

Charity Registration No. 504481
Company Registration No. 1226321
(England & Wales)

BLACK COUNTRY LIVING MUSEUM

The Black Country Living Museum Trust

Annual Report & Accounts

for the year ended 31 December 2019

www.bclm.com

Black Country Living Museum Trust

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Trustees' Report for the Year Ended 31 December 2019

Reference & Administrative Information

The Trustees present their Annual Report & Accounts for the year ended 31 December 2019, in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. The Accounts have been prepared in accordance with the accounting policies set out in Note 1 of the Accounts and comply with the Charity's governing document, applicable law and the Statement of Recommended Practice, 'Accounting and Reporting by Charities', 2015. Throughout this Annual Report the company is referred to as 'the Museum, Museum Trust or the Charity'.

Museum Trust Established:	15 September 1975
Patron:	HRH The Duke of Gloucester KG GCVO
Trustees (Directors & Members):	Jonathan Badyal Katy Baker Duncan Bedhall Dr Paul Belford (Deputy Chair) Parminder Dosanjh Cllr. Matt Follows ¹ Nicola Harding Victoria Jessop Ruth Levesley Nick Loveland Catherine Murphy Cllr. Christine Perks Lowell Williams (Chair) Mike Williams
Chief Executive:	Andrew Lovett
Charity Registration Number:	504481
Museum Accreditation Reference Numbers:	761 and 829
Company Registration Number:	1226321
VAT Registration Number (Group):	765321138
Principal Address & Registered Office:	Black Country Living Museum Tipton Road Dudley West Midlands DY1 4S
Independent Auditors:	Crowe U.K. LLP Black Country House Oldbury West Midlands B69 2DG

¹ Nominated by the Association of Black Country Authorities

Black Country Living Museum Trust

Trustees' Report for the Year Ended 31 December 2019

Principal Bankers: Barclays Bank plc (Barclays Corporate)
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Queen Square
Wolverhampton
West Midlands
WV1 1DS

Principal Solicitors: Gowling WLG (UK) LLP
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West Midlands
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Other Advisors: RSM UK Group LLP
St Philips Row
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Facebook: facebook.com/bclivingmuseum

Social Media: @bclivingmuseum

@bclmdirector

TikTok @blackcountrymuseum

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Trustees' Report for the Year Ended 31 December 2019

Chair's Review of the Year

Challenges of COVID-19

Normally I would open my review of the year describing the most significant achievements and events of the previous 12 months, however, while we are still in the midst of COVID-19 it would be wrong and disingenuous to do so. So, whilst I will, of course, highlight later the best of our impact in 2019, I need to start by talking about the current situation the Museum faces, as I write this review in late autumn 2020.

It is telling in itself that I am preparing this review six months later than would normally be the case. This isn't just because our priorities have taken our minds and energies elsewhere; rather it has been necessary to delay approval by the Board and sign-off by our external auditors, until we had a clearer and more favourable picture of our future, including as a 'going concern'. What a deep, unsettling and cataclysmic difference a few months can make. The situation confronting the Museum – the worst in its 42 year history – is repeated across the UK, indeed most parts of the developed world, and to some extent that is a relief. I say relief, because we have learnt from each other, especially other museums, and harvested support from our friends and extensive networks. Initially, and naturally, we were concerned with looking inwards, to our own immediate situation. However, as time went on the national impact became stark, and our attention started to include lobbying for significant external support to ensure our survival. That said, we took strength from peoples' support for the Museum. It reminded us how important the Museum and the Locksmith's House are, especially, but not limited, to the community of the Black Country.

My greatest relief has been that we have not faced a significant health issue amongst our staff, volunteers, nor Trustees. Although there have been bereavements and illness, including in extended families. As fears of a second wave of infections become a reality, local restrictions come into force, including in neighbouring areas, and as we enter the winter months, we hope that we will continue to avoid the worst of the health concerns created by COVID-19.

On Government advice the Museum closed to visitors on 18 March 2020, and effectively became out-of-bounds to staff and volunteers, as non-essential travel restrictions also came into force after the Prime Minister announced the UK's nationwide lockdown on 23 March 2020. Three days later, the Board of Trustees met, against a background of "an immediate and near-total collapse of trading revenues, with a concomitant impact on the Museum's financial sustainability in the short and medium term". At the height of the national lockdown, the Board was meeting every two weeks through the now ubiquitous channel of Zoom, with five extra meetings taking place before the Museum was able to reopen on 1 August 2020, 136 days after we were forced to close.

