



The National Motor Museum Trust Limited

Trustees' report

For the year ended 31 December 2015

Charity number: 1107656
Registered number: 5316070

STATEMENT FROM CHAIRMAN OF TRUSTEES AND CHIEF EXECUTIVE FOR THE YEAR ENDED 31 DECEMBER 2015

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, holds extensive collections of motoring objects, images, documents and books. Our internationally significant Designated Collections include approximately 270 vehicles, 48,000 motoring related objects, over 1.2 million photographic images and a significant motoring archive. The specialist Reference Library has over 290,000 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, which is one of the most important collections of commercial art in Britain and The Caravan Club Collection, which complements and expands the Museum's leisure motoring themes.

The National Motor Museum opened to great public acclaim in July 1972, and it is with deep sadness that we report the death of its founder, Edward, 3rd Baron Montagu of Beaulieu on 31 August 2015, aged 88. Lord Montagu was the devoted custodian of the family's 7,000-acre Beaulieu Estate and a champion of the historic vehicle movement. He was closely involved in establishing the Association of Independent Museums, of which he was Patron and the Association of British Transport and Engineering Museums, of which he was President. He was also instrumental in setting up an advisory group that became the Federation of British Historic Vehicle Clubs, of which he was Chairman then Honorary President. In 2012 Lord Montagu received the accolade of a lifetime achievement award for his dedication to preserving automotive history over many decades. His son and heir Ralph and daughter Mary are Trustees of the NMMT.

In 2015 we continued the phased implementation of our transformational redisplay project, which is enhancing visitor engagement by bringing items out of storage and into the Museum, adding context to our magnificent collection of vehicles. This major project has been the main focus for our resources and fundraising for several years and we are pleased with the results.

We have an educational mission and utilise all our collections in highly regarded Learning and Outreach Programmes. 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 items 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 where funds permit. Our Digital Strategy promotes engagement with collections via the website (www.nationalmotormuseum.org.uk) and social media platforms, to help us reach new audiences.

A key challenge continues to be raising the funds necessary to carry out our work and we often have to choose between competing priorities.

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 can be achieved through partnerships and volunteering. Projects to provide innovative means of engaging with the public can be developed when grant support is secured. Alongside seeking new collaborations during 2015, we continued to consolidate existing relationships, such as those with the Shell Heritage Art Collection, The Caravan Club and Hampshire Cultural Trust.

Trustees acknowledge the dedication, hard work and enthusiasm of staff and volunteers. The review of activities, achievements and performance section of this report provides a summary of the major achievements for 2015, which are underpinned by essential yet unseen routine tasks. The NMMT values all members of its team, and its partners, and the contributions they make in helping maintain a successful and vibrant organisation.

Ray Pierce
Chairman

Russell Bowman
Chief Executive

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015. 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 2005.

Review of Activities, Achievements and Performance

The following review of performance for 2015 is presented using section headings which reflect the structure of the NMMT Forward Plan.

1. Maintaining organisational health

A strategic review and longer term plan for the NMMT was the main priority for 2015 and this commenced towards the end of the year. A related aim was a full revision of the forward planning process and more effective monitoring to provide Trustees with succinct and updated progress reporting throughout the operational year. The strategic review is ongoing, but the new planning format being developed for 2016-2020 is a direct outcome of these developments.

Staffing capacity consistently features in our Organisational Risk Reviews, as maintaining a team of sufficient size to fulfil our ambitions is challenged by available finance. External support and partnerships are therefore vital in this context. A three year grant from the Beaverbrook Foundation has generously supported two posts; Film & Video Curator (full-time) and Archivist (part-time) from January 2013 to an extended period of April 2016. Overall though, maintaining staffing capacity during 2015 has been a challenge and several posts have been frozen pending completion of the strategic review. Notably a Collections Manager equivalent post has not been in place since August 2014. The capacity issue is particularly significant during delivery of major projects and the ongoing Masterplan programme to update and enhance permanent displays in the Museum progressed during 2015. Volunteer recruitment continues to be buoyant and this support remains critical to the implementation of core objectives.

A successful application to the Heritage Lottery Fund Our Heritage programme for a First World War commemorative project entitled *Caravans & Charabancs*, included the employment of a part-time Project Outreach & Access Officer in September 2014, for a 2 year period. Continuing throughout the whole of 2015, this role adds capacity to our Learning Team, and the post-holder is delivering community outreach sessions to complement formal education delivery. This project further embeds our long-term partnership with The Caravan Club.

