776,527 | 13,604,679 |
| | | <u>14,696,706</u> | <u>15,446,683</u> |

These accounts were approved by the Trustees and authorised for issue on 21 September 2023 and signed on their behalf by:



(Professor Sir Peter Downes, Chairman)

Charity Number SC020363

The accompanying notes form part of these accounts.

Dynamic Earth Charitable Trust
(a company limited by guarantee)
Financial statements for period ended 31 March 2023

Consolidated Cash Flow Statement

| | Notes | Group | |
|--|-----------|-------------------------------|-----------------------------|
| | | Period Ended 31.03.23 £ | Year Ended 31.10.21 £ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net cash used in operating activities | 25 | <u>(2,613,723)</u> | <u>(1,631,519)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest income | | 2,039 | 132 |
| Purchase of tangible fixed assets | 16 | <u>(291,574)</u> | <u>(185,634)</u> |
| Cash used in investing activities | | <u>(289,535)</u> | <u>(185,502)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Restricted Grant Funding received | | 33,043 | 394,966 |
| Unrestricted Grant Funding received | | <u>2,256,144</u> | <u>1,789,703</u> |
| Cash generated from financing activities | | <u>2,289,187</u> | <u>2,184,669</u> |
| (Decrease) / Increase in cash and cash equivalents in the year | | (614,071) | 367,648 |
| Cash and cash equivalents at the beginning of the year | | 1,693,136 | 1,325,488 |
| TOTAL CASH AND CASH EQUIVALENTS AT 31 MARCH 2023 | 26 | <u><u>1,079,065</u></u> | <u><u>1,693,136</u></u> |

The accompanying notes form part of these accounts.

Statement of Accounting Policies

1 ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the charity.

Dynamic Earth Charitable Trust 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 note(s).

b) Reporting period

The Trustee's elected to change the group and company reporting period during the period for which these financial statements are prepared from 1 November 2021 to 31 March 2023 to align the year end with the fiscal year. These financial statements for the period to 31 March 2023 are for a period of 17 months and are not entirely comparable with the comparative financial information which was for a 12 month reporting period to 31 October 2021.

c) Preparation of the accounts on a going concern basis

The trustees have reviewed both operating budgets and cashflow requirements and have considered whether the charity has sufficient cash reserves and revenues to cover any shortfall of income over the next twelve months. The trustees continue to take all appropriate steps to ensure that the Centre remains financially sustainable.

The Centre is dependent on this core funding from the Scottish Government, and without which, it would be unable to operate and continue in its current format. While such funding is approved annually, the trustees anticipate that this funding will be forthcoming for the foreseeable future.

Having reviewed the matters outlined above the trustees remain confident that the charity can continue to operate as a going concern and have therefore continued to adopt the going concern basis of accounting in preparing these financial statements.

d) Group financial statements

The group financial statements consolidate the results of the charity and its subsidiaries Dynamic Earth Enterprises Limited and Dynamic Earth Services Limited on a line by line basis.

e) Income

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

Statement of Accounting Policies

Income is only deferred when received in advance of a defined performance or provision of other specified service and is deferred until the criteria for such income recognition are met.

f) Grant income

Grants are credited to the Statement of Financial Activities at the point of entitlement and are recognised on an accruals basis.

Revenue grants are not deferred unless the donor has imposed conditions which have to be fulfilled before the charity becomes entitled to such income.

Capital grants received for the purchase of fixed assets are credited to restricted incoming resources when receivable and the corresponding depreciation on the restricted fixed asset is subsequently charged against those funds through restricted expenditure.

This is a change in accounting policy. In prior periods income related grants were included in the Statement of Financial Activities when the related resources were expended. The capital related portion of any grants received were credited to income over the life of the asset to which the grant related.

g) Interest receivable

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

h) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds include donations which the donor has specified are to be solely used for particular areas of the Trust's work or for specific projects being undertaken by the Trust.

i) Allocation of support costs/Expenditure

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trust's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 9.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

j) Tangible fixed assets

In 1995 land on which Dynamic Earth is situated was gifted by Scottish and Newcastle. It has been valued at £600,000 and this amount is incorporated in the Trust's balance sheet as an asset, with the corresponding credit in revaluation reserve. The value of land is not amortised.

With the exception of land, tangible assets are stated in the Balance Sheet at cost less associated depreciation. Assets costing less than £250 are not capitalised. Depreciation is provided at rates

Statement of Accounting Policies

calculated to write off the cost less estimated residual value of the asset on a straight-line basis over its expected useful life as follows: -

| | |
|-----------------------|--------------|
| Buildings | - 2% to 4% |
| Plant & Machinery | - 10% |
| Furniture & Equipment | - 20% to 33% |
| Motor Vehicles | - 25% |

The Trust's principal asset is the Centre, which has been financed by grants (included within Restricted Funds) given by various public organisations. The associated grants held within deferred income will be released to revenue over the same period as the asset is written off to expenditure.

k) Impairment of Fixed Assets

At each reporting period end date, the trustee's review the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Trust estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

l) Investments

Investments held by the parent company relates to share capital held in its subsidiary companies. Accordingly, investments are reported at historical cost and not on any potential market value basis.

m) Stock

Stocks are stated at the lower of cost and net realisable value.

Statement of Accounting Policies

n) Debtors

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

o) Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the balance sheet when the Trust becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Statement of Accounting Policies

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Equity instruments

Equity instruments issued are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the entity.

r) Income from charitable activities

Visitor Admissions - Income from visitor admissions principally represents tickets sold for daily admission or annual membership. Tickets for daily admissions are recognised when sold and other tickets are recognised as earned.