Despite reopening in August, the loss of visitor attendance in 2020 is both enormous and depressing; amounting to a decline of 75%, to around 90,000, compared to what we regard as a normal year. The closure for four and a half months, coupled with social distancing necessarily weighing heavily on capacity, is all the more overwhelming after six years of year-on-year growth.

The financial impact on the Museum is brought into relief by the scale of tax-payer support that it has been essential to secure in order to see a viable future. Our expectation, based on what the Museum has already received at the time of writing and likely to claim, is that the total will be c£4.9m, including £1.128m from the Government's Job Retention Scheme, £1.175m from Arts Council England's first round of emergency funding, and £2.559m from the Government's Culture Recovery Fund.

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Running alongside the day-to-day challenges of operating the Museum during COVID-19, the Museum's major capital project, BCLM: Forging Ahead, was slowed, but never put on-hold, with design work, costings and some site preparations continuing. It has been necessary to re-programme completion dates and the impact of COVID-19 is adding to costs, however, work on the project has regained its pace, and we all recognise its importance to our future – perhaps even more so now.

Despite all this, we remind ourselves that prior to COVID-19, the Museum was successful, enjoyed a large and loyal following, was financially strong and is better placed than many to ride out these challenges and once again have its eyes on fulfilling its potential and provide a positive impact to peoples' lives.

At the time of writing, England is in the midst of Lockdown #2, although hopes of an effective and safe vaccine are rising, and with it optimism for a return to better living and economic recovery.

Diversity & Equality

Addressing diversity and equality continued to be a challenge for the Museum and the sector. It is a complex area, and often, despite best efforts, very slow to see real change. The diversity of the UK is mainstream, and yet people face conscious and unconscious bias, detrimental to all walks of life, including the workplace, formal education, as consumers and of particular interest to the Museum, seeing themselves in the stories of history we tell.

Until you have experienced prejudice, it can be unfathomable; even difficult to acknowledge that it exists. In this context, change can be impeded because leadership and those making decisions are themselves lacking diversity. It can create a personal and organisational blind-spot. Through legislation, organisations are guided to avoid illegal discrimination by identifying protected characteristics, including ethnic or national identity, age, religion or belief, and sexual orientation. In addition, we should be more mindful of choking-off opportunities because we stifle social mobility. I would also add that being a diverse organisation, representative of the people we serve, makes good business sense, let alone that it is the moral and ethical right thing to do.

That said, we have made some progress across the spectrum of diversity of the Board, although ethnicity requires much more positive action with just two members from a non-white British background. There has been a positive trajectory over the last decade with the average age of Trustees, now 48yrs (previously: 64yrs), as well as the distribution across ages. Gender is now evenly balanced (previously 67% male), and although not a scientific measure, socio-economic background looks better to me. We don't have data on sexual orientation, disability, religion, or marital status.

These trends and position are also reflected amongst the staff, although the true picture is distorted, either because staff consciously prefer not to say and / or the data is unknown. Helping to create a supportive and non-judgmental environment in which people feel comfortable to respond is the responsibility of us all.

The actions the Museum is taking to tackle diversity and equality are set out in specific plans, not least to make sure we respond to the responsibilities we have as a National Portfolio Organisation of Arts Council England. Work in this area also includes more inclusive story-telling, using sign language and audio-description, and staff training to become Dementia friendly. We are supported in this work by partnerships with Creative Black Country, and Black Country Touring.

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Trustees' Report for the Year Ended 31 December 2019

Business Performance

Success for the Museum is measured in two ways. Firstly the achievement of our charitable objects as a museum, and secondly by our long-term sustainability without recourse to high levels of public sector funding to meet our everyday costs. These two measurables are inseparable. The achievement of one must be accompanied by the achievement of the other. Imagine this as a Venn diagram; Museum + Charity + Visitor Attraction overlapping equally, with the tripartite intersection representing the sweet spot of maximum impact and success. It is this objective of being self-reliant and independent, of seeing ourselves as a heritage enterprise, rather than a heritage service that sets this Museum apart from many others, and which is central to our philosophy and success.

It was another strong performance by the Museum in 2019. Attendance rose again, by 1.1% to 358,871 – the sixth year-on-year increase.

