

BLETCHLEY PARK

Bletchley Park Trust Limited
and its subsidiary undertaking
Financial statements
For the year ended 31 December 2019

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
Ms Zahra Bardai (appointed 1 March 2020)
Dr Tilly Blyth (appointed 1 March 2020)
Mr Oliver Brookshaw (retired 28 June 2019)
Ms Liz Bushell
Mr Jon Card
Sir Roger Carr (retired 14 May 2019)
Mr Robert Hannigan
Mr Charles Macdonald
Professor Andrew Martin
Mrs Hilary McGowan (retired 15 September 2020)
Mr Mike Sarna (retired 22 March 2019)
Mr Adam Singer (retired 31 March 2020)
Sir John Dermot Turing (retired 12 January 2020)
Mr Alan Whelan

Audit Committee: Ms Liz Bushell (Chair)
Ms Zahra Bardai
Mr Jon Card
Mr Charles Macdonald
Mr Alan Whelan

Reference and administrative details (continued)

Nomination and Remuneration
Committee: Mr Duncan Phillips (Chair)
Sir David Brown
Mrs Hilary McGowan

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: Sayer Vincent LLP
Registered Auditor
Invicta House
108-114 Golden Lane
LONDON, EC1Y 0TL

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 2019. 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').

Whilst this report reflects on the year ended 31 December 2019, which was prior to the COVID-19 pandemic, it also sets out the impact this situation has had on the Trust to the date of this report, and our short-term future plans and forecasts going forward.

Bletchley Park closed on 19 March 2020, reopening on 4 July 2020, resulting in the immediate loss of over 95% of income during this time. It reopened on 4 July 2020 and is experiencing significantly lower levels of visitors. This will result in a major drawdown from our reserves during 2020 and 2021. Through funding relief, cost-cutting measures and a business restructure, the Trust is able to financially survive the next twelve months and is now developing plans for its long-term recovery.

More detail around this, including the impact on the Trust's going concern, can be found on pages 15, 26 and 48.

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.

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.

Report of the Trustees (continued)

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.

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 four 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.

Report of the Trustees (continued)

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 8 and 10 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. 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 2019. Trustees also attend various Committee meetings each year.

	Trust Board attendance	Committee attendance (no of meetings)		
		NRC	AGC	AC
Sir David Brown	4/4	3/3		
Prof Liz Bacon	4/5			
Mr Oliver Brookshaw	3/3		2/2	
Ms Liz Bushell	3/5		2/2	2/2
Mr Jon Card	5/5			2/2
Sir Roger Carr	2/2			
Mr Robert Hannigan	3/5			
Mr Charles Macdonald	4/5		2/2	1/2
Prof Andrew Martin	5/5			
Mrs Hilary McGowan	4/5	2/3		
Mr Duncan Phillips	3/5	3/3		
Mr Mike Sarna	1/2			
Mr Adam Singer	4/5	3/3	2/2	2/2
Sir Dermot Turing	5/5	1/3		2/2
Mr Alan Whelan	3/5			1/2
Mr Iain Standen (CEO)	5/5	3/3	2/2	2/2

NRC – Nomination and Remuneration Committee

AGC – Audit and Governance Committee (to May 2019)

AC – Audit Committee (from May 2019)

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.
- 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.

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.
 - 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

2019 was another successful year for the Trust, with the second highest level of visitor numbers, and the highest number of school pupils participating both onsite and offsite. This report sets out the achievements and performance during 2019. However, the impact of the COVID-19 pandemic on the Trust cannot be ignored, and more is set out about this on page 14.

2019 saw the delivery of the following priorities agreed by the Trust Board as part of the 2019 Annual Plan:

1) To complete the preservation and enhancement of the iconic and historic buildings, and estate, of Bletchley Park

2019 saw the continued focus on the development of plans to bring wartime buildings Blocks A and E back into heritage use. Detailed design plans have been developed and good progress was made on the fundraising campaign at this time.

In order to ensure the long-term preservation of our buildings, during changes of use for some of our Mansion rooms, works were planned to perform the necessary conservation / preservation work for areas most at risk. During the year, the Mansion Ballroom and Billiard Room were emptied and cleaned, and conservation work was carried out and these spaces were re-presented with new carpet and window dressings. Externally, a large painting project for the outside walls of wartime buildings on site (Blocks A, B and E) was started (completed in 2020).

The Trust Board is pleased to continue the support of 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) To maximise the Bletchley Park offer by creating informative, engaging, enjoyable and educational experiences that highlight its story and explain its relevance to today

The highpoint of the year was the opening of the Teleprinter Building and new exhibition and cinematic experience *D-Day: Interception, Intelligence, Invasion* in time for the national commemorations of the 75th anniversary of the Normandy landings. The Building 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 added to the offer, and 2019 saw the Trust's second highest level of visitors, with in excess of 280,000 general and group visitors and a further 47,000 school pupils and teachers (33,000 onsite and c. 14,000 through outreach).

Plans have been developed by the Collections and Exhibitions team to ensure a varied and changing programme of exhibitions for visitors to the site. In addition to the new cinematic experience in the Teleprinter Building, four temporary exhibitions were also introduced and presented:

- *The Illustration Game* (13 May – November 2019): A special display of rare wartime sketches and drawings from the Bletchley Park archive, featuring never-before-seen sketches and cartoons associated with the wartime site.
- *From GC&CS to GCHQ* (19 October 2019 – 17 October 2021): A display looking at development of the Government Code and Cypher School (GC&CS), this offer traces the organisation's (which was officially renamed "Government Communication Headquarters" – GCHQ) peacetime transition. It features photographs, never-before-displayed objects and little-known stories of Bletchley Park Codebreakers who continued to work for GCHQ post-war.
- *The WAAF at 80* (28 June 2019 – 30 June 2020): A pop up display celebrating 80 years of the Women's Auxiliary Air Force (WAAF), this offer commemorates the wartime service of these women and uncovers the contribution the WAAF made at Bletchley Park and beyond during World War Two.
- *Object in Focus: Enigma G-110* (14 March 2019 – 14 March 2020): Located in the Block C Visitor Centre, and for the first time, one of the only two known surviving examples in the world of this rare Enigma machine – G31 also known as the Zählwerk Enigma – is on display at Bletchley Park.

