

**Brooklands Museum Trust Limited**  
**(A company limited by guarantee)**

**Report and Financial Statements**

**Year ended 31 December 2012**

**Charity number: 296661**

**Company number: 2109945**

**Brooklands Museum Trust Limited**

**Report and financial statements 31 December 2012**

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## **Brooklands Museum Trust Limited**

### **Trustees, officers and professional advisers**

#### **Reference and administrative details**

##### **Royal patron**

HRH Prince Michael of Kent

##### **President**

The Earl of March & Kinrara

##### **Board of trustees**

###### **Chairman**

Lord Trefgarne PC

###### **Other trustees**

Mr. Stewart John OBE

Professor Michael Joy OBE

Mr. Tiff Needell

Mr. Alastair Pugh CBE

Sir Ralph Robins

Mr. Bryan Smart

Capt Mike Bannister

Mrs Penelope Timson

Mr Peter Smith

Mr Randolph Sesson (appointed 24/01/2012)

Mr Michael Parr (appointed 24/01/2012)

Mr Andrew Mallery (appointed 24/07/2012)

###### **Secretary**

Mr. P.D Robbins

###### **Museum director**

Mr. Allan Winn

###### **Curator collections**

Mr. John Pulford

###### **Curator aviation**

Mr. Julian Temple

## **Brooklands Museum Trust Limited**

### **Trustees, officers and professional advisers**

#### **Reference and administrative details**

##### **Bankers**

National Westminster Bank plc  
1 High Street  
Weybridge  
Surrey  
KT13 8AY

##### **Solicitors**

Barlow Robbins LLP  
Concord House  
165 Church Street East  
Woking  
Surrey  
GU21 6HJ

##### **Independent auditors**

Menzies LLP  
Chartered Accountants and  
Registered Auditor  
1<sup>st</sup> Floor, Midas House  
62 Goldsworth Road  
Woking  
GU21 6LQ

##### **Registered & principal office**

Brooklands Museum  
The Clubhouse  
Brooklands Road  
Weybridge  
Surrey  
KT13 OQN

##### **Charity registration number**

No. 296661

##### **Company registration number**

No. 2109945

# Brooklands Museum Trust Limited

## Report of the Trustees

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2012.

### **Description of company**

Brooklands Museum Trust Ltd is a private-sector charity which operates Brooklands Museum, “The Birthplace of British Motorsport and Aviation”, on a 32-acre site in Weybridge, Surrey. The Trust has a fully-owned trading subsidiary, Brooklands Ltd, and has a subsidiary trust, the Brooklands Museum Collections Trust. The company has a Delaware, USA-domiciled Trust (Brooklands Vimy Inc) which owns on behalf of Brooklands Museum Trust as beneficial owner a replica Vickers Vimy aircraft. The Trust has a support organisation – the Brooklands Trust Members. The Trust has as its Royal Patron HRH Prince Michael of Kent GCVO and as its President The Earl of March & Kinrara (“Lord March”). The company is constituted as a company limited by guarantee and is governed by its Memorandum & Articles, last revision dated 5<sup>th</sup> August 2008.

### **A short history**

In the early 1980s, as British Aerospace was winding down manufacturing at the Brooklands site, Elmbridge Borough Council backed proposals for a museum to preserve the joint heritages of motor sport and aviation at Brooklands and in the surrounding areas. The rescuing of a Vickers Wellington bomber from Loch Ness in 1985, and its subsequent transport to Brooklands for restoration, gave extra impetus to these moves.

At about this time, an area of the site embracing the 1907 motor racing Clubhouse and other motoring buildings, the steepest part of the Members Banking, part of the Finishing Straight plus the 1940 Bellman Hangar and the 1948 Stratosphere Chamber, was reserved from the portion of the original estate purchased by Gallaher plc (later a subsidiary of Japan Tobacco International). This area, of some 30 acres, was leased to the Council which, in turn, sponsored the establishment of a Brooklands Museum Trust in 1987, and the Museum was opened to the public in 1991.

Various buildings on the site were progressively restored and new exhibits acquired, including further Brooklands-built aircraft (some of them flown in to the then-still-extant Brooklands runway) and the fastest car ever around the old track, the 1933 Napier-Railton. After several years of successful expansion and development, a major flood of the River Wey in November 2000 caused major damage, causing the Museum to close for several months: this was a serious setback from which it took several years to recover. The sale by its owner of the remaining undeveloped 150 acres of the original site in 2004 to DaimlerChrysler (now Daimler AG) led to the first major change in the Museum’s layout since 1991, and the allocation on permanent loan of a British Airways Concorde aircraft in 2003 (opened to the public in 2006) had a further significant impact.

In 2011, after many years of negotiation and planning, the London Bus Preservation Trust (an independent charity) opened as a tenant to the Museum a new London Bus Museum, housing and displaying a collection of ex-London buses and associated artefacts which had been previously housed in an ex-Vickers hangar/workshop about one mile from the Museum. Entry into the London Bus Museum is covered by the normal price of admission to Brooklands Museum, which pays an agreed percentage of admissions income to LBPT

### **Objects & Activities**

The Trust has three principal objectives: the preservation of the motoring and aviation heritages of Brooklands and environs; using that heritage to inspire future generations through the Museum’s displays, activities and its Education service; and the provision of a world-class tourist attraction whose popularity will attract visitor revenues to pay for the preservation and education. These ambitions are summed up in the Museum’s formal Vision Statement: ‘Through inventiveness, expertise and above all, a sense of adventure, Brooklands changed the world. Building on that amazing legacy, we will use those qualities to inspire future generations to shape their world.’

### **Preservation**

The Trust has tightly written acquisition and disposal policies for all areas in which it seeks to preserve heritage – it collects only objects which fit into the parameters of those policies. With each object owned or acquired, decisions are made by the Curators as to the degree of preservation/conservation/restoration to be applied. With mechanical objects, the default presumption is that objects will be maintained in, or returned to, working order and that, where possible and practicable, they will be made accessible to the public and demonstrated in working order. The Museum’s development plan includes a project for consolidating its extensive archives in a single, purpose-adapted building.

# Brooklands Museum Trust Limited

## Report of the Trustees

### Education

The Museum has an active education programme headed up by a full-time Education & Visitor Services Manager backed by Visitor Services Assistants, aimed principally at Key Stage 1/Key Stage 2 pupils, and is able to offer specific teaching based on the curricula of those stages. There are four classrooms in the education centre, each capable of accommodating 30-50 pupils. Specifically trained and approved volunteers assist in the delivery of this work. In a typical year more than 10,000 pupils will be put through this centre in organised school parties. In addition to this primary school activity, the Museum offers opportunities for secondary school pupils, and is closely involved with tertiary education. Students from the University of Surrey and Farnborough College of Technology were heavily involved in the Concorde project, and Brooklands College maintains an aircraft on the Museum site as an instructional airframe for training aircraft technicians under the SkillAir programme.

### Entertainment

The Museum has a very high reputation amongst aviation and motoring heritage enthusiasts, but these people do not in themselves form a large enough audience to guarantee the financial future of the Museum. Financial success depends on attracting a wider audience to the site. The opening of the Concorde Experience (in which visitors are able to experience as many aspects as possible of what flying on Concorde was like) in 2006 vastly increased the attractiveness of the Museum to the casual visitor.

Other activities with broader appeal (such as giving rides around the Museum site in older-style vehicles, offering "torchlight tours" with a theme of the Brooklands ghosts etc) offer more opportunities to engage a non-specialist audience. The Museum is, whether it likes it or not, more in competition with local theme parks such as Chessington World of Adventures, Thorpe Park and Legoland than it is with other motoring and aviation museums, most of which are geographically distant from Brooklands. It is therefore imperative that the Museum develops to be a credible alternative to such attractions as a day out for families.

**Public Benefit:** As a registered charity, Brooklands Museum Trust takes very seriously its responsibilities for delivering a clear and tangible public benefit from its activities. The principal areas in which it delivers this benefit are:

- The preservation, conservation and restoration of historic aircraft and motor vehicles;
- The provision of education services to students of all ages, using the legacy of Brooklands to inspire, especially, an interest in engineering, science and technology;
- The provision of archive and research facilities for members of the public searching for information about Brooklands;
- The dissemination of knowledge and learning on the history of Brooklands to the widest possible audience;
- Participation in efforts to preserve and protect the historic Brooklands site and its environs for the benefit of the community;
- The provision of a suitable venue for the learned-society activities such as lectures of groups including the Royal Aeronautical Society and the Brooklands Society;
- The organising of public activities which allow the public to experience the atmosphere of Brooklands;
- Support of and involvement in community activities ranging from the Elmbridge Cultural Festival to providing a work environment for Surrey Youth Offending Team trainees;

### Heritage Assets

Whilst there are specific items which have been acquired by the museum, many of the exhibits are not owned by the museum but are on loan and have not been subject to any recent valuation. In addition there are numerous items of motoring and aviation ephemera which have been accumulated through donation and patronage.

Please refer to page 26, note 8a Heritage Assets for disclosure and policy adopted to comply with FRS 30.

# Brooklands Museum Trust Limited

## Report of the Trustees

### Organisational structure

The company's overall strategy and business are governed by the Board of Trustees, which meets quarterly to review the business and make strategic decisions on the running of the business. The Board of Trustees effectively operates as a supervisory board concerned with policy and oversight of the business, although trustees willingly make themselves available to assist with more tactical issues as required. The Trustees are, of course, legally responsible for the conduct of the company's affairs.

A sub-committee of the Board of Trustees ("The Executive Committee"), with five members drawn from the list of Trustees, meets between main Trust quarterly meetings to maintain oversight of the company's activities and to address any issues which need more urgent attention than can be provided by the quarterly meetings. The Executive Committee acts in a limited way with the authority of the full Trust, with major decisions being ratified as necessary by full Trust meetings. Acting after full and prolonged consultation with the Charity Commission, the Trust has subsumed the full responsibilities of the hitherto separate Brooklands Museum Collections Trust, which owns a part of the collection of exhibits of the Museum, and the Museum Trust is now the sole Trustee of the Collections Trust.

