

BLETCHLEY PARK

Bletchley Park Trust Limited
and its subsidiary undertaking
Financial statements
For the year ended 31 December 2017

Company no. 2730618
Charity no. 1012743

Index

	PAGE
Reference and administrative details	2 – 3
Report of the trustees	4 – 17
Report of the independent auditor	18 – 21
Consolidated statement of financial activities	22
Consolidated balance sheet	23
Charity balance sheet	24
Consolidated statement of cashflows	26
Notes to the financial statements	27 – 45

Reference and administrative details

Bletchley Park Trust Limited is a company limited by guarantee and is a registered charity governed by its Memorandum and Articles of Association. For the purposes of charity law the trustees are the directors of the charity and throughout this report are collectively referred to as Trustees.

Company registration number: 2730618

Charity registration number: 1012743

Registered office: The Mansion
Bletchley Park
Bletchley
Milton Keynes
MK3 6EB

Trust Board:

- Sir John Scarlett (Chairman)
- Mr Duncan Phillips (Vice-Chair)
- Professor Liz Bacon (appointed 16 May 2017)
- Miss Natalie Black (appointed 21 November 2017)
- Mr John Brookes
- Mr Oliver Brookshaw
- Ms Liz Bushell (appointed 16 May 2017)
- Mr Jon Card
- Sir Roger Carr (appointed 23 January 2018)
- Mr Robert Hannigan (appointed 21 November 2017)
- Mrs Judith Hodsdon (retired 20 March 2018)
- Mr Christopher Kennedy (retired 14 March 2017)
- Mr Charles Macdonald (appointed 16 May 2017)
- Professor Andrew Martin (appointed 24 January 2017)
- Mrs Hilary McGowan
- Mr Christopher Moore (retired 21 November 2017)
- Mr Mike Sarna
- Professor Eileen Scanlon (retired 16 May 2017)
- Mr Adam Singer (appointed 16 May 2017)
- Mr Michael Smith
- Sir John Dermot Turing
- Mr Alan Whelan

Audit and Governance
Committee:

- Mr Oliver Brookshaw (Chairman)
- Miss Natalie Black
- Ms Liz Bushell
- Mr Mike Sarna
- Mr Christopher Kennedy (co-opted)

Reference and administrative details (continued)

Finance Committee:	Sir John Dermot Turing (Chairman) Mr Jon Card Mr Charles Macdonald Mr Adam Singer Mr Alan Whelan
Strategic Planning Committee:	Mr Duncan Phillips (Chairman) Professor Liz Bacon Mr John Brookes Mr Robert Hannigan Mr Charles Macdonald Mrs Hilary McGowan
Nomination and Remuneration Committee:	Mr John Brookes (Chairman) Mrs Hilary McGowan Mr Duncan Phillips Sir John Scarlett Mr Adam Singer
Learning Committee:	Professor Andrew Martin (Chairman) Professor Liz Bacon Mrs Hilary McGowan Mr Mike Sarna Sir Dermot Turing
Chief Executive Officer:	Mr Iain Standen
Company Secretary:	Mrs Jennifer Milton
Bankers:	HSBC Bank Plc 207 Queensway Bletchley Bucks, MK2 2EE
Solicitors:	Shoosmiths LLP Witan Gate House 500-600 Witan Gate West Milton Keynes, MK9 1SH
Auditor:	Kingston Smith LLP Registered Auditor Devonshire House 60 Goswell Road London, EC1M 7AD

Report of the Trustees

The Trustees present their report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 December 2017. The financial statements comply with the Charities Act 2011, the Companies Act 2006 and follow the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (the 'SORP').

Structure, governance and management

Governing document

Bletchley Park Trust Limited (the "Trust") was established in 1992 as a company limited by guarantee and does not have a share capital. It is a registered charity governed by its Articles of Association as adopted on 10 July 2014.

The Trustees of the Trust are both the directors of the Trust and the members of the Trust. The Board of Trustees may choose whether or not to hold an Annual General Meeting of the Trust. The Trustees may call a general meeting at any time.

In the event of the Trust winding up, each member of the Trust undertakes to contribute an amount not exceeding £1. Upon the winding-up or dissolution of the Trust all remaining assets shall be given or transferred to some other charitable institution having objects similar to the Trust, in accordance with charity rules.

Organisational structure

The management of the business and control of the Trust is vested in the Board of Trustees, as directors of the Trust. The Board delegates powers within stated terms of reference to Management Committees. The Board meets six times per year and is responsible for ensuring the delivery of the Trust's objects, setting the strategic direction and upholding the values of the Trust.

There are currently five Management Committees: the Audit and Governance Committee, the Finance Committee, the Strategic Planning Committee, the Nomination and Remuneration Committee and the Learning Committee.

The Audit and Governance Committee is responsible for ensuring there is an effective framework for financial reporting and external auditing, and for reviewing all systems and methods of control both financial and otherwise including risk analysis, risk management and governance. The Committee meets at least four times per year.

The Finance Committee provides oversight of the financial planning of the Trust by reviewing the rolling Business Plan and annual budget and recommending them to the Trust Board. The Committee reviews financial reporting structures to ensure the Trust Board is adequately and effectively briefed regarding the financial position and stability of the Trust and monitors the financial position of the Trust. The Committee meets as required and at least twice a year.

The Strategic Planning Committee oversees and shapes the long-term development of Bletchley Park. The Committee meets four times a year.

Report of the Trustees (continued)

Organisational structure (continued)

The Nomination and Remuneration Committee leads the process for appointments to the Trust Board and its Committees, recruits, when necessary, the CEO, and determines and makes recommendations to the Board on the performance and remuneration of the Trust's staff. The Committee meets as business requires.

The Learning Committee is a newly formed Committee and the terms of reference are currently under development.

The Board delegates the day-to-day running of the Trust to the Directors Executive comprising the Chief Executive Officer, the Director of Public Engagement, the Director of Development and the Director of Support Services. The Directors Executive meets formally once a month and reports to the Trustees following these meetings.

Key management personnel remuneration

The pay of each member of the Directors Executive is reviewed annually by the Nomination and Remuneration Committee and comparisons made to appropriate benchmarks, both locally and within the museum sector.

Trustee appointment and training

The Board of Trustees comprises not less than five and not more than twenty members. The greater of one third of the members or three Trustees forms a quorum.

A Trustee serves a term of four years from the date of appointment, unless a shorter fixed term is set by the Board or he/she ceases to be a Trustee. A Trustee may be considered for reappointment for a second term of four years. A Trustee may only in exceptional circumstances be reappointed for a further term of no more than four years.

The Nomination and Remuneration Committee reviews and determines the membership of the Board by reference to the Trustee Skills Matrix and its Trustee role description. The Committee identifies and nominates candidates for appointment to the Board. Candidates are recruited from direct approaches, recommendations and referrals and advertisements as appropriate.

Potential new Trustees meet with members of the Nominations and Remuneration Committee and the Chief Executive Officer for a tour of the Park and a discussion of the specific role requirements. Candidates are issued with an Induction Pack. The Committee nominates suitable candidates to the Board and Board members have the opportunity to meet the candidate. Candidates are appointed at a Trust Board meeting.

Following appointment all new Trustees are issued with a Trustee Pack and other appropriate documentation and guidance is provided regarding roles, responsibilities and the governance structure of the Trust. Meetings are arranged with key personnel at the Park.

The Trust periodically briefs and updates Trustees on good governance and changes in current legislation, alongside other updates. Other training is available from external providers as appropriate.

Report of the Trustees (continued)

Trustee attendance at Board meetings

The table below sets out the record of attendance for Trustees and the Chief Executive Officer, at Board meetings during 2017. Trustees also attend various Committee meetings each year.

