



The National Motor Museum Trust Limited

Trustees' report

For the year ended 31 December 2017

Charity number: 1107656
Registered number: 5316070

STATEMENT FROM CHAIRMAN OF TRUSTEES AND CHIEF EXECUTIVE FOR THE YEAR ENDED 31 DECEMBER 2017

The National Motor Museum Trust (NMMT) is a charitable organisation dedicated to preserving and promoting motoring history. Our vision is to be the best, most representative and accessible collection of motor vehicles, motoring artefacts and archives telling the story of motoring in Britain. All collections at the National Motor Museum (NMM) are Designated by Arts Council England as being of national and international significance, from the world famous vehicles which are always on display, to the cornucopia of motoring objects in our Collections Centre which are accessible to all by appointment and utilised for projects and education programmes. In total, the Collections include approximately 180 vehicles, 100 motorcycles, 50,000 motoring related objects, over 1.2 million photographic images and 24 cubic metres of motoring archive. The specialist Reference Library has over 300,000 individual items and the Film & Video Library holds 39,000 moving image and audio items. The NMM also hosts 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 phased implementation of our transformational re-display project to enhance visitor engagement was maintained by the development of *The Luxury of Motoring* gallery. This major project has been the main focus for our resources and fundraising efforts for several 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. Our Digital Strategy promotes engagement with collections via the recently redesigned website (www.nationalmotormuseum.org.uk) and social media platforms, to help us reach new audiences. Our progress in these areas is constrained by available resources. During 2017 all these endeavours received grant support from the Arts Council England Designation Development Fund, via the *Keep CALM and STEAM Ahead* project.

Our engineering workshop continued to progress important restoration projects such as the engine rebuild for the 1950 V16 BRM Grand Prix car. We are pleased that the workshop is now able to support an apprenticeship and are grateful to the sponsors who made this possible.

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 continue to be sought, alongside the ongoing consolidation of existing relationships, such as those with the Shell Heritage Art Collection, The Caravan and Motorhome Club 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 2017. 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 2017

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 2017. 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. Organisational Health

2017 heralded a new phase in governance for the NMMT following several Trustee retirements and a skills audit. John Reed, who had served on the board since 2012, settled into the role of Chairman and set about developing new operational structures to increase organisational resilience. Among these, three sub-committees were established to as a means of creating focus for business critical areas:

- Finance and Control Council
- Fundraising and Marketing Council
- Collections and Learning Council

Each Council is largely made up of selected Trustees, relevant specialists and a member of the management team. They offer a forum for detailed discussions on specific areas to feed into our ongoing strategic review and considerations for longer term planning. Councils report back to the main Trustee board to ensure effective communication and consensus.

Professional staffing capacity consistently features in our Organisational Risk Reviews and delivery of major projects imposes additional strain. Several key posts have been frozen to reduce expenditure and the longer term impact of this has now become apparent. Creative solutions were applied to ensure delivery of priority objectives during 2017, and a more positive intervention was agreed at the end of the year, to review staffing structure in parallel with the work on medium and longer term planning. All strands of activity have been carried over to 2018.

External support and partnerships are vital in helping to support essential roles. A second grant from the Beaverbrook Foundation totalling £53,000 continued to finance the full-time Film & Video Curator through 2017 and into 2018. An Impact Report has been provided to this Foundation to illustrate both the anticipated and unplanned benefits this generous support has made. During 2017 this impact was felt beyond the walls of the NMM, as audio-visual technical and collections care advice was provided by the Curator to other museums.

The NMMT is mindful of the need for succession planning and during 2017 a major step forward was made in transferring engineering skills from our experienced team. Philanthropic support from members of our *Beaulieu One Hundred* supporters' group, combined with a bursary from the Worshipful Company of Coachmakers, is supporting a four year apprenticeship overseen by the Heritage Skills Academy for a young person in the Museum's workshop, with additional day release and college attendance. Draper Tools have also generously provided tools for the apprentice, to the value of £2,500.

The NMMT encourages professional development for all staff, and provides training for volunteers. During 2017 a range of activities were undertaken, including grant-funded training in the use of our CALM

collections management database and involvement in a Copyright in Museums peer development group with staff from other museums, supported by the Hampshire-Solent Museum Development programme.

NMMT staff are supported by a team of well trained and supervised volunteers, who provide highly valued additional capacity to help achieve our objectives. Volunteer recruitment continued to be buoyant during 2017, with a total of 65 by the end of the year (compared to 62 the previous year). Of these, 43 worked on all aspects of collections management in the NMMT Collections Centre and 22 worked in the Museum. Total volunteer hours contributed during 2017 was 14,906 (compared to 14,016 the previous year).

