



The National Motor Museum Trust Limited

Trustees' report

For the year ended 31 December 2016

Charity number: 1107656
Registered number: 5316070

STATEMENT FROM CHAIRMAN OF TRUSTEES AND CHIEF EXECUTIVE FOR THE YEAR ENDED 31 DECEMBER 2016

The National Motor Museum Trust (NMMT) is a charitable organisation dedicated to preserving and promoting motoring history, with a vision to be the best, most representative and accessible collection of motor vehicles, motoring artefacts and archives telling the story of motoring in Britain. It has a world famous collection of vehicles and associated motoring items, many of which are on display at the National Motor Museum at Beaulieu. The NMMT Collections Centre, located close to the Museum, is the repository for a cornucopia of motoring objects, images, documents and books. Our internationally significant Designated Collections include approximately 190 vehicles, 100 motorcycles, 48,000 motoring related objects, over 1.2 million photographic images and a significant motoring archive. The specialist Reference Library has almost 300,000 individual items and the Film and Video Library holds 45,000 moving image and audio items. We also host collections on behalf of others, most notably the Shell Heritage Art Collection (SHAC), which is one of the most important collections of commercial art in Britain and the Caravan and Motorhome Club Collection, which complements and expands the Museum's leisure motoring themes.

The close of 2016 heralded a new phase in governance for the NMMT, as Ray Pierce, who had served as Chairman of Trustees since 2005 retired. We thank him for his commitment in helping steer the organisation along a steady course for 11 years. Mike O'Farrell and Martin Packman also retired from the board at that time and our sincere thanks are extended for their contributions to the wellbeing of the NMMT. A new Chair was elected from the serving board in December 2016; John Reed who had been a Trustee since 2012. His appointment marks a shift towards a smaller Trustee board, with operational level sub-committees beneath, and he will be working closely with the Chief Executive and others on developing future strategy to increase organisational resilience.

The phased implementation of our transformational re-display project to enhance visitor engagement was maintained by opening the *Driving Change* gallery in February 2016. This major project has been the main focus for our resources and fundraising efforts in recent years.

We have an educational mission and utilise all our collections in highly regarded Learning and Outreach Programmes. Our award winning education offer is augmented with grant aided outreach projects, such as the Heritage Lottery Funded *Caravans & Charabancs* and the Arts Council Funded *Keep CALM and STEAM Ahead*. Our renowned Motoring Research Service also draws on the rich collections resource to respond to motoring enquiries from professional and amateur researchers around the World.

In the Collections Centre the considerable task of researching and preparing content for new displays continued alongside our long-term programme to improve the care, storage and documentation of our Collections. Digitisation of key elements of our Photographic, Library, Archive and Paper Ephemera Collections for preservation and improved access remains high on our agenda. Our Digital Strategy promotes engagement with collections via the NMMT website (www.nationalmotormuseum.org.uk) and social media platforms, to help us reach new audiences. From July 2016 all these endeavours received grant support from the Arts Council England Designation Development Fund, via the *Keep CALM and STEAM Ahead* project.

The challenges we face each year also provide new possibilities. The scale and significance of our Collections demands greater staffing capacity to care for them, which is built through partnerships and volunteering opportunities. New collaborations were sought during 2016, alongside the ongoing consolidation of existing relationships, such as those with the Shell Heritage Art Collection (SHAC), The Caravan Club (renamed the Caravan and Motorhome Club in February 2017) and Hampshire Cultural Trust.

Trustees acknowledge the dedication, hard work and enthusiasm of staff and volunteers. The Review of Achievements and Performance section of this report provides a summary of the major achievements for 2016. We value all members of our team, and our partners, and the contributions they make towards a successful and vibrant organisation.

John Reed
Chairman

Russell Bowman
Chief Executive

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The Trustees, who are also Directors of the charity for the purposes of the Companies Act, present their annual report together with the audited financial statements of The National Motor Museum Trust Limited (the company and the group) for the year ended 31 December 2016. The Trustees confirm that the annual report and financial statements of the company and the group comply with the current statutory requirements, the requirements of the company and the group's governing documents and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2015.

Review of Activities, Achievements and Performance

1. Maintaining organisational health

A strategic review and longer term plan for the NMMT was a significant priority for 2016 and this work is gathering pace under the direction of new Chairman, John Reed. A related aim to review and improve the forward planning process has been completed, providing Trustees with more effective monitoring tools.