Commercial Operations – Income from commercial operations represents income receivable, excluding VAT, from revenue streams earned through its subsidiary company, Dynamic Earth Enterprises Limited, whose principal activities are managing Dynamic Earth on behalf of its parent, hospitality and events, and operating the shop and café.

s) Costs of raising funds

Resources expended - expenditure is recognised when a liability is incurred.

u) Finance and operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

t) Pension costs

The charity operates a group pension scheme on behalf of its employees through Scottish Widows Plc. Under Government legislation, staff are required to be automatically enrolled into a company pension scheme. Under the scheme conditions the charity makes a matching contribution to individual policies at the rate of 5% (2021 - 5%) for staff and 7% (2021 – 7%) for Directors.

u) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Notes to the Financial Statements

2 LEGAL STATUS OF THE TRUST

The Trust is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

3 INCOME FROM GRANTS AND DONATIONS

| GROUP | Unrestricted | Restricted | Total 2023 |
|------------------------------------|---------------------|-------------------|------------------------------------|
| | £ | £ | £ |
| Revenue Grants | 1,239,045 | - | 1,239,045 |
| Education Funding | - | (501) | (501) |
| Grants from deferred income | - | 948,745 | 948,745 |
| Donations | 320,788 | 33,544 | 354,332 |
| | <u>1,559,833</u> | <u>981,788</u> | <u>2,541,621</u> |
| | | | |
| | Restated | Restated | Restated Total 2021 |
| | Unrestricted | Restricted | £ |
| | £ | £ | £ |
| Revenue Grants | 2,971,317 | 12,950 | 2,984,267 |
| Education Funding | - | 81,863 | 81,863 |
| Grants from deferred income | - | 1,061,258 | 1,061,258 |
| Donations | 21,084 | 59,805 | 80,889 |
| | <u>2,992,401</u> | <u>1,215,876</u> | <u>4,208,277</u> |
| | | | |
| | Unrestricted | Restricted | Total 2023 |
| | £ | £ | £ |
| Scottish Executive – Revenue Grant | 1,239,045 | - | 1,239,045 |
| Education Funding | - | (501) | (501) |
| Grants from deferred income | - | 948,745 | 948,745 |
| Donations | 150,953 | 33,544 | 184,497 |
| | <u>1,389,998</u> | <u>981,788</u> | <u>2,371,786</u> |
| | | | |
| | Restated | Restated | Restated Total 2021 |
| | Unrestricted | Restricted | £ |
| | £ | £ | £ |
| Scottish Executive – Revenue Grant | 2,323,734 | 12,950 | 2,336,684 |
| Education Funding | - | 81,863 | 81,863 |
| Grants from deferred income | - | 1,061,258 | 1,061,258 |
| Donations | 21,084 | 59,805 | 80,889 |
| | <u>2,344,818</u> | <u>1,215,876</u> | <u>3,560,694</u> |

The accompanying notes form part of these accounts.

Notes to the Financial Statements (Continued)

4 INCOME FROM CHARITABLE ACTIVITIES

| GROUP | Unrestricted | Restricted | Total |
|----------------------------------|---------------------|-------------------|------------------|
| | £ | £ | 2023 |
| | | | £ |
| Income from Visitor Admissions | 1,401,989 | - | 1,401,989 |
| Income from Education Activities | 31,043 | - | 31,043 |
| | <u>1,433,032</u> | <u>-</u> | <u>1,433,032</u> |

| GROUP | Unrestricted | Restricted | Total |
|----------------------------------|---------------------|-------------------|----------------|
| | £ | £ | 2021 |
| | | | £ |
| Income from Visitor Admissions | 485,915 | - | 485,915 |
| Income from Education Activities | 20,467 | - | 20,467 |
| | <u>506,382</u> | <u>-</u> | <u>506,382</u> |

| COMPANY | Unrestricted | Restricted | Total |
|----------------------------------|---------------------|-------------------|------------------|
| | £ | £ | 2023 |
| | | | £ |
| Income from Visitor Admissions | 1,401,989 | - | 1,401,989 |
| Income from Education Activities | 31,043 | - | 31,043 |
| | <u>1,433,032</u> | <u>-</u> | <u>1,433,032</u> |

| COMPANY | Unrestricted | Restricted | Total |
|----------------------------------|---------------------|-------------------|----------------|
| | £ | £ | 2021 |
| | | | £ |
| Income from Visitor Admissions | 485,915 | - | 485,915 |
| Income from Education Activities | 20,467 | - | 20,467 |
| | <u>506,382</u> | <u>-</u> | <u>506,382</u> |

5 INVESTMENT INCOME

| | GROUP | | COMPANY | |
|-------------------|--------------|-------------|----------------|-------------|
| | 2023 | 2021 | 2023 | 2021 |
| | £ | £ | £ | £ |
| Interest Received | <u>2,039</u> | <u>132</u> | <u>1,837</u> | <u>126</u> |

All of the Group's investment income arises from sums held in interest bearing current accounts.

The accompanying notes form part of these accounts.

Notes to the Financial Statements (Continued)

6 INCOME EARNED FROM OTHER TRADING ACTIVITIES

The charity has a trading subsidiary, Dynamic Earth Enterprises Limited, which is incorporated in the UK. The company registration number is SC139122 and audited accounts are filed annually with the Registrar of Companies. The principal activities of the subsidiary company are the management and operation of the Dynamic Earth visitor attraction on behalf of Dynamic Earth Charitable Trust and the provision of ancillary services within the Centre. All taxable profits are covenanted to Dynamic Earth Charitable Trust and interest is paid on all inter-company loans. A summary of it's trading results is shown below.

| <u>Profit & Loss Account</u> | 2023 | 2021 |
|--|------------------|------------------|
| | £ | £ |
| Turnover | 5,009,787 | 1,955,267 |
| Cost of Sales | (5,133,962) | (2,224,339) |
| Gross Loss | (124,175) | (269,072) |
| Grant Income | - | 647,583 |
| Administrative Expenses | (469,687) | (338,001) |
| Operating Profit / (Loss) | (593,862) | 40,510 |
| Net Interest receivable/(payable) | 346 | (223) |
| Profit / (Loss) before and after Taxation | (593,516) | 40,287 |

Included within Cost of Sales for Dynamic Earth Enterprises Limited is an amount of £1,297,333 (2021 - £1,790,243) which is attributable to the cost of raising funds.