From time to time the Board of Trustees establishes sub-committees of Trustees supported as necessary by members of Staff, charged with addressing one or more particular issues on its behalf. Examples have included the Centennial Appeal Board established in 2005 and the current Business Strategy Development Group.

The trading subsidiary Brooklands Limited has a board comprised of one Trustee of the main Trust: Stewart John (chairman) and the Museum Director, Allan Winn. This subsidiary board meets as required to make strategic decisions for, and maintain oversight of, that subsidiary and its operations.

The Trust is represented on the Board of Brooklands Vimy Inc by its chairman, Lord Trefgarne, as Trustee.

The day-to-day operations of the Museum are managed by a staff of some 26 full time employees, headed by the Museum Director. This permanent staff makes all routine decisions regarding the operation of the Museum and the management of its exhibits subject to the policies set by and the overall supervision of the board. They also control the activities of the 700+ volunteers who carry out all of the guiding and stewarding of the site and the bulk of the Museum's restoration activities. Principal employees at year-end are (several are part-time):

- Director
- Commercial Manager
- Estates and Heritage Manager
- Assistant Director, Finance and accountant
- Head of Collections and Interpretation, and Assistant Curator
- Marketing & PR Manager and assistant
- Grounds and Special Projects Manager and assistant
- Concorde Operations Manager and Administrator
- Events Manager
- Buildings and Services Manager and handyman
- Education and Visitor Services Manager and Visitor Services Assistants
- Retail Sales Manager and assistants
- Gate staff
- Office Administration staff
- Volunteers Resources Administrator
- Trust Members Administrator

During 2012 the two full-time gate staff positions were made redundant following the installation of new remotely controlled gates on the Museum's service and events entrance. Those jobs were replaced by new Visitor Services Assistant posts, whose occupants provide advice and support to visitors, assist in the Education Department and operate the Museum telephone system in addition to controlling the gates.

The Museum's catering, conferencing, banqueting and hospitality operations are contracted out to an independent operator, which operates all external-customer conference and catering activities, including function-room hire, and pays the Museum a commission based on sales. Since 2006, the caterer has also operated the Museum's Sunbeam Café, Members Bar and internal catering services on behalf of the Museum.

Since 1<sup>st</sup> April 2010, these services have been supplied by Creativevents, which pays the Museum a straight commission on all food and beverage sales through both the Cafeteria (refurbished at Creativevents' expense in 2010) and the hospitality operations. The caterer maintains a mix of permanent and casual staff on site,

## Brooklands Museum Trust Limited

### Report of the Trustees

including a catering operations manager and sales manager based in the Museum's administration building. During the year Creativevents and the Museum shared the cost of a £250,000 refurbishment of the public rooms on the first floor of the Clubhouse, in recognition of which the Museum granted Creativevents a five-year extension to the catering contract, to run from the end of the initial three-year term.

Much of the Museum's activity is conducted by a pool of some 700 volunteers, whose activities are managed and co-ordinated by the permanent staff. The volunteers, in particular, are responsible for all guiding of visitors, stewarding of exhibition spaces, archiving and research, and the bulk of exhibit restoration. Volunteers also contribute to site upkeep and assist staff members in the course of their own work.

#### **Related parties**

Creativevents:	Museum caterer
Suppliers	
Mercedes-Benz UK:	operator of a neighbouring facility including car showroom and test tracks, known as Mercedes-Benz World ("MBWorld"). MBUK has supported the Museum financially and in other ways. The Museum has, under the terms of a Section 106 planning agreement with MBUK, limited but guaranteed use of MBWorld's facilities, and leases car parking and its main access road from MBUK
Elmbridge Borough Council:	established Brooklands Museum Trust and funded its initial operations; is the trust's planning, rating and licensing authority
Surrey County Council:	provides overall framework for the Museum's education activities, and has assisted with funding for new classrooms etc
English Heritage:	Government agency which has overall responsibility for Ancient Monuments and nationally Listed buildings, on behalf of the Department of Culture, Media and Sport
Heritage Lottery Fund:	has provided funding for a number of Museum projects and acquisitions, and is the principal funder for the Museum's largest capital project, the Brooklands Aircraft Factory & Race Track Revival
Arts Council England	Successor to the Museums, Libraries & Archives (MLA) body as the regulator of the Museum's professional activities and standards through Accreditation
Grant-giving bodies:	other trusts etc which from time to time make grants towards funding Museum developments and activities

#### **Supporters, sponsors and donors**

Brooklands Trust Members (BTM):	support organisation which raises money for the Museum through subscriptions, and organises monthly lectures and other social activities. Incorporates the previous Association of Friends of Brooklands Museum (AFOB) and the Brooklands Club.
Brooklands Society:	independent society which promotes recognition of the heritage of the Brooklands site.
VMCC:	(Vintage Motorcycle Club) local branch organises social meetings at Museum
RAeS:	(Royal Aeronautical Society) organises monthly lecture series and other activities at Museum
Rutland Group:	Owner of Dunsfold Aerodrome and risk-bearing promoter of Wings & Wheels flying and motoring event, of which Brooklands Museum is one of the benefitting charities.
Vintage Sports-Car Club:	Organising partner in the Brooklands Double Twelve Motorsport Festival, for which the VSCC arranges and runs all the competition aspects under permits issued by the Motor Sport Association. The VSCC also organises an annual driving tests competition on the Museum site each February

## Brooklands Museum Trust Limited

### Report of the Trustees

Motor Sport Association:	The MSA, a branch of the Royal Automobile Club, is the official controlling body of motor sport in the UK. The Museum works with the MSA on competitive events held on the Museum site and on the MBWorld site
IOPD	The International Organisation of Professional Drivers is a statutory authorising body which controls off-road motoring activities on behalf of the Government. All of the Museum's non-competition motoring activities are organised under an IOPD licence, issued annually
AC Heritage Ltd:	A company specially created (as a subsidiary of local vehicle restoration company Brooklands Motor Company) with the intention to restore the 1907 Members restaurant buildings on the Museum site and operate them as a vehicle restoration works and exhibition area, "The Brooklands Motor Works"
London Bus Museum:	The trading name of the London Bus Preservation Trust, which holds a 125-year lease on a portion of the Museum site, on which it has built a Bus display building ("Cobham Hall"), opened to the public in August 2011
UED Ltd	A property development company which is engaged with the Museum in discussions over the proposed erection of a new cover building for the large aircraft currently stored and displayed outdoors on the Museum site
Elmbridge Housing Trust:	The owner of a strip of land ("The Dell") behind the Members Banking of the 1907 race track, which EHT is redeveloping to accommodate some 48 new affordable dwellings, some of the services for which will pass over or through Museum-owned land and whose joint boundaries with the Museum are being reinforced at EHT expense as a result to improve Museum security.
Historics Classic & Sportscar	
Auctions:	Conducts regular classic car auctions on the Museum site
McLaren Marketing Ltd	Formula One racing team which has loaned the Museum items with which to build an F1 simulator

### Recruitment & Appointment of Trustees

#### Current Trustees

The Trustees come from a wide variety of backgrounds, reflecting the trust's desire to have as wide a set of skills and experience available as is possible.

- Lord Trefgarne (Chairman): aviation, business, politics
- Alastair Pugh: aviation, business, motoring, journalism
- Stewart John: aviation, business
- Sir Ralph Robins: aviation industry, business, motoring
- Prof Michael Joy: aviation, medicine, motoring
- Bryan Smart: finance, motor industry
- Tiff Needell: motoring, journalism
- Captain Mike Bannister: aviation
- Penelope Timson (Keith): public entertainment, civic service, charitable works
- Peter Smith: aviation, business
- Michael Parr: finance, motoring, aviation (appointed 24/01/2012)
- Randolph Sesson: finance (appointed 24/01/2012)
- Andrew Mallery, Group Marketing Director, Mercedes-Benz UK 24/07/2012)
- David Robbins (Company Secretary, non-Trustee): business, legal

#### Principles of recruitment for new Trustees

The principle is to maintain the widest possible sets of skills and experience relevant to the Museum's business. Key areas in which the Trust seeks to maintain strength are finance, business management, marketing, political, legal and heritage, with a balance of aviation and motoring interests

# Brooklands Museum Trust Limited

## Report of the Trustees

### **Limits on numbers/rate of turnover**

The Board of Trustees is limited to 12 full members, plus the Company Secretary. Members are elected for a three-year term, with no limit on the number of terms they can serve, save that any member aged 70 or more must retire and seek re-election (if desired) annually.

In recent years one or two Trustees have resigned or retired/not sought re-election each year

### **Retirement of Trustees**

Trustees retire by rotation but may seek re-election as explained above. Additionally, a Trustee may choose to resign for other reasons or, exceptionally, may accept a suggestion to retire if the Board considers that the Trustee is unable to give the Trust the expected level of commitment.

### **Trustee induction and training**

New Trustees have traditionally been introduced into the trust's activities in a relatively informal manner, with a briefing on his/her role and the business of the company from the Company Secretary and a briefing on the activities of the company from the Museum Director. All appropriate declarations are obtained from new Trustees by the Company Secretary. Copies of the Charity Commission's guidelines on "The Responsibility of Trustees" are available to Trustees.

The Trust has recognised that, with the increased responsibilities of Trustees and the increasing complexity of the regulations surrounding charitable and business activities, a more formal induction programme is now appropriate. The Trust will now supply a much more complete set of Charity Commission publications to each incoming Trustee, and is investigating short courses for Trustees.

### **Risk Management**

The major risks to which the charity is exposed, as identified by the Trustees, have been reviewed and systems or procedures have been established to manage these risks. Key issues are as follows:

#### **Strategic Plan**

The Trust has a Strategic Plan for the development of the Brooklands site: this plan establishes the priorities for investment in infrastructure and exhibits. The plan has identified in excess of £20 million worth of desired improvements and additions to the Trust's site, business activities and exhibits. This Strategic Plan was substantially revised and updated as part of the application processes for the large Heritage Lottery Fund grant for which a Round One pass was gained in January 2013. During early 2012 the Museum renewed its Arts Council England (previously MLA) Accreditation.