Delivering excellent customer service remained a top priority and the Trust was pleased to receive its first GOLD Accolade from Visit England in 2019. There was significant social media growth across all channels, most notably Twitter followers as a result of the 75th Anniversary of D-Day Twitter Takeover on the 9 June 2019, culminating in an increase of over 9,000 followers in 48 hours.

Alongside this, the Trust enhanced both the onsite and outreach formal learning programmes, including developing new family workshops and tours, autism-friendly Christmas grotto experiences (providing training for learning staff on delivering SEN workshops to effectively do so), self-guided tour resources and trialling an adult learning offer. Specific D-Day workshops were also developed for 2019.

Report of the Trustees (continued)

3) To be a recognised authority on Bletchley Park history, and the guardians of its collections.

In-house research was conducted into the Bletchley Park story, informing the exhibition programme for 2019 (*WAAF at 80 years*, *The Illustration Game*, for example), and research was started to inform future ambitions for the expansion of the exhibition offer onsite in 2020 and beyond.

Efforts to digitise the collection continued, and monthly Collections Uncovered digital content was produced and disseminated via the website. Ongoing work also continued on the Oral History Project, with as many Veteran stories being collected as possible (over 400 collected so far).

4) To be a cultural leader, locally and nationally, that promotes and champions best practice within the culture and heritage sector.

The Trust is an active participant of the MK Heritage Consortium, a partnership of museums and heritage organisations who have joined forces to:

- Raise awareness of the rich history of the Milton Keynes area
- Win support for its conservation, interpretation and development
- Share resources and expertise
- Inspire more people to get involved and help secure this unique heritage for future generations

During 2019, the Consortium, in partnership with The Parks Trust, planned and held a free-to-enter Festival of History at Campbell Park, Milton Keynes. The Festival included historical enactments, live music and story-telling and activities provided by many local historical associations.

Collaborations with the Open University, University College London, Southampton University and Kellogg College, Oxford are some of the examples of university engagement which took place over the year, as the Trust expanded engagement with different learning audiences and supported research and evaluation.

5) To maximise the financial resilience, organisational efficiency and long-term sustainability of the organisation.

The Communications team continued to raise brand awareness of Bletchley park as a heritage attraction, and drive visits with strategic, targeted and integrated marketing. The 2019 focus maximised the launch of the *D-Day: Interception, Intelligence, Invasion* exhibition in Spring 2019 and associated activities in the run-up to this significant anniversary.

A number of Bletchley Park branded retail products were developed and launched during the year. This included the launch of Bletchley Park gin, an initiative developed and delivered by our 'Big Venture' team – a small group of staff and volunteers who took time from their usual roles to collaborate and work as part of a cross-organisation team, in order to deliver a project bringing commercial benefit to the Trust and gaining valuable experience in the process. 2019 saw the greatest level of retail sales ever.

The Trust also undertook a review of its catering services during the year and went out to tender for the ongoing catering provision on the site. After a competitive tender process, our new catering partner, Benugo, was appointed, and moved into post from 1 February 2020.

Report of the Trustees (continued)

A Green Committee was launched to drive green practices and introduce sustainability activities, engaging staff across all levels and departments of the business. The Trust's environmental achievements are now being captured and monitored quarterly. In addition, H&S training was delivered to all teams, using in-house programmes, and a reporting and KPI structure around H&S compliance to ensure effective review and monitoring was further enhanced.

The Trust continued to invest in its IT systems, and a CRM Manager and a Head of IT Operations were appointed in the winter. The Trust's new volunteer management system was successfully rolled out.

The Development team developed Bletchley Park's first Corporate Membership Scheme, welcoming a new Head of Corporate Development to the team to help achieve this. The Friends scheme was also reviewed, including consultation with existing and potential friends, and an updated scheme was successfully relaunched in 2020. Both these initiatives aim to bring increased unrestricted income to the Trust.

6) To be the best we can in how we lead, manage and invest in our people

The Trust has developed its People strategy and supporting plans. The focus for 2019 continued to embed Bletchley Park's goals and values in the wider team with investment in training and development, including Dignity at Work training and opportunity for all staff to participate in team-building activities. A flexible working-policy has been agreed and will be rolled out during 2020.

The Trust monitors its engagement with its staff and volunteers through its Annual People survey. This has been crucial to help identify areas of focus for the following year. Our 2019 survey showed the highest levels of staff and volunteer engagement since we started performing the survey in 2016.

Financial review

Once again, visitor levels exceeded budget for the year, reaching the second highest level of visitors, and generating additional unbudgeted income. This led to a surplus of £650,823 before depreciation and exceptional items. After depreciation on fixed assets of £1,104,207 (the significant depreciation charge is due to capital works funded by restricted funds) and an exceptional property cost of £450,000, the Trust has reported a deficit of unrestricted funds of £(903,384). This allowed the Trust to set aside further funds to support our capital plans over the coming years.

The improved result allowed increased spend in marketing and the temporary exhibitions programme in order to drive visitation both in 2019 and into 2020. Alongside this, additional maintenance works were afforded, including external painting of some of the Blocks, crucial water mains works and some tree works.

The schools programme continued to grow, with the highest number of school pupils both onsite and offsite. Growth is restricted due to limited classroom space, and so the Trust invested in temporary classrooms on the unused Block B car park, in order to support growth on the programme until the new Learning Centre is developed and opened in Block E.

2019 also saw increased investment in digital resources. A CRM manager and a Head of IT Operations were recruited at the end of the year, to provide the necessary support for the Trust to progress its digital plans. Initial investment will focus on staff training and development, along with a review of business systems and process to identify areas where improved integration can be achieved.