Tax losses of £769,833 (2021 - £184,751) remain available for offset against future taxable trading profits.

| The assets and liabilities of the subsidiary were:- | 2023 | 2021 |
|--|-------------|-------------|
| | £ | £ |
| Total assets | 686,037 | 985,105 |
| Current liabilities | (725,674) | (431,227) |
| Total net (liabilities) / assets | (39,637) | 553,878 |
| Aggregate share capital and reserves | (39,637) | 553,878 |

The accompanying notes form part of these accounts.

Notes to the Financial Statements (Continued)

7 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

| GROUP | Visitor Admissions 2023 £ | Education Activities 2023 £ | Total 2023 £ |
|---------------------------|--|--|-----------------------------|
| Cost of sales | 555,626 | 8,836 | 564,462 |
| Payroll costs | 1,001,826 | 410,645 | 1,412,471 |
| Facilities & Maintenance | 345,340 | 5,594 | 350,934 |
| Exhibition | (30,592) | 4,943 | (25,649) |
| HR & Personnel costs | 34,835 | 601 | 35,436 |
| Governance costs (note 9) | 76,729 | - | 76,729 |
| Support costs | 420,660 | 33,312 | 453,972 |
| | <u>2,404,424</u> | <u>463,931</u> | <u>2,868,355</u> |

| GROUP | Restated Visitor Admissions 2021 £ | Restated Education Activities 2021 £ | Restated Total 2021 £ |
|---------------------------|---|---|--|
| Cost of sales | 1,220,135 | 190,940 | 1,411,075 |
| Payroll costs | 374,175 | 333,963 | 708,138 |
| Facilities & Maintenance | 96,116 | 13,349 | 109,465 |
| Exhibition | 31,985 | 6,092 | 38,077 |
| HR & Personnel costs | 3,889 | 1,213 | 5,102 |
| Governance costs (note 9) | 63,950 | - | 63,950 |
| Support costs | 334,768 | 74,094 | 408,862 |
| | <u>2,125,018</u> | <u>619,651</u> | <u>2,744,669</u> |

The accompanying notes form part of these accounts.

Notes to the Financial Statements (Continued)

7 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

| COMPANY | Visitor Admissions 2023 £ | Education Activities 2023 £ | Total 2023 £ |
|---------------------------|--|--|-----------------------------|
| Cost of sales | 524,521 | 10,704 | 535,225 |
| Payroll costs | - | 315,730 | 315,730 |
| Facilities & Maintenance | 64,645 | 8,815 | 73,460 |
| Exhibition | - | - | - |
| HR & Personnel costs | 11,991 | 245 | 12,236 |
| Governance costs (note 9) | 9,047 | - | 9,047 |
| Support costs | 38,031 | 3,084 | 41,115 |
| | <u>648,235</u> | <u>338,578</u> | <u>986,813</u> |

| COMPANY | Restated Visitor Admissions 2021 £ | Restated Education Activities 2021 £ | Restated Total 2021 £ |
|---------------------------|---|---|--|
| Cost of sales | 1,188,241 | 180,048 | 1,368,289 |
| Payroll costs | - | 121,883 | 121,883 |
| Facilities & Maintenance | 5,711 | 793 | 6,504 |
| Exhibition | 20,199 | 4,636 | 24,835 |
| HR & Personnel costs | - | 673 | 673 |
| Governance costs (note 9) | 21,094 | - | 21,094 |
| Support costs | 140,490 | 63,845 | 204,335 |
| | <u>1,375,735</u> | <u>371,878</u> | <u>1,747,613</u> |

Notes to the Financial Statements (Continued)

8 SUMMARY ANALYSIS OF EXPENDITURE AND RELATED INCOME FOR CHARITABLE ACTIVITIES

This table shows the cost of the two main charitable activities and the sources of income directly to support those activities.

| | Visitor Admissions 2023 £ | Education Activities 2023 £ | Total 2023 £ | Total 2021 £ |
|-----------------------------------|--|--|-----------------------------|-----------------------------|
| Costs | (2,400,202) | (463,931) | (2,864,133) | (1,869,045) |
| Admission charges | <u>1,401,989</u> | <u>31,043</u> | <u>1,433,032</u> | <u>506,382</u> |
| | (998,213) | (432,888) | (1,431,101) | (1,362,663) |
| Direct grant support | <u>1,239,045</u> | <u>(501)</u> | <u>1,238,544</u> | <u>1,756,756</u> |
| Net cost funded from other income | <u>240,832</u> | <u>(433,389)</u> | <u>192,557</u> | <u>394,093</u> |

9 ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs that are not deemed for raising funds are apportioned between the two key charitable activities undertaken (see note 8) in the year. Refer to the table below for the basis of apportionment and the analysis of total support and governance costs for the group.

Analysis of total support and governance costs for the group: -

| <u>Current financial year</u> | General Support £ | Governance Function £ | Total 2023 £ | Basis of Apportionment |
|--------------------------------------|----------------------------------|--------------------------------------|-----------------------------|-----------------------------------|
| Salaries, wages & related costs | 334,044 | 71,750 | 405,794 | Allocated by Department |
| Marketing | 212,352 | - | 212,352 | Allocated on Activity |
| General Office | 96,952 | - | 96,952 | Allocated on Income |
| Information technology | 168,981 | - | 168,981 | Allocated on Income |
| Audit fees | - | 4,875 | 4,875 | Governance |
| Trust costs | - | 104 | 104 | Governance |
| Total | <u>812,329</u> | <u>76,729</u> | <u>889,058</u> | |

The accompanying notes form part of these accounts.