Professional staffing capacity consistently features in our Organisational Risk Reviews and is particularly significant during delivery of major projects. Several key posts have been frozen as maintaining a team of sufficient size to fulfil our ambitions is challenged by available finance. External support and partnerships are vital in helping to support essential roles. A second grant from the Beaverbrook Foundation commenced during 2016, providing £53,000 to continue their support of the full-time Film & Video Curator to the end of April 2018.

Volunteer recruitment continues to be buoyant, providing a critical capacity boost to support the implementation of core objectives and project work. By the close of 2016 the NMMT had 60 volunteers working alongside staff on collections care, documentation, digitisation, research, exhibition preparation and engaging with our visitors. In total, 14,028 volunteer hours were contributed during 2016, compared with 12,400 the previous year.

The NMMT encourages professional development for all staff, and provides training for volunteers. During 2016 a range of activities were undertaken, including involvement in peer development groups with staff from other museums, supported by the Hampshire-Solent Museum Development programme.

The NMMT is committed to developing sustainable relationships with partners to aid delivery of planned objectives, through maximising funding opportunities, engaging in collaborative working and reaching new audiences. During 2016 our established relationships with the Shell Heritage Art Collection (SHAC) and The Caravan Club (now the Caravan and Motorhome Club) Collection, both hosted at the NMM, continued to thrive. Our strong partnership with Hampshire Cultural Trust was maintained during 2016 through continued engagement in their *Commercial Creative Collections* project funded by the Arts Council England (ACE) Museum Resilience Fund. This innovative project is progressing well in its aim of inspiring contemporary designers and artists with museum collections, to create high quality products in association with established brands.

2. Maintaining the status of the NMM and NMMT

The NMM is an Accredited Museum with Designated Collections of national and international significance. Both accolades require provision of access to all collections and Trustees remain committed to this ethos through investment in our redisplay programme, increasing use of online platforms and social media. Our ongoing implementation of improvements to the stewardship of all Collections ensures that the NMMT maintains the standards required by Accreditation.

High profile on-going restorations of significant vehicles in the Collection have been supported by fundraising campaigns since 2014 and have the added benefit of raising the Museum's profile. The 1950

V16 BRM and 1920 350hp Sunbeam projects have been well-supported and attracted much publicity for their restorations, which continued throughout 2016.

Corporate and private fundraising initiatives contributed to raising the profile of the NMMT once again during 2016, as we invited guests to tour behind the scenes, hosted formal dinners and gave presentations to current and prospective supporters.

In learning and education, the NMMT in partnership with the wider Beaulieu organisation, continues to maintain high standards including retaining the Sandford Award for Heritage Education, an accolade held continuously since 1978. The Sandford Award recognises and promotes quality and excellence in education provision offered to schools by heritage sites across the British Isles.

3. Implementing an Integrated Collections Planning Framework

Standards of collections management continued to be enhanced during 2016, though routine workflows were impacted by our audience focussed approach to prioritise the redevelopment of permanent displays in the Museum.

A full audit of the Motoring Archives was completed in 2014 to inform work priorities. The Archives had been kindly supported by the Beaverbrook Foundation who funded a part-time Archivist post until March 2016.

The Beaverbrook Foundation maintained support of the full-time Film & Video Curator role throughout 2016 and ongoing to April 2018. Condition inventory to identify films affected by vinegar syndrome has been the main collection care activity, with cataloguing being the documentation focus.

Retrospective cataloguing in the Photographic Collection continued throughout 2016, along with digitisation and documentation of new acquisitions. Improved care of targeted collections has also been ongoing.

A number of workflows were progressed in the Reference Library during 2016, helping reduce documentation backlogs and enhance preservation of material.

The Object Collection featured significantly in the museum redisplay programme, dictating which items were targeted for retrospective documentation and improved collection care. An ongoing inventory programme for other material in store has continued alongside.

In the Vehicle Collection, fundraising supported the ongoing project to restore the 1950 V16 BRM into 2016 and following successful running of the 1920 350hp Sunbeam after its long-term engine rebuild, ambition re-focused on fundraising to replace the gearbox with a more appropriate unit.

The research remit for collections was primarily dictated by the redisplay programme which focussed on motoring technology and innovation, culminating in the new *Driving Change* gallery for 2016.