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 2017 our established relationships with the Shell Heritage Art Collection (SHAC) and the Caravan and Motorhome Club Collection, both hosted at the NMM, continued to thrive.

Corporate and private fundraising initiatives contributed to raising the profile of the NMMT once again during 2017, as we invited guests to tour behind the scenes, hosted formal dinners and gave presentations to current and prospective supporters. By the close of 2017 there were 63 members of the *Beaulieu One Hundred* supporters' group. They enjoyed a very successful social programme, which culminated with the Annual Dinner at Beaulieu with a lively auction in support of the NMMT.

Membership numbers of the Friends continued to remain fairly static during 2017 with 458 Life members and 430 paying members by the end of the year. Two volunteers were recruited in 2017 to assist with obtaining high profile speakers for Friends' Evenings and to help organise events and visits which have proven popular. A full and varied programme of Friends' events took place in 2017:

- Celebrities from the Film Vaults
- The British are Coming (Land Speed Record evening)
- An Evening with Stuart Graham
- Patrons of Motor Sport (Ecurie Ecosse evening)
- The Secret Spitfires (film and presentation)

Maintaining infrastructure is a significant challenge and one which the NMMT takes most seriously. Alongside the budget dedicated to physical repairs, during 2017 an investment of £7,000 was made to update the organisation's website. The website was made responsive to mobile and tablet access and the fundraising function was also improved.

All the above combine to increase the resilience of the NMMT as an organisation and this has been a critical focus during 2017. Another primary goal is to achieve and maintain excellence in as many areas as possible. In March 2017 the NMM submitted its Museum Accreditation renewal to ACE, with updated policies, plans and strategies to help attain this.

2. Collections

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.

The NMMT aligns investment in its collections with organisational priorities as a matter of policy and is committed to audience-centred collections management. This approach ensures that inputs are counterbalanced by outcomes and outputs, so that audiences enjoy the benefits of core collections work. A good example is provided by the *Keep CALM and STEAM Ahead* project supported by an award of

£72,800 from the ACE Designation Development Fund (DDF). This initiative which commenced in July 2016 and continued throughout 2017, helped deliver on core priorities relating to digital strategy, collections management and access. Comprised of several inter-related strands, the project improved stewardship of targeted areas of the Collection, unlocked information about them and then exploited this material to offer a number of innovative activities for our audiences. *Keep CALM* refers to developing and extending the use of our CALM collections management system. The *STEAM Ahead* aspects provided a range of opportunities for children and young people to engage with the collections in new ways. The new STEAM-based (Science, Technology, Engineering, Arts and Maths) curriculum programmes developed through the project are now being offered to schools, supported by a range of new resources and *Magical Mechanisms* programmes were developed for younger visitors. The NMMT reached out to a new audience as part of this project; the Steampunk community. This creative and self-expressive movement celebrates all things mechanical and has been described as Victorian Science Fiction. We made links with the local PASTS (Portsmouth and Southampton Time-travelling Steampunks) group, who enthusiastically engaged with us, visiting the Museum several times in full costume. We originated a new genre entitled Automotive Steampunk and initiated a partnership with Arts University Bournemouth (AUB) working with third year degree students, from the Costume and Performance Design course. Inspired by Vehicles in the Museum and the design of motoring components illustrated in our Library and Archive, the AUB students research and created nine Automotive Steampunk styled costumes. In May 2017 there was a photo-shoot in the Museum, with the students modelling the costumes, which were subsequently put on display for the entire summer season. The students' Automotive Steampunk costumes, which originated as a concept to open up the collections to the interpretation of young people, grew to become the project's public identity following the photo-shoot.

The *Keep CALM* project included an aspect of collection review followed by storage improvements in part of our Reference Library, to ensure that resources are directed towards useful and relevant material.

In October 2017 the NMMT became the recipient of the Collections Trust Award for the *Keep CALM* project, under their theme of Pulling Together, which celebrated our audience-centred approach to collections management and the impressive teamwork of staff and volunteers. The award came with a prize of £2,000 which has been directed towards a new project called *The Drive for Change* to celebrate the 2018 centenary of The Representation of the People Act allowed certain women to vote for the first time.

Appropriate and innovative commercialisation of collection assets at the NMMT is understood to broaden access to them, assert relevance and increase resilience. During 2017 our collaborative relationship with Hampshire Cultural Trust was maintained through continued engagement in their *Creative Commercial Collections* project funded by the Arts Council England (ACE) Museum Resilience Fund. This experimental project aimed to inspire contemporary designers and artists with our museum collections, to create high quality consumer products. Great experience was gained in working with creatives and producers, though success was limited.