	Date of Board meetings						No of meetings	%
	24-Jan	14-Mar	16-May	15-Jun	12-Sep	21-Nov		
Sir John Scarlett	✓	✓	✗	✓	✓	✓	5/6	83%
Prof Liz Bacon					✓	✓	2/2	100%
Mr John Brookes	✓	✓	✓	✓	✓	✓	6/6	100%
Mr Oliver Brookshaw	✓	✓	✓	✓	✓	✓	6/6	100%
Ms Liz Bushell					✓	✓	2/2	100%
Mr Jon Card	✗	✗	✓	✓	✗	✗	2/6	33%
Mrs Judie Hodsdon	✗	✓	✓	✓	✓	✓	5/6	83%
Mr Christopher Kennedy	✓	✓					2/2	100%
Mr Charles Macdonald					✓	✓	2/2	100%
Prof Andrew Martin	✓	✗	✓	✓	✗	✓	4/6	67%
Mrs Hilary McGowan	✓	✓	✓	✓	✓	✓	6/6	100%
Mr Christopher Moore	✗	✓	✓	✓	✓	✓	5/6	83%
Mr Duncan Phillips	✓	✓	✓	✓	✓	✓	6/6	100%
Mr Mike Sarna	✗	✓	✗	✓	✗	✗	2/6	33%
Prof Eileen Scanlon	✓	✗	✓				2/3	67%
Mr Adam Singer					✓	✓	2/2	100%
Mr Michael Smith	✗	✓	✓	✓	✓	✗	4/6	67%
Sir Dermot Turing	✓	✓	✓	✓	✓	✓	6/6	100%
Mr Alan Whelan	✗	✓	✓	✓	✓	✗	4/6	67%
Mr Iain Standen (CEO)	✓	✓	✓	✓	✓	✓	6/6	100%

Trustee remuneration and related party transactions

No Trustee receives remuneration or other benefit from their work with the Trust. Details of Trustee expenses and related party transactions are disclosed in note 11 to the accounts. If the Trust enters into a transaction with a Trustee, a company in which a Trustee has an interest, or with any person connected with a Trustee, this must be disclosed in full to the Trust Board and the Trustee concerned is excluded from voting on any discussions regarding that transaction. The Trust maintains a register of Trustee interests which is updated on an annual basis, and during the year as appropriate. The Trust pays for indemnity insurance for the Trustees.

The Trust has 100% ownership and control of its trading subsidiary, Bletchley Park Company Limited. This subsidiary carries out the commercial activities of the Trust.

Report of the Trustees (continued)

Objectives and activities

Objects

The objects for which the Trust is established, as set out in the Trust's Articles of Association, are to advance the education of the public and to promote research into the history of the Intelligence Services during the Second World War, the history of computers and cryptology and radar.

In furtherance of these objects the Trust has established a museum at Bletchley Park. It may also:

- Acquire and preserve documents, photographs and artefacts;
- Provide lectures, seminars and tutorials; and
- Publish books, leaflets, recordings and pictures.

Our Mission Statement

Our Mission is to preserve and enhance Bletchley Park, to attract, engage and educate visitors from all over the world through the continuing restoration and development of the entire estate and our exhibitions. Our Mission is to highlight the codebreaking achievements of Bletchley Park in the Second World War, its role as a birthplace of computing and its importance for understanding the past and relevance for the future.

Our vision

Our Vision for Bletchley Park is to exploit the exceptional history and fullest potential of this unique site and to transmit to current and future generations the experience and values of those who worked here. Our Vision is to work continuously to identify new ways to enhance the understanding of the role of cryptography, technological innovation, secret intelligence and Allied collaboration in World War Two and to explain how this matters today in a society undergoing profound technological change.

Public benefit

The Trustees refer to the Charity Commission's guidance on public benefit when reviewing its aims, plans and activities. The Trustees believe that the public benefit which the Trust delivers is as follows:

- To preserve the Bletchley Park site for the future, to reflect its achievements during World War Two by the ongoing restoration of previously derelict buildings, and the preservation of these restored buildings through continuing maintenance programmes.
- To open the site to the public as a museum and to allow visitors to visit this unique site and to understand the important work that occurred on the site during WWII. The museum is open seven days per week, and we believe ticket prices are affordable and represent good value. As part of the admission policy an annual season ticket is issued which entitles the holder to enter the Park for no additional charge during the following twelve months.

Report of the Trustees (continued)

Public benefit (continued)

- To educate the public both formally and informally about the work achieved here and its importance, for understanding the past and its relevance for the future, through:
 - Formal learning opportunities which are delivered by the Learning department via a programme of facilitated workshops and tours onsite or our outreach opportunities, to make learning enjoyable, particularly for young people.
 - Our bursary schemes which provides free school trips to site for those most in need of financial support.
 - Informal learning opportunities for all visitors, through our exhibits, by using a variety of interpretation techniques to ensure the content is accessible and informative.
 - Learning resources available on our web-site, www.bletchleypark.org.uk, and via a digital exhibit featuring material from our archives on Google's online Cultural Institute.
- To maintain and make publicly available the Bletchley Park Roll of Honour to list all those believed to have worked in signals intelligence during World War Two, at Bletchley Park and other locations. A fully searchable Roll of Honour is available on the Bletchley Park website which allows people all over the world to learn about the veterans' contribution to the Codebreaking effort at Bletchley Park during WW2. Veterans and their representatives are able to add photographs and additional information about life and work at the Park and its outstations. Pods are also available in the visitor centre and Mansion, which allow visitors to the museum to access this information during their visit.
- To nurture links with the local community with the aim of sharing resources with other local museums, encouraging local pride and enhancing wellbeing by:
 - As part of the Milton Keynes Heritage Consortium, a partnership of five local heritage partners, to share resources, training programmes and marketing/advocacy as appropriate. In particular, as part of Milton Keynes' 50th Birthday celebrations, the Consortium delivered an engaging exhibition in the Centre MK and the first Heritage Festival in Campbell Park, both free events to local residents and visitors.
 - Local promotions and other discounted entrance initiatives to encourage visits to the museum. Current initiatives include free entry on Heritage Open days, discounted admissions for local residents for January to June 2018, and providing complimentary tickets for auctions and raffles for local groups, charities and schools.
 - Our volunteering programme which provides opportunities for local residents to volunteer with the Trust in a number of roles, including visitor-facing roles and behind-the-scenes collections management roles. Volunteers are crucial for the survival of the Trust, and the Trust works hard to ensure it is able to offer its volunteers an enjoyable experience with social and learning opportunities, providing work experience and teaching new skills.

Report of the Trustees (continued)

Strategic report

Agreed strategy

In September 2012, the Trust Board agreed the Strategy for Bletchley Park 2012-2022 to achieve the Trust's vision. This Strategy was reviewed in November 2014 and remains unchanged in the main. The Strategy includes the following lines of development:

Estates – to seek to restore all buildings on site such that they are at least stabilised to prevent further deterioration, and at best put into productive order.

Story-lines – to ensure that galleries and exhibitions tell a clear and accurate story, and the story-line supports the Trust's raison d'être. Alongside this, to develop exhibitions to ensure their quality is commensurate with the Trust's aspiration to be a world-class heritage site.

Learning – to develop the on-site learning programme and outreach activity, and to ensure clear informal learning outcomes are embedded within the galleries and exhibitions.

Operations – to ensure visitor management and customer service keep pace with and support growth in visitors and ensure the quality of the visitor experience is that of a world-class museum.

Marketing and Communications – to develop marketing focus and capitalise on every media opportunity. To nurture and develop a number of ongoing relationships, both internal and external.

Fundraising – to target our fundraising activities to support our capital projects to achieve the development required to meet the vision.

Administration, human resources and governance – to continue to support operations in a professional and practical manner and to maintain robust financial management. Volunteers continue to remain crucial to the Trust's existence with significant volunteer support both around the museum as stewards and guides and in the Archives and Digitisation suite.

Achievements and performance

The Trust is now focusing on Stage 2 of the Strategy: Full Site Development 2014-2019 with the following outcomes:

- 1) To continually upgrade and refresh exhibitions and galleries
- 2) To upscale operations to support visitor numbers of up to 350,000 annually
- 3) To continue expansion of our learning offering
- 4) To produce detailed plans for the development of the estate and to deliver Project Overlord – the planned second stage of restoration to complete the core heritage of the site.

Report of the Trustees (continued)

Achievements and performance (continued)

Progress towards these outcomes was made as follows during 2017:

1) To upgrade and refresh exhibitions and galleries

The Trust uses its galleries and exhibitions to attract, engage and educate our visitors with the inspirational story of codebreaking in World War Two, in the place where it happened. The principal focus for 2017 was the delivery of *Hut 11A: The Bombe Breakthrough*, a permanent exhibition telling the story of the Bombes that helped to break the Enigma cipher, housed in building that housed such machines during World War Two. This exhibition was opened by our Patron, His Royal Highness The Duke of Kent KG, in March 2018.

