

The British Motorcycle Charitable Trust
Company Limited by Guarantee
Financial Statements
31 December 2020

LINDLEY & CO

Chartered Certified Accountants & statutory auditor
17 Millbrook Drive
Shenstone
Lichfield
Staffs
WS14 0JL

The British Motorcycle Charitable Trust

Company Limited by Guarantee

Financial Statements

Year ended 31 December 2020

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The British Motorcycle Charitable Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31 December 2020

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2020.

Reference and administrative details

Registered charity name The British Motorcycle Charitable Trust

Charity registration number 509420

Company registration number 01445196

Principal office and registered office Holly Cottage
Main Street
Bishampton
Pershore
Worcestershire
WR10 2NH

The trustees

I N Walden OBE
T P V Barnes
J F R Handley
M Jackson
J N Jeffery
J E Kidson
P J Wellings
M Penn

Company secretary A Bufton

Auditor Lindley & Co
Chartered Certified Accountants & statutory auditor
17 Millbrook Drive
Shenstone
Lichfield
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Bankers HSBC
PO Box 68
130 New Street
Birmingham
West Midlands
B2 4JU

The British Motorcycle Charitable Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2020

Structure, governance and management

Governing document

The British Motorcycle Charitable Trust is a company limited by guarantee covered by its Memorandum and Articles of Association dated 11 July 1979. It is registered as a charity (number 509420) with the Charity Commission. There are currently 12 Corporate (voting) Members each of who agree to contribute £1 in the event of the charity winding up. In addition the company had 1,394 Associate (non voting) Members at the end of the year.

Appointment of new trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout the report are collectively referred to as the trustees. All Corporate Members are circulated with invitations to nominate trustees prior to the Annual General Meeting, advising them of the retiring trustees and requiring nominations for the AGM. When considering the nomination and election of the new trustees, the board has regard to the requirement of any specialist skill needed.

Trustee induction

New trustees are made fully aware of their legal obligations under charity law, the content of the Memorandum and Articles of Association, and the recent financial performance of the charity.

Organisation

The board of trustees administers the charity. The board meets quarterly and there is a sub-committee covering investment policy. The day to day operations of the charity are managed by Andrew Bufton of Matchless Management Services, who also acts as Company Secretary.

Related parties

The charity has a close working relationship with the Charity Commission which is available to provide advice and guidance to the trustees on a wide variety of matters. It also maintains close links with transport museums, particularly those within the affiliation scheme.

Risk management

The trustees have a risk management strategy which identifies the major risks to which the charity is exposed and the steps required to mitigate these risks which include insurance cover and legal and professional advice being taken where necessary to protect the assets of the charity.

The British Motorcycle Charitable Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2020

Objectives and activities

The Charity's objects continue to be the advancement of the education of the public to preserve and promote interest of such road vehicles and their associated equipment and accessories as are of scientific or historical interest.

Fulfilment of the charity's objectives includes a scheme of affiliation with transport museums around the country which associate members of the charity may visit freely and expand their knowledge of the British motorcycle industry.

The trustees have paid due regard to Charity Commission guidance on public benefit in deciding which activities the charity should undertake.

Impact of Coronavirus

The continued issues relating to the Covid restriction has prevented the trustees meeting in our usual manner, so we therefore used technology and completed our regular meetings remotely. It is our intention to resume face to face meeting as soon as it is permitted, and the Board are comfortable with the arrangements. The museums we support have also suffered with the restrictions and have complied with the government's guidance.

Achievements and performance

As an educational charity the Trust's Aims and Activities are:

- a. The acquisition and display of motorcycles on long term loans to museums,
- b. Providing support by way of grant aid and advice to museums to ensure better, more informative displays, and
- c. Operating a membership scheme to make such museums accessible to the public.

Financial statement

The financial year saw an improving result over the year. Understandably, the beginning of our financial year saw our investments hit by the shock of the first lockdown, but during the year these recovered to above levels last seen in the previous year. The Trust continued to move funds between investments and cash as was needed and deemed appropriate by the trustees. The total value of the investments increased in value and current investment strategies which have proven successful are to be continued in 2020.