Film and Video and Photographic trading activities continue to generate income and provide access to these collections. Unfortunately, commercial pressures and the wider availability of material continue to put downward pressure on the fees we can charge for these services.

Each year the NMMT ensures that progress is made in the care, maintenance and documentation of its collections. Periodic review using the self-assessment tool *Benchmarks in Collections Care 2.0* illustrates the advances being made in these important back of house functions, which facilitate enhanced access and preservation for the future. During 2017 the *Keep CALM* project was a significant contributor to these improvement.

The research remit for collections was primarily dictated by the redisplay programme which focussed on developing a new gallery entitled The Luxury of Motoring.

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 2017 were:-

- 1954 BSA Golden Flash motorcycle
- 251 items were added to the Object Collection, of which 84% were donations and 16% were purchases. Several acquisitions were related to The Luxury of Motoring display.
- 2,707 items were added to the Reference Library, of which 99% were donations.
- 110 items comprising 4 collections were donated to the Motoring Archives.
- 497 items were added to the Photographic Collection. Of these, the only item purchased was an important Connaught Coachbuilders photograph album No:6, dated 29 June 1925. A notable donation was a photograph album relating to Pennington and early motor car manufacturing in the UK c1896-98.
- 273 donated items were added to the Film & Video Collection.

Sound collections management involves collection review, rationalisation and disposal, in-line with the NMMT Collections Development Policy, following the Museums Association Code of Ethics and professional guidelines. This carefully controlled process ensures that the Collection overall remains vibrant, relevant and of sufficient quality. During 2017 the 1935 Hutchings Winchester caravan and 1928 Bayliss Thomas trials car were selected for disposal and removed from the Collection. Review of a targeted aspect of the Reference Library took place during 2017 as referenced above and in the Film & Video Collection hosted Meridian News film material was removed due to lack of relevance.

On-going high profile restoration projects on significant vehicles in the Collection were continued throughout 2017, supported by successful fundraising campaigns. The 1920 350hp Sunbeam project continues with investigations and calculations on gearbox design, work on both engines from the 1927 1000hp Sunbeam commenced, the engine of the 1930 4.5 litre blower Bentley was rebuilt, ignition improvements were made to the 1967 Lotus 49 and engine rebuild of the 1950 V16 BRM progressed.

3. Users and Their Experiences

The audience aspects of the *Keep CALM* project delivered engaging experiences for our users during 2017. Development of additional STEAM-based curriculum programmes for schools, Automotive Steampunk and Magical Mechanisms activities for families have been outlined above. The project also provided the theme for our annual Summer Activities which take place during August. Activities included creating Steampunk caravans from building bricks and, for older children, making 'tunnel' books featuring the first leisure touring caravan - The Wanderer of 1885. Overall a total of 1,273 children and adults participated in these family activities at Beaulieu and the Caravan and Motorhome Club's New Forest Centenary Site in Dorset. This was slightly down on the previous year due to poor weather conditions leading to cancellation of some outreach sessions.

In June 2017 the NMMT team had its first presence at the annual Beaulieu Simply VW and Custom Car and Hot Rod Drive-in weekend. Again, *Keep CALM* had facilitated this and project partners were invited to the show to take part in activities, dress in Steampunk attire and enjoy Steampunk custom vehicles.

The NMMT continued to deliver its award-winning Education Programme throughout 2017, as a holder of the Learning Outside the Classroom Badge and the Sandford Award for Heritage Education. We have held the latter accolade continuously since 1978, being recognised for quality and excellence in education provision offered to schools. We are continually reviewing our formal learning offer and in common with previous years, 2017 saw the introduction of new programmes, this time STEAM-based and supported by the *Keep CALM* project. Proving extremely 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. The NMMT's

main education user base remains Reception and KS1 with emphasis on History with a mix of *Motoring Fun* to include rides in the grounds (vintage car, replica Veteran Bus and Monorail). Take up for sessions increased slightly overall, with a total of 10,044 children in school groups visiting Beaulieu during 2017 (compared to 8,780 the previous year).

Online access continued to be a popular way of engaging with our collections. Prior to its redesign, 2017 saw 64,547 visits to the NMMT website which was down 3% on the previous year, but still the second highest number of visits since it was launched in 2009. Views in 2017 to the Ford Heritage YouTube channel were 545,602 and total lifetime views just over 2.7 million.

In the second half of 2017, the NMMT collaborated with the TRANSITions project to both facilitate research on our collections and to provide exhibition content. This Heritage Lottery Funded (HLF) project recruited and trained volunteers from the former workforce at the closed Ford Transit factory in Southampton, to recount stories of the site and showcase them in a temporary pop-up museum in early 2018. These volunteers also enjoyed a behind the scenes visit to our Film & Video Collection as part of their personal development programme.