Work was also conducted on the development of the next major exhibition to open in 2019 *D-Day: Interception, Intelligence, Invasion* – a permanent exhibition in Teleprinter Building that will examine the vital role that Bletchley Park played in D-Day and the Allied invasion, drawing on our collections and using large-scale film to bring the story to life. Significant restoration works are required to the Teleprinter Building, and these are being completed over winter and spring 2017/18.

Complementing these developments, the Collections and Exhibitions team have designed and opened two new temporary exhibitions within the Mansion, and a mini pop-up exhibition in Block C:

Off Duty: High Spirits in Low Times, an exhibition about life at Bletchley Park beyond the codebreaking, sharing the recreational activities that the Codebreakers and their colleagues enjoyed on and off site. This exhibition shares audio accounts of life at Bletchley Park from some of our Veterans.

Bill Tutte: Mathematician + Codebreaker, an insight into the life and work of the codebreaker, Bill Tutte, who made the great achievement in unravelling the working of the Lorenz machine.

WRNS100 - The Wrens of Bletchley Park, a pop-up display to honour the crucial role the Wrens played in the success of the secret wartime operation at Bletchley Park.

2) To upscale operations to support 350,000 visitors annually

In 2017 we again welcomed over 250,000 visitors to the museum and a further 25,000 school children and their teachers, a growth of 3,500 from 2016. The Trust remains focussed to ensure the necessary teams and infrastructure are in place to welcome and host this level of visitors in a professional and engaging manner. All upgrades and improvements are planned to have minimal impact on visitors and prioritised within budgets and workloads.

The events team have grown the offer of events and activities to appeal to a variety of visitors. We held two successful 1940s weekends where visitors were able to enjoy music and dance, vintage stalls and many reenactors onsite. The summer saw a small series of concerts to be enjoyed on the lawn, and Christmas saw the return of our successful 1940s Father Christmas grotto, alongside two Codebreaking Christmas Dinner party events which were both sold out.

Report of the Trustees (continued)

Achievements and performance (continued)

We continue to receive excellent feedback from our visitors, and this is born out by our continued success in securing a number of awards and accreditations. For the second year running we won both the GTO Magazine Group Travel Award for Best Attraction for Group Visits and the award for Best Venue for Maths Learning at the School Travel Awards. The Trust has retained its Visitor Attraction Quality Assurance Status by VisitEngland, and recently was awarded the VisitEngland Welcome accolade in February 2018.

Accessibility to our stories and site remains of great importance to us. During the year we reviewed our accessibility and published our revised site access statement. Ongoing developments include the expansion of our handling collections for visitors and outreach groups, and increasing the light levels in our darker exhibitions.

Our in-house site works team look after the building and site infrastructure. Works during 2017 included masonry and timbers works to the Mansion in preparation for the new temporary exhibitions at the start of the year. The landscaping continues to be developed to enhance the visitor experience, and an information desk was commissioned for the Visitor Centre, which provides visitors with advice and directions, issues tickets to certain events and helps promote our valuable Friends membership and our Codebreakers' Wall Sponsor a Brick scheme.

Behind the scenes, the site works team replaced the Hut 4 boiler, installed screens and security fences to the derelict Block D, and restored empty rooms at the back of the Mansion to be used as internal meeting rooms.

3) To expand our learning offering

Learning at Bletchley Park is delivered through formal and informal education programmes for children, young people, families and adults with local, regional, national and international reach. The main purpose of the programme is to provide inspirational experiences for the public to learn about the significance of Bletchley Park during World War Two, to enhance skills, and knowledge and increase understanding of Bletchley Park's relevance to lives today.

The Trust's learning programme has grown substantially in recent years. A variety of facilitated workshops, with a special focus on maths, history and codebreaking, and other programmes including self-tour sessions has allowed the team to increase capacity. It is currently able to welcome over 25,000 schoolchildren and teachers. The Trust continues to offer a bursary scheme for free school visits for those most in need of financial support.

Alongside the schools programme, the team also offer outreach visits and talks for those unable to attend the site. This remains a popular option for schools unable to travel to the site within the school day. The programme includes Enigma Outreach sessions and Online Safety outreach. The number of schoolchildren reached through these programmes grew to over 19,000, over 28% up on 2016.

Report of the Trustees (continued)

Achievements and performance (continued)

4) To plan in detail for the development of the estate and to deliver Project Overlord

The 10 year Masterplan for the site, approved in 2014, identified key works for the development of the site. These works are crucial to consolidate our ambition to be a world-class heritage site and museum, completing the restoration of the core heritage of the site. The Board has developed these plans in detail with the aim of completing the restoration project: Project Overlord by 2022, including a focus on detailed cost-plans, and the Trust is now developing its funding strategy to support these future plans.

To support the long-term Masterplan, the Trust Board has developed its 10 year Business Plan, which recognises the Trust's ambitions to continue to grow its audience, and reinforced the crucial need for further development of the site to ensure the long-term survival of the Trust. In summary, Project Overlord aims to develop our offering and operations in order to attract and sustain higher visitor numbers which will in turn ensure the Trust can make a better surplus, which can then be reinvested in the longer-term maintenance of the site and its infrastructure.

Furthermore, the Trust has not yet planned for the necessary restoration of Block D or the MT section. Following an approach in early 2017, the Trust Board is pleased to be supporting Milton Keynes College in its aspirations for an Institute of Digital Technology in Block D of Bletchley Park. The College is leading a consortium of partners to plan and develop a centre for digital and cyber qualifications in this currently derelict but historically significant building on the Park. Funding is being sort from the Department for Education and the proposal has successfully progressed to stage 2 of this process. The final decision should be announced by the end of 2018.

Financial review

Recent years have seen the Trust's offer and profile improve substantially, resulting in exceptional visitor levels in 2015 and an enduring visitor level of over 250,000 in 2016. In order to allow prudent financial control, the Trust budgeted for visitor levels of 240,000 and we are pleased to report that final visitor numbers of over 250,000 were achieved in 2017. Including school visits and other events we welcomed over 276,500 visitors in 2017.

The surplus on unrestricted funds achieved for 2017 was £126,792, after depreciation charged of £800,129, which is significantly ahead of budget. (The significant depreciation charge is due to capital works funded by restricted funds).

This excellent result arises from visitor numbers and spends exceeding budget and key costs savings achieved. Whilst budgets remained tight, and all teams worked with very careful cost control, this result has allowed the Trust to set aside funds to support our capital plans over the next four years.

The operations team continues to focus on maximising visitor spends through expanding the product range in the gift shop, with 2017 launching our Mansion range, and encouraging Gift Aid donations on our season ticket income. This has been supported by a number of successful events and activities during the year, including our 1940s weekend, which drive visitor numbers and allow opportunity to secure additional income.

Report of the Trustees (continued)

Financial review (continued)

The marketing and communications team have utilised a variety of outlets to promote Bletchley Park and encourage new and returning visitors. Campaigns have been run on London tube and rail outlets, on local buses and via social media.

Whilst many of our income lines remain at similar levels to 2016, the Trust took the decision to invest in some key areas of the business to continue to drive operations, ensure our professionalism and support our local heritage and economy. Alongside increased spend on marketing and communications, 2017 saw additional investment in:

- *IT infrastructure and support*
Enhancements to our network security have been put in place, and the Trust was delighted to achieve Cyber Security Essentials Plus accreditation in the winter of 2017.
- *Team engagement and development*
The Trust is committed to investing in our staff and volunteers, and the personnel team continue to support and value our teams through People Engagement and Development Plans. 2017 saw increased investment in training opportunities, benefit packages and engagement activities.
- *Local events*
2017 saw the Trust host the opening party for the 50th birthday celebrations of Milton Keynes at the start of the year. In June, as a member of Heritage MK consortium, the Trust supported a free local heritage festival which was enjoyed by over 10,000 people.