Report of the Trustees (continued)

Financial review (continued)

The results of our retail and catering operations, along with sponsorship activity undertaken by the trading subsidiary, Bletchley Park Company Limited, produced a surplus in the trading subsidiary of £489,872 in 2019. This surplus will be donated to Trust in 2020.

Once again this has been another financially successful year, increasing the Trust's cash reserve, with the aim of supporting future plans. However the COVID-19 pandemic has had a significant impact on Trust finances during 2020, and will continue to do so in the near future. More detail around this is set out on page 14 including the use of these unrestricted funds since year end.

Plans for future periods

The Trust is currently focussed on its business continuity plans as a result of the COVID-19 pandemic. More detail around this can be found below.

Alongside this, the Trust is also fundraising for its current capital campaign for Phase Two of the restoration of the site: 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 more stories can be told. 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.

Alongside this, the Trust Board's ambition remains 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. The next stage in the organisation's transformation plans, as detailed above, will greatly aid this endeavour.

Fundraising activity

The Trust has a dedicated Development team which grew 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 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 (such as the Codebreakers' Wall or capital campaigns), through its periodic magazine, its Friends of Bletchley Park programme, via onsite donation boxes and via leaflets and posters.

Report of the Trustees (continued)

Fundraising activity (continued)

The Trust does not run telephone campaigns or targeted personalised mailshots. The Trust provides information, on its website and via leaflets, for potential legators, but 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. The Trust does not use external professional fundraisers or commercial participators to raise funds. The Trust does engage a professional fundraising consultant to advise on the fundraising process with US donors.

Reserves policy

In accordance with Charity Commission guidance, the Trust monitors the level of funds it holds in unrestricted reserves, both general and designated. Free reserves (also known as unrestricted general 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 2019, this optimum equals £1,422,000. The Trust is pleased to report that it has achieved its chosen level of free reserves and the 2019 financial statements show free reserves for the group (comprising the Trust and Bletchley Park Company Limited) of £1,417,225 at the year-end (2018: £1,515,389). 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 £460,000 was made by the subsidiary to the Trust.

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 (2018: £570,543), have been set aside to create reserves to support the cyclical pattern of expenditure for these areas. 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 £1,600,000 in line with the requirements at the year end for this development.

Restricted funds comprise funds committed for specific purposes under terms set out by the donors and funders. At 31 December 2019 these totalled £3,209,784.

As a result of the COVID-19 pandemic, the Trust needs to redirect its designated funds to support it through this period. The Trustees will be reviewing the optimum level of free reserves the Trust aims to retain, as part of its ongoing risk management process and review. Please see the COVID-19 impact statement below for more details.

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 current areas of major potential risks to the Trust are considered to be financial resilience, constraints on future development and security.

Report of the Trustees (continued)

Principal risks and uncertainties (continued)

Financial resilience – COVID-19 Impact

Due to the COVID-19 pandemic, Bletchley Park closed on 19 March 2020, reopening on 4 July 2020. This resulted in the loss of over 95% of income during this time.

In order to survive this uncertain time, the Trust utilised the Government's Coronavirus Job Retention Scheme, and furloughed 94 of 118 staff immediately. It also opened to the public as soon as it possible, ensuring the necessary and appropriate Covid-19 measures were in place to keep staff and visitors safe. The necessary staff were brought back to work. A significant number of staff remain on furlough to minimise the draw on our finances.

All discretionary spend has been stopped and as much of the Trust's committed expenditure as possible deferred. Funding to support re-opening was secured from the National Lottery Heritage Fund. Since reopening, visitor numbers have grown slowly, but are significantly below (c.50% on 2019) previous years and, due to social distancing and the understandable caution of some visitors, remain unlikely to increase for some time.

The Trust is now undertaking an organisational restructure with the aim of a 33% reduction in staff to reduce costs. This will pause many activities and slow the development and delivery of some strategic plans. However the proposed resulting structure will ensure remaining staff have the skills, expertise and ability to drive the Trust forward as it comes out of this pandemic. The reorganisation is designed to take the Trust through to 2022, when it is hoped visitor numbers will return to the Trust at levels similar to pre-COVID levels.

Despite re-opening and these cost-cutting measures, the Trust is anticipating a £2m deficit in 2020. In the short-term, the designated reserves that had been amassed for specific capital projects, exhibition programmes and maintenance needs were redirected to support the Trust's day-to-day expenditure in 2020 and into 2021.

The Trust also anticipates a further deficit during 2021, due to the anticipated lower visitor numbers over winter 2020/21 and into summer 2021. This deficit will be afforded from the remaining designated funds and a drawdown from free reserves over winter 2021/22. It is anticipated that the Trust will return to a surplus generating position from April 2022, when it will then be able to generate sufficient surplus to replenish this fund.

The Trust has applied to the Culture Recovery Fund to seek financial support over the winter, to minimise forecast drawdown from free reserves and to fund key activities to allow the Trust to improve its visitor offer during this period, to ensure visitors will return to the Trust as confidence grows. The outcome of this application is due in October 2020.

In the event that COVID-19 impacts further on the Trust's ability to trade, and the financial forecasts are not met, the Trust will further review its options, which may include: closing the museum on certain days or in certain months; making further reductions in staffing costs; exploring any potential for re-purposing any restricted funds held; and, considering obtaining long-term finance to see it through this time.

Over recent years, the Trust has successfully driven awareness of the Bletchley Park story and maximised the growth in visitors, resulting in over 280,000 visitors and over 47,000 participants in the learning programmes in 2019 alone. Prior to the pandemic, the business strategy would have ensured long-term survival, but the current crisis has dramatically impacted the Trust's plans.

The Trust Board is working on plans to determine how the Trust will emerge from this time and start to deliver its strategy again.

