

BLETCHLEY PARK

Bletchley Park Trust Limited
and its subsidiary undertaking
Financial statements
For the year ended 31 December 2018

Company no. 2730618
Charity no. 1012743

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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 David Brown (Chair) (appointed 12 February 2019)
- Mr Duncan Phillips (Vice-Chair)
- Professor Liz Bacon
- Miss Natalie Black (retired 21 August 2018)
- Mr John Brookes (retired 4 July 2018)
- Mr Oliver Brookshaw
- Ms Liz Bushell
- Mr Jon Card
- Sir Roger Carr (appointed 23 January 2018, retired 14 May 2019)
- Mr Robert Hannigan
- Mrs Judith Hodsdon (retired 20 March 2018)
- Mr Charles Macdonald
- Professor Andrew Martin
- Mrs Hilary McGowan
- Mr Mike Sarna (retired 22 March 2019)
- Sir John Scarlett (retired 20 November 2018)
- Mr Adam Singer
- Mr Michael Smith (retired 4 July 2018)
- Sir John Dermot Turing
- Mr Alan Whelan

Audit Committee (with effect from 11 June 2019):

- Ms Liz Bushell (Chair)
- Mr Jon Card
- Mr Charles Macdonald
- Mr Adam Singer
- Sir Dermot Turing
- Mr Alan Whelan

Reference and administrative details (continued)

Nomination and Remuneration
Committee: Mr Duncan Phillips (Chair)
Sir David Brown
Mrs Hilary McGowan
Mr Adam Singer
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 2018. 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 and amended on 11 June 2019.

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 certain powers within stated terms of reference to Committees. The Board meets formally four 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.

During 2018 and until 11 June 2019, there were five Committees: the Audit and Governance Committee, the Finance Committee, the Strategic Planning Committee, the Nomination and Remuneration Committee and the Learning Committee.

Following the appointment of a new Chair in February 2019, the Board has reviewed the working practices and activity of the Board and its Committees. As a result, there are currently two Committees: the Audit Committee and the Nomination and Remuneration Committee.

The Audit 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 and risk management. The Committee meets at least four times per year.

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.

Report of the Trustees (continued)

The Board delegates the day-to-day management 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 having regard 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 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 candidates. Trustees are appointed by the Trust Board.

Following appointment all 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.

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 expenses are disclosed in notes 11 and 30 to the financial statements respectively. 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.

Report of the Trustees (continued)

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.

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 2018. Trustees also attend various Committee meetings each year.

	Trust Board attendance	Committee attendance (no of meetings)			
		NRC	AGC	FC	SPC
Sir John Scarlett	6/6	1/1			
Prof Liz Bacon	5/6		1/1		3/4
Miss Natalie Black	4/4		1/2		
Mr John Brookes	4/4	1/1			3/3
Mr Oliver Brookshaw	4/6		3/3		
Ms Liz Bushell	5/6		2/2		
Mr Jon Card	5/6			1/2	
Sir Roger Carr	5/5				
Mr Robert Hannigan	4/6				1/2
Mrs Judie Hodsdon	2/2		1/1		1/1
Mr Charles Macdonald	6/6		1/2	1/1	3/4
Prof Andrew Martin	4/6				
Mrs Hilary McGowan	4/6	1/1			2/4
Mr Duncan Phillips	6/6	1/1			4/4
Mr Mike Sarna	3/6		2/2	1/1	
Mr Adam Singer	6/6	1/1	2/2	1/1	
Mr Michael Smith	3/4				
Sir Dermot Turing	5/6			2/2	1/1
Mr Alan Whelan	6/6			1/2	
Mr Iain Standen (CEO)	6/6	1/1	3/3	2/2	4/4

NRC – Nomination and Remuneration Committee
 AGC – Audit and Governance Committee
 FC – Finance Committee
 SPC – Strategic Planning Committee

Report of the Trustees (continued)

Objectives and activities

Objects

As set out in the Trust's Articles of Association (as updated on 11 June 2019):

The objects ('Objects') for which the Trust is established are to advance the education of the public, to conserve the historic World War Two site at Bletchley Park and to advance the arts, culture, heritage and science: and in furtherance (but without limitation) thereof, the Trust may:

- 1) establish and develop museums, including one at Bletchley Park;
- 2) conserve, restore and develop historic buildings at Bletchley Park;
- 3) research, conserve, develop and promote knowledge and understanding of the activities which took place at Bletchley Park during World War 2 and their continuing relevance;
- 4) provide relevant, appropriate and engaging educational experiences suitable for all types of learners, including visitors, students, off-site audiences and informal learners, and to provide facilities to assist learning professionals;
- 5) collect, safeguard and make accessible documents, photographs, recordings, plans, paintings, drawings and other artefacts; and/or
- 6) *provide lectures, seminars, tutorials and publish books, leaflets, films, videos, recordings and pictures.*

Our Vision

Bletchley Park will be recognised and acknowledged worldwide for the achievements that took place here in World War Two, and how and why these remain relevant today.