#### **Internal procedures and controls**

The Trust maintains an internal Procedures Manual which governs all of the activities of its employed and volunteer staff, and establishes principles of the conduct of the company's operations. This Procedures Manual is maintained as an on-line document, available to all staff via the internal computer network, and is regularly updated. Within the company's procedures are particular rules governing expenditure, with formalised levels of signing authority for company cheques and other payments. In addition to the Procedures Manual, a Staff Handbook, available in both on-line and hard-copy form to all employees, sets out codes of conduct and guidance for staff on operational issues. Both the Procedures Manual and the Staff Handbook are regularly reviewed and updated. Access to company safes is strictly controlled, and restricted to paid staff only.

#### **Revenue spread initiatives**

The Trust has an over-riding priority to move the business to a position of self-sufficiency such that its ongoing operations can be sustained on the revenues generated directly by those activities – e.g. gate admissions, shop sales and hospitality/conference/banqueting. Traditionally, the Trust has relied on donations from outside sources such as companies and its Members organisation to bridge the gap between visitor income and outgoings, but it is its intention to move to a position where all such donations can be put to capital expenditure.

#### **Health & Safety**

The company has a strong position on health and safety for its staff, volunteers and visitors, and especially for events which are run on its site. A Health & Safety committee, chaired by the Buildings & Services Manager and comprising members from the staff, volunteers and contract catering staff, and with at least one Trustee as

## Brooklands Museum Trust Limited

### Report of the Trustees

an observer, meets regularly to oversee health and safety issues. The minutes of these meetings are circulated to all Trustees and health and safety is a priority agenda item at every Trust meeting.

In line with the requirements of the Road Traffic Act 1992 (Off Highway Event) Regulations, the Museum has had its non-competition motoring events procedures examined by the Institute of Professional Drivers (IOPD), one of the bodies authorised by the Secretary of State for Transport to oversee activities in this area, and the IOPD has in turn authorised the Museum to carry out these activities. All such activities are now run under the rules and procedures approved by the IOPD. This licence is subject to annual review and renewal. The IOPD licence also covers the Museum, subject to prior notification, for the organising of non-competition motoring events at other venues, and occasionally for corporate-style competition activities not covered by the MSA or ACU. Any motoring or motorcycling competition event organised by or hosted by the Museum is covered by the regulations of the appropriate governing body (Motor Sports Association or Auto Cycle Union) under those organisations' respective permit arrangements which establish additional health and safety controls. The health and safety of the Museum's operations fall under the oversight of Elmbridge Borough Council's Environment department, which inspects and advises as appropriate.

#### **Achievement & Performance in 2012**

**Admissions:** The Museum achieved an all-time record 150,000 public daytime admissions in 2012 – this includes admissions on BTM and LBM Membership cards, but does not include hospitality and conferencing attendances. This represents a 12.8% increase over the comparable figure for 2011.

**Concorde:** The Museum's Concorde aircraft G-BBDG has continued to generate additional visitors and revenues since it was formally opened by HRH Prince Michael of Kent GCVO on 26 July 2006, and opened to the public on 1 August 2006. This aircraft is on permanent loan from British Airways, which assisted the Museum in the dismantling of the aircraft and has provided generous support in sourcing the numerous components which were required in its restoration. Funding of the Concorde restoration was partly through donations to a special Concorde appeal, and partly through a loan as detailed in the Accounts.

The premium-rate Concorde Experience (a half-hour tour and experience on board the aircraft) continues to be popular with Museum visitors: the total number undertaking the Experience in 2012 was over 37,502, which is very close to the previous year's number in absolute terms but represents a measurable drop as a percentage of total visitor numbers. The Museum continues to experience difficulty in providing enough weekend Concorde stewards to enable supply of Concorde Experiences to meet demand: to operate at capacity the Experience requires at least three (and preferably four) stewards on duty at all times: with only two on duty capacity is effectively halved. The aircraft continues to be popular with function organisers and schools, for both of whom special packages are regularly arranged, and is increasingly popular as a wedding venue.

**Concorde Simulator:** The Concorde simulator, which is installed in the Acoustics Test building, continues to be extremely popular, "Gold" and "Silver" experiences packages in which customers receive instruction on the simulator from ex-British Airways Concorde flight crew and varying degrees of hospitality normally being booked out 6 months ahead. Pricing has stayed competitive at £425/head for the most expensive packages: utilisation of this machine is limited by volunteer instructor availability and the fragility of what are now quite elderly electro-mechanical components. During the year British Airways donated to the Museum the mirror for its visual system which was used in the latter years of the simulator's service with the airline, and this is due to be installed on the simulator during its annual "downtime" for maintenance in 2013 – this upgrade requiring the simulator to be relocated within its building to make enough space for the mirror.

**Concorde Scale Model "G-CONC":** this 40% scale model (some 80ft long and with a 30ft wingspan) stood for many years on the approach roundabout at the entrance of London Heathrow airport: it was acquired by the Museum in 2007 and has since been restored. After many delays, this iconic exhibit was finally installed on MBWorld land close to the Museum's public entrance in September 2012, and was formally re-inaugurated by the Mayor of Elmbridge, Councillor Janet Turner, in November. A sophisticated new floodlighting system for the model was due to be installed in the summer of 2013.

**Formula One Simulator:** This machine has continued to be popular with visitors, but during the year it became increasingly clear that it would need major restoration work to its hardware and upgrades to its software. The McLaren racing organisation, which owned the central "tub" of the simulator, generously offered to replace it with a more modern F1 show car as a base (also supplying valuable display screens and parts for the upgrade), and to loan the Museum one of its own promotional simulators to fill the gap while the new car was converted for simulator use. This swap-over was achieved in October 2012, when work by a small

## Brooklands Museum Trust Limited

### Report of the Trustees

volunteer team commenced on the conversion, the new simulator eventually coming into service in April 2013. (During 2012, the Museum loaned to McLaren its Turbo-Union RB.199 combat aircraft engine, for display at McLaren's headquarters alongside the mock-up of that company's ultimately unrealised 1980s Land Speed Record challenger, Maverick, which would have used one of these engines. McLaren substantially renovated the engine before putting it on display for almost 12 months – the engine was returned in 2013.)

**1927 Grand Prix Delage:** In March 2012 the Museum was officially notified by the executors of the estate of the late Mr Alan Burnard that Mr Burnard had extremely generously gifted the Museum his 1927 Delage 15-S-8 Grand Prix car, a vehicle which had competed with distinction in the RAC British Grands Prix of 1926 and 1927 at Brooklands. This car had been heroically reconstructed over many years by Mr Burnard, who had demonstrated it at various Museum events in recent years. The Museum took delivery of the car, with assorted spare parts and tooling, in April 2012, and after a careful recommissioning, it was able to be demonstrated during the Double Twelve Motorsport Festival in June. Unfortunately, the car suffered an engine failure during low-speed running at the Goodwood Festival of Speed in July, and has been out of action since. (In early 2013 the engine was removed from the car for investigation as to the cause of this failure, and is at the time of writing with an external engineer for further analysis and repair.) The Museum is extremely grateful to the late Mr Burnard for his generous bequest.

**Site Freehold:** The new electrically controlled gates at the Campbell Circuit entrance, installed as a part of the agreement under which the Freehold Transfer of 2010 was completed, were brought into service in January 2012.

**Weddings:** The Museum site has proved increasingly popular for both civil wedding/civil partnership ceremonies and wedding receptions. Four function rooms – including the interior of the Concorde G-BBDG – are covered by this licence. The refurbishment of the Clubhouse function rooms (qv) in 2012 has led to a significant boost in both this business and the wider functions and hospitality business of the Museum.

**London Bus Museum:** The first full year of operations of this new attraction has been very successful. Work has continued on installing further displays within the building, and new bus exhibits (both on loan and owned by LBPT) have been added to the collection. Several bus-centred events have been organised by LBPT on the Museum site, attracting new visitors just as the bus museum itself has. Arrival-intentions research carried out during the October 2012 Half-Term school holiday confirmed the Museum's original estimates that the presence of the Bus Museum would boost attendances by at least 3%, even without the addition of LBPT's biggest event (its annual Spring Gathering) which was not transferred to the Museum site until 2013. The Joint Management Committee which meets at least every quarter to oversee the working relationship between the two Museums continues to work well, and the terms of the tenancy agreement which grants LBPT a small *per capita* fee for each paying visitor entering the site have given LBPT a significant and reliable new income stream.

**Helicopter & Other Flying Operations:** The Museum has continued to successfully accommodate irregular helicopter landings on the airstrip of the adjacent Mercedes-Benz World. In September, the Museum's annual Aviation Day saw three microlight aircraft and one helicopter landing on the so-far unimproved airstrip, and flying displays by two vintage aircraft above the approved aerial display line just to the west of the Museum's boundary. The successful operation of that day has inspired the formation of a Brooklands Airfield Flying and Operations Committee (BAFOC) under the chairmanship of Simon Ames – longtime controller of the Museum's flying activities – and with a membership of several experts from all aspects of flying operations on small unlicensed airstrips such as this one. The first meeting of BAFOC took place in March 2013.

**Brooklands Trust Members:** The Brooklands Trust Members, which resulted from the amalgamation of the Association of Friends of Brooklands Museum and the Brooklands Club, continues to flourish. At the end of the year its main memberships had grown to a record 4,609, representing 8,128 card-carrying Members, and the percentage of new and renewing Members taking the highest "Club Level" option has also reached a record level, at 1,511, or 33% of the total memberships. The rise in Family and Club Level Memberships is reflected in the fact that during the year one visitor in six to the Museum entered on a BTM card. It is estimated that the total revenue flowing to the Museum from BTM subscriptions and other activities was well over £200,000 in 2012.