This generated a trading result (before depreciation and other accounting adjustments) of £653k. This was another successful result. Within the overall or consolidated financial surplus for the Museum Trust, the results of the subsidiary trading company were again strong. Total turnover (including other operating income) reached £2.724m, up 6.4% on the prior year, with profits (after Group charges) of £617,586 (2018:£718,913).

Full details are set out in the financial schedules of this Annual Report.

Forging Ahead

On 27 March 2019, the Museum received news that its application to the National Lottery Heritage Fund (NLHF) for £9.4m to support a major capital development of the open-air site had been successful. This was in addition to the £400,000 already committed to the project by the NLHF. This was obviously a hugely significant and positive step forward, and very welcome news not just for the Museum and Dudley, but also the Black Country, an area with historically-low levels of investment of this kind. The NLHF investment sits alongside an investment of £9m from the Black Country Local Enterprise Partnership, £1.275m from Arts Council England, c£1m from our own funds, and at least £2.5m from a successful fundraising campaign.

From mid-2019, the Museum therefore, was able to move from a long and complex Development Phase to the Delivery Phase – an important psychological moment for the Project Team. During the year the Museum contracted Balfour Beatty to undertake extensive pre-construction works, while designs were finalised on the extensive elements of the scheme, including a new visitor centre and car park (allowing the Museum to turn its face towards Castle Hill), two historic areas, collections store, new office accommodation, and additional learning facilities for visiting school groups and adult learners. COVID-19 has impacted the scheme insofar as we now don't expect to see all elements complete and fully operational until at least the end of 2022.

In many ways Forging Ahead is creating a new and expanded stage upon which we can tell stories. In this context, we were excited to develop a new approach to our programming, including the crossing of time periods, and creating immersive experiences. The new approach looks at themes, such as social change, to better tell the story of the site, rather than being led by dates or buildings. We also want to rotate core stories so return visitors will have a different experience at each visit.

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While developing a new approach, we also welcome the increased diversity of stories that the Museum will soon be in a position to tell, reflecting far better the modern-day communities of the Black Country. This had been a focus of the Board's discussions about BCLM: Forging Ahead since the very earliest days of the project conception and a powerful motivation for taking-on such a large and complex commitment. The Board recognised and welcomed how well this area of activity reflected what Arts Council England call the Creative Case for Diversity.

Charity Governance Code

Good governance enables and supports a charity's compliance with relevant legislation and regulation. It also promotes attitudes and a culture where everything works towards fulfilling the charity's vision. The aim of the Charity Governance Code, now in its 12th year and third edition, is to help charities and their trustees to develop these high standards of governance. It has been developed by a number of organisations in the charity sector who promote better standards of governance, including Association of Chairs, The Governance Institute, and National Council for Voluntary Organisations.

The Code focuses on seven principles and asks charities to apply them, or explain why it is doing something else instead. The principles are: (1) Organisational Purpose; (2) Leadership; (3) Integrity; (4) Decision Making; Risk & Control; (5) Board Effectiveness; (6) Diversity, and (7) Openness & Accountability.

The Code is not a legal or regulatory requirement of the Charity Commission, for example, but sets the principles and recommended practice for good governance and is deliberately aspirational; "we want the Code to be a tool for continuous improvement towards the highest standards". Although not enforced by the charity regulator, the Charity Commission has supported and endorsed the Code since its inception.

A review was undertaken by a panel of Trustees, following consideration of the Code at its meeting on 30 May 2019. Progress against the proposed Action Plan will be reported at each meeting of the Board, although COVID-19 meant progress has been limited so far.

Arts Council England

In March 2019, the Museum completed year one of its four year (2018-2022) National Portfolio Organisation agreement with Arts Council England. We have enjoyed a strategic and effective working relationship with Arts Council England since April 2015 when the Museum became a Major Partner Museum, and a little before that when ACE invested in a pilot leadership programme for the sector. The Museum now receives annual funding from ACE of £560,000, some of which is helping to support the Activity Plan of BCLM: Forging Ahead.

Our work with ACE is structured around:

- (a) A four-year Business Plan, demonstrating how the Museum is realising all the activity we set out in our original funding application, and upon which the investment from ACE was based.
 - (b) Audience Engagement Plan, which maps out an organisation-wide approach to extending the nature of the relationships with the public (users and non-users) for the next four years.
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- (c) Equality & Diversity Plan, which outlines the Museum's approach to embedding equality and diversity throughout the organisation and in particular in relation to programming, audiences and workforce, and governance.
- (d) Digital Policy & Plan, which articulates the Museum's overarching vision and ambitions for the use of digital over the four year period and an action plan to achieve it.