Our Mission Statement

To attract, engage and educate people from all over the world in order to inspire them with Bletchley Park's crucial role in World War Two.

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 and, where appropriate, through redevelopment for purposes aligned with our vision and mission statement.

Report of the Trustees (continued)

Public benefit (continued)

- 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 WW2. 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. Children under 12 are offered free entry to the Park.
- 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.
 - 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.
 - Informal learning opportunities for all visitors, through our exhibits, by using a variety of interpretation techniques to ensure the content is accessible and informative.
- 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 can 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.
 - 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, 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 November 2018, the Trust Board updated its 10 Year Strategy for Bletchley Park and agreed six high level strategic goals to enable delivery of the Trust's vision:

- 1) To complete the preservation and enhancement of the iconic and historic buildings, and estate, of Bletchley Park.
- 2) To maximise the Bletchley Park offer by creating informative, engaging, enjoyable and educational experiences that highlight its story and explain its relevance to today.
- 3) To be a recognised authority on Bletchley Park history, and the guardians of its collections.
- 4) To be a cultural leader, locally and nationally, that promotes and champions best practice within the culture and heritage sector.
- 5) To maximise the financial resilience, organisational efficiency and long-term sustainability of the organisation.
- 6) To be the best we can in how we lead, manage and invest in our people.

Achievements and performance

2018 saw the delivery of the following priorities agreed by the Trust Board as part of the 2018 Annual Plan:

1) Planning and preparing for the next stage of the Trust's strategy

2018 saw revision of the Trust's top-level strategy and 10 year planning, including development of the plans for re-occupation of Blocks A & E at the end of the current tenancy. Good progress has been made with the fundraising for the second stage of our restoration plan.

A number of new Trustees were recruited in 2018 and a new Chair appointed in February 2019. Our new Director of Development joined the team in April 2018.

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 in the Park.

Report of the Trustees (continued)

2) Attracting, engaging and educating people

2018 saw an increase in visitor numbers over previous years, achieving in excess of 257,000 general and group visitors and a further 30,000 school pupils and teachers. Delivering excellent customer service remains a priority: we have retained our Visitor England Welcome Award. Alongside this, we have enhanced both our onsite and outreach formal learning programmes, including developing our family workshops and tours, self-guided tour resources and trialling an adult learning offer. The Learning team also completed a review of its activities and is developing a strategy for the planned future growth in formal learning.

We continue to ensure we offer a varied and changing programme of exhibitions, events and other activities for visitors to the site. March 2019 saw the completion of our Hut 11A exhibition: *The Bombe Breakthrough*, which was formally opened by our Royal Patron His Royal Highness The Duke of Kent. Alongside this, we have opened our *Veterans' Stories* exhibition sharing some of our Oral Histories in the Garden Room and hosted two temporary exhibitions; *Bond at Bletchley* and *Systems of Philosophy - Wallpaper(s) of Mind*. 2018 also saw research and development of our D-Day exhibition, *D-Day: Interception, Intelligence, Invasion*, which opened in Teleprinter Building in April 2019.

Ongoing works continues collecting as many veteran stories as possible, exploring and digitising our collection and sharing our collection via our website, with our Collections Uncovered highlights 1 to 13 shared online during 2018.

3) Supporting and sustaining the business

Our commercial activity has included the ongoing development of gift products which has helped enhance our retail offer. Behind the scenes, restoration works to the Teleprinter Building were completed by the winter, preparing the building for our new D-Day exhibition. Other works focussed on improving external lighting, repairing a number of water leaks, and improving pavements and landscaping. Work also commenced on replacing certain areas of Block H roof.

Investment has been made in our IT systems and software. A new CRM system was introduced in 2018, a volunteer management system is being rolled out and elements of our IT infrastructure have been upgraded.

Financial review

Visitor levels exceeded budget for the year, and exceeded previous years, generating additional unbudgeted income. This resulted in a surplus on unrestricted funds of £796,843, after depreciation charged of £858,365, which is significantly ahead of budget (the significant depreciation charge is due to capital works funded by restricted funds).

This excellent result arises from tight budgets and careful cost control by the teams, allowing the Trust to set aside further funds to support our capital plans over the next three years.

The operations team continues to focus on maximising visitor spends through expanding the product range in the gift shop, 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)

2018 also saw increased investment in our marketing activities, recognising the potential to raise our profile further to encourage both new and returning visitors. Focus has been made on driving awareness of our D-Day exhibition: *Interception, Intelligence, Invasion* which opened to the public in April 2019.