The NMMT remains proud of its lively acquisition programme, based on prioritised areas closely allied to planned exhibition development and other audience outcomes. The main acquisitions for 2016 were:-

- 346 items were added to the Object Collection, of which 47% were donations and 53% were purchases.
- 3,492 items were added to the Reference Library, of which 99% were donations.
- 121 donated items were added to the Motoring Archives.
- 710 items were added to the Photographic Collection. Of these, 83% were donations and 17% were purchases.
- 381 donated items were added to the Film & Video Collection.

4. Implementing the Digital Strategy

A new initiative helping to deliver on core priorities relating to digital strategy, collections management and access, commenced in July 2016. The *Keep CALM and STEAM Ahead* project supported by an award of £72,800 from the ACE Designation Development Fund (DDF) is comprised of several inter-

related strands. It will extend the use of Axiell's *CALM* collections management system at the Museum, encourage the application of the *SPECTRUM* documentation standard and support research on little-used parts of our collections. The project is progressing well and will be completed in March 2018.

2016 saw 64,547 visitors to the NMMT website; the highest number since it launched in 2009.

The social media aspects of our Digital Strategy have continued to be strong during 2016, expanding the virtual reach of our collections to online audiences, as can be seen from the figures given in the following section. This type of engagement was a significant aspect of the *Caravans & Charabancs* project, which was supported by the Heritage Lottery Fund.

5. Enhancing access and interpretation of Collections for real and virtual visitors

The long-term project to redevelop the Museum displays maintained its schedule, with the opening of our new technology and innovation gallery *Driving Change*, via social media on 3 February 2016, when Dan Snow did a Night at the Museum live Periscope broadcast. The DCMS/Wolfson Foundation Museums and Galleries Improvement Fund supported this new permanent exhibition with an award of £98,590.

The HLF supported First World War centenary commemorative project *Caravans & Charabancs, Leisure Motoring after the First World War* referred to above, successfully completed on 31 August 2016. The two year project explored an untold legacy of this conflict through a range of community events, exhibitions and social media campaigns. The project enabled the public to engage with previously unseen aspects of the Museum's Photographic Collection and that of the Caravan and Motorhome Club Collection. Evaluation figures show that over 5,000 people engaged with the project through community outreach, schools programmes and family summer activities.

Social media has been used to widely promote NMMT Collections and activities across a range of platforms. During 2016 NMMT Facebook posts reached a total of 165,226 people and NMMT YouTube channel had 40,000 views, up 50% from 2015. In addition the Ford Heritage YouTube channel had 538,957 views and 3,314 subscribers (37% up on 2015), reaching the impressive milestone of 2 million total lifetime views in 2016.

Online storytelling for *Caravans & Charabancs* was enhanced through participating in the Hampshire Solent Museum Development Programme's *Digital Narratives* initiative. This enabled the team to explore new social media platforms to share stories creatively. Around 550,000 people were reached online through a range of platforms over the course of the project.

The NMMT Motoring Research Service responds to enquiries and accommodates visiting researcher in our reading room by prior appointment, providing information access to all our collections. During 2016 we responded to a total of 436 enquiries, which is comparable to previous years.

Six behind the scenes visits to the Collections Centre were hosted during 2016, mainly for current and prospective members of the *Beaulieu One Hundred* supporters' group. These visits provide a privileged insight into stored, reserve and reference collections, and are available to any group to book by arrangement. One visit in 2016 was arranged as part of a reciprocal arrangement with London Transport Museum and resulted in two new members signing up to *Beaulieu 100*.

The NMMT actively engages in national and international events, ensuring that they can be enjoyed by the public outside the walls of the Museum. Throughout 2016 we took part in several high profile motoring events, including:

- Retromobile Paris (February)
- London Motor Show (May)
- Goodwood Festival of Speed (June) and Revival (September).
- Silverstone Classic (July-August).
- The Annual London to Brighton Veteran Car Run (November).

The HLF supported First World War centenary commemorative project *Caravans & Charabancs*, referred to above, has been another successful collaboration with The Caravan Club Collection and SHAC were also a partner. The part-time Outreach and Access Project Officer salaried by the project, delivered 16

outreach sessions with local schools, libraries and care homes for the elderly, engaging a total of 192 people.

6. Educating and inspiring all our visitors and service users

The NMMT continued to deliver its award-winning Education Programme as 2015 saw the successful renewal of our Learning Outside the Classroom Badge and in 2016 we once again achieved the Sandford Award for Heritage Education.