During the year in review, ACE developed, through wide-ranging consultation, a new strategy, Let's Create for the next 10 years to 2030. We look forward to a strong and continuing partnership with ACE to support the ambitions Let's Create sets out, whilst recognising those areas where we can improve our performance and impact.

Leadership & Management Restructuring

The Museum's strategic view is that it can be a successful museum, using the evidence of history (its collections and testimonies); deliver great "public benefit" as a charity, and be financially independent and sustainable by being a very popular visitor attraction. Even if these things can sometimes appear to be mismatched. With this in mind the Museum undertook a review of its leadership and management structures during 2019. Uppermost in our mind was the following ambitions and values:

- (a) Ensure maximum collaboration across teams/functions, by valuing co-operation, initiative, good judgment, joined-up decisions and a positive personal contribution, over staff structures, process and the 'seniority' of roles.
- (b) Allow the Chief Executive, in particular, to focus more on strategic issues, creating opportunities and developing external partnerships and trust, connections, profile and reputation, as well as leading BCLM: Forging Ahead.
- (c) Value, encourage and reward accountability, resourcefulness and risk-taking from all colleagues, to develop empowerment.
- (d) Ensure our engagement with all visitors about Black Country history and its path to contemporary life is original and lively, inspirational, well researched and respected, thought-provoking, market-led, safe and hugely enjoyable.
- (e) Safeguard the appropriate care, management, development and research of the collections, in-line with accredited professional standards.
- (f) Ensure that an enlarged Museum, with its historic reference point taking visitors' experience forward into the 1960s, doesn't, inadvertently, operate as the 'old' museum and the 'new' museum.
- (g) Provide a step-change in how we lead, manage, develop and support our people.
- (h) Is cost-effective and proportionate to our scale and ambitions, including its leading role in the museum sector and increasing prominence in the civic life of the region.

I am pleased to say that the staff welcomed the changes we made, and although initially the restructuring proposals put a number of our people at risk of redundancy, in the end, only three left, and none through compulsory redundancy. We also completed a long overdue review of our pay and grading structures, and implemented changes as a result.

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The Friends of the Museum

In November 2019, the membership of The Friends decided to call it a day, and wound-up the charity and organisation through which their volunteering had been organised for 50 years, since 1970. It is impossible to put an accurate figure on the amount of volunteer hours and its monetary value that The Friends have contributed to the Museum over the last 50 years, but it will amount to hundreds of thousands of hours, worth several million pounds. The goodwill that The Friends have also brought to the Museum is equally, considerable.

The creation of friends groups was a familiar initiative during the significant expansion of independent, thematic museums in the 1970s, across the UK, driven by the enthusiasm of individuals fascinated by the history on their doorstep and a determination to save it. At its peak, membership rose to 1,200; it is currently a little over 400.

On the one-hand this was a sad event, but on the other I believe Alan Hallman, the final Chair and every one of The Friends can be immensely proud of what The Friends have achieved over the last 50 years in support of the Black Country Living Museum. The Museum of today is a lasting legacy of their commitment, foresight, enthusiasm and hard work.

Our European Connections

The Museum was delighted to maintain its positive connections with open-air museums across Europe and indeed, the world, including in the USA and Australia. The Museum was represented at the biennial conference of the Association of European Open-Air Museums, held in August at various museums in Poland, including the Ethnographic Park, Katowice, Opole Village Museum, and the Biskupin Archaeological Museum. In 2021 the conference host will be Skansen, Stockholm, Sweden – celebrating its 130th anniversary, since opening in 1891, regarded as the world's first open-air museum.

During the year, the Museum hosted colleagues from Den Gamle By, Aarhus in Denmark, Beamish, County Durham, Skansen, and Jamtli, Ostersund in Sweden, and joined, in what we called a European Talent Group, by Laura Wakelin and Craig Edmondson from BCLM. This group of ten colleagues visited each participating open-air museum over the course of a year with the purpose of developing their leadership styles, a greater understanding of how they learn, developing a whole organisational view, as well as establishing an international network. The Museum sees this work as providing a valuable contribution to the future leadership of open-air museums, and hopes it will be able to reignite the programme in 2021.