2018 saw significant investment by the Trust in our D-Day exhibition, which was made possible through the support of BT, the Sole Corporate Partner of the restoration and the Sole Partner of the exhibition. The Teleprinter Building restoration project has had additional generous support from The Linbury Trust, The Gosling Foundation, The Hobson Charity and The Wolfson Foundation.

This sponsorship income, along with the results of our retail and catering operations undertaken by the trading subsidiary, Bletchley Park Company Limited, resulted in a surplus in the trading subsidiary of £1,518,747 in 2018. This surplus will be donated to Trust in 2019 and a significant sum set aside into a designated fund for our future plans.

Plans for future periods

The Trust's new D-Day exhibition: *Interception, Intelligence and Invasion*, was officially opened by HRH The Duchess of Cambridge on 14 May 2019. The Duchess toured the introductory exhibition, viewed the immersive cinematic experience and observed schoolchildren participating in the Trust's new D-Day learning session. This new exhibition is a crucial addition to the Bletchley Park offer, which allows visitors to understand the vital importance of the ULTRA intelligence produced at Bletchley Park, and the impact it had on one of the most important military operations of the twentieth-century.

Because of this, the 2019 budget anticipates a growth in visitor levels as a result of this exhibition. The resulting income has allowed the Trust to increase team budgets cautiously following the spending constraints of recent years. This includes funding additional staff posts and activities to ensure our offer is maintained at the current high level to meet visitor expectations and allow minor increases to spends for marketing, IT and site maintenance.

The Trust is also fundraising for its current capital campaign for Phase Two of our restoration: the redevelopment of Blocks A & E (Project Overlord), which will enable:

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 Learning 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, school children, scholars and researchers from around the world.

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

Report of the Trustees (continued)

Plans for future periods (continued)

Alongside this, the Trust Board continues to develop and to update its ten-year strategy and plans. The Trust aspires to earn sufficient visitor income to allow it to support its own rolling maintenance and exhibition refreshment costs from its own funds, whilst relying on external funds for significant capital projects.

Fundraising activity

The Trust has a dedicated Development team which has grown to a team of six in 2019. 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, 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.

The Trust does not use external fundraisers or commercial participators, but may seek legal advice where necessary. The fundraising focus is on developing relationships with charitable trusts, local and central authorities, individuals 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 our Veterans may be vulnerable, and so the team exercises care and follows processes of due diligence 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 free reserves. Free reserves are calculated as net funds less restricted funds, fixed assets and other designated funds. 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 enough to cover three months' budgeted operational expenditure. At the end of 2018, this optimum equals £1,250,000. The Trust is pleased to report that it has achieved its chosen level of free reserves and the 2018 financial statements show free reserves for the group (comprising the Trust and Bletchley Park Company Limited) of £1,515,389 at the year-end (2017: £787,464). It should be noted that most of these free reserves are held in the trading subsidiary at the year end. Subsequent to the year end, a gift-aided donation of £1,400,000 was made by the subsidiary to the Trust, of which £260,000 has been designated to the Project Overlord fund, with free reserves accordingly reduced to £1,255,389.

The Trust recognises that it needs to generate enough funds to support the Museum refreshment and the rolling maintenance of the site and its buildings. Designated funds, totalling £570,543 (2017: £560,543), 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 the next three years.

Report of the Trustees (continued)

Reserves policy (continued)

A Project Overlord fund is in place to designate 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. 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 2018 but not delivered until 2019, which will be spent in 2019.

Restricted funds comprise funds committed for specific purposes under terms set out by the donors and funders. At 31 December 2018 these totalled £1,602,316.

Principal risks and uncertainties

The Board of Trustees maintains 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 Committee and consideration of the risk register is undertaken at every meeting of the Trust Board. 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.

With regard to our IT data and systems, the Trust's IT strategy aims to ensure the Trust remains able to secure its data and information flows. The Trust has ongoing investment in its IT infrastructure and systems, to protect against hacking or other cyber-attack, and has retained its Cyber Security Essentials Plus accreditation.

Constraints on future development

The Trust is at present in a financially stable position, having generated enough 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 of the site and 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 long-term Financial Plan.

Report of the Trustees (continued)

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 (comprising the charitable company, Bletchley Park Trust Limited, and its trading subsidiary, Bletchley Park Company Limited) and of the income and expenditure of the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 11 June 2019 and signed on its behalf by:

Sir David Brown
Chairman

Date: 11 June 2019

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 2018 which comprise the Consolidated statement of financial activities which incorporates an income and expenditure account, the Consolidated and Charity balance sheets, the Consolidated statement of cash flows 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 charitable company's affairs as at 31 December 2018 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.