Volunteers provide a critical capacity boost to the NMMT, supporting delivery of many of our planned objectives. During 2015 we recruited 8 volunteers to work alongside staff in our Collections Centre and 6 to work with our Museum team. Volunteers assisted with collections care, documentation, digitisation, research, exhibition preparation and front of house duties. By year end December 2015 there were 34 volunteers working on all aspects of collections management in the Collections Centre and 20 working in the Museum helping care for historic vehicles and engage with our visitors. In total, 12,303 volunteer hours were contributed throughout 2015.

The NMMT encourages professional development for all staff, and provides training for volunteers. During 2015 staff undertook a range of development activities, from pursuing a two year Master's Degree course in Museum Studies with the University of Leicester which was funded by the Beaverbrook Foundation, to training on Collection Review and Rationalisation which was funded by the Hampshire-Solent Museum Development Programme.

The NMMT is committed to creating and maintaining partner relationships to aid delivery of planned objectives, maximising potential funding opportunities, engaging in collaborative working and reaching new audiences. During 2015 our established relationships with the Shell Heritage Art Collection (SHAC) and The Caravan Club Collection, both hosted at the NMM, continued to thrive.

A successful application to Arts Council England Resilience Fund by Hampshire Cultural Trust, created a three-year partnership project opportunity for the NMMT and Jane Austen's House Museum at Chawton, Hampshire. The Kick Start Programme *Commercial Creative Collections* project seeks commercial opportunities for partner museums by connecting them with creative practitioners and businesses from across Hampshire. This innovative and largely experimental project is progressing well in its aim of inspiring contemporary designers and artists with our 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 the Masterplan redisplay and increasing use of online platforms and social media. Our ongoing implementation of planned improvements to the stewardship of all Collections ensures that the NMMT maintains the standards required by Accreditation.

High profile restorations of significant vehicles in the Collection which have been supported by fundraising campaigns, have the added benefit of raising the profile of the Museum, as the 1950 V16 BRM did at Goodwood Revival in 2014. On 21 July 2015 the 1920 350hp Sunbeam attracted much publicity as we celebrated the 90th anniversary of Malcolm Campbell achieving a World Land Speed Record of 150mph at Pendine Sands in South Wales, by running the car at the same venue.

The NMMT actively engages in national and international events. In 2015 we took part in several high profile motoring events, including:

- Goodwood Festival of Speed (June) and Revival (September).
- The Annual London to Brighton Veteran Car Run (November).
- The Castle Combe Autumn Classic (October)

Corporate and private fundraising initiatives contributed to raising the profile of the NMMT once again during 2015, 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

The MLA Designation Challenge Fund (DCF) supported improvements in collections management standards from 1999 to 2008. Ongoing enhancements to organisational forward planning since that time have given us a fully integrated approach to managing the care, storage and documentation of collections. During 2015 we continued to raise standards in collections management, though routine workflows were impacted by our audience focussed approach which prioritised development and delivery of the Masterplan programme to redevelop our Museum displays.

The Motoring Archives benefitted from ongoing support from the Beaverbrook Foundation to fund a part-time Archivist post, though this post was vacated in January 2016 and funding ceased in March 2016. By November 2015, 34 collections were uploaded to Archives Hub (representing approximately 10% of Archive holdings) and subsequently extended to Archives Portal Europe.

The Beaverbrook Foundation also maintained support of the full-time Film & Video Curator role for 2015, ongoing to March 2018. Condition inventory to identify and isolate 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 2015, along with digitisation and documentation of new acquisitions. A long-held aspiration to better align commercial activity in our Motoring Picture Library with curatorial practice was achieved in 2015. Improved care of targeted collections has also been ongoing.

A number of workflows were progressed in the Reference Library during 2015, helping reduce documentation backlogs and enhance preservation of material. A major disposal was made from the Library Collection in April 2015, following completion of a targeted review

Like other collections, the Object Collection featured significantly in the museum redisplay programme, dictating which items were targeted for retrospective documentation and improved collection care. Creation of inventories for other material in store has continued alongside this.