New formal learning programmes were developed during 2015 and 2016 in response to changes to the National Curriculum. Numbers held steady with a total of 9,386 children in school groups visiting Beaulieu during 2015. A slight decrease in 2016 is likely due to schools visiting with more than one year group of students in 2015, so that annual return visits are impractical.

Existing programmes have been adapted and new ones with more cross-curricular themes have been introduced. Proving popular are Motoring Maths, for age groups from Early Years through to KS3, and Beaulieu-Caching, an activity involving co-ordinates and code-breaking, for KS2 and KS3. Further programmes with a strong emphasis on STEM subjects and English such as Mechanics of Movement and Undercover Literacy are in development for all KS up to and including KS3.

During 2016 a number of additional bespoke programmes were delivered, including a Green Power and Motor Vehicle Maintenance based day for a school specialising in dyslexia learning differences and a History of the Cycle based session for a local Muslim faith based school.

The Keep CALM project referred to earlier will enhance the initiative to build our STEM and STEAM (Science, Technology, Engineering, Arts and Mathematics) offer to schools and also inspire a range of lively Automotive Steampunk-themed family activities.

The August 2016 programme of Summer Activities, themed again around the *Caravans & Charabancs* project, was well attended by a total of 1,504 adults and children. Outreach sessions were also held at The Caravan Club's New Forest Centenary Site at Bransgore, maintaining last year's success with 65 children and 46 adults participating.

7. Maintaining and enhancing physical infrastructure

Regular maintenance programmes and responsive repairs are implemented throughout the year, to ensure the physical integrity of the Museum and Collections Centre buildings. Over £6,000 was spent on maintenance for the Museum building in 2016 and a further improvement was made as part of the display redevelopment programme, when asbestos was removed in 2015-16. Maintenance of the Collections Centre cost £25,000 in 2016.

8. Managing expenditure effectively and engaging in commercial activities to sustain funding

The NMMT maintained tight control of its expenditure during 2016, which enabled ongoing investment from reserves in its redisplay programme for the Museum.

Retention of Government Indemnity Scheme (GIS) status with ACE for loaned-in exhibits during 2015-2016 continued to reduce insurance costs, giving savings in the region of 35%.

Commercial activities had mixed results throughout 2015-2016, as telecine transfer work in the Film & Video Library fell behind target income due to breakdowns of equipment and delays for repair and replacement parts. A consequent focus on licensing income proved successful and exceeded budgeted income. The Motoring Picture Library (MPL at www.motoringpicturelibrary.com) operates within the challenging environment of competing against free on-line images and unfortunately the downward trend on income from licensing and sales continued for 2015-2016. A positive outcome from the Hampshire Cultural Trust *Creative Commercial Collections* project funded by ACE resulted in MPL collaborating with Really Wild Cards in 2016 to design and produce a set of sound greetings cards that feature 21 vehicles

from the NMM Collection. These have created interest in the media and are proving a popular retail product.

9. Maintaining a Fundraising Campaign which contributes to the funding mix

Fundraising remained a priority for the NMMT during 2016, to help sustain its core activities of caring for collections and making them accessible through improved display and innovative education and outreach programmes.

The annual new car raffle was 2016 was Mini One Cabriolet which grossed almost £40,000 income.

In the Vehicle Collection, the Sponsor a Vehicle scheme raised a total of £2,750 during 2016. The successful fundraising programme to restore the 1950 V16 BRM exceeded target by to the close of 2015, reaching a total of £53,000 and a further £5,000 was secured in 2016. The campaign to raise funds to replace the gearbox in the 1920 350hp Sunbeam was boosted by over £31,000 during 2016.

The NMMT's Beaulieu One Hundred membership scheme enjoyed steady recruitment and good retention during the past two years, with 52 paying members at the end of 2016. A more comprehensive events programme is engaging the membership more fully and improving the renewal rate. The Members' Council established in 2015 developed the following year into a successful steering group which is representative of the membership.