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.

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

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 and the Trustees' annual report (including the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' annual report (including the strategic report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and 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 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 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.

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 14, 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 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 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

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

the date of our auditor's report. However, future events or conditions may cause the group or 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.

Use of our report

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.

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 2018 £	Unrestricted funds £	Restricted funds £	Total 2017 £
Income from:							
Donations and legacies	6	89,806	638,625	728,431	132,106	943,110	1,075,216
Other trading activities	7	2,233,943	-	2,233,943	1,274,523	-	1,274,523
Investments	8	4,682	-	4,682	322	-	322
Charitable activities	9	4,490,485	-	4,490,485	4,129,198	-	4,129,198
Other		9,772	-	9,772	18,970	-	18,970
Total income		6,828,688	638,625	7,467,313	5,555,119	943,110	6,498,229
Expenditure on:							
Raising funds							
Costs of generating voluntary income		235,253	-	235,253	243,978	-	243,978
Commercial trading operations		744,755	-	744,755	720,522	-	720,522
Charitable activities		4,875,669	441,506	5,317,175	4,278,037	650,637	4,928,674
Other		176,168	-	176,168	185,790	-	185,790
Total expenditure	10	6,031,845	441,506	6,473,351	5,428,327	650,637	6,078,964
Net income	13	796,843	197,119	993,962	126,792	292,473	419,265
Taxation credit	14	117,995	-	117,995	55,726	-	55,726
Transfers between funds	20, 21	571,560	(571,560)	-	436,507	(436,507)	-
Net movement in funds		1,486,398	(374,441)	1,111,957	619,025	(144,034)	474,991
Total funds brought forward at 1 January 2018		9,074,411	1,976,757	11,051,168	8,455,386	2,120,791	10,576,177
Total funds carried forward at 31 December 2018		10,560,809	1,602,316	12,163,125	9,074,411	1,976,757	11,051,168

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	2018 £	2017 £
Fixed assets			
Heritage assets	15	4,667,721	4,284,188
Tangible assets	15	2,425,950	1,865,010
		<u>7,093,671</u>	<u>6,149,198</u>
Current assets			
Stocks	17	141,327	137,460
Debtors	18	519,861	411,414
Cash at bank and in hand		5,320,298	5,008,828
		<u>5,981,486</u>	<u>5,557,702</u>
Liabilities			
Creditors: amounts falling due within one year	19	<u>(912,032)</u>	<u>(655,732)</u>
Net current assets		<u>5,069,454</u>	<u>4,901,970</u>
Total net assets		<u>12,163,125</u>	<u>11,051,168</u>
The funds of the charity			
Restricted funds	20	1,602,316	1,976,757
Unrestricted funds:			
General funds	21	1,515,389	843,190
Designated funds	22	9,045,420	8,231,221
		<u>12,163,125</u>	<u>11,051,168</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 11 June 2019.

Sir David Brown
 Chairman

Company Registration No. 2730618

Charity balance sheet

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	15	2,422,146	1,860,773
Heritage assets	15	4,667,721	4,284,188
Investments	16	100	100
		<u>7,089,967</u>	<u>6,145,061</u>
Current assets			
Debtors	18	501,476	372,273
Cash at bank and in hand		3,747,525	5,280,529
		<u>4,249,001</u>	<u>5,652,802</u>
Liabilities			
Creditors: amounts falling due within one year	19	<u>(669,005)</u>	<u>(764,006)</u>
Net current assets		<u>3,579,996</u>	<u>4,888,796</u>
Total net assets		<u>10,669,963</u>	<u>11,033,857</u>
The funds of the charity			
Restricted funds	20	1,602,316	1,976,757
Unrestricted funds	21	22,227	825,879
Designated funds	22	9,045,420	8,231,221
		<u>10,669,963</u>	<u>11,033,857</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 11 June 2019.

Sir David Brown
 Chairman

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

Company Registration No. 2730618

Consolidated statement of cash flows

	2018 £	2017 £
Cash flow from operating activities		
Net income / (expenditure) before transfers	1,111,957	419,265
Adjustments for:		
Depreciation	858,365	800,129
Adjustment of disposal	2,133	-
(Increase) in stocks	(3,866)	(22,129)
(Increase)/decrease in debtors	(108,447)	357,076
Increase in creditors	256,300	199,914
Net cash generated from operating activities	2,116,442	1,754,255
Cash flows from investing activities		
Purchases of tangible fixed assets	(1,804,972)	(744,780)
Interest received	-	-
Net cash outflow from investing activities	(1,804,972)	(744,780)
Net increase in cash in the year	311,470	1,009,475
Cash at the beginning of the year	5,008,828	3,999,353
Cash at the end of year	<u>5,320,298</u>	<u>5,008,828</u>
Increase in cash in the year is attributable to:		
Restricted funds	(374,441)	(144,034)
Unrestricted funds	685,911	1,153,509
	<u>311,470</u>	<u>1,009,475</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 charitable company (the charity) limited by guarantee and has no share capital. Each member's liability is limited to £1. Its 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 charity 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 charity'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 charity and its wholly-owned subsidiary. 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.