Report of the Trustees (continued)

Principal risks and uncertainties (continued)

Constraints on future development

Due to the COVID-19 pandemic the Trust has had to pause its future development. The money the Trust had amassed to match-fund monies raised for the Blocks A and E project have now been reallocated to Trust working capital. The project will now be delivered over a longer time period and work is underway to determine which elements can be delivered first and then which ones will follow on afterwards. These developments remain crucial to the future of the Trust. The Trust remains grateful to the support of our funders over this difficult time.

Further development of the Museum will allow the continued restoration of this important historic site and to enhance the visitor offer in order to drive higher visitor numbers. In the long-term, 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.

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.

During 2020, the Trust was victim of a cyber-attack on one of its data processors, Blackbaud. Blackbaud notified the Trust that they have no reason to believe the data the attackers obtained will be misused or will be disseminated or otherwise made publicly available. Blackbaud reported this breach to the Information Commissioner's Office (ICO). The Trust submitted a report to the ICO as soon as Blackbaud informed it of the incident and is working with them to ascertain any follow up actions required. As part of the investigation, a decision was taken to inform those registered on this database of the information available. As the Trust does for all its suppliers, it will continue to proactively monitor whether Blackbaud is taking adequate steps to protect the data with which it is entrusted.

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:

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 adequate 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

Sayer Vincent 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 15 September 2020 and signed on its behalf by:

Sir David Brown
Chairman

Date: 15 September 2020

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

Opinion

We have audited the financial statements of Bletchley Park Trust Limited (the 'parent charitable company') for the year ended 31 December 2019 which comprise the consolidated statement of financial activities, the group and parent charitable company 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 of the parent charitable company's affairs as at 31 December 2019 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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 the group financial statements section of our report. We are independent of the group and parent 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 group financial statements any identified material uncertainties that may cast significant doubt about the group's or the 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 trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. Our opinion on the group 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 group 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 trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- 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 parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, 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.

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

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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's 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 the 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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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's 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,

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

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 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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members 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.

Jonathan Orchard (Senior Statutory Auditor)

Date

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

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

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £	Unrestricted funds £	Restricted funds £	Total 2018 £
Income from:							
Donations and legacies	2	70,988	2,598,524	2,669,512	89,806	638,625	728,431
Other trading activities	3	1,284,274	-	1,284,274	2,233,943	-	2,233,943
Investments	4	13,695	-	13,695	4,682	-	4,682
Charitable activities	5	5,262,939	-	5,262,939	4,490,485	-	4,490,485
Other		7,689	-	7,689	9,772	-	9,772
Total income		6,639,585	2,598,524	9,238,109	6,828,688	638,625	7,467,313
Expenditure on:							
Raising funds							
Costs of generating voluntary income		372,682	-	372,682	260,176	-	260,176
Commercial trading operations		895,413	-	895,413	782,140	-	782,140
Charitable activities		5,619,563	460,590	6,080,153	4,813,360	441,506	5,254,866
Other		655,311	-	655,311	176,169	-	176,169
Total expenditure	6	7,542,969	460,590	8,003,559	6,031,845	441,506	6,473,351
Net income	7	(903,384)	2,137,934	1,234,550	796,843	197,119	993,962
Taxation credit	12	8,766	-	8,766	117,995	-	117,995
Transfers between funds	22, 23	530,466	(530,466)	-	571,560	(571,560)	-
Net movement in funds		(364,152)	1,607,468	1,243,316	1,486,398	(374,441)	1,111,957
Total funds brought forward at 1 January 2019		10,560,809	1,602,316	12,163,125	9,074,411	1,976,757	11,051,168
Total funds carried forward at 31 December 2019		10,196,657	3,209,784	13,406,441	10,560,809	1,602,316	12,163,125

All income and expenditure derive from continuing activities. The accompanying notes form an integral part of these financial statements. There are no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 22.

Company Registration No. 2730618

Consolidated balance sheet

	Note	2019 £	2018 £
Fixed assets			
Heritage assets	13	4,725,607	4,667,721
Tangible assets	13	1,875,716	2,425,950
		<u>6,601,323</u>	<u>7,093,671</u>
Current assets			
Stocks	17	173,386	141,327
Debtors	18	532,578	519,861
Cash at bank and in hand		7,643,559	5,320,298
		<u>8,349,523</u>	<u>5,981,486</u>
Liabilities			
Creditors: amounts falling due within one year	19	<u>(1,544,405)</u>	<u>(912,032)</u>
Net current assets		<u>6,805,118</u>	<u>5,069,454</u>
Total net assets		<u><u>13,406,441</u></u>	<u><u>12,163,125</u></u>
The funds of the charity			
Restricted funds	22	3,209,784	1,602,316
Unrestricted funds:			
General funds	23	1,425,990	1,515,389
Designated funds	24	8,770,667	9,045,420
		<u>13,406,441</u>	<u>12,163,125</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 15 September 2020.

Sir David Brown
 Chairman

Company Registration No. 2730618

Charity balance sheet

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	1,870,713	2,422,146
Heritage assets	13	4,725,607	4,667,721
Investments	14	100	100
		<u>6,596,420</u>	<u>7,089,967</u>
Current assets			
Debtors	18	513,974	501,476
Cash at bank and in hand		6,574,156	3,747,525
		<u>7,088,130</u>	<u>4,249,001</u>
Liabilities			
Creditors: amounts falling due within one year	19	<u>(744,063)</u>	<u>(669,005)</u>
Net current assets		<u>6,344,067</u>	<u>3,579,996</u>
Total net assets		<u>12,940,487</u>	<u>10,669,963</u>
The funds of the charity			
Restricted funds	22	3,209,784	1,602,316
Unrestricted funds	23	960,036	22,227
Designated funds	24	8,770,667	9,045,420
		<u>12,940,487</u>	<u>10,669,963</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 15 September 2020.