Both the retail and catering operations are undertaken by the trading subsidiary, Bletchley Park Company Limited. The Company also entered into a sponsorship agreement for an upcoming exhibition onsite, and this added to the results of for the year. In 2017, the Company made a surplus of £584,250 compared to a surplus of £272,085 for 2016. This has resulted in the Company moving out of a net liabilities position, and to be able to donate future surpluses to the Trust.

Plans for future periods

The Trust recognises that visitor levels fluctuate year on year and are influenced by many factors, including economic and political influences, alongside the weather and what to see at the Park. Operationally the teams are planning for visitors of similar levels to 2017, although we have budgeted more prudently to provide some flexibility if numbers were to decline slightly over the year.

The 2018 budget remains cautious, with limited spending available for larger projects or new commitments, but the teams are confident they are able to deliver their annual plans.

As reported, the *Hut 11A: Bombe Breakthrough* exhibition opened in March 2018, in time for our Easter visitors. The Collections team plan to reveal two new temporary exhibitions: *Bond at Bletchley Park: Illustrations and Inspirations* and *Systems of Philosophy – Wall(paper)s of Mind* over the summer.

Report of the Trustees (continued)

Plans for future periods (continued)

Maintenance plans for 2018 are focussed on developing our planting and landscaping in line with our landscape conservation plan, restoring further internal meetings rooms at the back of the Mansion, improving staff and volunteer parking facilities and refreshing paintwork around the site.

The learning team are undertaking a review of the learning and education provision to understand demand and determine future programming and resource. They continue to develop onsite activities and workshops particularly for families during the school holidays.

In the longer-term plans, the Trust is focussing on the next stage of the restoration which will include:

Additional exhibition and gallery space – opening Block A to visitors will provide the important link between the spaces and building onsite, and provide valuable additional space to ensure we can tell more stories and adhere to our Interpretation Masterplan. These galleries will continue to inspire our visitors and educate as many people as possible about the importance of Bletchley Park, the work achieved during WW2 and its world-changing impact.

A state-of-the-art education centre – a dedicated space in Block E to allow extra space for the learning team and ensure Bletchley Park stories will be made more accessible to visitors, scholars and researchers from around the world.

Enhanced archives and collections storage – our collections will be relocated to an enhanced dedicated space, to allow improved storage, modernise archive facilities and to facilitate public access to the collection.

A new Director of Development joined us in April 2018, and the Development team will focus on securing the funds necessary to fund this next stage of growth, whilst ensuring our existing supporters remain engaged and valued.

The Trust Board has welcomed a number of new Trustees during 2017 and early 2018, and also said farewell to some of our longer-standing Trustees. The Board recognises that this change in membership will bring new thinking and perspectives and views this as an ideal time to review and update the strategy and long-term plans. It is anticipated these will develop out of the Board Away Day planned for mid-summer 2018.

Fundraising activity

The Trust has a dedicated Fundraising and Development team which has grown to a team of four from 2017. This team is responsible for the fundraising of the Trust, with appropriate oversight and guidance by Trustees. The team has the strategic objective to sustain and build the Trust's income to meet capital and revenue needs in line with the long term strategy of the Trust. They keep abreast of, and comply with all current, fundraising legislation and will ensure all future requirements are adopted and adhered to by the Trust and will always seek to comply with best practice in all its fundraising activities.

Report of the Trustees (continued)

Fundraising activity (continued)

The Trust does not use external fundraisers or commercial participators. The fundraising focus is on developing relationships with charitable trusts, local and central authorities and appropriate corporate organisations. The Trust encourages donations, both ad-hoc or via appeals, through its periodic magazine, as part of the monthly e-shot to those who subscribe, via onsite donation boxes and via leaflets and posters. The Trust does not run telephone campaigns or targeted personalised mailshots and does not actively seek legacies unless approached by donors or their families. The Trust recognises that a number of our most-valued supporters are our veterans who may be vulnerable, and so the team exercises restraint when approached by veterans with regard to donations or legacies. The Trust has not received any complaints with regard to its fundraising practices.

Reserves policy

In accordance with Charity Commission guidance, the Trust monitors the level of funds it holds in unrestricted reserves, and in particular Free Reserves. Free reserves are calculated as net funds less restricted funds, fixed assets held and other designated funds. The 2017 financial statements show free reserves of £787,464 at the year end (2016: £814,907) and this represents a sum of money available to the Trust over the winter months of cash outflow and to support the Trust through any periods of financial difficulties, such as a decline in visitor numbers or the unexpected loss of a supporting income stream, by providing flexibility to continue existing activities whilst alternative income streams are sought or appropriate changes to operations are made.

Currently the Trustees have determined that the optimum level of Free Reserves that the Trust would like to retain to ensure the survival of the Trust should be sufficient to cover six month's budgeted operational expenditure. At the end of 2017, this optimum equals £2,500,000. The Trust recognises it needs to grow its Free Reserves significantly to reach its optimum level but is pleased with the level currently held as a free reserve. The Trust is annually reviewing its long-term business and financial plan and, as part of this process, considers the optimum level of Free Reserves.

The Trust recognises that it needs to generate sufficient funds to support the Museum refreshment and the Estate's rolling maintenance. Designated funds, totalling £560,543 (2016: £506,543), have been set aside to create reserves to support the cyclical pattern of expenditure for these areas – it is anticipated these funds will be utilised in 2018 to 2020.

A Project Overlord fund is in place to earmark funds for the future planned developments, recognising the need for the Trust to contribute towards these works where possible, modestly reducing the reliance on external funding. This fund has reached £1,340,000 in line with the requirements at this time for this development. Again this fund is anticipated to be spent from 2019 to 2020. The Trust has also set aside a sum of money to fund certain works planned for 2017 but not delivered until 2018, which will be spent in 2018.

Restricted funds comprise funds committed for specific purposes under terms set out by the donors and funders. At 31 December 2017 these totalled £1,976,757.

Report of the Trustees (continued)

Principal risks and uncertainties

The Board of Trustees maintain a risk register to record and monitor the major risks to which the Trust is exposed. This risk register is monitored by the Directors Executive and by the Audit and Governance Committee and this is reported to the Trust Board by reference to the severity of the risk and the likelihood of occurrence. The register identifies the systems and procedures necessary to mitigate the impact of those risks if they were to occur. The Trust Board decides on any changes required to the register.

The areas of major potential risks to the Trust are considered to be security and constraints on future development.

Security

The Trust continually monitors its security systems and procedures to ensure its physical assets are safeguarded. Ongoing maintenance works ensure buildings remain secure and are preserved. The Trust works with the Fire Service and the Police to inform its policies and ensure best practice. 2017, specifically, saw enhancements to our anti-terrorism policy and procedures.

With regard to our IT data and systems, the Trust has developed its IT strategy to ensure the Trust remains able to secure its data and information flows. 2017 saw enhancements to the Trust's IT systems, to protect against hacking or other cyber attack, resulting in Cyber Security Essentials Plus accreditation.

Constraints on future development

The Trust is at present in a financially stable position, whereby it has generated sufficient reserves to absorb small downturns in activity. However further development of the Museum is crucial to allow the continued restoration of this important historic site and to enhance the visitor offer in order to drive higher visitor numbers. Without the income this will generate the Trust will be unable to support the necessary and ongoing planned routine maintenance plan of its buildings and periodic refreshment of the Museum and its exhibitions.

The delivery of Project Overlord, the next stage of development, is key to this development and the Trust is ensuring detailed plans are in place to achieve this, including setting aside significant sums to invest in these plans and continually monitoring the 10 year Financial Plan.

Trustees' responsibilities for the financial statements

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure of the group for that period. In preparing these financial statements, the Trustees are required to:

Report of the Trustees (continued)

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to the auditor

So far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware. Additionally, the Trustees have taken all the necessary steps that they ought to have taken as Trustees in order to make themselves aware of all relevant audit information and to establish that the charitable company's auditor is aware of that information.

Auditor

Kingston Smith LLP offer themselves for reappointment as auditor.