The BTM's bi-monthly magazine "The Brooklands Bulletin" has had another very successful year, with improved advertising income allowing pagination to be increased. The quality of both its content and production has improved over the year, making this an excellent magazine and a very good public-relations tool for the Trust. The BTM held another successful Annual Dinner in November, and has continued with its successful evening talks programme and major events such as its annual Aero/Auto Jumble event.

### Report of the Trustees

**Mercedes-Benz World at Brooklands:** This major “Brand Centre” visitor attraction and retail centre (“MBWorld”), established by DaimlerChrysler UK (now Mercedes-Benz UK or “MBUK”) on a 90-acre site adjacent to the Museum was opened in October 2006. As a free attraction, sales dealership, service centre and driving-experience venue, it now attracts some 300,000 visitors a year, many of whom also visit the Museum as paying customers. The Museum’s main visitor entrance is shared with MBWorld, and its main public car park now occupies an area within the MBWorld site. Public access to the Museum from this car park is by foot over a dedicated bridge, leading to the Museum ticket office and shop. One of the planning conditions for MBWorld calls for the Museum to have access to the MBWorld facilities – in particular its handling circuits – for up to 20 days per year, as agreed with MBUK. Allowance has been made for up to four of those days to involve flying from a proposed grass airstrip, the land for which has been reserved within the Mercedes-Benz World site. The economic cost of using the main circuit, especially, at MBWorld means that the Museum has so far made limited use of the site for its events (typically for three or four days a year, especially during its annual Brooklands Double Twelve Motorsport Festival), but foresees continuing use of this major facility. During the year, in addition to having one day of exclusive use and one of shared use for the Double Twelve event, the Museum also made use of the MBWorld facilities for its Italian Car Day, Supercar Day, Cycle Festival and Military Vehicles Day, as well as for its new Autumn Motorsport Day. Under the Section 106 planning agreement for the MBWorld site, no competition activity may take place on that site without the direct involvement of the Museum, and in compliance with this regulation, the Museum officially holds the MSA Track Licence for motorsports at MBWorld. In July, the Museum worked in conjunction with another charity, the Henry Surtees Foundation, to run a charity kart race on the MBWorld circuit. This successful event, featuring 30 four-man teams running a relay race lasting almost two hours, generated a substantial profit: the Henry Surtees Foundation used its 75% share of this profit to fund the installation of blood-transfusion equipment on board the Kent, Surrey & Sussex Air Ambulance helicopter, and the Museum allocated its £8,000 share towards the purchase of a magneto for its Duesenberg racing car restoration.

**Brooklands Wings & Wheels at Dunsfold:** The Museum continues to be involved in the organisation of this major annual flying and motoring event held at Dunsfold Aerodrome (the previous site of a British Aerospace factory producing Hawker and BAe aircraft). The first of these events in 2005 was organised by the Museum at its own risk, but the 2006 and subsequent events have been mainly organised by the owners of the airfield, the Rutland Group, at the latter’s risk. The Museum takes particular responsibility for organising and running the motoring and motorcycling aspects of the event, and for the ground-handling operations of the fly-in of some 60 historic aircraft for static display.

As is now well established, the 2012 event took place over two days, with the Sunday producing a good crowd of over 22,000 but Monday proving disappointing at around 10,000. As in the previous year, this led to the event not making a satisfactory profit, but the Museum continued to benefit from the fee which it charges for organising the motoring activities at this event. A further factor affecting Wings & Wheels was the launch of Chris Evans’ Carfest, in conjunction with BBC Radio 2, on the same weekend and at a venue in Hampshire which is close enough to Dunsfold to impinge on its catchment area, and this undoubtedly reduced the attendance at Wings & Wheels. As a result of the experience of the last two years, the decision was made to change the dates of the 2013 event to the Saturday and Sunday of the August Bank Holiday weekend.

**Aircraft Park:** During the year the Museum invested further sums in improving the facilities here, notably by extending a new electrical ring main to serve most of the aircraft in the park.

**Site Maintenance & Upkeep:** During the year the wooden railings on the Test Hill were replaced, with the work being funded by a grant from the Brooklands Trust Members. Considerable research was undertaken to ensure that these new railings matched as closely as possible both the line and style of those on the Hill before 1939. A further major repair saw the external balcony and stairs outside the Chequered Flag Room (see below) of the Clubhouse replaced, along with the roof over the Children’s Play Area, and further work was done on other balconies to make them safe.

The planned refurbishment of the upstairs function rooms in the Clubhouse, jointly funded by the Museum and Creativevents, commenced in January. The work, costing some £250,000 in total, embraced the stripping-out and redecorating of three rooms (Bar, Blue Bird and Chequered Flag), the latter being re-named the Napier Room on completion, to improve its marketability especially to the corporate and wedding markets. The work included commissioning specially designed and woven carpets for all three rooms and for the stairs and corridor which serve them, along with new lighting throughout, and a strip-out and re-flooring of the main visitor entrance area. The results have been warmly embraced by the hospitality market, and bookings increased substantially throughout the year, easily justifying the expenditure.

## Brooklands Museum Trust Limited

### Report of the Trustees

**2012 Brooklands Double Twelve Motoring Festival:** This event continued to make progress, with increases in competition entries and visitor attendances, the latter being some 25% up on the previous year. The event continues to be an expensive one to stage, however, largely because of the extra infrastructure brought in (notably two temporary grandstands to make the competitive events easily viewable) and the hospitality extended to competitors. The event again made a small loss, but in the light of feedback from both visitors and competitors, changes have been made to the format of the event for 2013, with the expectation that these changes will transform its financial performance.

**Anniversary and other events:** In September, the Museum celebrated the 50<sup>th</sup> anniversary of the first flight of the Vickers (BAC) VC10, the largest aircraft ever put into production in the UK, and the last major aircraft to be built solely at Brooklands. A day of talks and seminars, with a celebration lunch, was enjoyed by some 300 participants, most of them either associated with building or flying the VC10 over the ensuing 50 years. During the day, the newly restored fuselage of G-ARVM, the last VC10 to have operated in regular passenger service and donated to the Museum in October 2006., was formally opened to the public. This fuselage houses an exhibition on the history of the VC10, and will also be used for education and filming purposes: its restoration was the result of a huge amount of work during the year by a small team of volunteers.

**External events:** The Museum's presence at the Goodwood Festival of Speed at the end of June, mentioned above, was enhanced by a stand manned by the BTM Outreach Team, which also had a stand at the Goodwood Revival meeting in September. In July, a group of owners of the Talbot cars which competed with that company's "works" team in races and trials in the early 1930s joined together as the Brooklands Museum Racing Team at the biennial Le Mans Classic race meeting in France. Altogether five cars – all in the Talbot "house" colours of light and dark green – raced during the weekend, with a sixth car on a Museum publicity stand just outside the Paddock. The racing operation was managed by Pace Products on behalf of the owners (John Ruston, Nick Pellett and Chris Lunn), and saw the team take pole position in the pre-war class, two wins in the three heats of that class's races and an overall second place in that class. Two of these cars raced again in the Museum's colours at the Goodwood Revival, where the leading car again took second place in the Brooklands Trophy race for pre-war cars. This activity generated much publicity for the Museum, which is grateful to the owners for their efforts (entirely at their own expense) on its behalf.

The Museum again took a display to the Race Retro show at Stoneleigh, Warks, and took part in the Historic Commercial Vehicle Society's annual London-Brighton run, this time with its 1978 Bedford HA van in the livery of British European Airways. In August, the Museum and the car's owner, Richard Nash, took the 1912 Lorraine-Dietrich Grand Prix car "Vieux Charles Trois" to Dieppe for the centenary celebrations of the 1912 French Grand Prix which had been that car's sole competition appearance before it became a successful Brooklands racer. The car, which had had limited running appearances since a major engine rebuild, suffered further engine maladies on this occasion, but at least it ran on French soil for the first time in 100 years. The Napier-Railton was the star of the Museum's presence at the Chelsea Auto Legends show in September in the grounds of Chelsea Hospital in London, it being joined there by several other Brooklands cars. The Brooklands Trust Members again attended some 30 external events to promote the Museum in the course of the year. The Museum Director again attended the annual Pebble Beach Concours in California as an Honorary and Class Judge, this event continuing to give the Museum a valuable opportunity to maintain contact with the Members of its President's Club (see below) and other owners of Brooklands cars.

#### Financial review

**Resources:** The trading results for 2012 again show a surplus before tax and depreciation mainly due to further substantial increases in admissions revenue and the continued success of the catering and hospitality operations run by Creativevents. This surplus allowed the Museum to expend money on upgrading and maintaining its site and buildings, and it has every hope of being able to continue with this trend in 2013.

**President's Club:** The Museum has continued to foster relations with the Members of its President's Club, the group of high-profile supporters who have direct links to Brooklands through their ownership of significant Brooklands cars or aircraft, under the chairmanship of the Museum Trust's President, The Earl of March & Kinrara. During the year, meetings were held with several of the Members at the Goodwood Revival and Pebble Beach, and updates on Museum activities provided to them. Approaches to potential benefactors continue through individual Trustees, working closely with the Museum staff.

**Principal funding sources:** Of the core Museum activities, visitor gate revenue provides the largest part of income. The trading profits of the wholly-owned subsidiary Brooklands Ltd (largely from shop and catering activities) are covenanted to the Museum. Membership subscriptions to the Brooklands Trust Members (BTM)

## Brooklands Museum Trust Limited

### Report of the Trustees

contribute a substantial amount, especially as payments for core membership of the BTM can be gift-aided, adding 25p to every £1 given. The Museum does benefit occasionally from generous legacies and other one-off capital donations.

**Investment policy:** The Museum's only investment is in its trading subsidiary company Brooklands Limited. Details of the investment can be found in Note 9 to the accounts.

**Stewardship of cash:** Most of the revenues generated by the Trust's activities are spent quickly, but any short-term surplus is held on deposit with little able to be held on any sort of term deposit. Funds received for special capital projects are all held in high-interest-rate deposit accounts until they are needed. All monies received are banked as quickly as possible (banking is done at least once a week), and any which can be held on deposit are placed to maximise interest. The Museum has a series of secure on-site safes, and the amounts kept in those are kept to a practical minimum and within the limits set by the Trust's insurers.