In the Vehicle Collection, the ongoing project to fundraise and restore the 1950 V16 BRM continued into 2015 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. Good progress was also made on the restoration of a 1981 Volkswagen Golf GTI which was donated in late 2013.

Support for our major hosted collections; the Shell Heritage Art Collection (SHAC) and The Caravan Club Collection was maintained during 2015.

The research remit for collections was focussed on three main topics for 2015; motor sport (to March) and technology and innovation (April onwards) in relation to museum redisplay and also a Heritage Lottery funded (HLF) project entitled *Caravans & Charabancs – Leisure Motoring After the First World War*.

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 2015 were:-

- 331 items were added to the Object Collection, of which 64% were donations and 36% purchases.
- 3,243 items were added to the Reference Library, of which 99% were donations.
- 11 donated collections were added to the Motoring Archives.
- 6,767 items were added to the Photographic Collection, of which;
 - 6,208 were donated items, including approximately 5,000 items from Dunlop.
 - 546 new digital images were generated by our in-house Photographer.
 - 13 items were purchased.
- 177 donated items were added to the Film & Video Collection.

4. Implementing the Digital Strategy

The NMMT has made progress with some of its digital ambitions during 2015, including working towards a volunteer intranet to enhance communication and provide remote access with this valued group of supporters. Enabling volunteers to work from their homes so that they still feel connected to our volunteer community even if they are unable to reach Beaulieu has been a long held aspiration and this initiative brings us closer to that. Progress on refining and implementing other aspects of our Digital Strategy has been impacted by lack of capacity and not having a Collections Manager or equivalent in post.

The social media aspects of our Digital Strategy have continued to be very successful during 2015, expanding the virtual reach of our collections to online audiences, as can be seen from the figures given in the following section.

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

For 2015 the Masterplan redisplay of the Museum remained a key means of improving access to all the NMM Collections. Launched in 2010 this major strategic project aims to reinvigorate our displays and significantly enrich the visitor experience. We are telling the motoring story in a more coherent and stimulating way than before, and utilising underused resources from the NMM Collections to place the vehicles in fuller context. Once again this major project was the key priority for the Collections Team, who developed exhibition content whilst also maintaining their core work on collections management. Phasing and extent of work remains resource dependent and the campaign to raise additional funds continued throughout 2015.

On 5 March 2015, motor racing legend Sir Stirling Moss opened *A Chequered History*, our new display to celebrate the adrenaline-fuelled world of motor sport, with sections on *Grand Prix Greats* and *Road, Race & Rally*. Sir Stirling was joined in the ribbon cutting by veteran F1 commentator, Murray Walker, after they had taken a nostalgic look back at Sir Stirling's glittering racing career, in front of an invited audience of guests. The new galleries were supported by generous award of £96,240 from the DCMS/Wolfson Foundation Museums and Galleries Improvement Fund. With further support of £98,590 from this same Fund, we were able to work behind the scenes during 2015 to develop our new motoring technology and innovation gallery entitled *Driving Change*, scheduled for opening in February 2016.

The Motoring Research Service provides intellectual access to all NMMT collections, responding to enquiries and accommodating visitors into our reading room by prior appointment. The total number of enquiries received via this route in 2015 was 486, which is comparable to previous years.

Several behind the scenes visits to the Collections Centre were hosted during 2015, 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.

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.

The 2015 Summer Activities carried out in partnership with The Caravan Club and SHAC during August were allied with the *Caravans & Charabancs* project. A total of 1,614 people participated, which is more than 30% increase on the previous year.

Social media engagement continued to be a significant aspect of *Caravans & Charabancs*, with a competition on Facebook attracting 2,681 'likes' and 44 shares for the winner. The runner up had 1,086 people liking the post and 154 shares. This is the most popular post Beaulieu ever had on Facebook. Finally, *Caravans & Charabancs* also provided the theme for the NMM's Kids in Museums Takeover Day activities with three students and three tutors from a local college.

Social media has been used widely to promote NMMT Collections and activities, with content placed on a range of platforms. During 2015 our total NMMT Facebook posts had a reach of 97,000 and NMMT YouTube channel had 20,000 views, up 50% from 2014. These figures include regular postings for the *Caravans & Charabancs* project, monthly uploads of Ford films to the Ford Heritage YouTube channel which had 510,858 views in 2015 (a 35% increase on 2014) and response to opportunity such as contemporary events and anniversaries which have any relevance to items in our Collections.