The Report of the Trustees (including the Strategic Report) were approved by the Board of Trustees (in their capacity as company directors) on 4 July 2018 and signed on its behalf by:

Sir John Scarlett
Chairman

Date: 4 July 2018

Independent auditor's report to the members of Bletchley Park Trust Limited

Opinion

We have audited the financial statements of Bletchley Park Trust Limited for the year ended 31 December 2017 which comprise the Group Statement of Financial Activities which incorporates the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2017 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Independent auditor's report to the members of Bletchley Park Trust Limited (continued)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Independent auditor's report to the members of Bletchley Park Trust Limited (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher

Independent auditor's report to the members of Bletchley Park Trust Limited (continued)

than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Date

James Cross (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Consolidated statement of financial activities (incorporating an income and expenditure account)

	Note	Unrestricted funds £	Restricted funds £	Total 2017 £	Unrestricted funds £	Restricted funds £	Total 2016 £
Income from:							
Donations and legacies	6	132,106	943,110	1,075,216	117,065	1,751,030	1,868,095
Other trading activities	7	1,274,523	-	1,274,523	931,213	-	931,213
Investments	8	322	-	322	48	-	48
Charitable activities	9	4,129,198	-	4,129,198	4,034,355	-	4,034,355
Other		18,970	-	18,970	15,427	-	15,427
Total income		5,555,119	943,110	6,498,229	5,098,108	1,751,030	6,849,138
Expenditure on:							
Raising funds							
Costs of generating voluntary income		243,978	-	243,978	222,502	-	222,502
Commercial trading operations		720,522	-	720,522	675,712	-	675,712
Charitable activities		4,278,037	650,637	4,928,674	3,920,486	362,093	4,282,579
Other		185,790	-	185,790	194,389	-	194,389
Total expenditure	10	5,428,327	650,637	6,078,964	5,013,089	362,093	5,375,182
Net income	13	126,792	292,473	419,265	85,019	1,388,937	1,473,956
Taxation credit	14	55,726	-	55,726	-	-	-
Transfers between funds	20, 21	436,507	(436,507)	-	303,407	(303,407)	-
Net movement in funds		619,025	(144,034)	474,991	388,426	1,085,530	1,473,956
Total funds brought forward at 1 January 2017		8,455,386	2,120,791	10,576,177	8,066,960	1,035,261	9,102,221
Total funds carried forward at 31 December 2017		9,074,411	1,976,757	11,051,168	8,455,386	2,120,791	10,576,177

All income and expenditure derive from continuing activities. The accompanying notes form an integral part of these financial statements.

Company Registration No. 2730618

Consolidated balance sheet

	Note	2017 £	2016 £
Fixed assets			
Heritage assets	15	4,284,188	4,166,002
Tangible assets	15	1,865,010	2,038,545
		<u>6,149,198</u>	<u>6,204,547</u>
Current assets			
Stocks	17	137,460	115,331
Debtors	18	411,414	712,764
Cash at bank and in hand		5,008,828	3,999,353
		<u>5,557,702</u>	<u>4,827,448</u>
Liabilities			
Creditors: amounts falling due within one year	19	<u>(655,732)</u>	<u>(455,818)</u>
Net current assets		<u>4,901,970</u>	<u>4,371,630</u>
Total net assets		<u><u>11,051,168</u></u>	<u><u>10,576,177</u></u>
The funds of the charity			
Restricted funds	20	1,976,757	2,120,791
Unrestricted funds:			
General funds	21	843,190	814,907
Designated funds	22	8,231,221	7,640,479
		<u>11,051,168</u>	<u>10,576,177</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 4 July 2018.

Sir John Scarlett
 Chairman

Company Registration No. 2730618

Charity balance sheet

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	15	1,860,773	2,036,667
Heritage assets	15	4,284,188	4,166,002
Investments	16	100	100
		<u>6,145,061</u>	<u>6,202,769</u>
Current assets			
Debtors	18	372,273	651,693
Cash at bank and in hand		5,280,529	5,615,852
		<u>5,652,802</u>	<u>6,267,545</u>
Liabilities			
Creditors: amounts falling due within one year	19	<u>(764,006)</u>	<u>(1,327,198)</u>
Net current assets		<u>4,888,796</u>	<u>4,940,347</u>
Total net assets		<u>11,033,857</u>	<u>11,143,116</u>
The funds of the charity			
Restricted funds	20	1,976,757	2,120,791
Unrestricted funds	21	825,879	1,381,846
Designated funds	22	8,231,221	7,640,479
		<u>11,033,857</u>	<u>11,143,116</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 4 July 2018.

Sir John Scarlett
 Chairman

The accompanying notes form an integral part of these financial statements.

Company Registration No. 2730618

Consolidated statement of cash flows

	2017 £	2016 £
Cash flow from operating activities		
Net income / (expenditure) before transfers	419,265	1,473,956
Adjustments for:		
Depreciation	800,129	738,975
Decrease/(increase) in stocks	(22,129)	81,272
Decrease/(increase) in debtors	357,076	(262,545)
Increase/(decrease) in creditors	199,914	(96,679)
Net cash generated from operating activities	1,754,255	1,934,979
Cash flows from investing activities		
Purchases of tangible fixed assets	(744,780)	(692,110)
Interest received	-	-
Net cash from investing activities	(744,780)	(692,110)
Net increase / (decrease) in cash in the year	1,009,475	1,242,869
Cash at the beginning of the year	3,999,353	2,756,484
Cash at the end of year	<u>5,008,828</u>	<u>3,999,353</u>
Increase in cash in the year is attributable to:		
Restricted funds	(144,034)	1,085,530
Unrestricted funds	1,153,509	157,339
	<u>1,009,475</u>	<u>1,242,869</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the financial statements

1 Charitable company information

Bletchley Park Trust Limited is a company limited by guarantee and has no share capital. Each member's liability is limited to £1. The Trust's subsidiary, Bletchley Park Company Limited is a company limited by shares. Both companies are registered in England. Bletchley Park Trust Limited is a registered charity governed by its articles of association.

2 Basis of preparation

These financial statements have been prepared in accordance with applicable UK accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006, the Charities Act 2011 and follows the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (the 'Charities SORP'). The financial statements have been prepared on the historical basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

Bletchley Park Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are presented in Pounds Sterling (£).

Group financial statements

The group financial statements consolidate the financial statements of the Trust and of its subsidiary undertaking drawn up to 31 December each year.

Going concern

After reviewing the group's forecast and projections, the Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

3 Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. No items in these financial statements include significant judgements and estimates that management has made in the process of applying the Trust's accounting policies or that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year.

Notes to the financial statements (continued)

4 Principal accounting policies

4.1 Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities (including special purpose entities) controlled by the company (its subsidiaries). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to benefit from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

4.2 Tangible assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Assets are capitalised where their value is greater than £1,000.

Heritage assets are those assets which have historic value and are held primarily for their contribution to knowledge and culture. Museum artefacts are not depreciated, but are subject to impairment reviews if they suffer physical deterioration or doubts arise as to their authenticity.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than long leasehold land, over their expected useful lives, using the straight-line method. The rates generally applicable are:

Heritage assets:

Leasehold buildings	Over the length of the lease
Restoration of derelict buildings	Over 25 years
Improvements to leasehold buildings	Over 10 years
Museum artefacts	No depreciation

Other tangible assets

Short leasehold property	Over the length of the lease
Fixtures and fittings	Over 4 years
Plant and machinery:	
Major exhibitions	Between 3 to 6 years
Display cases	Over 4 or 6 years
Car park works and safe	Over 10 years
Other plant & machinery	Over 4 years

Plant and machinery include exhibition costs.

Notes to the financial statements (continued)

4 Principal accounting policies (continued)

4.3 Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in income or expenditure.

If an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in income or expenditure.

4.4 Investments

Investments in shares of subsidiaries are carried at cost less amounts written off.

4.5 Stocks

Stocks are stated at the lower of cost, using the first in first out method, and selling price less costs to complete and sell.

4.6 Debtors

Short term debtors are measured at transaction price after any trade discount offered, less any impairment.

4.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

4.8 Creditors

Short term trade creditors are measured at transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

4.9 Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

4.10 Operating leases

Leases where the risk and title of the equipment remains with the lessor and the equipment is replaced before the end of its economic life are classified as operating leases. Rentals payable under operating leases are charged to the income or expenditure on a straight-line basis over the lease term.

Notes to the financial statements (continued)

4 Principal accounting policies (continued)

4.11 Provision for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation and a reasonable estimate can be made of the amount of the obligation.