Grant aid continued to be a major aspect of our fundraising mix for 2015-2016, supporting a number of core activities:

- £98,590 from the DCMS/Wolfson Foundation Museums and Galleries Improvement Fund supported development of the new Driving Change permanent display which opened in February 2016.
- £97,200 from the Heritage Lottery Fund (HLF) Our Heritage Scheme supported our 2 year project *Caravans & Charabancs – Leisure Motoring after the First World War*, including the part-time post of Outreach and Access Project Officer, until August 2016.
- £132,000 from the Beaverbrook Foundation continued to support two staff posts (full-time Film & Video Curator and part-time Archivist) to the end of April 2016.
- A second grant from the Beaverbrook Foundation, of £53,000 continues to support the full-time Film & Video Curator to the end of April 2018.
- £72,800 from Arts Council England (ACE) Designation Development Funded (DDF) for the Keep CALM and STEAM Ahead project from July 2016 to March 2018.
- We were unsuccessful in a £172,750 bid to the ACE Museum Resilience Fund (MRF) during 2016.

The NMMT's internal partners, The Shell Art Collection and The Caravan Club Collection, maintained their sponsorship of Summer Activities for 2016.

A number of professional development grants for staff were provided by the Hampshire-Solent Museum Development Programme.

10. Maintaining and developing the Friends of the NMMT

Membership numbers of the Friends remained fairly static during 2016 and a good range of well attended Friends' Evenings took place:

- *Saving Jaguar* with Sir John Egan
- *Cars, Planes and Motoring Adventures* with Guy Loveridge
- *Raymond Mays' Magnificent Obsession* with Rev. Bryan Apps
- *Autobiography of the ERA R4D* with Mac Hulbert

- *Women and Motorsport* with Sarah Crofts, Museum Attendant
- *Under the Bonnet Again* with Doug Hill, Museum Manager

The Raymond Mays evening was tied in with the NMMT's successful appeal for the 1950 BRM V16 restoration project.

11. Ensuring compatibility of the aspirations and activities of the NMMT and wider Beaulieu Organisation

The close relationship between the NMMT and wider Beaulieu organisation remains strong. A 2015 review of services provided by Beaulieu Enterprises Ltd concluded that the management agreement between the two organisations continued to be beneficial to the NMMT. The next full review is scheduled to take place during 2017.

Future Plans

Trustees and senior management are considering longer term strategic aims, to help guide future planning. Current priorities are necessarily grounded in increasing resilience, making cultural change and developing capacity. Achieving this groundwork will liberate the NMMT to allow more aspirational thinking in the future, though 2017 will be another tough budgeting year and appropriate measures will be taken to ensure that expenditure is tightly controlled.

Limited staffing capacity in relation to the size of the collection continues to be a concern and we will seek to build capacity through grant aid, volunteers and partnerships. Trading operations will continue to be carefully monitored and reviewed throughout the year.

Forward Planning documentation has been revised, to produce a Five Year Forward Plan and a rolling Two Year Operational Plan updated annually in line with budgets to aid implementation. The 2017-2021 Plan has a different structure to previous documents, reduced from the eleven sections which have already been appraised in this Annual Report, to three sections which reflect the ACE Accreditation Scheme for Museums: Organisational Health; Collections; Users and Their Experiences. To add a further layer of strategic sector mapping, the five goals of Arts Council England are drawn into the plan: Excellence; Opportunity for Experience and Engagement; Resilience; Diverse Leadership and Workforce; Children and Young People.

Expressed in the new planning format, at the time of writing our longer term ambitions are:

Organisational Health

- To break even or achieve a modest surplus annually, enabling implementation of our aims.

Collections

- To eliminate documentation backlogs and make all collections and information about them, digitally accessible.
- Significant improvements to Collections Centre storage conditions, involving physical change and development of the building.
- Vehicle collection storage to remove the constraint of every vehicle having to be displayed in the Museum or loaned out.

Users and Their Experiences

- Increased public access to resources in the Collections Centre, potentially staffed by volunteers and to include planned tours.
- Embracing outreach and access as an aspect of the Learning offer and placing provision of these services at the core of the organisation. Past provision has been project grant based, and has proven very successful.
- Consolidating the recent Masterplan redevelopment of the Museum display, by making further improvements to interpretation and access for visitors. Planned displays which were not implemented due to financial constraints include a history road and the Wheels ride.

Financial review

Incoming Resources

The wide range of charitable activities the NMM offers is possible due to the income generated from a variety of sources. First is the NMM share of visitor admission fees to the Beaulieu attraction in addition to which is the tax rebated by the Government under the Gift Aid scheme. Other sources of income are sponsorship from commercial partners and income generated from NMMs trading subsidiary. Donations and Grants are also important to NMM. We fundraise for both specific and general purposes.

Visitor Admission income:

Net visitor income in the year to 31 Dec 2016 equated to £354k (2015: £351k).