Conversion to CIO

At its 2019 Annual General Meeting, the Corporate Members formally resolved that the Trust should commence the process of conversion into a Charitable Incorporated Organisation based on an approved Draft Constitution. For this to proceed several consents must be obtained from both the Charity Commission and Companies House which the Trust will seek to obtain and thereafter progress the matter to a conclusion. The trustees expect the process of conversion will be completed during the year ending 31st December 2021.

The British Motorcycle Charitable Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2020

Achievements and performance *(continued)*

Acquisition and display of motorcycles

Three important and significant motorcycles were acquired during the year.

After many years of searching, the Manx Museum had located the actual AJS 350 that finished in fourth place in the 1914 Isle of Man Junior TT, and in 2019 they approached the Trust for help in acquiring the machine to form an important part of their new exhibition opening in 2022. Negotiation and purchase were duly completed by the Trust in January 2020, and the AJS is now on long term loan to Manx National Heritage.

Another important motorcycle purchased during the year was a 1914 Blackburne of the type used by early despatch riders in the First World War. Like the AJS previously mentioned, this machine is of impeccable provenance and it was important that it should be acquired and kept in the UK for the benefit and education of the public. The BMCT beat off competition from abroad to secure the bike which is currently on loan at the Sammy Miller Museum while negotiations are conducted to find a permanent home for it at the Royal Engineers' Museum.

Finally a nicely preserved 1927 Royal Enfield was acquired with the long-term aim of exhibiting it at the proposed new Redditch Cycle and Motorcycle Museum when it opens in 2022.

Support for museums

Two new museums became affiliated to the BMCT in the year.

The Isle of Man Motor Museum at Jurby agreed to house the Trust's collection of British motor scooters for the next five years, and the machines were duly transferred to the Isle of Man in Spring 2020, along with a large quantity of associated interpretation material donated by the Haynes International Motor Museum.

Another museum to join our affiliation scheme was the recently re-vamped Silk Mill Museum of Making, part of Derby Museums. The Trust's Jones Twin, a Derby-built machine, was installed in a purpose-built display area at the museum ready for the formal opening in 2021.

Support was given to the Sammy Miller Motorcycle Museum to include a BMCT-themed display area in their new museum extension, giving space for us to exhibit up to a dozen motorcycles along with BMCT promotional material.

The British Motorcycle Charitable Trust

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Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2020

Achievements and performance *(continued)*

Promotion of the Trust

Newsletters. BMCT News is the Trust's quarterly members' newsletter edited and published by Andy Bufton at Matchless Management Services. Print copies are distributed to members, and the newsletter is also distributed electronically to clubs, museums and other contacts in the motorcycle preservation world.

Website. A newly refreshed and informative BMCT website was published during the year and is the main source of membership applications to the Trust. Our Facebook page now has more than 2,400 likes and continues as a useful means of getting news items and announcements out to the public domain while they are still topical.

Museum Guide. The BMCT Museums Guide leaflet gives important information about our affiliated museums and the Trust itself, and is distributed to museums, members, and at shows and events we attend.

Membership

286 new members were enrolled in the Trust's membership scheme in 2020, compared to 454 in 2019. At year end there were in total 1,394 Associate members and 12 Corporate (voting) members. Coronavirus had a significant effect on the number of new members signed up during the year, since the major benefit is free entry to museums and these were closed for much of 2020.

Financial review

Reserves policy

Our reserves policy is to hold funds as investments, sufficient to provide income therefrom which is safe and secure and commensurate with risk management policy.

The level of income generated by the 'Administration Fund' (with a balance of £500,000 at the start and end of the year) is approximately 2%.

Our current allocation of reserves from the 'Exhibit Fund' (£181,442 at the start of the year) is available for the purposes of acquiring historic British vehicles (in particular motorcycles) and to make grants for the restoration and exhibition of the same. During the year the Trust purchased exhibits for £57,380 resulting in a balance on the 'Exhibit Fund' of £124,062 at the end of the year.

The 'Free Reserves' of the charity at the end of the year total £685,968.