Sir David Brown
 Chairman

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

Company Registration No. 2730618

Consolidated statement of cash flows

	2019 £	2018 £
Cash flow from operating activities		
Net income / (expenditure) before transfers	1,243,316	1,111,957
Adjustments for:		
Depreciation	1,104,207	858,365
Adjustment of disposal	-	2,133
(Increase)in stocks	(32,059)	(3,866)
(Increase)/decrease in debtors	(12,717)	(108,447)
Increase in creditors	632,373	256,300
Net cash generated from operating activities	2,935,120	2,116,442
Cash flows from investing activities		
Purchases of tangible fixed assets	(611,859)	(1,804,972)
Interest received	-	-
Net cash outflow from investing activities	(611,859)	(1,804,972)
Net increase in cash in the year	2,323,261	311,470
Cash at the beginning of the year	5,320,298	5,008,828
Cash at the end of year	<u>7,643,559</u>	<u>5,320,298</u>
Increase in cash in the year is attributable to:		
Restricted funds	1,607,468	(374,441)
Unrestricted funds	715,794	685,911
	<u>2,323,262</u>	<u>311,470</u>

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

Notes to the financial statements

1 Accounting policies

1a) Statutory 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. Bletchley Park Trust Limited is a registered charity governed by its articles of association.

Both companies are registered in England, with the registered office address of The Mansion, Bletchley Park, Sherwood Drive, Bletchley, Milton Keynes, MK3 6EB.

1b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Bletchley Park Trust Limited meets the definition of a public benefit entity under FRS 102.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Bletchley Park Company Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

1c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

1d) Going concern

The COVID-19 pandemic has had a significant effect on the Trust's finances. The impact of the closure and subsequent re-opening with lower visitor numbers, means the Trust has had to undertake a number of cost-cutting exercises.

The Trust has forecast the impact of these measures and the assumed cautious levels of visitors for the next twelve months, and it has determined that the group has adequate resources to continue in operational existence for the foreseeable future. Alongside this, the Trust has determined further actions to be taken if there is a further need to close the museum, or if visitor numbers do not remain at the levels forecast.

Notes to the financial statements (continued)

1 Accounting policies (continued)

1d) Going concern (continued)

Whilst the ongoing COVID-19 pandemic places a number of uncertainties around the Trust's continued operation, the Trust has determined that it is able to manage these uncertainties over the next twelve months and they are not material to the Trust's ability to continue operating.

The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

1e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

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

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Notes to the financial statements (continued)

1 Accounting policies (continued)

1i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose and costs of trading activity.
- Expenditure on charitable activities includes the costs of running the museum undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1k) 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.

1l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £2,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Notes to the financial statements (continued)

1 Accounting policies (continued)

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.

1m) Investment in subsidiaries

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

1n) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

1o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1p) 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.

Notes to the financial statements (continued)

1 Accounting policies (continued)

1q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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.

1r) 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1s) Pensions

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.

2 Income from donations and legacies

	2019		2018	
	Unrestricted £	Restricted £	Unrestricted £	Restricted £
Donations	17,078	2,598,524	26,010	638,625
Legacies	-	-	4,558	-
Membership subscriptions	53,910	-	59,238	-
Amounts received in the year	<u>70,988</u>	<u>2,598,524</u>	<u>89,806</u>	<u>638,625</u>

Notes to the financial statements (continued)

3 Income from other trading activities

	2019		2018	
	Unrestricted £	Restricted £	Unrestricted £	Restricted £
Retail	1,003,511	-	866,815	-
Catering	181,553	-	135,256	-
Sponsorship	95,513	-	1,228,441	-
Other	3,697	-	3,431	-
	<u>1,284,274</u>	<u>-</u>	<u>2,233,943</u>	<u>-</u>

4 Investment income

	2019		2018	
	Unrestricted £	Restricted £	Unrestricted £	Restricted £
Other interest	13,695	-	4,682	-
	<u>13,695</u>	<u>-</u>	<u>4,682</u>	<u>-</u>

5 Income from charitable activities

	2019		2018	
	Unrestricted £	Restricted £	Unrestricted £	Restricted £
Museum	2,018,193	-	1,653,603	-
Museum – donations in lieu of admissions (including Gift Aid)	2,395,453	-	2,069,945	-
Property rentals and charges	403,566	-	419,176	-
Other	445,727	-	347,761	-
	<u>5,262,939</u>	<u>-</u>	<u>4,490,485</u>	<u>-</u>

Notes to the financial statements (continued)

6 Analysis of expenditure

Current year	Fundraising costs	Trading costs	Museum	Other costs	Unrestricted total	Restricted Museum	2019 Total	2018 Total
	£	£	£	£	£	£	£	£
Unrestricted funds								
Staff costs	251,626	260,889	2,033,868	-	2,546,383	64,760	2,611,143	2,259,540
Direct costs	9,960	456,524	663,648	-	1,130,131	75,976	1,206,108	1,008,986
Support costs:								
Legal and professional	29,203	17,745	236,823	-	283,771	223,181	506,952	481,085
Other admin	64,157	87,626	779,331	-	931,113	-	1,136,424	840,491
Depreciation and amortisation	5,970	17,955	1,080,282	-	1,104,207	-	1,104,207	858,365
Establishment costs	11,766	54,674	825,611	-	892,051	96,673	988,724	850,850
Irrecoverable VAT	-	-	-	205,311	205,311	-	205,311	174,035
Lease premium	-	-	-	450,000	450,000	-	450,000	-
2019 totals	372,682	895,413	5,619,563	655,311	7,542,969	460,590	8,003,559	6,473,351
2018 totals	260,176	782,140	4,813,360	176,168	6,031,845	441,506	6,473,351	

The lease premium of £450,000 relates to compensation paid for the early surrender of a lease over tenanted buildings owned by the Trust. A further payment of £100,000 will be payable following the termination of the current lease.