Notes to the Financial Statements (Continued)

9 ANALYSIS OF GOVERNANCE AND SUPPORT COSTS (continued)

| <u>Previous financial year</u> | General Support £ | Governance function £ | Total 2021 £ | Basis of Apportionment |
|------------------------------------|-------------------------|-----------------------------|--------------------|---------------------------|
| Salaries, wages & related costs | 430,373 | 48,732 | 479,105 | Allocated by Department |
| Marketing | 32,820 | - | 32,820 | Allocated on Activity |
| General Office | 89,755 | - | 89,755 | Allocated on Income |
| Information technology | 72,226 | - | 72,226 | Allocated on Income |
| Audit fees | - | 14,780 | 14,780 | Governance |
| Legal & Prof. fees | 40,453 | - | 40,453 | Governance |
| Trust costs | - | 437 | 437 | Governance |
| Total | <u>665,627</u> | <u>63,949</u> | <u>729,576</u> | |

10 NET INCOME/(EXPENDITURE) FOR THE YEAR

| This is stated after charging: | GROUP | | COMPANY | |
|--|--------------|------------|--------------|------------|
| | 2023 £ | 2021 £ | 2023 £ | 2021 £ |
| Depreciation of own fixed assets | 951,177 | 877,343 | 948,744 | 875,625 |
| Auditors fees - audit services | 13,750 | 9,280 | 5,500 | 5,550 |
| - non-audit services | 4,525 | - | 2,950 | - |
| Hire of plant/equipment under - operating leases | 41,304 | 44,056 | - | - |
| Interest Payable | - | - | - | - |
| Interest Receivable | <u>2,039</u> | <u>132</u> | <u>1,837</u> | <u>126</u> |

The accompanying notes form part of these accounts.

Notes to the Financial Statements (Continued)

11 ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

| | GROUP | | COMPANY | |
|-----------------------------|------------------|------------------|----------------|----------------|
| | 2023 £ | 2021 £ | 2023 £ | 2021 £ |
| Salaried staff costs | 1,664,695 | 1,142,415 | 297,441 | 248,827 |
| Pension Costs | 113,908 | 77,468 | 14,339 | 14,060 |
| Casual staff costs | 1,205,783 | 626,269 | 891 | 2,743 |
| Social Security staff costs | <u>237,832</u> | <u>140,446</u> | <u>27,995</u> | <u>28,130</u> |
| Total | <u>3,222,218</u> | <u>1,986,598</u> | <u>340,666</u> | <u>293,760</u> |

No employees had employee benefits in excess of £103,488 (2021 - £124,704). Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

With the exception of the Chief Executive, the Trustees were not paid or received any other employments with the charity or its subsidiary in the year (2021 - £Nil). Amounts reimbursed for travel expenses during the year totalled £nil (2021 - £nil). No charity Trustee received payment for professional or other services supplied to the charity (2021 - £nil).

The key leadership team comprise the Trustees, including the Chief Executive, and the Executive management team. The total employee benefits of the key management personnel of the Trust were £263,342 (2021 - £124,704).

The key management personnel of the group comprise those of the Trust and the key management personnel of its wholly owned subsidiary Dynamic Earth Enterprises Limited. The employee benefits of key management personnel for the group was therefore £359,646 (2021 - £305,757).

12 STAFF NUMBERS

The average monthly number of full-time equivalent employees (including Directors) employed by the group and its subsidiaries during the year was as follows: -

| | GROUP | | COMPANY | |
|-----------------------------|------------|------------|----------|----------|
| | 2023 | 2021 | 2023 | 2021 |
| Administration & Management | 14 | 14 | 9 | 8 |
| Operations | <u>113</u> | <u>95</u> | <u>-</u> | <u>-</u> |
| Total | <u>127</u> | <u>109</u> | <u>9</u> | <u>8</u> |

Notes to the Financial Statements (Continued)

12 STAFF NUMBERS (continued)

The ranges of annualised employee emoluments earning over £60,000 were as follows: -

| | GROUP | | COMPANY | |
|---------------------|-----------|-----------|-----------|-----------|
| | 2023 £ | 2021 £ | 2023 £ | 2021 £ |
| £80,000 - £89,999 | <u>2</u> | <u>2</u> | <u>-</u> | <u>-</u> |
| £110,000 - £119,999 | <u>2</u> | <u>-</u> | <u>-</u> | <u>-</u> |

13 DIRECTORS' REMUNERATION

The ranges of annualised directors' emoluments were as follows: -

| | GROUP | | COMPANY | |
|---------------------|-----------|-----------|-----------|-----------|
| | 2023 £ | 2021 £ | 2023 £ | 2021 £ |
| £120,000 - £129,999 | <u>1</u> | <u>1</u> | <u>-</u> | <u>1</u> |

Remuneration in respect of directors was as follows: -

| | £ | £ | £ | £ |
|-------------------------|---------------|--------------|----------|--------------|
| Directors' remuneration | 159,853 | 117,336 | - | 117,336 |
| Pension contributions | <u>11,153</u> | <u>7,368</u> | <u>-</u> | <u>7,368</u> |

The authority to pay emoluments to certain Directors of the charity is contained within the Articles of Association.

Pension Contributions

The Group operates a group pension scheme on behalf of its staff and Directors. The organisation had a commencement date for the new scheme (Staging Date) of 1st May 2014. Contributions are made on a matching basis at the rate of 5% for staff and 7% for Directors with effect from 1 April 2018. All employees are automatically enrolled into the scheme on taking up employment within the Group. The pension scheme is operated by Scottish Widows plc and is a defined contribution scheme.

Notes to the Financial Statements (Continued)

14 RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemption conferred by FRS102 whereby transactions between wholly owned members of a group need not be disclosed.