**Reserves Policy:** The Board of Trustees consider that the level of reserves and anticipated future income is sufficient to enable the charity to continue its operations for at least twelve months from the date of approval of these accounts and for the foreseeable future and these accounts have accordingly been prepared on the Going Concern basis.

#### Plans for future periods

**Building repairs etc:** Few of the Museum's buildings are under 60 years old, and with the exceptions of a couple of small structures, none was purpose-built for Museum use. Amongst building works currently contemplated by the Trust are:

- **Bellman Hangar:** A revised application was submitted to the Heritage Lottery Fund in October 2012 for a First Round Grant for development work on the Brooklands Aircraft Factory and Race Track Revival Project. Under this project, the Grade II-listed 1940 Bellman Hangar will be dismantled and removed from its present position on the Finishing Straight of the 1907 Race Track, and restored and re-erected on a new site between the London Bus Museum and the upper stretch of the Finishing Straight. Inside the restored building, exhibitions will tell the story of aircraft design and manufacture over an 80-year period at Brooklands, and looking forward into the future. This will be a hands-on education display aimed at inspiring current and future generations to engage with science, engineering, technology and mathematics, and will draw on the Museum's extensive collections of artefacts and archives. Backing up the main factory display in the Hangar will be a new two-storey "Flight Shed", the ground floor of which will contain workshops and storages areas, while the upper floor – at the same level as the base of the banked circuit – will house the Museum's "active" aircraft, held in readiness to be wheeled out onto the Finishing Straight for engine runs and taxiing. The third part of this project will involve the restoration of the 400m of Finishing Straight within the Museum's grounds, including the 60m section currently covered by the Hangar. In January 2013, the Museum was granted a Round-One pass, allowing it to spend the first £410,000 (£286,500 of which granted by HLF) of this £6.8 million project on design, development and planning. A Second Round application for the balance of the funding will be submitted towards the middle of 2014, with a view to work starting in 2015.
- **Aircraft Cover Building ("The Wing"):** Progress on obtaining funding for the planning stages of this expansive project (under which a large canopy and associated buildings would be constructed to protect the seven large Vickers/BAC aircraft which the Museum currently displays outdoors) has been slow. During the year the developer (UED) investigated different ways of securing this initial funding, and more progress is expected in 2013.
- **Clubhouse:** With the completion during 2012 of the refurbishment of the main function rooms of the Clubhouse, attention has shifted to renewing the water supply to this building to alleviate deficiencies in both pressure and volume. This work is expected to be completed in 2013.
- **Stratosphere Chamber:** In December 2012 the Museum was formally notified that it had received a £120,000 grant for the restoration and re-interpretation of the "Stratosphere Chamber" high-altitude research facility built under the direction of Barnes Wallis in 1947. This work will consist of the cleaning and repainting of the interior of the Chamber and its Great Door, along with the restoration of its Control Room and machinery space, and the installation of new displays to explain the Chamber's operation and use. Improvements will also be made to access to the Chamber and Control Room, and a VC10 fuselage test specimen originally tested in the Chamber will be installed in a display position within it, replacing a Vickers Valiant nose section which has been removed to the Hangar. It is envisaged that artefacts from

## Brooklands Museum Trust Limited

### Report of the Trustees

the extensive collections owned by the Barnes Wallis family trust will be loaned to complement the Museum's own archives and used to enhance the displays in this area. The refurbishment of the Chamber is due to be completed by December 2013.

- **Balloon Hangar & Wind Tunnel Building:** During the year plans for the restoration and potential revenue-generating use of these two buildings (annexes to the Stratosphere Chamber building) were investigated, and a scheme for funding this work via a five-year Bond was developed, to be put into operation in 2013.

**Byfleet Fire Station:** Little work has been done on this project since the Museum received a Licence of Occupation from Surrey County Council, the owner, for the now-disused Byfleet Fire Station (the oldest parts of which date back to 1885), located outside the perimeter of the original circuit. The Licence allows the Museum to properly investigate the costs of taking responsibility for the repair and upkeep of this historic building, largely through co-ordinating the activities of local voluntary groups such as the Friends of Byfleet Fire Station and the Byfleet Historical Society, both of which have members with the necessary skills and enthusiasm for undertaking much of the required work but lack the infrastructure and management to co-ordinate that work. Should this work be successful, the Fire Station (which provided fire cover for most of Brooklands' working life) would become the headquarters of the Museum's volunteer Fire & Rescue Service, which maintains an active fire and emergency cover for Museum activities on and off site, and could also provide much-needed storage space for the Museum.

#### Accounts & accounting policies

The Trust's financial affairs are conducted on a day-to-day basis, and its accounts prepared, by the Assistant Director, Finance and her staff. Advice on the conduct of the Trust's financial affairs is provided, *inter alia*, by the Trust's auditors and by appropriately qualified Trustees. The rules and guidelines under which the annual accounts are compiled are fully explained in the relevant parts of this *Report & Accounts*.

# Brooklands Museum Trust Limited

## Report of the Trustees

### Trustees' responsibilities in relation to the financial statements

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the company for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the charity's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

### Auditors

Menzies LLP are deemed to be re-appointed under section 487(2) of the Companies Act.2006.

Approved by the Board of Trustees  
and signed on behalf of the Board

.....  
Secretary .....2013

.....  
Trustee .....2013

## **Brooklands Museum Trust Limited**

### **Independent auditors' report to the members of Brooklands Museum Trust Limited**

We have audited the financial statements of Brooklands Museum Trust Limited ("The Trust") for the year ended 31 December 2012 which comprise the consolidated statement of financial activities, the company statement of financial activities, the balance sheets and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Trust's members those matters 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 anyone other than the Charity and the Charities Trustees, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR**

As explained more fully in the Trustees Responsibilities Statement set out on page 15, the Trustees who are also directors of the charity are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Charities affairs as at 31 December 2012 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' report.

MALCOLM LUCAS FCA (Senior Statutory Auditor)  
For and on behalf of  
MENZIES LLP  
Chartered Accountants and Statutory Auditor

Midas House, 62 Goldsworth Road,  
Woking, Surrey  
GU21 6LQ

..... 2013

## Brooklands Museum Trust Limited

### Consolidated statement of financial activities Year ended 31 December 2012

	Note	General Funds	Restricted Funds	Dec 2012 Total	Dec 2011 Total
		£	£	£	£
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Donations		359,547	7,405	366,952	596,359
Corporate donations		1,500	-	1,500	-
Legacy Donation		1,000	-	1,000	-
Fundraising Donations		5,325	-	5,325	9,150
<b>Activities for generating funds:</b>					
Gate revenue		801,044	-	801,044	739,143
Site hire		33,245	-	33,245	37,007
Income from shop and catering		831,669	-	831,669	692,025
Events		21,436	-	21,436	2,947
Concorde		151,123	-	151,123	175,730
Other incoming resources		79,623	-	79,623	7,127
Bank interest received		1,948	-	1,948	1,548
<b>Total incoming resources</b>		<u>2,287,460</u>	<u>7,405</u>	<u>2,294,865</u>	<u>2,261,036</u>
<b>Resources expended</b>					
<b>Cost of generating funds:</b>					
Cost of sales		617,909	-	617,909	539,168
Cost of shop and catering sales		614,083	-	614,083	501,511
<b>Fund raising expenses</b>	5	33,055	-	33,055	33,347
<b>Charitable activities:</b>					
Museum curatorial and restoration costs	5	999,315	86,486	1,085,801	1,017,502
Exceptional costs		-	-	-	-
<b>Charity Governance</b>	5	31,091	-	31,091	17,755
		<u>2,295,453</u>	<u>86,486</u>	<u>2,381,939</u>	<u>2,109,283</u>
<b>Other expenditure:</b>					
Interest payable	7	11,392	-	11,392	20,402
<b>Total resources expended</b>	4	<u>2,306,845</u>	<u>86,486</u>	<u>2,393,331</u>	<u>2,129,685</u>
<b>Operating (deficit)/surplus for the year before taxation</b>		(19,385)	(79,081)	(98,466)	131,351
<b>Net (outgoing)/incoming resources before transfers</b>		(19,385)	(79,081)	(98,466)	131,351
Gross transfers between funds		-	-	-	-
<b>Net movement of funds in year</b>		(19,385)	(79,081)	(98,466)	131,351
<b>Total funds brought forward</b>		<u>2,151,510</u>	<u>97,855</u>	<u>2,249,365</u>	<u>2,118,014</u>
<b>Total funds carried forward</b>		<u>2,132,125</u>	<u>18,774</u>	<u>2,150,899</u>	<u>2,249,365</u>

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

## Brooklands Museum Trust Limited

### Company statement of financial activities Year ended 31 December 2012

	Note	General Funds	Restricted Funds	Dec 2012 Total	Dec 2011 Total
		£	£	£	£
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Donations		359,547	7,405	366,952	596,359
Corporate donations		1,500	-	1,500	-
Legacy Donation		1,000	-	1,000	-
Fundraising Donations		5,325	-	5,325	9,150
<b>Activities for generating funds:</b>					
Gate revenue		801,044	-	801,044	739,143
Site hire		33,245	-	33,245	37,007
Events		21,436	-	21,436	2,947
Concorde		151,123	-	151,123	175,730
Other incoming resources		79,623	-	79,623	7,127
Management fee intercompany		180,000	-	180,000	120,000
Gift Aid from subsidiary		34,000	-	34,000	67,000
Bank interest received		1,948	-	1,948	1,548
Interest received from subsidiary		63	-	63	187
<b>Total incoming resources</b>		<u>1,669,854</u>	<u>7,405</u>	<u>1,677,259</u>	<u>1,756,198</u>
<b>Resources expended</b>					
<b>Cost of generating funds:</b>					
Cost of sales		617,909	-	617,909	539,168
<b>Fund raising expenses</b>	5	33,055	-	33,055	33,347
<b>Charitable activities:</b>					
Museum curatorial and restoration costs	5	999,315	86,486	1,085,801	1,017,502
Exceptional costs		-	-	-	-
<b>Charity Governance</b>	5	<u>28,091</u>	<u>-</u>	<u>28,091</u>	<u>14,755</u>
		1,678,370	86,486	1,764,856	1,604,772
<b>Other expenditure:</b>					
Interest payable	7	11,392	-	11,392	20,402
<b>Total resources expended</b>	4	<u>1,689,762</u>	<u>86,486</u>	<u>1,776,248</u>	<u>1,625,174</u>
<b>Operating (deficit)/surplus for the year before taxation</b>		(19,908)	(79,081)	(98,989)	131,024
<b>Net (outgoing)/incoming resources before transfers</b>		(19,908)	(79,081)	(98,989)	131,024
Gross transfers between funds		-	-	-	-
<b>Net movement of funds in year</b>		(19,908)	(79,081)	(98,989)	131,024
<b>Total funds brought forward</b>		2,150,454	97,855	2,248,309	2,117,285
<b>Total funds carried forward</b>		<u>2,130,546</u>	<u>18,774</u>	<u>2,149,320</u>	<u>2,248,309</u>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