Our Away Day

Together with the Executive Team, the Board held its annual Away Day in September. Such times provide a valuable opportunity to dive deeper into topics of importance to the Museum, to increase a collective understanding and / or support the development of strategies. The added time together also provides a welcome opportunity to get to know each other and help build cohesion amongst the Board, Chief Executive and his team. This year we looked at being a market-led museum to help inform the development of our marketing strategy and business planning. We also tested our personal limits and parameters to creating policy and programme content. The session, entitled, *Would You Allow*, explored attitudes to pushing the boundaries of what the Museum does in an immersive and discursive format pioneered by legendary museum advisor and consultant, Elaine Gurian.

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Trustees' Report for the Year Ended 31 December 2019

Thanks & Farewells

I am very grateful in my fifth year as Chair – to my fellow trustees, including Fiona Toye, our outgoing Deputy Chair, and to those who serve as independent directors of our subsidiary trading company, the independent members of the audit committee, as well as the Museum's Chief Executive and his team, for their support, commitment to the Museum and expertise to deliver the ambitions we all share.

I was delighted to join the Board as a trustee in July 2013, and since September 2015 I have been honoured to serve as Chair of the Museum Trust, the fifth person to do so since the first, Desmond Halahan in 1975 to 1988. At the end of 2020 I shall step down as Chair, having served my allotted terms. In these circumstances, I won't have chance to express my thanks in the 2020 Annual Report to everyone who has contributed to making the Museum a success, and for all the help, advice and support I've had as Chair, including Trustees Fiona Toye, Dr Malcolm Dick, Mike Williams and Christine Perks, all of whom retired in 2020. Thank you. I was delighted that the Board elected current trustee, Dr Paul Belford, as Deputy Chair in July 2020, and in-time, the Board will elect my successor.

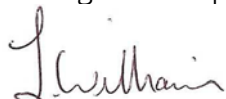
Sadly, 2019 saw the death of staff member Kerry Jukes, and volunteers Lynn Smith and Sam Jones, and Malcolm Nixon, a member of the Friends of President for 34 years. A former member of staff, Maureen Washington, also passed away. And in August 2020, we were very sorry to lose Jim Pease, the Museum's exceptionally knowledgeable, good-humoured and gifted Motor Mechanic, after a two-year battle with illness. Also in 2020, Brian Whatton and Ray Jones from the Marston Wolverhampton Heritage Trust also passed away.

At this time of review I want to take this opportunity to thank a number of staff who moved-on to other opportunities in 2019. Laura Wakelin left in April after making a very significant contribution to the success of the Museum in terms of developing our brand, reputation, levels of visitor attendance, BCLM: Forging Ahead and leadership. Dianne Rivers, Pat York and Cat Furnival also left the Museum; all of whom can be very proud of what they achieved.

I also have a special word of thanks to The Right Reverend Graham Usher, Bishop of Dudley since 2014, who took-up a new ministry as Bishop of Norwich from June 2019. Bishop Graham was a great supporter of the Museum and a frequent and welcome visitor. The Museum was delighted to hold a service of thanks for Bishop Graham on 21 July, led by The Right Reverend John Inge, Bishop of Worcester. In January 2020, we welcomed Martin Gorick, the new Bishop of Dudley.

Finally, I would like to acknowledge the support of all our many donors, volunteers and funders and to express my very grateful thanks for their commitment and generosity to the Museum. Without them the Museum could not reach as many people as it does, or achieve all the things that it wants to achieve. Our local authority, Dudley Council, continues to be supportive, recognising the importance of the Museum to the Borough.

Despite the ongoing and severe impact of COVID-19, 2019 was another very successful year for the Museum. Beyond this review of 2019, we are now looking to the New Year of 2021 and hope it brings an escape from the awful health and economic crisis that has blighted 2020.



Lowell Williams Chair

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Trustees' Report for the Year Ended 31 December 2019

Governing Document

The Black Country Living Museum Trust is a company limited by guarantee (reg. no. 1226321), without share capital and governed by its Memorandum and Articles of Association dated 15 September 1975 as amended by special resolutions dated 15 December 1983, 21 July 2005, 24 September 2009, 30 May 2013 and 29 May 2014. None of the model articles in the Companies (Model Articles) Regulations 2008 applies to the company. The company was registered as a charity with the Charity Commission on 10 October 1975. The Objects of the Charity are set out in this report. Throughout this Annual Report the company is referred to as 'the Museum, Museum Trust or the Charity'.