Notes to the financial statements (continued)

6 Analysis of expenditure (continued)

Prior year	Fundraising costs	Trading costs	Museum	Other costs	Unrestricted total	Restricted Museum	2018 Total
	£	£	£	£	£	£	£
Unrestricted funds							
Staff costs	168,515	227,731	1,780,435	-	2,176,681	82,858	2,259,540
Direct costs	7,404	382,753	518,207	-	908,364	100,622	1,008,986
Support costs:							
Legal and professional	13,046	13,313	268,459	-	294,817	186,268	481,085
Other admin	55,980	80,427	704,082	-	840,491	-	840,491
Depreciation and amortisation	6,084	28,310	823,971	-	858,365	-	858,365
Establishment costs	9,147	49,606	718,206	2,134	779,091	71,758	850,850
Irrecoverable VAT	-	-	-	174,035	174,035	-	174,035
2018 totals	260,176	782,140	4,813,360	176,169	6,031,845	441,506	6,473,351

Notes to the financial statements (continued)

7 Net income / expenditure for the year

This is stated after charging / (crediting):

	2019 £	2018 £
Auditor's remuneration:		
Audit services – current year	16,612	14,217
Non-audit services	7,391	7,919
Depreciation:		
Heritage assets	193,934	159,028
Other tangible fixed assets	910,273	699,337
Operating lease rentals receivable	280,549	286,198
Operating lease rentals payable:		
Property	4,000	4,000
Other	<u>129,395</u>	<u>130,389</u>

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	2,244,374	1,962,559
Social security costs	184,775	161,195
Employer's pension contributions	181,994	135,786
	<u>2,611,143</u>	<u>2,259,540</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2019 No	2018 No
In the range of £60,000 to £69,999	1	2
In the range of £70,000 to £79,999	1	-
In the range of £100,000 to £120,000	<u>1</u>	<u>1</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 (including pension contributions and employer's national insurance) of the key management personnel were £385,403 (2018: £349,838).

The Trustees received no remuneration or benefits in kind during the year. Travel expenses were reimbursed during the year to 8 (2018: 8) Trustees totalling £3,985 (2018: £3,265).

Notes to the financial statements (continued)

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 107 (2018: 91).

10 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 £198,655 (2018: £191,580) as a management charge in respect of space used and other services provided and the subsidiary donated its profits, through Gift Aid, of £1,517,080 (2018: £42,896). At the year end the subsidiary owed the charity £12,068 (2018: £4,845).

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 (2018: £4,000). Mr Macdonald is excluded from any discussions or decisions regarding the relationship with MKDP.

11 Corporation tax

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Bletchley Park Company Limited distributes under Gift Aid available profits to the parent charity. Its charge to corporation tax in the year was:

	2019	2018
	£	£
UK corporation tax at 19%	<u>-</u>	<u>-</u>

12 Taxation credit

The Trust was entitled to a tax credit under the Museums and Galleries Tax Relief for the year to 31 December 2019 as follows:

	2019	2018
	£	£
Taxation credit	<u>8,766</u>	<u>117,995</u>

Notes to the financial statements (continued)

13 Tangible fixed assets

Heritage assets

Group and Charity	Long leasehold property £	Museum artefacts £	Total £
Cost			
At 1 January 2019	4,963,640	546,830	5,510,470
Additions	251,820	-	251,820
Disposals	-	-	-
At 31 December 2019	<u>5,215,460</u>	<u>546,830</u>	<u>5,762,290</u>
Depreciation			
At 1 January 2019	842,749	-	842,749
Provided in the year	193,934	-	193,934
On disposals	-	-	-
At 31 December 2019	<u>1,036,683</u>	<u>-</u>	<u>1,036,683</u>
Net book value at 31 December 2019	<u>4,178,777</u>	<u>546,830</u>	<u>4,725,607</u>
Net book value at 31 December 2018	<u>4,120,891</u>	<u>546,830</u>	<u>4,667,721</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)

13 Tangible 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 2019 represent restoration works to Teleprinter Building totalling £251,820. The building was opened in March 2020, and depreciation provided for from that date.

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 2019, 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 2019	10,788	258,656	5,083,740	5,353,184
Additions	-	36,742	323,298	360,040
Disposals	-	-	-	-
At 31 December 2019	<u>10,788</u>	<u>295,398</u>	<u>5,407,038</u>	<u>5,713,224</u>
Depreciation				
At 1 January 2019	2,159	187,213	2,737,863	2,927,235
Provided in the year	719	24,419	885,135	910,273
On disposals	-	-	-	-
At 31 December 2019	<u>2,878</u>	<u>211,632</u>	<u>3,622,998</u>	<u>3,837,508</u>
Net book value at 31 December 2019	<u>7,910</u>	<u>84,766</u>	<u>1,784,040</u>	<u>1,875,716</u>
Net book value at 31 December 2018	<u>8,631</u>	<u>71,443</u>	<u>2,345,877</u>	<u>2,425,950</u>

Notes to the financial statements (continued)

13 Tangible assets (continued)

Charity	Short leasehold property £	Fixtures and fittings £	Plant and machinery £	Total £
Cost				
At 1 January 2019	10,788	228,552	5,040,871	5,280,211
Additions	-	36,742	319,863	356,605
Disposals	-	-	-	-
At 31 December 2019	<u>10,788</u>	<u>265,294</u>	<u>5,360,734</u>	<u>5,636,816</u>
Depreciation				
At 1 January 2019	2,159	157,108	2,698,799	2,858,066
Provided in the year	719	24,419	882,899	908,037
On disposals	-	-	-	-
At 31 December 2019	<u>2,878</u>	<u>181,527</u>	<u>3,581,698</u>	<u>3,766,103</u>
Net book value at 31 December 2019	<u>8,630</u>	<u>83,767</u>	<u>1,779,036</u>	<u>1,870,713</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>

14 Fixed asset investment

	2019 £	2018 £
100 £1 Ordinary shares in Bletchley Park Company Limited	<u>100</u>	<u>100</u>

15 Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of Bletchley Park Company Limited, a company registered in England. The company number is 2723470. The registered office address is The Mansion, Sherwood Drive, Bletchley, Milton Keynes, MK3 6EB.