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.

Notes to the financial statements (continued)

4 Principal accounting policies (continued)

4.3 Impairment of assets (continued)

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 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.

4.5 Debtors

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

4.6 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.

4.7 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.

4.8 Financial instruments

The charity 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.

4.9 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.

4.10 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.

Notes to the financial statements (continued)

4 Principal accounting policies (*continued*)

4.11 Taxation

The charity is exempt from tax on income and gains falling within s466-493 of the Corporation Tax Act 2010 and s256 of the Taxation of Chargeable Gains Act 1992 to the extent these are applied to its charitable objects. No tax charges have arisen in the charity.

4.12 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 charity becomes entitled to the funds and receipt is probable.

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.

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.

4.13 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 charity and include the operations of the Board and addressing constitutional, audit and other statutory matters.

4.14 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.

Notes to the financial statements (continued)

4 Principal accounting policies (continued)

4.15 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 2018 is set out below:

	2018 £	2017 £
Turnover	2,230,512	1,270,521
Cost of sales	<u>(351,296)</u>	<u>(359,268)</u>
Gross profit	1,879,216	911,253
Net operating expenses	<u>(360,469)</u>	<u>(327,003)</u>
Profit before taxation	1,518,747	584,250
Taxation	-	-
Profit in subsidiary	<u>1,518,747</u>	<u>584,250</u>

The net assets and liabilities of the subsidiary were:

	2018 £	2017 £
Tangible fixed assets	3,804	4,237
Current assets	1,737,328	494,145
Creditors: amounts falling due within one year	<u>(247,870)</u>	<u>(480,971)</u>
Total net assets / (liabilities)	<u>1,493,262</u>	<u>17,411</u>
Aggregate share capital and reserves	<u>1,493,262</u>	<u>17,411</u>

Notes to the financial statements (continued)

6 Income from donations and legacies

	2018		2017	
	Unrestricted £	Restricted £	Unrestricted £	Restricted £
Donations	26,010	638,625	59,462	943,110
Legacies	4,558	-	4,000	-
Membership subscriptions	59,238	-	68,644	-
Amounts received in the year	<u>89,806</u>	<u>638,625</u>	<u>132,106</u>	<u>943,110</u>

7 Income from other trading activities

	2018		2017	
	Unrestricted £	Restricted £	Unrestricted £	Restricted £
Retail	866,815	-	772,729	-
Catering	135,256	-	131,632	-
Sponsorship	1,228,441	-	366,160	-
Other	3,431	-	4,002	-
	<u>2,233,943</u>	<u>-</u>	<u>1,274,523</u>	<u>-</u>

8 Investment income

	2018		2017	
	Unrestricted £	Restricted £	Unrestricted £	Restricted £
Other interest	4,682	-	322	-
	<u>4,682</u>	<u>-</u>	<u>322</u>	<u>-</u>

9 Income from charitable activities

	2018		2017	
	Unrestricted £	Restricted £	Unrestricted £	Restricted £
Museum	1,653,603	-	1,363,524	-
Museum – donations in lieu of admissions (including Gift Aid)	2,069,945	-	2,084,266	-
Property rentals and charges	419,176	-	395,482	-
Other	347,761	-	285,926	-
	<u>4,490,485</u>	<u>-</u>	<u>4,129,198</u>	<u>-</u>

Notes to the financial statements (continued)