## Brooklands Museum Trust Limited

### Balance sheets 31 December 2012

	Note	Group		Company	
		Dec-12	Dec-11	Dec-12	Dec-11
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8	3,945,220	4,035,251	3,924,881	4,006,213
Investments	9	-	-	50,100	50,100
		<u>3,945,220</u>	<u>4,035,251</u>	<u>3,974,981</u>	<u>4,056,313</u>
<b>Current assets</b>					
Stocks – goods for resale		55,997	38,966	-	-
Debtors (including within other debtors is £nil which is due outside one year in both group & company)	12	88,440	114,150	100,448	99,598
Cash at bank and in hand		266,066	383,886	229,966	315,656
		<u>410,503</u>	<u>537,002</u>	<u>330,414</u>	<u>415,254</u>
<b>Creditors: amounts falling due within one year</b>	13	(296,834)	(312,624)	(248,535)	(213,444)
		<u>113,669</u>	<u>224,378</u>	<u>81,879</u>	<u>201,810</u>
<b>Total assets less current liabilities</b>		4,058,889	4,259,629	4,056,860	4,258,123
<b>Creditors: amounts falling due after more than one year</b>	14	(257,540)	(359,814)	(257,540)	(359,814)
<b>Provisions for liabilities and charges</b>	15	(450)	(450)	-	-
		<u>3,800,899</u>	<u>3,899,365</u>	<u>3,799,320</u>	<u>3,898,309</u>
<b>FUNDS</b>					
Restricted funds	18	18,774	97,855	18,774	97,855
Unrestricted funds		2,132,125	2,151,510	2,130,546	2,150,454
Revaluation reserve		1,650,000	1,650,000	1,650,000	1,650,000
		<u>3,800,899</u>	<u>3,899,365</u>	<u>3,799,320</u>	<u>3,898,309</u>
<b>Group funds represented by:</b>					
Parent company		3,799,320	3,898,309		
Subsidiary		1,579	1,056		
		<u>3,800,899</u>	<u>3,899,365</u>		

These financial statements were approved by the Board of Trustees on

2013

Signed on behalf of the Board of Trustees

Lord Trefgarne

Chairman

Company Registration Number: 2109945

## **Brooklands Museum Trust Limited**

### **Notes to the accounts Year ended 31 December 2012**

#### **1. Liability of members limited by guarantee**

Every member of the company undertakes to contribute to the assets of the company, in the event of the same being wound up, such amounts as may be required not exceeding the sum of £5.

#### **2. Museum collection**

Under the terms of a Trust deed dated 26 July 1989, the Brooklands Museum Collection Trust was formed for the purpose of holding some of the exhibits of Brooklands Museum. On 31 March 1990 ownership of all Museum exhibits at that date was transferred from this company to the Brooklands Museum Collection Trust. The Brooklands Museum Collection Trust, by the terms of the said deed, loans the exhibits to this company for display purposes. The Collections Trust is a separately registered Charity from 14 March 2006 and is classified as a subsidiary of the Museum. It conducted no trade during the period and remained entirely dormant. The assets of the Collection Trust have never been valued and are not consolidated into these accounts.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements are prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006, applicable United Kingdom accounting standards and under the historical cost convention, except for the revaluation of assets gifted to the company. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP 2005), "Accounting and reporting by Charities" issued in March 2005 and applicable accounting standards.

The statement of financial activities (SOFA) and the balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

##### **Going concern**

The trustees have prepared projections for the next 12 months based on expected donations and income from activities and on this basis they consider the charity to be a going concern for the 12 months following approval of the accounts

##### **Fund accounting**

Accumulated surpluses in the General Fund are included within Unrestricted Funds and are available for use at the discretion of the Trustees in furtherance of the Trust's general charitable objectives. Restricted Funds are subject to specific conditions imposed by the donors.

##### **Resources arising – income**

All income is recognised in the Statement of Financial Activities when the conditions for receipt have been met, there is reasonable assurance of receipt and the amount can be measured with sufficient reliability.

##### **Donations**

Donations and all other receipts from fund-raising are reported gross and related fund-raising costs are reported in other expenditure. Donations are included in full in the income and expenditure account on a receipts basis. Gift Aid donations are included in the income and expenditure account on a receivable basis.

##### **Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates. Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fund-raising purposes.

Charitable expenditure comprises those costs incurred by the Museum in the delivery of their activities and services for beneficiaries. It includes both costs that can be allocated directly to those activities and those costs of an indirect nature necessary to support them. Costs in relation to compliance with constitutional and statutory requirements are shown under governance costs.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Museum and include the audit fees and costs linked to the strategic management of the charities.

##### **Hire purchase agreements**

Assets financed under hire purchase contracts are capitalised in the balance sheet and are depreciated over

## **Brooklands Museum Trust Limited**

### **Notes to the accounts Year ended 31 December 2012**

their estimated useful economic lives. Finance charges and interest in connection with hire purchase contracts are charged to the profit and loss account.

#### **Fixed assets**

Individual fixed assets costing more than £1,000 are capitalised at cost.

Expenditure incurred on work associated with the design and the detailed plans for the development of the Museum is capitalised in fixed assets. This expenditure was depreciated at 10% straight line of cost per annum. Depreciation of other fixed assets is provided at 5% straight line per annum of cost for site and buildings and 10% straight line per annum of cost for plant and equipment.

The Museum site freehold is included at valuation on an existing use basis by reference to its earnings potential. Please refer to Note 8 to the accounts.

#### **Museum exhibits**

Museum exhibits are stated at cost. Cost includes the purchase price plus any associated costs in bringing the exhibit to its site in the Museum and to its current condition. Depreciation is not provided on any Museum exhibits other than on Concorde restoration costs as the residual value of the exhibits equates to at least the net book value stated in the financial statements. The depreciation rate applied to Concorde restoration costs is 10% straight line. Most donated assets are not ascribed a value as the cost of obtaining such a value would be prohibitive.

#### **Heritage assets**

The museum's collection of motor car, motor cycles and aircraft is reported in the Balance Sheet at cost. This is considered to be an appropriate method of recognition on the basis that the value of many of these items does not fluctuate dramatically.

Cost includes the purchase price plus any associated costs in bringing the exhibit to its site in the Museum and to its current condition.

Subject to the approval of the Trustees, the Museum may dispose of items from the collection, although this will only happen in exceptional circumstances, for example when the item cannot be separately displayed or the disposal proceeds can be used to purchase a better example.

The Museum's exhibits include a collection of items loaned to them by third parties. These assets are not included on the Balance Sheet since they are not owned by the Museum.

In addition, the Museum holds a collection of motoring and aviation ephemera which is not recognised in the Balance Sheet as cost information is not readily available and the Trustees believe the benefits of obtaining a valuation for these items would not justify the cost.

The Museum's management policy in respect of its heritage assets is summarised in Note 8a. The Museum makes available on its website a full listing of its collection of motor cars and planes which also includes information on the history and provenance of each exhibit. This listing clearly distinguishes between assets which are owned by the Museum and those that are on short or long term loan to the entity.

#### **Investments**

Investments are stated at cost less provision for any impairment in value.

#### **Stocks**

Stocks, being finished goods and goods for resale, are valued at the lower of cost and net realisable value.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

#### **Pensions**

The company operates a defined contribution occupational pension scheme. The assets of the scheme are held separately from those of the company in an independent trustee administered fund. In addition, there is a personal group pension scheme. Contributions to this scheme are held by an insurance company, which has no other connection with the Museum and are expensed when incurred.

There were no outstanding or prepaid contributions at the year end (December 2011 - £nil).

# Brooklands Museum Trust Limited

## Notes to the accounts Year ended 31 December 2012

### Group accounts

The consolidated financial statements consolidate the financial statements of the company and its subsidiary for the year ended 31 December 2012.