15 CORPORATION TAXATION

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act section 478 of the Corporation Tax Act 2010 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

16 TANGIBLE FIXED ASSETS

| GROUP | Buildings | Plant & Machinery | Furniture & Equipment | Motor Vehicle | TOTAL |
|--------------------------------------|-------------------|------------------------------|----------------------------------|----------------------|-------------------|
| | £ | £ | £ | £ | £ |
| Cost as at 1.11.21 | 22,572,464 | 9,099,154 | 1,375,062 | 8,588 | 33,055,268 |
| Additions | - | 121,474 | 170,100 | - | 291,574 |
| Disposals | - | - | - | - | - |
| Cost as at 31.03.23 | <u>22,572,464</u> | <u>9,220,628</u> | <u>1,545,162</u> | <u>8,588</u> | <u>33,346,842</u> |
| Depreciation as at 1.11.21 | 9,972,491 | 8,377,734 | 1,249,936 | 3,722 | 19,603,883 |
| Charge for the period | 645,925 | 221,036 | 81,783 | 2,433 | 951,177 |
| Disposals | - | - | - | - | - |
| Depreciation as at 31.03.23 | <u>10,618,416</u> | <u>8,598,770</u> | <u>1,331,719</u> | <u>6,155</u> | <u>20,555,060</u> |
| Net Book Value As at 31.03.23 | <u>11,954,048</u> | <u>621,858</u> | <u>213,443</u> | <u>2,433</u> | <u>12,791,782</u> |
| As at 31.10.21 | <u>12,599,973</u> | <u>721,420</u> | <u>125,126</u> | <u>4,866</u> | <u>13,451,385</u> |

Net book values as at 31.03.23 represents assets used for:

DIRECT CHARITABLE

| | Buildings | Plant & Machinery | Furniture & Equipment | Motor Vehicle | TOTAL |
|-----------------------------|-------------------|------------------------------|----------------------------------|----------------------|-------------------|
| | £ | £ | £ | £ | £ |
| Generation of Income | <u>11,954,048</u> | <u>621,858</u> | <u>213,443</u> | <u>2,433</u> | <u>12,791,782</u> |

As at the period end, the group had contracted capital commitments of £46,496 (2021 - £564,874).

The accompanying notes form part of these accounts.

Notes to the Financial Statements (Continued)

16 TANGIBLE FIXED ASSETS (continued)

| CHARITY | Buildings | Plant & Machinery | Furniture & Equipment | TOTAL |
|------------------------------------|-------------------|------------------------------|----------------------------------|-------------------|
| | £ | £ | £ | £ |
| Cost as at 1.11.21 | 22,572,464 | 9,099,154 | 1,361,829 | 33,033,447 |
| Additions | - | 121,474 | 170,100 | 291,574 |
| Disposals | - | - | - | - |
| Cost as at 31.03.23 | <u>22,572,464</u> | <u>9,220,628</u> | <u>1,531,929</u> | <u>33,325,021</u> |
| Depreciation as at 1.11.21 | 9,972,491 | 8,377,734 | 1,236,703 | 19,586,928 |
| Charge for the period | 645,925 | 221,036 | 81,783 | 948,744 |
| Disposals | - | - | - | - |
| Depreciation as at 31.03.23 | <u>10,618,416</u> | <u>8,598,770</u> | <u>1,318,486</u> | <u>20,535,672</u> |
| Net Book Value | | | | |
| As at 31.03.23 | <u>11,954,048</u> | <u>621,858</u> | <u>213,443</u> | <u>12,789,349</u> |
| As at 31.10.21 | <u>12,599,973</u> | <u>721,420</u> | <u>125,126</u> | <u>13,446,519</u> |

Net book values as at 31.03.23 represents assets used for:

DIRECT CHARITABLE

| | Buildings | Plant & Machinery | Furniture & Equipment | TOTAL |
|-----------------------------|-------------------|------------------------------|----------------------------------|-------------------|
| | £ | £ | £ | £ |
| Generation of Income | <u>11,954,048</u> | <u>621,858</u> | <u>213,443</u> | <u>12,789,349</u> |

Notes to the Financial Statements (Continued)

17 TANGIBLE FIXED ASSETS - VALUATION

Previous valuations of the Centre on an 'open market value' basis have indicated that this potential value is lower than its depreciated historic cost value. FRS 102 requires commercial enterprises to take account of a reduction in the recoverable amount of a fixed asset below its carrying amount. However, where fixed assets are not held for the purpose of generating cash flows, as is the case with many charitable bodies, FRS 102 states that it may be inappropriate to write down such assets to their recoverable amount. The Directors are of the view that the fundamental purpose of the Trust is the provision of knowledge and learning on the subject of 'the planet Earth' and not necessarily the maximisation of cash flows. Given the foregoing, it is the opinion of the Directors that the most appropriate way to account for the value of the Centre is on a historical cost basis. Therefore, the Centre is included at net book value of £11,954,048 (2021 - £12,599,973).

18 LAND

In 1995, the land was gifted to Dynamic Earth Charitable Trust by Scottish & Newcastle plc. It was valued at £600,000 in May 1996 by Grimley - International Property Advisors. This valuation was performed on the basis that the land would be for the development of a public exhibition building.

19 INVESTMENTS - Shares in group undertakings

| | 2023 | 2021 |
|---------------------|----------------|----------------|
| | £ | £ |
| Ordinary Shares | 499,998 | 499,999 |
| Special Shares | <u>2</u> | <u>2</u> |
| Total Share Capital | <u>500,000</u> | <u>500,001</u> |

Dividends - Special Shares

The holders of the special shares are, prior to any ordinary share dividend declared by the Directors, entitled to a dividend of £100 plus 0.1% of the net profits of the company in excess of £100.

| | Country of Incorporation | Country of Registration | Holding of Ord. & Special Shares |
|-----------------------------------|-------------------------------------|------------------------------------|---|
| Dynamic Earth Enterprises Limited | Great Britain | Scotland | 100% |
| Dynamic Earth Services Limited | Great Britain | Scotland | 100% |

Dynamic Earth Enterprises Limited manages and operates the Dynamic Earth visitor attraction on behalf of Dynamic Earth Charitable Trust. Dynamic Earth Services Limited was previously dormant but was dissolved on 13 December 2022.