The NMM maintained its Motoring Research Service throughout 2015, responding to a total 486 enquiries, which is equivalent to previous years.

Several Museum vehicles appeared at high profile events during 2015, including the Goodwood Festival of Speed and Revival. The NMM ran three cars in the annual Veteran Car Club London to Brighton Run, and raised £2,000 from a passenger wanting to travel in one of them.

6. Educating and inspiring all our visitors and service users

The NMMT continued to deliver its award-winning Education Programme during 2015. A new application was submitted to Learning Outside the Classroom in December.

New learning programmes were developed during 2015 in response to changes to the National Curriculum, to relate them to STEM subjects.

Learning outcomes are embedded in all our audience-based projects, including the Museum redisplay programme and website enhancements. The NMM and the Beaulieu visitor attraction as a whole work together to ensure visitors have an enjoyable and educational experience, and there is something new to see or do each year.

In 2011 the formal education programmes at Beaulieu received Sandford Award status with the Heritage Education Trust, which was once again awarded for five years. The citation quotes; “Beaulieu offers schools some excellent facilities and resources and an outstanding range of carefully planned educational programmes and activities. Delivered by some highly talented and well-trained staff, these are closely linked to the needs of the National Curriculum and are stimulating, informative and fun.”

Our formal education programmes continue to be successful and numbers are holding steady following the introduction of the new National Curriculum in 2014. A total of 9,386 children in school groups visited Beaulieu in 2015. Existing programmes have been adapted and new ones with more cross-curricular themes have been introduced in response to the changes. Already 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. 2015 also saw the successful renewal of our Learning Outside the Classroom Badge and we continue to hold the Sandford Award for Heritage Education.

Since the recruitment of a part-time Outreach and Access Project Officer for the Heritage Lottery Funded project *Caravans & Charabancs – Leisure Motoring After the First World War* in September 2014, a total of 1,909 people have been engaged in outreach sessions. This figure comprises families participating in the Summer Activities in the Museum and The Caravan Club Centenary Site, families and adults visiting local libraries, pupils from local primary schools and care home residents many of whom suffered with dementia.

The August 2015 programme of Summer Activities, themed on the *Caravans & Charabancs* project, enjoyed a 45% increase in participants from 2014. A total of 1,518 children and adults took part in the Museum-based activities, which marks an increase of 45% on 2014 and the highest participant numbers to date. Outreach sessions were also held at The Caravan Club’s New Forest Centenary Site at Bransgore, where attendance was comparable to last year, with 65 children and 31 adults participating. This hugely successful programme also further embedded our partnership with The Caravan Club, SHAC and Meccano, all of whom made contributions.

7. Maintaining and enhancing physical infrastructure

Regular maintenance programmes and responsive repairs were implemented throughout 2015, to ensure the physical integrity of the Museum and Collections Centre buildings.

Addressing items from the 2014 Organisational Risk Review, infrastructure was updated in partnership with BEL as a biomass boiler, new computer switching and new telephone system were installed early in 2015. The former helps address the resource consumption section of the NMMT Environmental Sustainability Policy and latter elements increase resilience against business interruption.

In addition to the above, almost £18,000 was spent on maintenance for the Museum building and a further £24,000 on the Collections Centre, during 2015.

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

Expenditure is carefully monitored and managed to ensure that best value is achieved in all areas of activity. The NMMT maintained tight control of its expenditure during 2015, to enable 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 continues to reduce insurance costs, giving savings in the region of 35%.

Commercial activities had mixed results during 2015:-

- The management, administrative and delivery structure in the Film & Video Department trading operation which was completely overhauled in early 2014, settled and consolidated during 2015. Telecine transfer work 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) which utilises the Photographic Collection to sell images continued to develop its aspiration to diversify business and loyalty sales during 2015, whilst maintaining its more traditional trading areas by adding to its online assets. MPL 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. The MPL website (www.motoringpicturelibrary.com) from which customers can view and purchase images, experienced a 4.7% drop compared to the previous year, registering 61,000 visitors.

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

Fundraising in support of the NMMT's collections management improvements and also its ambition to redisplay the Museum remained a major priority for 2015, supplementing reserves already allocated by Trustees and helping realise the full potential of the project.