The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are distributed under Gift Aid to the parent charity.

The trustees Jon Card, Duncan Phillips and Liz Bushell are also directors of the subsidiary.

Notes to the financial statements (continued)

15 Subsidiary undertaking (continued)

A summary of the results of the subsidiary is shown below:

	2019 £	2018 £
Turnover	1,279,497	2,230,512
Cost of sales	(404,740)	(351,296)
Gross profit	874,757	1,879,216
Net operating expenses	(384,885)	(360,469)
Profit on ordinary activities before taxation	489,872	1,518,747
Taxation on profit on ordinary activities	-	-
Profit for the financial year	489,872	1,518,747

Turnover includes sums received in respect of sponsorship agreements totalling £95,513 (2018: £1,228,440).

Retained earnings

Total retained earnings brought forward	1,493,162	17,311
Profit / (loss) for the year	489,872	1,518,747
Distribution under Gift Aid to the parent charity	(1,517,080)	(42,896)
Total retained earnings carried forward	465,954	1,493,162

The aggregate of the assets, liabilities and reserves was:

Assets	1,278,522	1,741,132
Liabilities	(812,468)	(247,870)
Reserves	465,954	1,493,162

Amounts owed to the parent undertaking are shown in note 18.

Included within administrative expenses above is a management charge of £198,655 (2018: £191,421) from the parent entity.

16 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2019 £	2018 £
Gross income	6,877,169	7,467,313
Results for the year	179,967	1,111,957

Notes to the financial statements (continued)

17 Stocks

Group	2019 £	2018 £
Stock of goods for resale	<u>173,386</u>	<u>141,327</u>

18 Debtors

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Trade debtors	167,118	106,674	137,775	84,834
Amounts owed by group companies	-	-	12,068	4,845
Taxation credit	182,487	173,721	182,487	173,721
VAT debtor	-	16,040	-	16,040
Other debtors	9,741	30,246	9,799	30,243
Prepayments and accrued income	173,232	193,180	171,845	191,793
	<u>532,578</u>	<u>519,861</u>	<u>513,974</u>	<u>501,476</u>

19 Creditors: amounts falling due within one year

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Trade creditors	204,847	359,753	193,760	351,752
Amounts owed to group companies	-	-	-	-
Social security and other taxes	224,662	138,022	113,461	88,709
Other creditors	50,111	41,466	49,096	30,658
Accruals and deferred income	1,064,785	372,791	331,603	197,886
	<u>1,544,405</u>	<u>912,032</u>	<u>687,920</u>	<u>669,005</u>

20 Deferred income

Deferred income comprises sales for future admissions and events and includes gift tickets not redeemed.

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Balance at the beginning of the year	196,914	199,573	51,734	44,174
Amount released to income in the year	(196,914)	(199,573)	(51,734)	(44,174)
Amount deferred in the year	769,960	196,914	92,074	51,734
Balance at the end of the year	<u>769,960</u>	<u>196,914</u>	<u>92,074</u>	<u>51,734</u>

Notes to the financial statements (continued)

21 Analysis of net assets between funds

The group	Tangible fixed assets £	Current assets £	Current liabilities £	Total £
General unrestricted funds	-	2,970,395	(1,544,405)	1,425,990
Designated funds	6,601,323	2,169,344	-	8,770,667
Restricted funds	-	3,209,784	-	3,209,784
2019 total funds	6,601,323	8,349,523	(1,544,405)	13,406,441
General unrestricted funds	-	4,379,170	(912,032)	10,560,809
Designated funds	7,093,671	-	-	7,093,671
Restricted funds	-	1,602,316	-	1,602,316
2018 total funds	7,093,671	5,981,486	(912,032)	12,163,125
The charity	Tangible fixed assets £	Current assets £	Current liabilities £	Total £
General unrestricted funds	-	1,704,100	(744,063)	960,036
Designated funds	6,596,420	2,174,246	-	8,770,667
Restricted funds	-	3,209,784	-	3,209,784
2019 total funds	6,596,420	7,088,130	(744,063)	12,940,487
General unrestricted funds	7,089,967	2,646,685	(669,005)	9,067,647
Designated funds	-	-	-	-
Restricted funds	-	1,602,316	-	1,602,316
2018 total funds	7,089,967	4,249,001	(669,005)	10,669,963

Notes to the financial statements (continued)

22 Restricted funds

The group and charity

	Opening funds 1 Jan 2019 £	Income £	Expenditure £	Transfers £	Closing funds 31 Dec 2019 £
Phase 1 development	64,699	-	(19,875)	-	44,824
Phase 2 development	737,794	2,394,958	(220,420)	(46,912)	2,865,420
Phoenix appeal	133,459	-	(14,309)	(36,375)	82,775
Ultra Outreach Programme	74,425	102,421	(84,219)	-	92,627
EH/MK Council fund	82,778	-	(81,833)	-	945
McAfee Online Safety	32,858	-	(21,210)	-	11,648
Teleprinter Hall exhibition	417,851	-	(16,287)	(387,180)	14,384
Other projects	58,452	101,145	(2,436)	(60,000)	97,161
	<u>1,602,316</u>	<u>2,598,524</u>	<u>(460,589)</u>	<u>(530,467)</u>	<u>3,209,784</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. Plans have been developed to create new exhibition spaces, a Collection Centre and a Learning facility, as part of the Trust's long-standing ambition to preserve and enhance Bletchley Park as a world-class visitor attraction. This will be the first time these buildings will be open as part of the heritage offer, giving a unique opportunity to share more of our untold stories and shed light on this crucial part of British World War Two history. The restricted fund includes received donations from organisations including the Post Office Fellowship of Remembrance, the Sidney E. Frank Foundation, and the Thomas L. Kempner, Jr., Foundation, Inc.

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.