Dynamic Earth Charitable Trust
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Notes to the Financial Statements (Continued)

19 INVESTMENTS (continued)

| Dynamic Earth Enterprises Limited | 2023 | 2021 |
|--|------------------|---------------|
| | £ | £ |
| Aggregate capital and reserves | (39,637) | 553,878 |
| Profit / (Loss) for the year | <u>(593,516)</u> | <u>40,287</u> |

20 STOCKS

| | GROUP | | COMPANY | |
|------------------|---------------|---------------|----------------|-------------|
| | 2023 | 2021 | 2023 | 2021 |
| | £ | £ | £ | £ |
| Goods for resale | <u>63,025</u> | <u>62,816</u> | <u>-</u> | <u>-</u> |

21 DEBTORS

| | GROUP | | COMPANY | |
|-------------------------------|----------------|----------------|----------------|----------------|
| | 2023 | 2021 | 2023 | 2021 |
| | £ | £ | £ | £ |
| Trade Debtors | 233,078 | 76,131 | - | 17,495 |
| Other Debtors and Prepayments | 276,769 | 148,864 | 253,282 | 100,548 |
| | <u>509,847</u> | <u>224,995</u> | <u>253,282</u> | <u>118,043</u> |

22 CREDITORS

Amounts falling due within one year: -

| | GROUP | | COMPANY | |
|------------------------------|-----------------|----------------|-----------------|----------------|
| | Restated | | Restated | |
| | 2023 | 2021 | 2023 | 2021 |
| | £ | £ | £ | £ |
| Trade Creditors | 103,000 | 142,856 | 5,964 | 34,149 |
| Other Creditors and Accruals | 599,082 | 388,926 | (23,294) | 66,395 |
| SIS Loan | 26,724 | - | 26,724 | - |
| Interest due from Subsidiary | - | - | (144) | (229) |
| Amounts due to Subsidiary | - | - | 172,039 | 579,718 |
| | <u>728,806</u> | <u>531,782</u> | <u>181,289</u> | <u>680,033</u> |

The accompanying notes form part of these accounts.

Notes to the Financial Statements (Continued)

22 CREDITORS (Continued)

Amounts falling due after more than one year: -

| | GROUP | | COMPANY | |
|----------|----------------|----------|----------------|----------|
| | 2023 | 2021 | 2023 | 2021 |
| | £ | £ | £ | £ |
| SIS Loan | 157,846 | - | 157,846 | - |
| | <u>157,846</u> | <u>-</u> | <u>157,846</u> | <u>-</u> |

Loan

| | GROUP | | COMPANY | |
|-------------------------|----------------|----------|----------------|----------|
| | 2023 | 2021 | 2023 | 2021 |
| | £ | £ | £ | £ |
| Payable within one year | 26,724 | - | 26,724 | - |
| Payable after one year | 157,846 | - | 157,846 | - |
| | <u>184,570</u> | <u>-</u> | <u>184,570</u> | <u>-</u> |

The loan above is repayable on a monthly basis and interest of 3% per annum is charged.

Dynamic Earth Charitable Trust
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Notes to the Financial Statements (Continued)

23 ANALYSIS OF MOVEMENTS IN FUNDS

The company does not have paid up share capital being a company limited by guarantee. The amount guaranteed by each member in the event of winding up is not more than £1.

GROUP

| | Restated As at 01.11.21 | Income | Expenditure | Other mvnts | Tfrs | As at 31.03.23 |
|---|--|-------------------------|---------------------------|---------------------------|------------------|---------------------------|
| | £ | £ | £ | £ | £ | £ |
| Unrestricted funds | | | | | | |
| General | 1,895,871 | 5,503,787 | (5,618,942) | (279,583) | (1,673,943) | (172,810) |
| Designated Capital | - | - | - | - | 735,848 | 735,848 |
| Designated | - | - | - | - | 817,502 | 817,502 |
| Total unrestricted funds | <u>1,895,871</u> | <u>5,503,787</u> | <u>(5,618,942)</u> | <u>(279,583)</u> | <u>(120,593)</u> | <u>1,380,540</u> |
| Restricted funds | | | | | | |
| General Capital | - | - | - | - | 120,593 | 120,593 |
| Reserve | 13,004,679 | 981,788 | (981,788) | (948,745) | - | 12,055,934 |
| Revaluation Reserve | 600,000 | - | - | - | - | 600,000 |
| Total restricted funds | <u>13,604,679</u> | <u>981,788</u> | <u>(981,788)</u> | <u>(948,745)</u> | <u>120,593</u> | <u>12,776,527</u> |
| Total funds | <u><u>15,500,550</u></u> | <u><u>6,485,575</u></u> | <u><u>(6,600,730)</u></u> | <u><u>(1,228,328)</u></u> | <u><u>-</u></u> | <u><u>14,157,067</u></u> |

The accompanying notes form part of these accounts.

Notes to the Financial Statements (Continued)

23 ANALYSIS OF MOVEMENTS IN FUNDS (continued)

GROUP

Previous financial year

| | Restated As at 01.11.20 £ | Restated Income £ | Restated Expenditure £ | Tfrs £ | Restated As at 31.10.21 £ |
|---------------------------------|------------------------------------|-------------------------|------------------------------|-----------|------------------------------------|
| Unrestricted funds | | | | | |
| General | 563,941 | 3,960,976 | (2,629,046) | - | 1,895,871 |
| Total unrestricted funds | 563,941 | 3,960,976 | (2,629,046) | - | 1,895,871 |
| Restricted funds | | | | | |
| Donations reserve | - | - | - | - | - |
| General reserve | 13,694,669 | 1,215,876 | (1,905,866) | - | 13,004,679 |
| Revaluation reserve | 600,000 | - | - | - | 600,000 |
| Total restricted funds | 14,294,669 | 1,215,876 | (1,905,866) | - | 13,604,679 |
| Total funds | 14,858,610 | 5,176,852 | (4,534,912) | - | 15,500,550 |

The accompanying notes form part of these accounts.