The group does not recognise a provision for annual leave accrued by employees as a result of services rendered in the current period, as all employees are obliged to take all annual leave by the end of the financial year.

4.12 Taxation

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised when income or expenditure from a subsidiary have been recognised, and will be assessed for tax in a future period, except where:

- the group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of timing differences.

4.13 Income

Income is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Income includes revenue earned from the sale of goods and the rendering of services.

Donations and gifts

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Legacies are included when the charity is advised by the personal representative of an estate that payment will be made and the amount involved can be quantified. They are included in the statement of financial activities.

Voluntary help is not included as income.

Donations under Gift Aid together with the associated income tax recoveries are credited as income when the donations are received.

Museum admissions

Admissions to the museum for the general public entitle the visitor to free return admission to the museum over the next twelve months. Where a gift aid declaration has been made in respect of the admission paid this income, including the gift aid recovered, is reflected as museum income.

Notes to the financial statements (continued)

4 Principal accounting policies (continued)

Sponsorship income

Sponsorship income is recognised in line with the progress of the works covered by the sponsorship activity.

Investment income

Investment income, including associated income tax recoveries, is recognised when receivable.

4.14 Expenditure

Expenditure, which is charged on an accruals basis, is directly attributed where possible. The costs of functions which support more than one of the activities have been allocated to those activities on the basis of estimated time spent (staff and administration costs) or site area occupied (site costs). Costs classified as governance costs relate to the general running of the Trust and include the operations of the Board and addressing constitutional, audit and other statutory matters.

4.15 Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

4.16 Fund accounting

Restricted funds are to be used for specific purposes laid down by the donor. Expenditure for these purposes is charged to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

Designated funds are unrestricted funds which have been designated for specific purposes by the Trustees.

5 Net results from non-charitable trading activities of subsidiary

A summary of the results of the subsidiary company for the year ended 31 December 2017 is set out below:

	2017 £	2016 £
Turnover	1,270,521	923,994
Cost of sales	(359,268)	(362,636)
Gross profit	911,253	561,358
Net operating expenses	(327,003)	(289,273)
Profit before taxation	584,250	272,085
Taxation	-	-
Profit in subsidiary	584,250	272,085

Notes to the financial statements (continued)

5 Net results from non-charitable trading activities of subsidiary (continued)

The net assets and liabilities of the subsidiary were:

	2017 £	2016 £
Tangible fixed assets	4,237	1,878
Current assets	494,145	1,060,743
Creditors: amounts falling due within one year	(480,971)	(1,629,460)
Total net assets / (liabilities)	<u>17,411</u>	<u>(566,839)</u>
Aggregate share capital and reserves	<u>17,411</u>	<u>(566,839)</u>

6 Income from donations and legacies

	2017		2016	
	Unrestricted £	Restricted £	Unrestricted £	Restricted £
Donations	59,462	943,110	84,055	1,751,030
Legacies	4,000	-	-	-
Membership subscriptions	68,644	-	33,010	-
Amounts received in the year	<u>132,106</u>	<u>943,110</u>	<u>117,065</u>	<u>1,751,030</u>

7 Income from other trading activities

	2017		2016	
	Unrestricted £	Restricted £	Unrestricted £	Restricted £
Retail	772,729	-	779,543	-
Catering	131,632	-	137,292	-
Conference	0	-	7,271	-
Sponsorship	366,160	-	-	-
Other	4,002	-	7,107	-
	<u>1,274,523</u>	<u>-</u>	<u>931,213</u>	<u>-</u>

Notes to the financial statements (continued)

8 Investment income

	2017		2016	
	Unrestricted £	Restricted £	Unrestricted £	Restricted £
Other interest	322	-	48	-
	<u>322</u>	<u>-</u>	<u>48</u>	<u>-</u>

9 Income from charitable activities

	2017		2016	
	Unrestricted £	Restricted £	Unrestricted £	Restricted £
Museum	1,363,524	-	1,603,326	-
Museum – donations in lieu of admissions (including Gift Aid)	2,084,266	-	1,827,824	-
Property rentals and charges	395,482	-	381,244	-
Other	285,926	-	221,961	-
	<u>4,129,198</u>	<u>-</u>	<u>4,034,355</u>	<u>-</u>

Notes to the financial statements (continued)

10 Analysis of expenditure

	Direct costs £	Support costs (see below) £	2017 Total £	Direct costs £	Support costs (see below) £	2016 Total £
Unrestricted funds						
Raising funds						
Generating donations and grants	9,111	234,867	243,978	12,157	210,345	222,502
Trading costs: retail	359,352	235,495	594,847	373,141	205,167	578,308
Trading costs : catering	14,108	77,319	91,427	10,828	62,774	73,602
Fundraising : other	-	34,248	34,248	-	23,802	23,802
	<u>382,571</u>	<u>581,929</u>	<u>964,500</u>	<u>396,126</u>	<u>502,088</u>	<u>898,214</u>
Charitable activities						
Museum	324,516	2,881,853	3,206,369	374,503	2,576,616	2,951,119
Governance costs	-	256,264	256,264	-	186,938	186,938
Property rentals	-	343,232	343,232	-	328,019	328,019
Other	20,006	452,166	472,172	12,760	441,650	454,410
	<u>344,522</u>	<u>3,933,515</u>	<u>4,278,037</u>	<u>387,263</u>	<u>3,533,223</u>	<u>3,920,486</u>
Other expenditure	-	185,790	185,790	-	194,389	194,389
Total expenditure – unrestricted funds	<u>727,093</u>	<u>4,701,234</u>	<u>5,428,327</u>	<u>783,389</u>	<u>4,229,700</u>	<u>5,013,089</u>
Restricted funds						
Charitable activities : museum	302,906	347,731	650,637	123,416	238,677	362,093
	<u>1,029,999</u>	<u>5,048,965</u>	<u>6,078,964</u>	<u>906,805</u>	<u>4,468,377</u>	<u>5,375,182</u>

Notes to the financial statements (continued)

10 Analysis of expenditure (continued)

The costs of generating museum income include the costs of generating donations in lieu of admissions. The cost of functions which support more than one activity are allocated on the basis of time spent (staff and administration costs) or site area occupied (site costs). Other expenditure includes irrecoverable VAT that is not directly attributable.

Support costs:	Staff costs	Legal & professional	Other admin costs	Depreciation	Establishment costs	2017 Total	2016 Total
	£	£	£	£	£	£	£
Unrestricted funds							
Generating donations	137,524	5,601	74,079	5,820	11,843	234,867	210,345
Trading : retail	142,998	3,005	53,632	21,652	14,208	235,495	205,167
Trading : catering	16,146	452	5,981	15,368	39,372	77,319	62,774
Fundraising : other	24,859	-	9,389	-	-	34,248	23,802
Museum	1,116,069	166,091	523,559	677,221	398,913	2,881,853	2,576,616
Governance costs	135,438	81,803	38,520	503	-	256,264	186,938
Property rentals	77,753	21,024	17,192	45,086	182,177	343,232	328,019
Charitable : other	283,327	3,932	49,913	34,478	80,516	452,166	441,650
Other expenditure	-	-	185,790	-	-	185,790	194,389
	1,934,114	281,908	958,055	800,128	727,029	4,701,234	4,229,700
Restricted funds							
Charitable : museum	156,234	178,198	-	-	13,299	347,731	238,677
2017 totals	2,090,348	460,106	958,055	800,128	740,328	5,048,965	4,468,377
2016 totals	1,999,351	326,360	685,523	738,976	718,167	4,468,377	

Notes to the financial statements (continued)

10 Analysis of expenditure (continued)

Total expenditure includes:

	2017 £	2016 £
Auditor's remuneration:		
Audit services – current year	14,850	13,700
Audit services – additional previous year	-	3,202
Non-audit services	6,994	6,878
Depreciation:		
Heritage assets	156,071	148,435
Other tangible fixed assets	644,058	590,540
Hire of plant and machinery under operating leases	<u>111,742</u>	<u>112,814</u>

11 Employees

The average number of staff during the year was as follows:

	2017		2016	
	Average number	Full-time equivalent	Average number	Full-time equivalent
Administration	13	12	14	12
Site and security	16	15	16	14
Heritage incl collections and archive	36	27	38	28
Retail and admissions	9	6	9	6
Fundraising	5	5	3	3
Education	13	7	13	7
	<u>92</u>	<u>72</u>	<u>93</u>	<u>70</u>

Staff costs during the year were as follows:

	2017 £	2016 £
Wages and salaries	1,819,364	1,745,132
Social security costs	151,467	139,313
Employer's pension contributions	123,230	114,906
	<u>2,094,061</u>	<u>1,999,351</u>

Notes to the financial statements (continued)

11 Employees (continued)

During the year 4 employees were paid emoluments in excess of £60,000 as follows:

	2017	2016
	No	No
In the range of £100,000 to £110,000	1	1
In the range of £60,000 to £70,000	<u>3</u>	<u>3</u>

	2017	2016
	£	£
Contributions in the year for the provision of defined contribution schemes for those employees earning at a rate in excess of £60,000 per annum were:	<u>25,367</u>	<u>22,772</u>

Key management personnel include the Chief Executive Officer and the members of the Directors Executive reporting to the Chief Executive Officer. The total employee benefits of the Charity's key management personnel were £326,223 (2016: £319,358).