#### 4. Expenditure for the year

	<b>Dec 2012</b>	<b>The Group Dec 2011</b>	<b>Dec 2012</b>	<b>The Company Dec 2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
The expenditure for the year includes:				
Auditors' remuneration				
- audit fees	14,000	14,000	11,000	11,000
- taxation and other consultancy	7,000	-	7,000	-
- other services	1,600	1,600	1,600	1,600
Depreciation	196,132	180,049	182,298	167,574

#### Contributions to defined contribution pension scheme

	<b>The Group 2012</b>	<b>The Group 2011</b>
	<b>£</b>	<b>£</b>
Trustee administered scheme	5,955	5,883
Personal group scheme	2,250	2,250
	<u>8,205</u>	<u>8,133</u>

# Brooklands Museum Trust Limited

## Notes to the accounts Year ended 31 December 2012

### 5. Allocation of expenses

	Cost of generating funds		Costs of generating funds		Cost of charitable activities		Charity Governance	
	Cost of sales		Fund raising expenses		Museum curatorial and repair costs		Dec-12	Dec-11
	Dec-12	Dec-11	Dec-12	Dec-11	Dec-12	Dec-11		
The Group	£	£	£	£	£	£	£	£
Staff costs (general)	279,365	233,703	9,185	9,003	350,069	356,967	-	-
Travel	1,507	948	-	-	4,829	6,074	-	-
Stationery	1,681	1,352	1,260	1,014	5,920	5,869	-	-
Postage	1,992	2,344	1,494	1,758	6,475	7,617	-	-
Insurance	15,325	15,005	-	-	45,976	45,015	-	-
Services (electricity/water/gas)	22,622	20,286	-	-	94,282	86,635	-	-
Telephone	2,742	2,117	2,056	1,587	8,911	6,879	-	-
Cost of sales catering & shop	600,249	489,036	-	-	-	-	-	-
Professional fees	6,848	5,496	-	-	20,539	16,488	31,091	17,755
Maintenance	-	-	-	-	197,154	216,473	-	-
Security (including direct staff costs)	-	-	-	-	59,619	59,928	-	-
Event costs	210,752	181,837	-	-	-	-	-	-
Marketing (including direct staff costs)	58,110	61,045	19,059	19,985	19,029	19,985	-	-
Depreciation	13,834	12,475	-	-	182,298	167,574	-	-
Bank charges	16,965	15,035	-	-	4,214	4,470	-	-
	<u>1,231,992</u>	<u>1,040,679</u>	<u>33,055</u>	<u>33,347</u>	<u>999,315</u>	<u>999,974</u>	<u>31,091</u>	<u>17,755</u>
<b>The Company</b>								
Staff costs (general)	279,365	233,703	9,185	9,003	350,069	356,967	-	-
Travel	1,507	948	-	-	4,829	6,074	-	-
Stationery	1,681	1,352	1,260	1,014	5,920	5,869	-	-
Postage	1,992	2,344	1,494	1,758	6,475	7,617	-	-
Insurance	15,325	15,005	-	-	45,976	45,015	-	-
Services (electricity/water/gas)	22,622	20,286	-	-	94,282	86,635	-	-
Telephone	2,742	2,117	2,056	1,587	8,911	6,879	-	-
Professional fees	6,848	5,496	-	-	20,539	16,488	28,091	14,755
Maintenance	-	-	-	-	197,154	216,473	-	-
Security (including direct staff costs)	-	-	-	-	59,619	59,928	-	-
Event costs	210,752	181,837	-	-	-	-	-	-
Marketing (including direct staff costs)	58,110	61,045	19,059	19,985	19,029	19,985	-	-
Depreciation	-	-	-	-	182,298	167,574	-	-
Bank charges	16,965	15,035	-	-	4,214	4,470	-	-
	<u>617,909</u>	<u>539,168</u>	<u>33,055</u>	<u>33,347</u>	<u>999,315</u>	<u>999,974</u>	<u>28,091</u>	<u>14,755</u>

## Brooklands Museum Trust Limited

### Notes to the accounts Year ended 31 December 2012

#### 6. Information regarding employees

No Trustees received remuneration or reimbursement of expenses in the current or preceding year.

	The Group and the Company	
	Dec 2012	Dec 2011
	No.	No.
Average number of persons employed:		
Administration	2	2
Generating funds	24	20
Charitable activities	12	11
	<u>          </u>	<u>          </u>
	£	£
Employee costs during the year:		
Wages and salaries	642,404	594,312
Social security costs	54,323	54,871
Other pension costs	8,205	8,133
	<u>          </u>	<u>          </u>
	704,932	657,316
	<u>          </u>	<u>          </u>

No employees in either December 2011 or December 2012 earned in excess of £60,000.

#### 7. Interest payable and similar charges

	The Group		The Company	
	Dec 2012	Dec 2011	Dec 2012	Dec 2011
	£	£	£	£
Overdraft	-	-	-	-
Other loans	11,392	20,402	11,392	20,402
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	11,392	20,402	11,392	20,402
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## Brooklands Museum Trust Limited

### Notes to the accounts Year ended 31 December 2012

#### 8. Tangible fixed assets

	Museum Exhibits £	Site and buildings £	Plant and equipment £	Total £
<b>Group</b>				
<b>Cost:</b>				
At 1 January 2012	1,843,180	3,448,031	455,209	5,746,420
Additions	3,455	71,408	31,238	106,101
At 31 December 2012	1,846,635	3,519,439	486,447	5,852,521
<b>Accumulated depreciation:</b>				
At 1 January 2012	361,731	996,761	352,677	1,711,169
Charge for the year	66,925	91,710	37,497	196,132
At 31 December 2012	428,656	1,088,471	390,174	1,907,301
<b>Net book value:</b>				
At 31 December 2012	1,417,979	2,430,968	96,273	3,945,220
At 31 December 2011	1,481,449	2,451,270	102,532	4,035,251
<b>Company</b>				
<b>Cost:</b>				
At 1 January 2012	1,843,180	3,448,031	187,676	5,478,887
Additions	3,455	71,408	26,103	100,966
At 31 December 2012	1,846,635	3,519,439	213,779	5,579,853
<b>Accumulated depreciation:</b>				
At 1 January 2012	361,731	996,761	114,182	1,472,674
Charge for the year	66,925	91,710	23,663	182,298
At 31 December 2012	428,656	1,088,471	137,845	1,654,972
<b>Net book value:</b>				
At 31 December 2012	1,417,979	2,430,968	75,934	3,924,881
At 31 December 2011	1,481,449	2,451,270	73,494	4,006,213

#### Site freehold valuation

The Museum has the title of the Museum site freehold having been the beneficiary of a generous transfer from Japan Tobacco Inc in 2010. The property was valued on an existing use basis by reference to its earnings potential by Matthews and Goodman LLP.

## Brooklands Museum Trust Limited

### Notes to the accounts Year ended 31 December 2012

The property is owned subject to the Covenant that in the event the site, or any part of it, is sold for redevelopment for commercial gain, all proceeds revert to the donor, Japan Tobacco International.

The valuation of £1,650,000, included in the site and buildings costs brought forward, has been calculated on the basis that the title is unencumbered and free from any onerous or restrictive covenant as to its use. However it has been assumed that the site would continue to be used for heritage purposes.

#### Hire purchase agreements

Included within the net book value is £9,756 (2011 - £25,256) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £6,233 (2011 - £4,119).

#### 8a. Heritage Assets

Cost	Vintage Cars	Aircraft	Motorcycles
At 1 Jan 2012	£848,499	£963,931	£30,750
Additions	£3,455	-	-
Disposals	-	-	-
Depreciation		£428,656	
At 31 Dec 2012	£851,954	£535,275	£30,750

Additions in 2012 comprise of:

£3,455 for F1 Simulator rebuild and memorabilia

During the year a 1927 Grand Prix Delage was generously donated to the Museum by the late Mr Alan Burnard. The car has been insured for a value of £2 million, however due to the uncertainty over its value it has not been included on the Museum's balance sheet.

#### Two year summary of heritage asset transactions

	2012	2011
Additions	£3,455	£12,499
Donations	-	-
Total additions	£3,455	£12,499
Disposals	-	-
Carrying value	-	-
Sales proceeds	-	-

Other than that disclosed above, the majority of transactions in ephemera during the period were acquisitions by donation. In the Trustees' view, the value of these donations is not material and obtaining a current valuation would involve disproportionate cost.

#### Heritage assets management policy

The Museum displays a collection of over 100 vehicles, 32 motorcycles, 38 complete aircraft and 107 bicycles which reflect the history of Brooklands. All of these items are on display to the public.

The Museum also holds a large collection of motoring and aviation ephemera associated with the history of the site. This collection comprises some 50,000 items including manuals, trophies, badges, models, furniture workshop equipment, prints, paintings and drawings plus a library and extensive photo and technical archive.

## Brooklands Museum Trust Limited

### Notes to the accounts Year ended 31 December 2012

#### 9. Investments

	£
<b>Company</b>	
100 ordinary shares in subsidiary company at cost 1 January 2012 and 31 December 2011	100
Debenture loan secured in subsidiary company at 1 January 2012 and 31 December 2011	50,000
	<u>50,100</u>

The Investment amount of £50,000 (December 2011 - £50,000) is in respect of a debenture loan made to Brooklands Limited, the trading subsidiary of Brooklands Museum Trust Limited. This debenture loan was for a period of 5 years with the balance repayable in full at the end of the term; however in practice it is renewed on a rolling basis upon the date of expiry and is therefore due in greater than 1 year. It is secured on the assets of the subsidiary company and interest is charged at 1% above base rate annually.

Subsidiary	Country of Incorporation	Activity	Percentage of Ordinary shares held
Brooklands Limited	England and Wales	Catering, conferences, shop and merchandise relating to the Brooklands Museum	100%

The results of this subsidiary are shown in Note 17 to the accounts.

#### 10. Capital commitments

Contracted capital commitments for the group and the company at 31 December 2012 amounted to £nil (December 2011 - £nil).

#### 11. Debtors

	The Group		The Company	
	Dec-12	Dec-11	Dec-12	Dec-11
	£	£	£	£
Trade debtors	39,052	66,360	32,610	48,558
Amount owed by subsidiary undertaking	-	-	-	3,250
Other debtors	-	-	-	-
Prepayments	23,790	47,790	67,838	47,790
	<u>62,842</u>	<u>114,150</u>	<u>100,448</u>	<u>99,598</u>

**Brooklands Museum Trust Limited**

**Notes to the accounts  
Year ended 31 December 2012**

**12. Creditors: amounts falling due within one year**

	<b>The Group</b>		<b>The Company</b>	
	<b>Dec-12</b>	<b>Dec-11</b>	<b>Dec-12</b>	<b>Dec-11</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loan and overdrafts	1,739	14,574	1,739	14,574
Trade creditors	198,287	184,456	94,364	100,778
Taxation and social security	39,219	47,094	39,219	47,094
Hire Purchase Agreements	3,777	8,820	3,777	8,820
Amounts due to subsidiary company	-	-	39,969	-
Other creditors	53,812	57,680	69,467	42,178
	<u>296,834</u>	<u>312,624</u>	<u>248,535</u>	<u>213,444</u>

The bank loan and overdraft are secured over the assets of the Museum.