Trustees (Directors & Members)

The Trustees of the Museum for the purposes of charity law are also its directors for the purposes of company law, and throughout this report are collectively referred to as 'the Trustees'. The Trustees are also the only Members of the charitable company. Those Trustees who served during the period of this review were:

Jonathan Badyal	
Duncan Bedhall	
Dr Paul Belford	
Dr Malcolm Dick OBE	(retired 30 July 2020)
Parminder Dosanjh	
Cllr. Matt Follows	(appointed 22 August 2019)
Nicola Harding	
Nick Loveland	
Cllr. Christine Perks	(resigned 17 December 2020)
Fiona Toye	(retired 30 July 2020)
Lowell Williams	(retired 17 December 2020)
Mike Williams	(retired 17 December 2020)
Cllr. Pete Lowe	(appointed 9 January 2019 – resigned 26 June 2019)

Recruitment & Appointment of Trustees

The governing document allows for two 'classes' of trustees, ordinary and nominated. All trustees are appointed on the basis of their experience, skills and empathy with the Museum's vision. The appointment of ordinary trustees is undertaken following an open, public recruitment process. Prospective trustees are interviewed by a panel of existing Trustees and the Chief Executive, who make recommendations to the Board. The Association of Black Country Authorities nominates one person to serve as a trustee on the Board, albeit in a personal, rather than representative capacity. The Board recognises and accepts the need to refresh, diversify and develop the Board on a regular basis as an integral part of good governance and maintaining objectivity, utility, and succession planning. Four appointments were made in 2020. In addition Cllr. Matt Follows joined the Board as the nominee of the Association of Black Country Authorities in 2019. Trustees can serve for two terms of three years, unless the Board agrees a third consecutive term of three years. An incumbent Chair of the Board may be reappointed so as to serve three consecutive terms of three years. Any trustee who has previously served consecutive terms of three years shall be eligible for reappointment provided that there have been a break of not less than two years since the end of their last such term.

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Trustees' Report for the Year Ended 31 December 2019

The Museum is taking account the recommendations of the report, *Taken On Trust*, published in January 2017 by the Office for Civil Society and the Charity Commission, which seeks to broaden the diversity of trustees and improve levels of understanding about the role.

Trustee Induction & Training

New trustees are provided with a wide range of information, including the Charity Commission's publication, *The Essential Trustee* and have an induction meeting with the Chairman and Museum Director. New trustees are also provided with a copy of the Museum's *Becoming a Trustee of the Museum*, which sets out the duties and responsibilities of being a trustee and the contribution they are expected to make during their term of office. The Museum has developed a trustee development programme to enhance their understanding of the Museum and the environment in which it operates. Trustees are kept up-to-date with bi-monthly reports, briefings and sector newsletters about relevant issues, best practice and developments affecting the museums and cultural sectors, as well as changes to charity and/or company regulation. The Board uses an annual self-assessment questionnaire to gauge its effectiveness as the Museum's governing body, to support and inform an individual discussion between each trustee and the Chair of the Board. The Board has also endorsed recent best practice guidance from the Association of Independent Museums (AIM), including their *Hallmarks of Prospering Museums*, published in June 2015, and *Golden Rules of Good Governance*, as well as taking into consideration the latest Charity Governance Code of the Charity Commission.

The Board of Trustees works to ensure compliance with its legal duties to:

- (i) Act in the interests of the charity and its beneficiaries.
- (ii) Protect and safeguard the assets of the charity.
- (iii) Act with reasonable care and skill.
- (iv) Ensure the charity is accountable.

Governance Structure & Subsidiaries

The Museum is governed by a Board (with a maximum of 16 members and a minimum of 5) which has powers to conduct all the affairs of the Charity. The Board met six times (on a bi-monthly timetable) during the year to consider strategic issues, monitor the progress and performance of the Museum against budget and prior year, consider policy and significant developments and monitor organisational risks. The Charity held its AGM on 30 May 2019. The Board has in place committee structures to effectively govern and regulate the affairs of the Museum, including an Audit Committee (with two independent members, including its Chair, Andrew Holding and Dinah McLannahan) and a Financial Performance Scrutiny Committee, Chaired by Trustee, Mike Williams.