Ultra Outreach Programme

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. Restricted funds include support from the Eranda Rothschild Foundation, Goldman Sachs Gives and the Richard Radcliffe Trust.

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.

Notes to the financial statements (continued)

22 Restricted funds (continued)

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 projects

A number of other projects, including funding for a number of local activities and funding for some smaller specific learning or collections projects, such as the Oral History project.

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.

Movement in restricted funds (prior year)

	Opening funds 1 Jan 2018 £	Income from fundraising £	Transfers between funds £	Expenditure £	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>

23 Unrestricted funds

The group	Designated funds £	Charity Funds £	Non charitable funds £	Total 2019 £	Total 2018 £
As at 1 January 2019	9,045,420	22,227	1,493,162	10,560,809	9,074,411
Income	-	5,360,090	1,279,497	6,639,586	6,828,688
Expenditure	-	(6,753,344)	(789,625)	(7,542,969)	(6,031,845)
Gift aid payment of profit	-	1,517,080	(1,517,080)	-	-
Taxation credit	-	8,766	-	8,766	117,995
Transfers – designated	(805,219)	805,219	-	-	-
Transfers – restricted	530,466	-	-	530,466	571,560
As at 31 December 2019	<u>8,770,667</u>	<u>960,036</u>	<u>465,954</u>	<u>10,196,658</u>	<u>10,560,809</u>

Notes to the financial statements (continued)

23 Unrestricted funds (continued)

The charity	Designated funds	Charity Funds	Total 2019	Total 2018
	£	£	£	£
At 1 January 2019	9,045,420	22,227	9,067,647	9,057,100
Income	-	5,360,090	5,360,090	4,598,176
Expenditure	-	(6,753,344)	(6,653,344)	(5,320,080)
Gift aid payment of profit	-	1,517,080	1,517,080	42,896
Taxation credit	-	8,766	8,766	117,995
Transfers – designated	(805,219)	805,219	-	-
Transfers – restricted	530,466	-	530,466	571,560
Closing funds at 31 December 2019	<u>8,770,667</u>	<u>960,036</u>	<u>9,730,705</u>	<u>9,067,647</u>

Movement in unrestricted funds (prior year)

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 £486,148.

Notes to the financial statements (continued)

24 Designated funds

	As at 1 Jan 2019 £	Transfers – charity funds £	Transfers – restricted funds £	As at 31 Dec 2019 £
Tangible fixed assets	7,093,671	(1,024,013)	530,466	6,600,124
Exhibition Development fund	270,543	-	-	270,543
Rolling Maintenance fund	300,000	-	-	300,000
Deferred Expenditure fund	41,206	(41,206)	-	-
Project Overlord fund	1,340,000	260,000	-	1,600,000
	<u>9,045,420</u>	<u>(805,219)</u>	<u>530,466</u>	<u>8,770,667</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 was for planned expenditure in 2018 that was 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.

Movement in designated funds (prior year)

	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>

Notes to the financial statements (continued)

25 Contingent liabilities

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

26 Leasing commitments

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

	2019		2018	
	Group £	Charity £	Group £	Charity £
Within one year	116,765	116,765	116,765	116,765
Between one and five years	272,718	272,718	272,718	272,718
After more than five years	-	-	-	-
	<u>389,483</u>	<u>389,483</u>	<u>389,483</u>	<u>389,483</u>

Operating lease commitments receivable as a lessor

Amounts receivable by group under non-cancellable operating leases are as follows for each of the following:

	2019		2018	
	Group £	Charity £	Group £	Charity £
Within one year	278,844	278,844	278,544	278,544
Between one and five years	484,538	484,538	484,538	484,538
After more than five years	562,171	562,171	756,955	756,955
	<u>1,325,553</u>	<u>1,325,553</u>	<u>1,523,572</u>	<u>1,523,572</u>

27 Capital commitments

Capital commitments contracted but not provided for in the financial statements amount to £nil (2018: £412,673 plus VAT). These relate to our Teleprinter Building exhibition which is being funded from external sources.

28 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. Currently, due to the impact of the COVID-19 pandemic, the group's liquidity is supported by a draw-down from its unrestricted reserves. In order to maintain sufficient liquidity, the group is monitoring and updating two year cashflows on a regular basis to ensure it is able to meet future cashflows and to identify and minimise any use of free reserves to support short-term liquidity needs.

Notes to the financial statements (continued)

29 Post balance sheet events

Following the year end, the impact of the COVID-19 pandemic has had a significant impact on the Trust's operations. As part of the national lockdown, Bletchley Park closed to the public on 19 March 2020, reopening on 4 July 2020.

In order to survive this uncertain time, the Trust utilised the Government's Coronavirus Job Retention Scheme, and furloughed 94 of 118 staff immediately. It also opened to the public as soon as it was possible, ensuring the necessary and appropriate Covid-19 measures were in place to keep staff and visitors safe. The necessary staff were brought back to work. A significant number of staff remain on furlough to minimise the draw on finances.

All discretionary spend has been stopped and as much of the Trust's committed expenditure as possible deferred. Funding to support re-opening was secured from the National Lottery Heritage Fund. Since reopening, visitor numbers have grown slowly, but are significantly below (c.50% on 2019) previous years and, due to social distancing and the understandable caution of some visitors, remain unlikely to increase for some time.

The Trust is now undertaking an organisational restructure with the aim of a 33% reduction in staff to reduce costs. This will pause many activities and slow the development and delivery of some strategic plans. However, the proposed resulting structure will ensure remaining staff have the skills, expertise and ability to drive the Trust forward as it comes out of this pandemic. The reorganisation is designed to take the Trust through to 2022, when it is hoped visitor numbers will return to levels similar to pre-COVID levels.

Despite re-opening and these cost-cutting measures, the Trust is anticipating a £2m deficit in 2020. In the short-term, the designated reserves that had been amassed for specific capital projects, exhibition programmes and maintenance needs have been redirected to support the Trust's day-to-day expenditure in 2020 and into 2021.