The long-term project to redevelop the Museum displays maintained its schedule, with development during 2017 of a new permanent gallery looking at The Luxury of Motoring. Generously supported by £50,000 from the DCMS/Wolfson Foundation Museums and Galleries Improvement Fund, the exhibition opened in 2018 and has been very popular.

The NMMT Motoring Research Service responds to enquiries and accommodates visiting researchers in our reading room by prior appointment, providing information access to all our collections. During 2017 we responded to a total of 408 enquiries, which is comparable to previous years.

Several VIP visits and seven behind the scenes visits to the Collections Centre and Museum workshops were hosted during 2017, 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 NMMT are committed to outreach which enables audiences to enjoy our Collections outside the walls of the Museum, and this includes delivering talks, writing articles, doing television and radio interviews as well as taking vehicles to world famous events. Members of the Collections Team delivered several illustrated presentations during the year, including one in Surrey on the work of motoring pioneer John Henry Knight and one to a Hampshire society on the work of the NMMT and *Women Behind the Wheel*.

High profile motoring events attended during 2017 included:

- Retromobile, Paris (February)
- Goodwood Festival of Speed (June)
- Silverstone Classic (July)
- Goodwood Revival (September)
- London to Brighton Run (November)
- Interclassics Show, Brussels (November)

Future Plans

Change and ambition for the future has been constrained by the need to be financially prudent and guided by a risk averse approach. Trustees and senior management are working together to foster a more dynamic outlook and move forward by making cultural change, growing stakeholder support and developing a fundraising strategy. Achieving this groundwork will be transformational in helping build capacity, confidence and diversity. The resultant increase in resilience would liberate the NMMT to allow more

aspirational thinking and enable it to regain the ability to provide leadership, work collaboratively, share knowledge and deliver excellence. The tenet of our audience-centred approach to collections development and management will remain, ensuring relevance and providing innovative and engaging activities which realise the potential of the collections.

1. Organisational Health

- To achieve a vibrant and diverse Trustee/management body, which is responsive to the needs of the NMMT and supportive of innovation.
- To achieve a sound and supportive organisational structure, with sufficient capacity to develop and deliver excellence in collections management and audience engagement.
- To advocate successfully and maintain a body of supporters who believe in the value and potential of the NMMT, its staff and collections.
- To achieve financial stability, encouraging ambition in the development and implementation of all NMMT aims.

2. Collections

- To eliminate documentation backlogs and make all collections and information about them digitally accessible.
- To make significant improvements in collections care and storage conditions, enabling fuller access for the public and ensuring preservation for the future.
- To create a vehicle collection store to facilitate carefully managed growth in line with the Collections Development Policy and Vehicle Key Lists and increase flexibility to enable us to adapt to changing audience tastes by varying what is on display.

3. Users and Their Experiences

- To increase physical access to resources in the Collections Centre, including the support of volunteers to increase capacity for more behind the scenes tours.
- To maximise the use of collection assets through planned programmes, including digital initiatives.
- To build on the success of grant-funded projects, by embracing outreach and access as an integrated aspect of the Learning offer and placing provision of these services at the core of the organisation.
- To consolidate the recent masterplan-led redevelopment of the Museum display, by making further improvements to interpretation and access for visitors. Planned displays yet to be realised include a History Road to explore the social history aspects of motoring and the Wheels ride.

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 John Reed. 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 2017 there were eleven 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.

In 2017 three sub-committees were set up to assist the main Trustee board in managing the organisation. These are the Finance and Control Council, the Fundraising and Marketing Council and the Collections and Learning Council. Each council is made up of selected Trustees, other specialists and a member of the management team.

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.

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 2017 equated to £366k (2016: £354k).

Gift Aid :

Gift aid from visitors to the museum in the year to 31 Dec 2017 was £286k (2016:£291k).

Trading Company:

The trading company donated profits to the charity of £16K (2016: £10k).

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, 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. A one-off donation of £250,000 was received which Trustees have chosen to designate for the development of a Strategic Plan.

Resources Expended

Costs in 2017 were well controlled and largely in line with the previous year.

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 £54K (2016: £97k). The majority of this was spent on a new passenger lift in the museum and the Steam Car "Inspiration" Display.

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 2017 the donation amounted to £16,613 (2016: 9,756).

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 28 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 (£760,000 in 2017).

At 31 December 2017 Free Reserves amounted to £1,005,247. The Charity has an unrestricted fund balance of £1,574,572 and a designated fund balance of £7,479,921. Free Reserves are arrived at by adjusting for assets required to continue to operate the Charity of £8,049,246 (see notes 22 and 23).

Four designated funds totalling £4,124,078 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 22.

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.