The Trustees received no remuneration or benefits in kind during the year. Travel expenses were reimbursed during the year to 5 (2016: 3) Trustees totalling £3,383 (2016: £2,186).

12 Corporation tax

Due to the company's charitable status, no corporation tax arises on the net incoming resources. No corporation tax liability arises on the profit for the year of the trading subsidiary due to losses brought forward.

13 Net income

The Trust has taken advantage of section 408 of the Companies Act 2006 and has not included its own income and expenditure account in these financial statements. The group surplus of income over expenditure for the year includes a deficit of £(164,985) for the Trust (2016: surplus £1,201,871, which is dealt with in these financial statements).

14 Taxation credit

The Trust was entitled to a tax credit under the Museums and Galleries Tax Relief for the period 1 April 2017 to 31 December 2017 as follows:

	2017	2016
	£	£
Taxation credit	<u>55,726</u>	<u>-</u>

Notes to the financial statements (continued)

15 Fixed assets

Heritage assets

Group and Charity	Long leasehold property £	Museum artefacts £	Total £
Cost			
At 1 January 2017	4,150,522	543,130	4,693,652
Additions	270,557	3,700	274,257
Disposals	-	-	-
At 31 December 2017	<u>4,421,079</u>	<u>546,830</u>	<u>4,967,909</u>
Depreciation			
At 1 January 2017	527,650	-	527,650
Provided in the year	156,071	-	156,071
On disposals	-	-	-
At 31 December 2017	<u>683,721</u>	<u>-</u>	<u>683,721</u>
Net book value at 31 December 2017	<u>3,737,358</u>	<u>546,830</u>	<u>4,284,188</u>
Net book value at 31 December 2016	<u>3,622,872</u>	<u>543,130</u>	<u>4,166,002</u>

Heritage assets represent the following heritage assets:

Long leasehold property

This is the Bletchley Park site and represents:

- the cost of the lease on acquisition in 2000, being £467,988, depreciated over the length of the lease (250 years), and
- significant improvements to the property as a result of restoration projects to previously derelict buildings around the site valued at cost, and depreciated over 25 years

The Trust recognises that the Bletchley Park site is a unique site and a site of historic significance. It is held by the Trust for its contribution to knowledge and culture. The site is recognised as a designated heritage asset by Historic England and most of the buildings are protected by a Grade II listing.

On acquisition of the lease, a number of buildings were in a derelict condition. Initially the Trust undertook minor repairs and restoration of buildings which were acquired in a habitable state. The costs of these works have been treated as expenditure in the years it was incurred, and continues to be so. In recent years, the Trust has restored a number of key buildings around the site that were derelict, and the costs of these building works (including any associated infrastructure works and fixture and fitting improvements / replacements but excluding any professional fees and external landscaping works) have been capitalised. These works are depreciated over 25 years as this is felt to represent the long-term benefit of these works to those buildings.

Notes to the financial statements (continued)

15 Fixed assets (continued)

Heritage assets (continued)

All renovation and restoration works ensure buildings are returned to their World War II condition, focussing on reusing original materials wherever possible and do not enhance the buildings, other than as directed by Building Control and agreed with Historic England. The Trust has in place an ongoing maintenance plan to ensure that periodic works are performed to all buildings on site, subject to those buildings that are leased to tenants with tenant-repairing requirements, to ensure those buildings remain in good condition and do not deteriorate further.

Additions to long leasehold property in 2017 include restoration works to Teleprinter Building totalling £253,053, which were not completed by the year end, and therefore no depreciation has yet been accounted for in respect of these works.

Museum artefacts

Certain museum artefacts have been acquired by the Trust for use as museum artefacts and for their contribution to knowledge and culture. These assets are recognised to have indefinite lives and are therefore not depreciated in accordance with the fixed asset policy and FRS 102. At each year end each asset is reviewed for any impairment, due to physical deterioration, breakage, new evidence giving rise to its authenticity, or other factors.

At 31 December 2017, museum artefacts that have been capitalised represents:

- 6 x Enigma / cryptography machines costing £236,830 in total.
- "Turing Papers", a collection of rare annotated mathematical papers costing £310,000 in total.

Tangible assets

Group	Short leasehold property £	Fixtures and fittings £	Plant and machinery £	Total £
Cost				
At 1 January 2017	10,788	206,003	3,461,875	3,678,666
Additions	-	5,393	465,130	470,523
Disposals	-	(12,083)	(20,909)	(32,992)
At 31 December 2017	<u>10,788</u>	<u>199,313</u>	<u>3,906,096</u>	<u>4,116,197</u>
Depreciation				
At 1 January 2017	719	146,534	1,492,868	1,640,121
Provided in the year	720	37,695	605,643	644,058
On disposals	-	(12,083)	(20,909)	(32,992)
At 31 December 2017	<u>1,439</u>	<u>172,146</u>	<u>2,077,602</u>	<u>2,251,187</u>
Net book value at 31 December 2017	<u>9,349</u>	<u>27,167</u>	<u>1,828,494</u>	<u>1,865,010</u>
Net book value at 31 December 2016	<u>10,069</u>	<u>59,469</u>	<u>1,969,007</u>	<u>2,038,545</u>

Notes to the financial statements (continued)

15 Tangible assets (continued)

Charity	Short leasehold property £	Fixtures and fittings £	Plant and machinery £	Total £
Cost				
At 1 January 2017	10,788	175,899	3,423,872	3,610,559
Additions	-	5,393	461,264	466,657
Disposals	-	(12,083)	(20,909)	(32,992)
At 31 December 2017	<u>10,788</u>	<u>169,209</u>	<u>3,864,227</u>	<u>4,044,224</u>
Depreciation				
At 1 January 2017	719	116,614	1,456,559	1,573,892
Provided in the year	720	37,511	604,320	642,551
On disposals	-	(12,083)	(20,909)	(32,992)
At 31 December 2017	<u>1,439</u>	<u>142,042</u>	<u>2,039,970</u>	<u>2,183,451</u>
Net book value at 31 December 2017	<u>9,349</u>	<u>27,167</u>	<u>1,824,257</u>	<u>1,860,773</u>
Net book value at 31 December 2016	<u>10,069</u>	<u>59,285</u>	<u>1,967,313</u>	<u>2,036,667</u>

16 Fixed asset investment

	2017 £	2016 £
100 £1 Ordinary shares in Bletchley Park Company Limited	<u>100</u>	<u>100</u>

The investment represents 100% of the issued share capital of Bletchley Park Company Limited. The activity of the company is that of carrying out the trading activities at the museum site. This company has been included within the consolidated accounts.