2019 results

Net expenditure in the year was a deficit of £19,429, compared with a deficit of £22,810 in 2019. An increase in the value of investments of £45,874, compared with an increase of £123,964 in 2019, produced an overall surplus for the year of £26,445, increasing overall assets to £1,310,030. Trustees are comfortable with the current position but continue to regularly monitor both investment performance and expenditure.

The British Motorcycle Charitable Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2020

Financial review *(continued)*

Grant making policy

The charity makes grants to fulfil its objectives as set out in its Memorandum and Articles of Association and has an approved grant making policy in operation.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish. The investment objectives are:

- a) to generate income and capital growth so that the charity can meet future as well as current needs without interruption,
- b) to reduce risk by investing in an appropriate mix of assets,
- c) to maximise income on short term cash surpluses at negligible risk.

Plans for future periods

For the coming year the trustees' main priority is the completion of the conversion of the Charity to a Charitable Incorporated Organisation. Post-Covid we have plans to increase the number of our Affiliated Museums and are involved in discussions with the Royal Engineers Museum and the Redditch Cycle and Motorcycle Museum.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The British Motorcycle Charitable Trust

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Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2020

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.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report (incorporating the directors' report) was approved on 19 October 2021 and signed on behalf of the board of trustees by:

T P V Barnes
Trustee

The British Motorcycle Charitable Trust

Company Limited by Guarantee

Independent Auditor's Report to the Members of The British Motorcycle Charitable Trust

Year ended 31 December 2020

Opinion

We have audited the financial statements of The British Motorcycle Charitable Trust (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities (including income and expenditure account), statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 19 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

The British Motorcycle Charitable Trust

Company Limited by Guarantee

Independent Auditor's Report to the Members of The British Motorcycle Charitable Trust *(continued)*

Year ended 31 December 2020

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

The British Motorcycle Charitable Trust

Company Limited by Guarantee

Independent Auditor's Report to the Members of The British Motorcycle Charitable Trust *(continued)*

Year ended 31 December 2020

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of trustees and company secretary, being those charged with governance, and review of minutes of trustees meetings for evidence of any actual or potential claims or litigation;
- Enquiry of charity secretary and trustees in compliance functions and review of minutes of trustees meetings to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and trustees report and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of trustees override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

The British Motorcycle Charitable Trust

Company Limited by Guarantee

Independent Auditor's Report to the Members of The British Motorcycle Charitable Trust *(continued)*

Year ended 31 December 2020

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Sandra Kay Lindley (Senior Statutory Auditor)

For and on behalf of
Lindley & Co
Chartered Certified Accountants & statutory auditor
17 Millbrook Drive
Shenstone
Lichfield
Staffs
WS14 0JL

19 October 2021

The British Motorcycle Charitable Trust

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 December 2020

		2020		2019
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and subscriptions	5	28,129	28,129	28,985
Investment income	6	6,991	6,991	9,330
Total income		<u>35,120</u>	<u>35,120</u>	<u>38,315</u>
Expenditure				
Expenditure on charitable activities	7,8	54,549	54,549	61,125
Total expenditure		<u>54,549</u>	<u>54,549</u>	<u>61,125</u>
Net expenditure		<u>(19,429)</u>	<u>(19,429)</u>	<u>(22,810)</u>
Other recognised gains and losses				
Gains on revaluation of fixed asset investments		45,874	45,874	123,964
Net movement in funds		26,445	26,445	101,154
Reconciliation of funds				
Total funds brought forward		<u>1,283,585</u>	<u>1,283,585</u>	<u>1,182,431</u>
Total funds carried forward		<u>1,310,030</u>	<u>1,310,030</u>	<u>1,283,585</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 14 to 24 form part of these financial statements.