The annual new car raffle featured a Peugeot 308 Estate car in 2015, which achieved just over £27,000.

In the Vehicle Collection, income target of £6,000 for Sponsor a Vehicle was exceeded during 2015. The successful fundraising programme to restore the 1950 V16 BRM exceeded target by the close of 2015, reaching a total of £53,000. During the latter part of the year, a new campaign to raise funds to replace the gearbox in the 1920 350hp Sunbeam reached £4,000 by the end of 2015.

The membership of the NMMT's Beaulieu One Hundred increased during the year to over 50 and a far more comprehensive events programme was offered to engage the membership more fully and improve the renewal rate. During the year a Members Council was created so that the wealth of experience and contacts of the membership could be engaged in the development of the scheme.

Grant aid continued to be a major aspect of our fundraising mix for 2015, 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.
- £97,200 from the Heritage Lottery Fund (HLF) Our Heritage Scheme continued to support our 2 year project Caravans & Charabancs – Leisure Motoring after the First World War, including the part-time post of Outreach and Access Project Officer.
- £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.

The NMMT's internal partners, The Shell Art Collection and The Caravan Club Collection, maintained their sponsorship of Summer Activities for 2015, with a contribution of £1,000 from each. Angela Holidays generously provided a £500 prize for a Caravans & Charabancs project competition.

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

A review of the Friends organisation conducted by an independent consultant concluded that most members were attracted by the benefits of free admission to events such as the Autojumbles. The report recommended varying levels of investment to create a new Friends scheme. A decision was taken to cease the current scheme and not replace it at this time, though we remain committed to engaging with current and potential new Friends.

Membership numbers of the Friends remained fairly static during 2015.

A good range of successful Friends' Evenings took place during 2015, including motoring and other transport topics. The most successful featured Murray Walker talking about the Monaco grand Prix, which attracted a sell-out audience.

Friends Evenings during 2015;

- *The First 100 Machines* with Chris Barrie
- *RAF Battle of Britain Memorial Flight* with Kevin Ball
- *Colin Chapman: Inside the Innovator* with Karl Ludvigsen
- *An Evening with Jim Redman*
- *The Design & Creation of the Queen Mary 2*, with Stephen Payne
- *The Monaco Grand Prix*, with Murray Walker

The Friends of the NMMT was established in 1972, and has been subject to periodic review, ensuring that we continue to meet the expectations of members. Though successful, the NMMT aspires to increase membership of the Friends, attract younger participants and generally reinvigorate the scheme.

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 and consistent. 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 review will take place in five years time.

Future Plans

The priorities of the NMMT Forward Plan for 2016-2018 have been informed by the achievements and ongoing activities from 2015, and the outcomes of the 2014 Organisational Risk Review. An additional Strategic Review was initiated in November 2015, and grant aid has been requested to reinforce this process. At the time of writing, the outcome of the grant applications to Arts Council England Resilience Fund and Designation Development Fund is unknown.

The NMMT is committed to prudent financial management and has a guiding principle to live within its means. In accordance with our policy for recent years, 2016 will be another tough budgeting year for the organisation and appropriate measures will be taken to ensure that expenditure is tightly controlled. We will remain ambitious and forward looking, within realistic parameters controlled by available resources and continue to prioritise fundraising initiatives.

The Museum redisplay programme which has been ongoing since 2010 under the guidance of a Masterplan, will be rested following completion of the latest phase in February 2016, allowing staff to return to core stewardship duties and other priority projects. The NMMT launched this major strategic project in 2010, to reinvigorate displays and significantly enrich the visitor experience by utilising underused resources from the extensive Archive, Library, Photographic, Film and Object Collections to place the Vehicles in fuller context.

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.

Structure, governance and management

Objectives and activities

The National Motor Museum Trust Limited is a registered charity which was incorporated in 2004 and is a company limited by guarantee. It is governed by its Memorandum and Articles of Association and its objectives are to promote education, research and conservation of the history of motoring in Great Britain

and internationally for the benefit of the public. The three objectives are more precisely stated in its Memorandum of Association as follows and have not changed since the last annual report:

- To promote the education of the public concerning the history of motoring both in Great Britain and internationally, and in particular to exhibit to the public historic motor vehicles, documents, photographs, artefacts and other exhibits in connection with the history of motoring including but not limited to those forming part of the collection;
- To promote research into the history of motoring both in Great Britain and internationally for the benefit of the public and to publish the useful results of such research;
- To conserve for the benefit of the public historic motor vehicles, documents, photographs, artefacts and other exhibits (including electronic media) connected with the history of motoring both in Great Britain and internationally, including but not limited to those forming part of the collection.