Dynamic Earth Charitable Trust
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Notes to the Financial Statements (Continued)

23 ANALYSIS OF MOVEMENTS IN FUNDS (continued) -

| COMPANY | Restated As at 01.11.21 £ | Income £ | Expenditure £ | Other mvnts £ | Tfrs £ | As at 31.03.23 £ |
|---|------------------------------------|------------------|--------------------|---------------------|------------------|------------------------|
| Unrestricted funds | | | | | | |
| General | 1,842,004 | 3,552,682 | (3,074,331) | (279,583) | (1,671,510) | 369,262 |
| Designated Capital | - | - | - | - | 733,415 | 733,415 |
| Designated | - | - | - | - | 817,502 | 817,502 |
| Total unrestricted funds | 1,842,004 | 3,552,682 | (3,074,331) | (279,583) | (120,593) | 1,920,179 |
| Restricted funds | | | | | | |
| General | - | - | - | - | 120,593 | 120,593 |
| Capital Reserve | 13,004,679 | 981,788 | (981,788) | (948,745) | - | 12,055,934 |
| Revaluation Reserve | 600,000 | - | - | - | - | 600,000 |
| Total restricted funds | 13,604,679 | 981,788 | (981,788) | (948,745) | 120,593 | 12,776,527 |
| Total funds | 15,446,683 | 4,534,470 | (4,056,119) | (1,228,328) | - | 14,696,706 |

The accompanying notes form part of these accounts.

Notes to the Financial Statements (Continued)

23 ANALYSIS OF MOVEMENTS IN FUNDS (continued)

COMPANY

Previous financial year

| | Restated As at 01.11.20 £ | Restated Income £ | Restated Expenditure £ | Transfers £ | Restated As at 31.10.21 £ |
|----------------------------------|------------------------------------|-------------------------|------------------------------|----------------|------------------------------------|
| Unrestricted funds | | | | | |
| General | 550,361 | 3,088,120 | (1,796,477) | - | 1,842,004 |
| Total unrestricted funds | 550,361 | 3,088,120 | (1,796,477) | - | 1,842,004 |
| Restricted funds | | | | | |
| Donations reserve | - | - | - | - | - |
| General reserve | 13,694,669 | 1,215,876 | (1,905,866) | - | 13,004,579 |
| Revaluation reserve | 600,000 | - | - | - | 600,000 |
| Total restricted reserves | 14,294,669 | 1,215,876 | (1,905,866) | - | 13,604,679 |
| Total funds | 14,845,030 | 4,303,996 | (3,702,343) | - | 15,446,683 |

a) **Unrestricted Reserve**

Amounts held within the unrestricted general reserve represent sums generated from the operation of the organisation since its inception.

b) **Restricted Reserve**

Restricted funds are those which have had conditions imposed on them by the donor. For example, The Scottish Government has provided funding for the Community Subsidy and the Transport Subsidy.

c) **Revaluation Reserve**

This represents an unrealised gain from the revaluation of the Land at 110 -112 Holyrood Road undertaken in 1996 by Grimley Property advisors. The Land was originally gifted to Dynamic Earth Charitable Trust from Scottish & Newcastle plc at a nominal value of £1. (see Note 18).

Notes to the Financial Statements (Continued)

d) **Restricted and Designated Capital Reserves**

Restricted capital reserves arose from historical capital grants received by Dynamic Earth. Designated capital reserves are funds voluntarily designated to match additions to fixed assets. Overall the restricted and designated fixed asset reserves equal the net book value of fixed assets excluding the value of the land.

e) **Designated Reserve**

Funds held within the designated reserve are held for use for various projects that are currently ongoing or for ongoing capital improvements and future capital redevelopment of the science centre. These are approved on a case by case basis by the trustees, these must align with the organisation's strategic objectives.

24 ANALYSIS OF NET ASSETS BALANCES ACROSS FUNDS

| GROUP | Restricted Funds £ | Unrestricted Funds £ | Total Funds 2023 £ |
|---|--|--|--|
| Fixed Assets | 12,655,934 | 735,848 | 13,391,782 |
| Current Assets/ (Current Liabilities) | 120,593 | 802,538 | 923,131 |
| Long Term Liabilities | - | (157,846) | (157,846) |
| | <u>12,776,527</u> | <u>1,380,540</u> | <u>14,157,067</u> |
| Unrealised gains included above: - | | | |
| Tangible Fixed Assets | <u>600,000</u> | <u>-</u> | <u>600,000</u> |
| GROUP | Restated Restricted Funds £ | Restated Unrestricted Funds £ | Restated Total Funds 2021 £ |
| Fixed Assets | 13,538,432 | 512,953 | 14,051,385 |
| Current Assets/ (Current Liabilities) | 66,247 | 1,382,918 | 1,449,165 |
| Provisions | - | - | - |
| | <u>13,604,679</u> | <u>1,895,871</u> | <u>15,500,550</u> |
| Unrealised gains included above: - | | | |
| Tangible Fixed Assets | <u>600,000</u> | <u>-</u> | <u>600,000</u> |

The accompanying notes form part of these accounts.

Notes to the Financial Statements (Continued)

24 ANALYSIS OF NET ASSETS BALANCES ACROSS FUNDS (continued)

| COMPANY | Restricted Funds £ | Unrestricted Funds £ | Total Funds 2023 £ |
|---|-----------------------------------|-------------------------------------|-----------------------------------|
| Fixed Assets | 12,655,934 | 733,415 | 13,389,349 |
| Investments | 500,000 | - | 500,000 |
| Current Assets/ (Current Liabilities) | (379,407) | 1,344,610 | 965,203 |
| Long Term Liabilities | - | (157,846) | (157,846) |
| | <u>12,776,527</u> | <u>1,920,179</u> | <u>14,696,706</u> |
| Unrealised gains included above: - | | | |
| Tangible Fixed Assets | <u>600,000</u> | <u>-</u> | <u>600,000</u> |

| COMPANY | Restated Restricted Funds £ | Restated Unrestricted Funds £ | Restated Total Funds 2021 £ |
|--|--|--|--|
| Fixed Assets | 13,538,432 | 508,087 | 14,046,519 |
| Investments | 500,001 | - | 500,001 |
| Current Assets/ (Current Liabilities) | (433,754) | 1,333,917 | 900,163 |
| Provisions | - | - | - |
| | <u>13,604,679</u> | <u>1,842,004</u> | <u>15,446,683</u> |
| Unrealised gains included above - | | | |
| Tangible Fixed Assets | <u>600,000</u> | <u>-</u> | <u>600,000</u> |

The accompanying notes form part of these accounts.