The British Motorcycle Charitable Trust

Company Limited by Guarantee

Statement of Financial Position

31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Heritage assets	13	486,560	429,180
Investments	14	804,323	837,537
		<u>1,290,883</u>	<u>1,266,717</u>
Current assets			
Cash at bank and in hand		21,247	19,331
Creditors: amounts falling due within one year	15	<u>2,100</u>	<u>2,463</u>
Net current assets		<u>19,147</u>	<u>16,868</u>
Total assets less current liabilities		<u>1,310,030</u>	<u>1,283,585</u>
Funds of the charity			
Unrestricted funds		1,310,030	1,283,585
Total charity funds	16	<u>1,310,030</u>	<u>1,283,585</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 19 October 2021, and are signed on behalf of the board by:

T P V Barnes
Trustee

The notes on pages 14 to 24 form part of these financial statements.

The British Motorcycle Charitable Trust

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 December 2020

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Holly Cottage, Main Street, Bishampton, Pershore, Worcestershire, WR10 2NH.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investments measured at market value.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.

Consolidation

The entity has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the entity and its subsidiary undertakings comprise a small group.

The British Motorcycle Charitable Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

The trustees continue to invest in UK listed investments based on the favourable performance to date. They continue to regularly monitor this performance, with the assistance of investment managers, to ensure action can be taken if adverse performance is indicated.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Heritage assets included in the accounts at £486,560 have not been depreciated, on the basis that their residual value is materially higher than cost. A valuation exercise was undertaken by the trustees, with professional assistance in April 2017 and reviewed in 2020. Due to the nature of the exhibits, a certain amount of assumptions and estimation are inherent in carrying out this valuation. However the results of the revaluation and supporting evidence indicate that the realisable value of the assets is significantly higher than their carrying value in the accounts.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

The British Motorcycle Charitable Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

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 classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

The British Motorcycle Charitable Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Heritage assets

Heritage assets measured under the cost model are recognised initially recorded at acquisition cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

The British Motorcycle Charitable Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Limited by guarantee

The British Motorcycle Charitable Trust is a company limited by guarantee and accordingly does not have share capital.

Every member of the company undertakes to contribute such amount as may be required, not exceeding £1, to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

5. Donations and subscriptions

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Donations				
Donations	100	100	167	167
Subscriptions				
Subscriptions	28,029	28,029	28,818	28,818
	<u>28,129</u>	<u>28,129</u>	<u>28,985</u>	<u>28,985</u>

The British Motorcycle Charitable Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

6. Investment income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Income from listed investments	6,981	6,981	9,299	9,299
Bank interest receivable	10	10	31	31
	<u>6,991</u>	<u>6,991</u>	<u>9,330</u>	<u>9,330</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Sponsorship and preservation grants	–	–	11,250	11,250
Support costs	54,549	54,549	49,875	49,875
	<u>54,549</u>	<u>54,549</u>	<u>61,125</u>	<u>61,125</u>

8. Expenditure on charitable activities by activity type

	Support costs £	Total funds 2020 £	Total fund 2019 £
Sponsorship and preservation grants	–	–	11,250
Governance costs	54,549	54,549	49,875
	<u>54,549</u>	<u>54,549</u>	<u>61,125</u>

9. Analysis of support costs

	Charitable activity £	Total 2020 £	Total 2019 £
General office	8,185	8,185	4,198
Insurance	2,456	2,456	2,314
Curatorial	3,252	3,252	1,280
Administration costs	36,631	36,631	36,936
Audit	2,100	2,100	2,100
Trustees' meeting and expenses	1,925	1,925	3,047
	<u>54,549</u>	<u>54,549</u>	<u>49,875</u>

The British Motorcycle Charitable Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

10. Net expenditure

Net expenditure is stated after charging/(crediting):

	2020	2019
	£	£
Fees payable for the audit of the financial statements	<u>2,100</u>	<u>2,100</u>

11. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

2020	2019
£	£

There were no staff costs in the year (2019 £nil)

The average head count of employees during the year was Nil (2019: Nil). The average number of full-time equivalent employees during the year is analysed as follows:

	2020	2019
	No.	No.
Number of trustees	<u>8</u>	<u>8</u>

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

12. Trustee remuneration and expenses

- No remuneration or other benefits from employment with the charity or a related entity were received by the trustees; or
- During the period 5 trustees received £1,109 (2019 8 trustees received £2,667) for reimbursed expenses.