17 Stocks

Group	2017 £	2016 £
Stock of goods for resale	<u>137,460</u>	<u>115,331</u>

Notes to the financial statements (continued)

18 Debtors

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	206,195	330,812	169,246	272,589
Amounts owed by group companies				
Taxation credit	55,726	-	55,726	-
Other debtors	7,490	11,427	7,490	9,966
Prepayments and accrued income	142,003	370,525	139,811	369,138
	411,414	712,764	372,273	651,693

19 Creditors: amounts falling due within one year

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Trade creditors	148,388	273,265	124,578	262,409
Amounts owed to group companies	-	-	317,543	884,341
Social security and other taxes	132,082	48,125	97,584	48,125
Other creditors	36,828	30,320	34,980	29,304
Accruals and deferred income	338,434	104,108	189,321	103,019
	655,732	455,818	764,006	1,327,198

20 Restricted funds

The group and charity

	Opening funds 1 Jan 2017 £	Income from fundraising £	Transfers between funds £	Expend- iture £	Closing funds 31 Dec 2017 £
Phase 1 development	77,758	-	-	(8,434)	69,324
Phase 2 development	16,589	430,929	-	-	447,518
Phoenix appeal	1,279,542	-	(367,300)	(105,417)	806,825
STACCess	67,598	135,630	-	(198,034)	5,194
Eranda Foundation	14,206	-	-	(11,752)	2,454
Archivist funding	11,188	32,360	-	(28,299)	15,249
EH/MK Council fund	135,816	-	-	(4,865)	130,951
Intel Security online safety	30,242	85,000	-	(54,473)	60,769
Teleprinter Hall exhibition	162,786	-	-	-	162,786
Turing Education Officer	33,467	-	-	(21,625)	11,842
Other small projects	291,599	259,191	(69,207)	(217,738)	263,845
	2,120,791	943,110	(436,507)	(650,637)	1,976,757

Notes to the financial statements (continued)

20 Restricted funds (*continued*)

Museum development – phase 1

Funds held for the final works of the phase 1 (Neptune) development of the Museum, including works to certain code-breaking huts and Blocks used during World War Two.

Museum development – phase 2

Funds raised in preparation for the phase 2 (Overlord) development of the Museum, including development funding.

Phoenix appeal

A fundraising campaign to secure funds for the restoration of Huts 11 and 11A used to house Bombe machines during World War Two.

STACCess

The Trust has received funding from MK Council to employ staff to run the Specialist Training, Activities and Cataloguing for Collections access project development phase for Milton Keynes (otherwise known as STACCess: MK) on behalf of the council and its heritage partners for their HLF project.

Eranda Foundation

A grant received to employ two apprentices of school leaver age as support for the Trust.

Turing Education Officer and Archivist funding

Grants received to fund the employment of an Education Officer and an Archivist for the Trust to be employed for three years.

EH / MK Council

Funding to support conservation work at Bletchley Park.

Intel Security online safety

Funding by Intel Security to sponsor an international Cyber Security Exhibition and Computer Learning Zone and an Online Safety Education Officer who will provide e-learning strategies, advice and training.

Teleprinter Building exhibition

A project to develop a new exhibition in Teleprinter Building, telling the impact of Bletchley Park's war-winning intelligence to the D-Day successes.

Other small projects

A number of small projects, including funding from Goldman Sachs to run a bursary scheme, and participation in local and community projects.

Transfers between funds

Transfers between funds represent transfers from restricted funds to designated funds in respect of fixed assets purchased from restricted fund donations where the asset is held for a general and not a restricted purpose, or offsets between funds for the same purpose.

Notes to the financial statements (continued)

21 Unrestricted funds

The group	Designated funds	Charity Funds	Non charitable funds	Total 2017	Total 2016
	£	£	£	£	£
As at 1 January 2017	7,640,479	1,381,846	(566,939)	8,455,386	8,066,960
Incoming resources	-	4,284,598	1,270,521	5,555,119	5,098,108
Resources expended	-	(4,742,056)	(686,271)	(5,428,327)	(5,013,089)
Taxation credit	-	55,726	-	55,726	-
Transfers – designated	154,235	(154,235)	-	-	-
Transfers – restricted	436,507	-	-	436,507	303,407
As at 31 December 2017	8,231,221	825,879	17,311	9,074,411	8,455,386

The charity	Designated funds	Charity Funds	Total 2017	Total 2016
	£	£	£	£
At 1 January 2017	7,640,479	1,381,846	9,022,325	8,905,984
Incoming resources	-	4,284,598	4,284,598	4,174,114
Resources expended	-	(4,742,056)	(4,742,056)	(4,361,180)
Taxation credit	-	55,726	55,726	-
Transfers – designated	154,235	(154,235)	-	-
Transfers – restricted	436,507	-	436,507	303,407
Closing funds at 31 December 2017	8,231,221	825,879	9,057,100	9,022,325

Notes to the financial statements (continued)

22 Designated funds

	As at 1 Jan 2017 £	Transfers – charity funds £	Transfers – restricted funds £	As at 31 Dec 2017 £
Tangible fixed assets	6,204,546	(491,856)	436,507	6,149,197
Exhibition Development fund	156,543	54,000	-	210,543
Rolling Maintenance fund	350,000	-	-	350,000
Deferred Expenditure fund	229,390	(47,909)	-	181,481
Project Overlord fund	700,000	640,000	-	1,340,000
	<u>7,640,479</u>	<u>154,235</u>	<u>436,507</u>	<u>8,231,221</u>

Tangible fixed assets relate to all tangible fixed assets held not for a restricted purpose.

The Exhibition Development fund represents monies set aside to be used for the future development and refreshment of museum exhibitions. A refreshment programme is being established with a view to updating major exhibitions every 4 to 5 years.

The Rolling Maintenance fund is available to support a cyclical rolling maintenance plan of refurbished buildings. This plan is being developed and the optimum level of this fund is being established.

The Deferred Expenditure fund is for planned expenditure in 2017 that will not be completed until 2018.

The Project Overlord fund is to support the costs of the next major development planned for the Trust. The Trust recognises it needs to set aside funds for this crucial project as a result of the surplus earned during the year.

Notes to the financial statements (continued)

23 Analysis of net assets between funds

The group	Tangible fixed assets £	Current assets £	Current liabilities £	Total £
Unrestricted funds	6,149,198	3,580,945	(655,732)	9,074,411
Restricted funds	-	1,976,757	-	1,976,757
2017 total funds	6,149,198	5,557,702	(655,732)	11,051,168
Unrestricted funds	6,204,547	2,706,657	(455,818)	8,455,386
Restricted funds	-	2,120,791	-	2,120,791
2016 total funds	6,204,547	4,827,448	(455,818)	10,576,177

The charity	Tangible fixed assets £	Current assets £	Current liabilities £	Total £
Unrestricted funds	6,145,061	3,676,045	(764,006)	9,057,100
Restricted funds	-	1,976,757	-	1,976,757
2017 total funds	6,145,061	5,652,802	(764,006)	11,033,857
Unrestricted funds	6,202,769	4,146,754	(1,327,198)	9,022,325
Restricted funds	-	2,120,791	-	2,120,791
2016 total funds	6,202,769	6,267,545	(1,327,198)	11,143,116

24 Contingent liabilities

The Charity has an unlimited cross guarantee with Bletchley Park Company Limited, in favour of HSBC Bank.

25 Leasing commitments

The group's future minimum operating lease payments are as follows:

	2017		2016	
	Group £	Charity £	Group £	Charity £
Within one year	80,011	80,011	112,278	112,278
Between one and five years	68,400	68,400	148,411	148,411
After more than five years	-	-	-	-
	148,411	148,411	260,689	260,689

Notes to the financial statements (continued)

26 Financial risk management

The group has one main area of financial risk – liquidity risk.

Liquidity risk

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows. The group's liquidity is regularly reviewed and a minimum level of free reserves identified. If it becomes likely that the minimum level of free reserves will be needed to support short-term liquidity needs, further action would be taken to reduce outgoings and identify alternative courses of action to remedy liquidity risks.

27 Financial assets and liabilities

Group

	2017 £	2016 £
Financial assets measured at amortised cost	<u>493,148</u>	<u>828,095</u>
Financial liabilities measured at amortised cost	<u>655,732</u>	<u>455,818</u>

28 Operating lease income

The group's future income from rental agreements are as follows:

	2017		2016	
	Group £	Charity £	Group £	Charity £
Within one year	278,844	278,844	278,844	278,844
Between one and five years	643,008	643,008	796,076	796,076
After more than five years	801,739	801,739	923,690	923,690
	<u>1,723,591</u>	<u>1,723,591</u>	<u>1,998,610</u>	<u>1,998,610</u>