10 Analysis of expenditure

	Direct costs £	Support costs (see below) £	2018 Total £	Direct costs £	Support costs (see below) £	2017 Total £
Unrestricted funds						
Raising funds						
Generating donations and grants	7,404	227,849	235,253	9,111	234,867	243,978
Trading costs: retail	352,181	256,092	608,273	359,352	235,495	594,847
Trading costs : catering	30,572	70,633	101,205	14,108	77,319	91,427
Fundraising : other	-	35,277	35,277	-	34,248	34,248
	<u>390,157</u>	<u>589,851</u>	<u>980,008</u>	<u>382,571</u>	<u>581,929</u>	<u>964,500</u>
Charitable activities						
Museum	506,861	3,114,322	3,621,183	324,516	2,881,853	3,206,369
Governance costs	-	249,235	249,235	-	256,264	256,264
Property rentals	-	406,385	406,385	-	343,232	343,232
Other	11,346	587,520	598,866	20,006	452,166	472,172
	<u>518,207</u>	<u>4,357,462</u>	<u>4,875,669</u>	<u>344,522</u>	<u>3,933,515</u>	<u>4,278,037</u>
Other expenditure	-	176,168	176,168	-	185,790	185,790
Total expenditure – unrestricted funds	<u>908,364</u>	<u>5,123,481</u>	<u>6,031,845</u>	<u>727,093</u>	<u>4,701,234</u>	<u>5,428,327</u>
Restricted funds						
Charitable activities : museum	100,622	340,884	441,506	302,906	347,731	650,637
	<u>1,008,986</u>	<u>5,464,365</u>	<u>6,473,351</u>	<u>1,029,999</u>	<u>5,048,965</u>	<u>6,078,964</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 £	2018 Total £	2017 Total £
Unrestricted funds							
Generating donations	154,533	6,354	52,031	5,784	9,147	227,849	234,867
Trading : retail	163,600	2,698	57,584	16,906	15,304	256,092	235,495
Trading : catering	18,251	577	6,550	10,953	34,302	70,633	77,319
Fundraising : other	24,906	-	10,371	-	-	35,277	34,248
Museum	1,206,099	156,004	600,607	742,692	408,920	3,114,322	2,881,853
Governance costs	139,827	66,912	39,490	3,006	-	249,235	256,264
Property rentals	88,117	33,060	18,905	44,780	221,523	406,385	343,232
Charitable : other	381,350	29,211	53,953	34,244	87,762	587,520	452,166
Other expenditure	-	-	176,168	-	-	176,168	185,790
	2,176,683	294,816	1,016,659	858,365	776,958	5,123,481	4,701,234
Restricted funds							
Charitable : museum	82,858	186,267	-	-	71,759	340,884	347,731
2018 totals	2,259,541	481,083	1,016,659	858,365	848,717	5,464,365	5,048,965
2017 totals	2,090,348	460,106	958,055	800,128	740,328	5,048,965	

Notes to the financial statements (continued)

10 Analysis of expenditure (continued)

Total expenditure includes:

	2018 £	2017 £
Auditor's remuneration:		
Audit services – current year	14,217	14,850
Non-audit services	7,919	6,994
Depreciation:		
Heritage assets	159,028	156,071
Other tangible fixed assets	699,337	644,058
Hire of plant and machinery under operating leases	<u>130,389</u>	<u>111,742</u>

11 Employees

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

	2018		2017	
	Average number	Full-time equivalent	Average number	Full-time equivalent
Administration	12	10	13	12
Site and security	15	13	16	15
Heritage incl collections and archive	36	29	36	27
Retail and admissions	8	6	9	6
Fundraising	4	4	5	5
Education	16	11	13	7
	<u>91</u>	<u>73</u>	<u>92</u>	<u>72</u>

Staff costs during the year were as follows:

	2018 £	2017 £
Wages and salaries	1,962,220	1,819,364
Social security costs	161,195	151,467
Employer's pension contributions	135,786	123,230
	<u>2,259,201</u>	<u>2,094,061</u>

Notes to the financial statements (continued)

11 Employees (continued)

During the year 3 employees were paid emoluments in excess of £60,000 as follows:

	2018	2017
	No	No
In the range of £100,000 to £110,000	1	1
In the range of £60,000 to £70,000	<u>2</u>	<u>3</u>

	2018	2017
	£	£
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>23,575</u>	<u>25,367</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 £314,464 (2017: £326,223).

The Trustees received no remuneration or benefits in kind during the year. Travel expenses were reimbursed during the year to 8 (2017: 5) Trustees totalling £3,265 (2017: £3,383).

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 as this will be donated to the parent charitable company.

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 £(561,013) for the Trust (2017: deficit £(401,732) (after taxation credits), 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 year to 31 December 2018 as follows:

	2018	2017
	£	£
Taxation credit	<u>117,995</u>	<u>55,726</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 2018	4,421,079	546,830	4,967,909
Additions	542,561	-	542,561
Disposals	-	-	-
At 31 December 2018	<u>4,963,640</u>	<u>546,830</u>	<u>5,510,470</u>
Depreciation			
At 1 January 2018	683,721	-	683,721
Provided in the year	159,028	-	159,028
On disposals	-	-	-
At 31 December 2018	<u>842,749</u>	<u>-</u>	<u>842,749</u>
Net book value at 31 December 2018	<u>4,120,891</u>	<u>546,830</u>	<u>4,667,721</u>
Net book value at 31 December 2017	<u>3,737,358</u>	<u>546,830</u>	<u>4,284,188</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 2018 include restoration works to Teleprinter Building totalling £536,061, 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 2018, 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 2018	10,788	199,313	3,906,096	4,116,197
Additions	-	65,447	1,196,964	1,262,411
Disposals	-	(6,104)	(19,320)	(25,424)
At 31 December 2018	<u>10,788</u>	<u>258,656</u>	<u>5,083,740</u>	<u>5,353,184</u>
Depreciation				
At 1 January 2018	1,439	172,146	2,077,602	2,251,187
Provided in the year	720	21,170	677,448	699,338
On disposals	-	(6,104)	(17,187)	(23,291)
At 31 December 2018	<u>2,159</u>	<u>187,212</u>	<u>2,737,863</u>	<u>2,927,234</u>
Net book value at 31 December 2018	<u>8,629</u>	<u>71,444</u>	<u>2,345,877</u>	<u>2,425,950</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>

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 2018	10,788	169,209	3,864,227	4,044,224
Additions	-	65,447	1,195,964	1,261,411
Disposals	-	(6,104)	(19,320)	(25,424)
At 31 December 2018	<u>10,788</u>	<u>228,552</u>	<u>5,040,871</u>	<u>5,280,211</u>
Depreciation				
At 1 January 2018	1,439	142,042	2,039,970	2,183,451
Provided in the year	720	21,170	676,016	697,906
On disposals	-	(6,104)	(17,187)	(23,291)
At 31 December 2018	<u>2,159</u>	<u>157,108</u>	<u>2,698,799</u>	<u>2,858,066</u>
Net book value at 31 December 2018	<u>8,629</u>	<u>71,444</u>	<u>2,342,072</u>	<u>2,422,145</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>

16 Fixed asset investment

	2018 £	2017 £
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, a company incorporated in England and Wales. 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	2018 £	2017 £
Stock of goods for resale	<u>141,327</u>	<u>137,460</u>

Notes to the financial statements (continued)

18 Debtors

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Trade debtors	106,674	206,195	84,834	169,246
Amounts owed by group companies	-	-	4,845	-
Taxation credit	173,721	55,726	173,721	55,726
VAT debtor	16,040	-	16,040	-
Other debtors	30,246	7,490	30,243	7,490
Prepayments and accrued income	193,180	142,003	191,793	139,811
	519,861	411,414	501,476	372,273

19 Creditors: amounts falling due within one year

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Trade creditors	359,753	148,388	351,752	124,578
Amounts owed to group companies	-	-	-	317,543
Social security and other taxes	138,022	132,082	88,709	97,584
Other creditors	41,466	36,828	30,658	34,980
Accruals and deferred income	372,791	338,434	197,886	189,321
	912,032	655,732	669,005	764,006

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Deferred income b/fwd	199,573	44,994	44,174	-
Released in year	(199,573)	(44,994)	(44,174)	-
Deferred in year	196,914	199,573	51,734	44,174
Deferred income c/fwd	196,914	199,573	51,734	44,174

Notes to the financial statements (continued)

20 Restricted funds

The group and charity

	Opening funds 1 Jan 2018 £	Income from fundraising £	Transfers between funds £	Expend- iture £	Closing funds 31 Dec 2018 £
Phase 1 development	69,324	-	-	(4,625)	64,699
Phase 2 development	549,219	226,840	-	(38,265)	737,794
Phoenix appeal	806,825	-	(511,560)	(161,806)	133,459
Goldman Sachs Gives	75,611	63,000	-	(64,186)	74,425
EH/MK Council fund	130,951	-	-	(48,173)	82,778
McAfee Online Safety	60,769	-	-	(27,911)	32,858
Teleprinter Hall exhibition	162,786	255,000	-	65	417,851
Other projects	121,272	93,785	(60,000)	(96,605)	58,452
	<u>1,976,757</u>	<u>638,625</u>	<u>(571,560)</u>	<u>(441,506)</u>	<u>1,602,316</u>

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.

Goldman Sachs Gives

Funding to provide schools who meet certain criteria with either a funded visit to Bletchley Park including a transport subsidy or a fully-funded Outreach visit, to widen participation and interest in STEM subjects for students who may not otherwise have the chance to take part in enrichment activities in these subjects.

EH/MK Council

Funding to support conservation work at Bletchley Park.

McAfee Online Safety

Funding by McAfee 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.

Notes to the financial statements (continued)

20 Restricted funds (continued)

Other projects

A number of other projects, including funding for a number of local activities and funding for some smaller specific learning or collections 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.