We have referred to the guidance contained in the charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Organisation and decision making

NMMT is governed by a Board of Trustees which is chaired by Ray Pierce. The Board has responsibility for managing the Charitable Trust and for control of its property and funds. The Articles of Association require that the Board must contain a minimum of three and a maximum of fifteen individuals, and that Trustees must be elected and co-opted. At the end of 2015 there were thirteen Trustees of the NMMT whose names are listed on Page 1. Trustees nominate and elect new Trustees at general meetings and one third of Trustees must retire at each AGM. New Trustees are provided with an induction pack and have an introductory meeting with the Chief Executive and key staff followed by a tour of the operation and briefings on the key aspects of NMMT activities. Trustees are given training relevant to their role and are made fully aware of their responsibilities and legal obligations.

The Board discharges its management responsibilities by ensuring that NMMT has an appropriate infrastructure for sound corporate governance and by ensuring that the operational procedures address the requirements set out in the Memorandum of Association and Trust Deed.

The Board meets four times a year for routine business and convenes meetings as necessary to consider urgent issues. In addition the Board or nominated Trustees take part in annual strategy reviews, the preparation of business plans, risk analysis, the annual report and audited financial statements and in any ad hoc reviews which arise during the year.

The day-to-day management responsibility is delegated to the Chief Executive, Russell Bowman who reports to the Board of Trustees formally at quarterly Board meetings. If between meetings he wishes to discuss, inform or advise the Board on issues of particular significance he will do so via the Chairman or nominated alternatives. Clear authorisation procedures are in place and are regularly reviewed. The procedures set out the circumstances in which the Chief Executive must seek Board approval before committing NMMT.

Director of Collections Andrea Bishop has overall responsibility for curatorial and collections matters and also reports directly to the Board at quarterly meetings.

The Trustees appoint an Advisory Council, which operates with Terms of Reference that are subject to regular review. The purpose of the Advisory Council is to advise the Trustees and management team on all aspects of Collections and their use, as requested by the Director of Collections in the context of the NMMT objectives set out in the Memorandum and Articles of Association. The Council will report to the Trustees on any matter which may appear to be at variance with these stated objectives.

Members of the Advisory Council are selected on the basis of a wide range of experience of historic motor vehicles and associated collections. New Council members are elected initially for three years (but may be re-elected) and appointment is subject to Trustee approval. The Chairman of the Council is elected from the members.

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 2015 equated to £351k (2014: £337k).

Gift Aid :

Gift aid from visitors to the museum in the year to 31 Dec 2015 was £297k (2014:£257k).

Trading Company:

The trading company donated profits to the charity of £14K (2014: £16k).

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 2015 were well controlled and largely in line with the previous year. The largest additional expenditure was an increase in the management charge for running the museum which was offset by a larger increase in admission income.

As has been indicated earlier in this report the NMM has embarked on the most fundamental redisplay of the collections since the Museum opened. As part of this process a budget has been drawn up that will bring about the transformation desired but that Trustees believe are within the Charity's resources. Strict financial controls and reporting have been put in place for the project. Trustees authorise each phase of the works separately. Goals have been set for fundraising that will allow the project to go ahead in its entirety but controls and reporting have been put in place to ensure NMM does not outstretch its resources. As a sign of their commitment to the project Trustees have designated £1,100k of reserves towards this important work.

Capital Expenditure

Total capital expenditure in the year was £348K (2014: £448k). 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 2015 the donation amounted to £14,132 (2014: 16,248).

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 (£800,000 in 2015).

At 31 December 2015 Free Reserves amounted to £713,325. The Charity has an unrestricted fund balance of £1,532,417 and a designated fund balance of £7,618,149. Free Reserves are arrived at by adjusting for assets required to continue to operate the Charity of £8,437,241 (see notes 21 and 22).

Three designated funds totalling £4,096,097 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.