13. Heritage assets

Heritage assets held are a collection of British motorcycles and scooters acquired for their scientific and historical interest. All exhibits are preserved in their original condition and many are displayed at affiliated museums. A register is maintained by the Trust of all heritage assets, which includes details of specification and location.

The British Motorcycle Charitable Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

13. Heritage assets *(continued)*

	Exhibits £
Cost or valuation	
At 1 January 2020	429,180
Additions	<u>57,380</u>
At 31 December 2020	<u>486,560</u>
Accumulated depreciation	
At 1 January 2020 and 31 December 2020	<u>–</u>
Carrying amount	
At 31 December 2020	<u>486,560</u>
At 31 December 2019	<u>429,180</u>

Heritage assets recognised at valuation

Heritage assets are valued in the accounts at historical cost. As their realisable value is significantly higher than cost, no depreciation has been provided.

Summary of transactions

	2020	2019	2018	2017	2016
	£	£	£	£	£
Included in the statement of financial position					
Purchases	57,380	2,500	2,540	34,664	34,000
Total additions	<u>57,380</u>	<u>2,500</u>	<u>2,540</u>	<u>34,664</u>	<u>34,000</u>

The British Motorcycle Charitable Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

14. Investments

	Listed investments £	Shares in group undertakings £	Total £
Cost or valuation			
At 1 January 2020	837,535	2	837,537
Additions	63,519	–	63,519
Disposals	(142,607)	–	(142,607)
Other movements	45,874	–	45,874
At 31 December 2020	<u>804,321</u>	<u>2</u>	<u>804,323</u>
Impairment			
At 1 January 2020 and 31 December 2020		–	–
Carrying amount			
At 31 December 2020	<u>804,321</u>	<u>2</u>	<u>804,323</u>
At 31 December 2019	<u>837,535</u>	<u>2</u>	<u>837,537</u>

All investments shown above are held at valuation.

Financial assets held at fair value

Fixed asset investments are valued at market value at the balance sheet date.

The company holds 100% of the ordinary share capital of BMCT Services Limited, a dormant company incorporated in England and Wales.

15. Creditors: amounts falling due within one year

	2020 £	2019 £
Other creditors	<u>2,100</u>	<u>2,463</u>

The British Motorcycle Charitable Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

16. Analysis of charitable funds

Unrestricted funds

	At 1 Jan 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Dec 2020 £
General fund	602,143	35,120	(54,549)	57,380	45,874	685,968
Exhibit fund	181,442	–	–	(57,380)	–	124,062
Administration fund	500,000	–	–	–	–	500,000
	<u>1,283,585</u>	<u>35,120</u>	<u>(54,549)</u>	<u>–</u>	<u>45,874</u>	<u>1,310,030</u>

	At 1 Jan 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Dec 2019 £
General fund	498,489	38,315	(61,125)	2,500	123,964	602,143
Exhibit fund	183,942	–	–	(2,500)	–	181,442
Administration fund	500,000	–	–	–	–	500,000
	<u>1,182,431</u>	<u>38,315</u>	<u>(61,125)</u>	<u>–</u>	<u>123,964</u>	<u>1,283,585</u>

The exhibit fund is a designated fund, which is unrestricted, set aside for the purpose of acquiring historical British vehicles and also to make grants to others in the restoration and exhibition of vehicles.

The administration fund is a designated fund, which is unrestricted, and set aside to cover all management expenses.

The British Motorcycle Charitable Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

17. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2020 £
Heritage assets	486,560	486,560
Investments	804,323	804,323
Current assets	21,247	21,247
Creditors less than 1 year	(2,100)	(2,100)
Net assets	<u>1,310,030</u>	<u>1,310,030</u>

	Unrestricted Funds £	Total Funds 2019 £
Heritage assets	429,180	429,180
Investments	837,537	837,537
Current assets	19,331	19,331
Creditors less than 1 year	(2,463)	(2,463)
Net assets	<u>1,283,585</u>	<u>1,283,585</u>

18. Related parties

During the year the Trust paid 3rd party agents fees of £805 (2019 £844) to Halcyon Independent financial Advisors, a company in which one of the trustees has a 50% interest.

19. Ethical standards

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.