Gift Aid :

Gift aid from visitors to the museum in the year to 31 Dec 2016 was £291k (2015:£297k).

Trading Company:

The trading company donated profits to the charity of £10K (2015: £14k).

Voluntary Income:

Although fundraising in the current climate has been difficult we have achieved success in a number of areas. Grants have been given by the Beaverbrook Foundation, Heritage Lottery Fund Our Heritage programme, DCMS/Wolfson Foundation and Arts Council England as mentioned above. *The Beaulieu One Hundred* has also continued to provide valuable funding both directly and indirectly.

Resources Expended

Costs in 2016 were well controlled and largely in line with the previous year. As the works on the V16 BRM came to an end we saw a reduction in expenditure on vehicle maintenance compared to the previous year. Depreciation continued to rise as more work on the Museum Masterplan was done.

Staffing costs have reduced compared to the previous year due to holding back on recruitment as Trustees consider the strategy moving forward.

Capital Expenditure

Total capital expenditure in the year was £97K (2015: £348k). The majority of this was spent on the 'Masterplan'.

Related party relationships

NMMT has a wholly owned trading subsidiary called National Motor Museum Trading Limited which is primarily involved in the provision of museum services. Profits earned by the trading company are

passed to its parent company, National Motor Museum Trust Limited as a gift aided charitable donation on an annual basis. In 2016 the donation amounted to £9,756 (2015: 14,132).

Beaulieu Enterprises Limited (BEL) operates the visitor attractions at Beaulieu including the National Motor Museum (NMM) and it provides services to NMMT under the terms of a management agreement which are disclosed in note 29 to the accounts. The agreement is regularly reviewed by Trustees to ensure that the services provided are to the required standard and that the charges represent good value.

Remuneration Policy

The Trustees consider the Board of Trustees, the Chief Executive, Director of Collections, Financial Controller, Visitor Access and Development Manager and Museum Manager to be the key management personnel of the charity. All Trustees give their time voluntarily and receive no financial benefits from the charity. Any expenses reclaimed from the charity are detailed in Note 28 to the accounts.

All of the Executive team, apart from the Director of Collections, are subcontracted from Beaulieu Enterprises Ltd. The rates of pay for these subcontract positions is negotiated on an individual basis to gain best value for the charity and are regularly reviewed by the Trustees. When considering salaries for others the charity looks at a number of benchmarks from both the museum world and other local employers.

Risk management

The Trustees acknowledge their responsibility to assess and manage the major risks to which the company and group are exposed. The Trustees are satisfied that systems and procedures are in place to mitigate exposure to major risks, in particular those related to the operations and finances of the company and group. Organisational Risk Reviews are undertaken periodically by Trustees and senior management to monitor and manage risk exposure and are led by the Treasurer. The Risk Reviews inform our Forward Planning and progress against planned objectives is also closely monitored and reviewed.

The most significant risks for the NMMT revolve around fundraising, care of the collections and staffing resources. Having sufficient funds allows the charity to fulfil its charitable aims to the best of its abilities. Trustees continually investigate new avenues of finance and work closely with their current partners to maximise income. Having sufficient funds and the right staffing resources is essential to allow the best care of our most important assets, our motoring collections.

Reserves Policy

In view of the potential volatility of sponsor and trading income, the Trustees plan to maintain free reserves in order to provide continued funding for running costs and curatorial expenses in the event of a significant decline in income. It is the aim of the charity to work towards a position where free reserves represent 3 months of operating costs (£770,000 in 2016).

At 31 December 2016 Free Reserves amounted to £783,649. The Charity has an unrestricted fund balance of £1,607,568 and a designated fund balance of £7,424,379. Free Reserves are arrived at by adjusting for assets required to continue to operate the Charity of £8,248,298 (see notes 22 and 23).

Three designated funds totalling £3,983,637 are set up. The largest of which refers to the Historic Vehicle Collection. A new fund was set up in 2010 relating to the Masterplan redisplay of the Museum and works to the Museum roof. A total of £1,100,000 of reserves has gone towards this important work. Details of the designated funds can be found in note 21.

Investment policy and performance

The trustees' investment powers are governed by the Memorandum of Association, which permits the charity funds to be invested in any way in order to maximise the return. Trustees endeavour to obtain the best return on cash reserves whilst not tying up funds needed for the day to day running of the Charity.