21 Unrestricted funds

The group	Designated funds	Charity Funds	Non charitable funds	Total 2018	Total 2017
	£	£	£	£	£
As at 1 January 2018	8,231,221	825,879	17,311	9,074,411	8,455,386
Income	-	4,598,176	2,230,512	6,828,688	5,555,119
Expenditure	-	(5,320,080)	(711,765)	(6,031,845)	(5,428,327)
Gift aid payment of profit	-	42,896	(42,896)	-	-
Taxation credit	-	117,995	-	117,995	55,726
Transfers – designated	242,639	(242,639)	-	-	-
Transfers – restricted	571,560	-	-	571,560	436,507
As at 31 December 2018	<u>9,045,420</u>	<u>22,227</u>	<u>1,493,162</u>	<u>10,560,809</u>	<u>9,074,411</u>

The charity	Designated funds	Charity Funds	Total 2018	Total 2017
	£	£	£	£
At 1 January 2018	8,231,221	825,879	9,057,100	9,022,325
Income	-	4,598,176	4,598,176	4,284,598
Expenditure	-	(5,320,080)	(5,320,080)	(4,742,056)
Gift aid payment of profit	-	42,896	42,896	-
Taxation credit	-	117,995	117,995	55,726
Transfers – designated	242,639	(242,639)	-	-
Transfers – restricted	571,560	-	571,560	436,507
Closing funds at 31 December 2018	<u>9,045,420</u>	<u>22,227</u>	<u>9,067,647</u>	<u>9,057,100</u>

Subsequent to the year end, a gift-aided donation was made from the trading subsidiary, Bletchley Park Company Limited, to the charity to the value to £1,400,000.

Notes to the financial statements (continued)

22 Designated funds

	As at 1 Jan 2018 £	Transfers – charity funds £	Transfers – restricted funds £	As at 31 Dec 2018 £
Tangible fixed assets	6,149,197	372,914	571,560	7,093,671
Exhibition Development fund	210,543	60,000	-	270,543
Rolling Maintenance fund	350,000	(50,000)	-	300,000
Deferred Expenditure fund	181,481	(140,275)	-	41,206
Project Overlord fund	1,340,000	-	-	1,340,000
	<u>8,231,221</u>	<u>242,639</u>	<u>571,560</u>	<u>9,045,420</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 2018 that will not be completed until 2019.

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	7,093,671	4,379,170	(912,032)	10,560,809
Restricted funds	-	1,602,316	-	1,602,316
2018 total funds	7,093,671	5,981,486	(912,032)	12,163,125
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

The charity	Tangible fixed assets £	Current assets £	Current liabilities £	Total £
Unrestricted funds	7,089,967	2,646,685	(669,005)	9,067,647
Restricted funds	-	1,602,316	-	1,602,316
2018 total funds	7,089,967	4,249,001	(669,005)	10,669,963
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

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:

	2018		2017	
	Group £	Charity £	Group £	Charity £
Within one year	116,765	116,765	80,011	80,011
Between one and five years	272,718	272,718	68,400	68,400
After more than five years	-	-	-	-
	389,483	389,483	148,411	148,411

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

	2018 £	2017 £
Financial assets measured at amortised cost	<u>471,428</u>	<u>493,148</u>
Financial liabilities measured at amortised cost	<u>912,032</u>	<u>655,732</u>

28 Operating lease income

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

	2018		2017	
	Group £	Charity £	Group £	Charity £
Within one year	278,844	278,844	278,844	278,844
Between one and five years	487,773	487,773	643,008	643,008
After more than five years	756,955	756,955	801,739	801,739
	<u>1,523,572</u>	<u>1,523,572</u>	<u>1,723,591</u>	<u>1,723,591</u>

29 Capital commitments

Capital commitments contracted but not provided for in the financial statements amount to £412,673 plus VAT. These relate to our Teleprinter Building exhibition which is being funded from external sources.

Notes to the financial statements (continued)

30 Related party transactions

The Trust owns the whole of the issued share capital of Bletchley Park Company Limited. During the year, the charity charged the subsidiary £191,580 (2017: £178,798) as a management charge in respect of space used and other services provided and the subsidiary donated its profits, through Gift Aid, of £42,896 (2017: £nil). At the year end the subsidiary owed the charity £3,845 (2017: charity owed the subsidiary £317,543).

During the year, one Trustee, Mr Charles Macdonald, was CEO of Milton Keynes Development Partnership (MKDP), which is landlord of two pieces of land which the Trust leases. The value of the transactions during the year was £4,000 (2017: £4,000). Mr Macdonald is excluded from any discussions or decisions regarding the relationship with MKDP.

Two Trustees, Mr Michael Smith (now retired) and Sir Dermot Turing, are authors of books sold in the Trust shop and may receive royalties on these publications. The Trust received royalties from the sales of one of Michael Smith's books.