**13. Creditors: amounts falling due after more than one year**

	<b>The Group</b>		<b>The Company</b>	
	<b>Dec-12</b>	<b>Dec-11</b>	<b>Dec-12</b>	<b>Dec-11</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loan	-	2,212	-	2,212
Other Loan	257,540	355,000	257,540	355,000
Hire Purchase Agreements	-	2,602	-	2,602
	<u>257,540</u>	<u>359,814</u>	<u>257,540</u>	<u>359,814</u>

The bank loan is secured over the assets of the Museum.

The other loan is secured by a charge over specific assets of the Museum.

**14. Provision for liabilities and charges**

<b>Group</b>	<b>Dec 2012</b>	<b>Dec 2011</b>
	<b>£</b>	<b>£</b>
At 1 January 2012	450	450
Charge to the profit and loss account	-	-
At 31 December 2012	<u>450</u>	<u>450</u>

**Analysis of deferred tax balance is as follows:**

	<b>Dec 2011</b>	<b>Dec 2010</b>
	<b>£</b>	<b>£</b>
Capital allowances in excess of depreciation	<u>450</u>	<u>450</u>
<b>Company</b>	<u>-</u>	<u>-</u>

There is no deferred taxation in the company.

## Brooklands Museum Trust Limited

### Notes to the accounts Year ended 31 December 2012

#### 15. Museum funding

Brooklands Museum Trust Limited is continuing its programme of improvement and development. During this development phase, the Company will inevitably need to augment its income with donations and gifts to fund both operating and development expenditure.

#### 16. Results of trading subsidiary – Brooklands Limited

	Dec-12	Dec-11
	£	£
Turnover	831,669	692,025
Cost of sales	(516,280)	(415,785)
Gross profit	<u>315,389</u>	<u>276,240</u>
Administration	(280,803)	(208,726)
Interest payable	(63)	(187)
Interest receivable	-	-
Net profit	<u>34,523</u>	<u>67,327</u>
Amount gifted to Brooklands Museum Trust	(34,000)	(67,000)
Taxation	-	-
Retained in subsidiary	<u>523</u>	<u>327</u>
Net assets	<u><u>1,679</u></u>	<u><u>1,156</u></u>

The trust contracted management of its tea rooms and bar catering to Creativevents Limited as of April 2010. As at the commencement of these new arrangements, all operating costs are borne by Creativevents Limited. The revenues are collected by them and a profit sharing arrangement is in place.

**Brooklands Museum Trust Limited**

**Notes to the accounts  
Year ended 31 December 2012**

**17. Statement of funds**

<b>Group</b>		<b>At 1 January 2012</b>	<b>Income</b>	<b>Expenditure</b>	<b>At 31 December 2012</b>
<i>Unrestricted funds</i>					
General funds		2,151,510	2,287,460	(2,306,845)	2,132,125
Total unrestricted funds		<u>2,151,510</u>	<u>2,287,460</u>	<u>(2,306,845)</u>	<u>2,132,125</u>
<b>Restricted funds</b>	See note 18	97,855	7,405	(86,486)	18,774
Total restricted funds		<u>97,855</u>	<u>7,405</u>	<u>(86,486)</u>	<u>18,774</u>
Total funds		<u>2,249,365</u>	<u>2,294,865</u>	<u>(2,393,331)</u>	<u>2,150,899</u>

<b>Statement of funds</b>		<b>At 1 January 2012</b>	<b>Income</b>	<b>Expenditure</b>	<b>At 31 December 2012</b>
<b>Company</b>					
<i>Unrestricted funds</i>					
General funds		2,150,454	1,669,854	(1,689,762)	2,130,546
Total unrestricted funds		<u>2,150,454</u>	<u>1,669,854</u>	<u>(1,689,762)</u>	<u>2,130,546</u>
Restricted funds	See note 18	97,855	7,405	(86,486)	18,774
Total restricted funds		<u>97,855</u>	<u>7,405</u>	<u>(86,486)</u>	<u>18,774</u>
Total funds		<u>2,248,309</u>	<u>1,677,259</u>	<u>(1,776,248)</u>	<u>2,149,320</u>

**Brooklands Museum Trust Limited**

**Notes to the accounts  
Year ended 31 December 2012**

**18 Movements in restricted funds**

	Build a plane	Disabled Lift Appeal	BTM Appeal	Hurri- cane fund	B'lands Heritage P'ship	Discovery Centre Fund	Duisen- berg Rebuild	Hangar Appeal Fund	Strat Chamber Fund	Concorde Fund	VC10	Club refurb	Balloon Hangar	Fire Station	Dec-12  Total
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Balance @ 1 Jan 12	6,803	9,879	1,563	1,803	3,000	6,408	18,331	4,353	-	14,533	5,240	25,422	-	520	97,855
Grant/donations receivable			340	483		2,850		3,082			650				7,405
Expenditure	(4,946)	(1,495)	(1,878)	(1,438)		(170)	(8,000)	(6,864)	(12,245)	(14,533)	(5,890)	(25,422)	(3,605)		(86,486)
Interest received															-
Transfer from/to other restricted funds															-
Transfers to unrestricted funds															-
<b>Balance at 31 Dec 2012</b>	<b>1,857</b>	<b>8,384</b>	<b>25</b>	<b>848</b>	<b>3,000</b>	<b>9,088</b>	<b>10,331</b>	<b>571</b>	<b>(12,245)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,605)</b>	<b>520</b>	<b>18,774</b>

## **Brooklands Museum Trust Limited**

### **Notes to the accounts Year ended 31 December 2012**

The purposes of the restricted funds are outlined below:

#### **Build a plane**

The Build-a-Plane project centres around a Rans kit-build aircraft which was built by groups of air cadets in four locations around the UK. The aircraft, now assembled and approved for flying, is used to promote aviation and aviation careers to young people, and Brooklands Museum, in whose colours it flies. Funds raised by the project leader, largely from the PFA (Popular Flying Association) and SEMTA (Science, Engineering and Manufacturing Technologies Alliance) are applied expressly to this project.

#### **Disabled lift appeal**

There was a specific capital appeal for the provision of a disabled lift in the Clubhouse. Funds donated by the Busenhart-Morgan-Evans Foundation (£6,000 per year for three years, beginning in 2006/7) are reserved specifically for this project.

#### **BTM Appeal**

A fund set up by Brooklands Trust Members to support restoration projects.

#### **Hurricane fund**

A small fund, using monies collected from the sale of badges, raffles of donated memorabilia and collection tins adjacent to the aircraft, is devoted to supporting the ongoing restoration of the Museum's Hawker Hurricane fighter.

#### **Brooklands Heritage Partnership**

Small grant awarded by Surrey County council to fund research in to land ownership of the Brooklands circuit.

#### **Discovery Centre Fund**

Money collected by the operation of a coin-operated aircraft cockpit simulator (donated by BAA on the closure of the Heathrow Airport visitor centre in 2006) is reserved for funding improvements to the Discovery Centre, adjacent to the Museum's Education Centre, and its exhibits.

#### **Duisenberg Rebuild**

The Museum had a substantial guest presence at the Goodwood Festival of Speed and the Goodwood Revival race meeting in 2007, and was the designated charity at the latter event. This status enabled the Museum to raise, through gate collections and donations at the accompanying Goodwood dinner, over £41,000, a percentage of which was allocated to the restoration of the Museum's Duesenberg single-seater racing car.

#### **Hangar Appeal Fund**

A small fund made up of donations collected within the Hangar for ongoing repairs.

#### **Strat Chamber Fund**

A grant awarded by the Aim Biffa Award Scheme for the renovation of the Stratosphere Chamber and Control Room.

#### **Concorde Fund**

A fund set up from several large donations to cover expenses incurred in the relocation of the Concorde Scale Model "G-CONC" from within the Museum grounds to the public entrance shared by the Museum and MBWorld.

#### **VC10 fuselage Fund**

A fund containing a donation from the Istat foundation to cover expenses incurred in the restoration of the VC10 fuselage.

## Brooklands Museum Trust Limited

### Notes to the accounts Year ended 31 December 2012

#### Club Refurbishment

A generous gift from the estate of the late Mr Keith Griggs, a former employee and volunteer, was spent on the refurbishment of the Members Bar in the clubhouse.

#### Balloon Hangar Restoration

A fund set up which will use income from the issue of the Brooklands 5-Year Bond 2013 to cover the restoration of the Balloon Hangar and Wind Tunnel Building.

#### Byfleet Fire Station

A grant given to the Museum by the local council to enable it to investigate the feasibility of taking responsibility for the repair and upkeep of the Byfleet Fire Station.

#### 19. Analysis of Net Assets between funds

Group	Net		Long Term	Total 2012 £
	Fixed Assets £	Current Assets £	Liabilities (including provisions)	
Unrestricted funds	2,295,220	94,895	(257,990)	2,132,125
Restricted funds	1,650,000	18,774	-	1,668,774
	<u>3,945,220</u>	<u>113,669</u>	<u>(257,990)</u>	<u>3,800,899</u>

Company	Net		Long Term	Total 2,012 £
	Fixed Assets £	Current Assets £	Liabilities (including provisions)	
Unrestricted funds	2,324,981	63,105	(257,540)	2,130,546
Restricted funds	1,650,000	18,774	-	1,668,774
	<u>3,974,981</u>	<u>81,879</u>	<u>(257,540)</u>	<u>3,799,320</u>

The revaluation reserve of £1,650,000 relating to the title of the Museum's site freehold has been disclosed as a restricted fund as the property is owned subject to the Covenant that in the event the site, or any part of it, is to be sold for redevelopment for commercial gain, all proceeds revert to the donor disclosed in note 8 to the accounts.

#### 19. Related party transaction

The results of the trading subsidiary Brooklands Limited and the amount gifted to the Charity is shown in Note 16, the amount owed to Brooklands Limited at the year end is disclosed in Note 12.