Notes to the Financial Statements (Continued)

25 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| GROUP | 2023 | 2021 |
|--|---------------------------|---------------------------|
| | £ | £ |
| Net movement in funds (as per SOFA) | (115,178) | 22,557 |
| Less funding contributions (non cash) | (948,745) | (875,624) |
| Less revenue grant | (1,674,894) | (1,835,970) |
| Less Interest Received shown in Investing activities | <u>(2,039)</u> | <u>(132)</u> |
| Net movement before funding contributions | (2,740,856) | (2,689,169) |
| Add back depreciation | 951,177 | 877,343 |
| Decrease in Stocks | 209 | 19,213 |
| Increase in Debtors | (284,852) | (24,224) |
| Increase / (Decrease) in Creditors | <u>(539,401)</u> | <u>185,318</u> |
| Net cash used in Operating Activities | <u>(2,613,723)</u> | <u>(1,631,519)</u> |

26 ANALYSIS OF MOVEMENT IN CASH AND CASH EQUIVALENTS

| GROUP | 2023 | 2021 |
|--------------------------|------------------|------------------|
| | £ | £ |
| Cash at bank and in hand | <u>1,079,065</u> | <u>1,693,136</u> |

Notes to the Financial Statements (Continued)

27 CONTINGENT LIABILITIES

Lloyds Banking Group plc. hold a Standard security and Bond and Floating charge over the assets of the Dynamic Earth Enterprises Limited in respect of an overdraft facility approved on an annual basis. If the company fails to comply with the terms and conditions of the facility, the bank has the right to exercise that security as a means of recovering any sums outstanding and repayable as part of that agreement. The maximum value of funds available within the overdraft facility is currently £150,000.

28 PRIOR PERIOD ADJUSTMENT

In prior periods income related grants were included in the Statement of Financial Activities when the related resources were expended. The capital related portion of any grants received were credited to income over the life of the asset to which the grant related.

This policy represented a departure from SORP FRS 102 which requires that grants for the purchase of fixed assets be credited to restricted incoming resources when receivable and that corresponding depreciation on the fixed assets be charged against those restricted funds, and that revenue grants are not deferred unless the donor has imposed conditions which have to be fulfilled before the charity becomes entitled to such income.

Following a change of Chief Executive Officer and key finance staff, the Trustees have decided to change the previous policy and to account for all grant income in accordance with the Charities SORP FRS 102. This change of accounting policy has been applied within the financial statements for the period ended 31 March 2023. As a result of the above a prior period adjustment has been made and comparative figures restated to reflect this change in accounting policy.

The impact of this prior period adjustment can be seen on the next page.

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Notes to the Financial Statements (Continued)

28 PRIOR PERIOD ADJUSTMENT (continued)

| | At 31 October 2021 | | | |
|-------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|--------------------|
| | As previously reported | Adjustment at 1 November 2020 | Adjustment at 31 October 2021 | As restated |
| | £ | £ | £ | £ |
| Provision for liabilities & charges | 11,731,006 | (11,731,006) | - | - |
| Grants received in the year | 185,634 | - | (185,634) | - |
| Released during the year | (875,624) | - | 875,624 | - |
| | <u>11,041,016</u> | <u>(11,731,006)</u> | <u>689,990</u> | <u>-</u> |
| Other creditors and accruals | <u>1,698,299</u> | <u>-</u> | <u>(1,309,373)</u> | <u>388,926</u> |
| Unrestricted funds | 586,498 | - | 1,309,373 | 1,895,871 |
| Restricted funds | 2,563,663 | 11,731,006 | (689,990) | 13,604,679 |
| Total funds | <u>3,150,161</u> | <u>11,731,006</u> | <u>619,383</u> | <u>15,500,550</u> |

| | At 31 October 2021 | | | |
|-------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|--------------------|
| | As previously reported | Adjustment at 1 November 2020 | Adjustment at 31 October 2021 | As restated |
| | £ | £ | £ | £ |
| Provision for liabilities & charges | 11,731,006 | (11,731,006) | - | - |
| Grants received in the year | 185,634 | - | (185,634) | - |
| Released during the year | (875,624) | - | 875,624 | - |
| | <u>11,041,016</u> | <u>(11,731,006)</u> | <u>689,990</u> | <u>-</u> |
| Other creditors and accruals | <u>1,375,768</u> | <u>-</u> | <u>1,309,373</u> | <u>66.395</u> |
| Unrestricted funds | 532,631 | - | 1,309,373 | 1,842,004 |
| Restricted funds | 2,563,663 | 11,731,006 | (689,990) | 13,604,679 |
| Total funds | <u>3,096,294</u> | <u>11,731,006</u> | <u>619,383</u> | <u>15,446,683</u> |

The accompanying notes form part of these accounts.

Notes to the Financial Statements (Continued)

28 PRIOR PERIOD ADJUSTMENT (continued)

| <u>Group</u> | At 31 October 2021 | | |
|------------------------------------|-----------------------------------|-------------------|--------------------|
| | As previously reported | Adjustment | As restated |
| | £ | £ | £ |
| Income from donations and legacies | 2,713,270 | 1,495,007 | 4,208,277 |
| Cost of sales | 632,436 | 875,624 | 1,508,060 |
| Net movement in funds | 22,557 | 619,383 | 641,940 |

| <u>Company</u> | At 31 October 2021 | | |
|------------------------------------|-----------------------------------|-------------------|--------------------|
| | As previously reported | Adjustment | As restated |
| | £ | £ | £ |
| Income from donations and legacies | 2,713,270 | 1,495,007 | 4,208,277 |
| Cost of sales | 635,344 | 875,624 | 1,510,968 |
| Net movement in funds | (17,730) | 619,383 | 601,653 |