The Chief Executive manages and develops the Museum with his staff and is accountable and reports to the Board, in accordance with a Scheme of Delegation approved by the Board. The Museum's Chief Executive is supported by a leadership team (Key Management Personnel) currently comprising four staff with responsibility for: (1) Programmes & Collections; (2) Development (job share); (3) Operations, Marketing & People Management; and (4) Finance. A larger management team meets on a regular basis to consider management and operational issues. The Charity has in place a Staff Consultative Forum, including elected Staff Representatives, which meets on a quarterly basis and in accordance with its Terms of Reference. The Museum recognises the Community Union, for the purposes of collective bargaining for certain defined matters for its Costumed Characters, a group of about 80 workers.

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Trustees' Report for the Year Ended 31 December 2019

The Museum is owned and operated by the charitable company (including the Locksmith's House, a small museum (Accreditation ref. no. 829) in Willenhall, seven miles from the main site) including the employment of all staff. Non-charitable activities, including retailing, catering, location filming and business sponsorship, are undertaken on behalf of the Museum Trust by Black Country Living Museum Enterprises Limited (Company Registration No. 03026731). The Enterprises Company is a wholly-owned subsidiary of the Black Country Living Museum Trust – its immediate and ultimate parent undertaking and controlling party. A licence agreement exists which sets out the terms of the relationship between the parties.

The Enterprises Company was incorporated on 27 February 1995 in order to protect the charitable status of the Museum Trust and to have in place the most tax-efficient company arrangements, while allowing the Museum to benefit from the proceeds of commercial enterprise through an annual donation of profits from the Enterprises Company to the Museum. The directors of the Enterprises Company, who met four times during the year, are drawn from the Museum Trust and from outside the Museum. The Company held its AGM on 24 May 2019. There are currently four directors of the Board of the Enterprises Company, including two independent directors, Richard Fletcher and Lisa Simpson. The Museum Trust, as the sole member of the Company, is represented at General Meetings by Museum Trustee, Nick Loveland, who is also the Chair of the Enterprises Board. The Museum's Chief Operating Officer is the Chief Executive of the Enterprises Company, although not a company director of it.

Remuneration Policy, Gender Pay Gap Information, Employment & Casual / Zero Hour Contracts

The Museum has a well-established median pay policy, informed by Museum-wide job evaluation and market data provided by the Hay Group in 2012. This evaluation and market data informed the Museum's pay & grading structure, with its seven grades or tiers during 2019. At the end of the year, the Museum undertook a job evaluation of all 78 roles and as a result introduced a revised grading structure to ensure continued competitive, equitable and transparent pay rates. The median pay policy applies to all staff at the Museum, including Key Management Personnel, although the Board reserves the right to consider the remuneration of the Chief Executive outside this protocol. No remuneration benefits, other than those provided to all staff, are provided to Key Management Personnel. The Board of the Museum considers issues of pay on an annual basis as part of approving its annual revenue budget, and in this context any cost-of-living awards are currently implemented with effect from 1 January.

The Museum falls under the requirements of The Equality Act 2010 (Gender Pay Gap Information) regulations 2017 to publish a report showing the organisation's gender pay information. Based on the designated 'snapshot date' of 5 April 2019, when comparing mean hourly rates, women earn £1.01 for every £1 that men earn with a negligible difference in the median (middle number) hourly rate for men and women, which is consistent with the prior year. The Museum is committed to continue to develop its workforce strategy which includes maintaining a culture of representation and inclusion to ensure equality of opportunity for all.

The Museum regularly reviews the need for casual staff, taking account of the needs of the business. The Museum also utilises annualised contracts, which provides employees with the certainty of a guaranteed number of hours but also offers the flexibility to both the Museum and the individual.

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Trustees' Report for the Year Ended 31 December 2019

Trustee Indemnity

Professional liability insurance of £1m is in place through AXA Insurance UK plc at a cost of £747 (2018: £747).

Trustees Attendance at Meetings of the Museum Board

The table below sets out the record of attendance for Trustees and the Chief Executive, at Board meetings during 2019.

	Date of Board Meetings						No. of Meetings	%
	31/01	28/03	30/05	25/07	26/09	28/11		
Jonathan Badyal	X	✓	✓	✓	✓	✓	5/6	84%
Duncan Bedhall	✓	✓	X	✓	✓	✓	5/6	84%
Dr Paul Belford	✓	✓	✓	✓	✓	X	5/6	84%
Dr Malcolm Dick OBE	X	✓	✓	✓	X	✓	4/6	67%
Parminder Dosanjh*	✓	✓	X	X	X	X	2/6	34%
Cllr Matthew Follows	-	-	-	-	✓	✓	2/2	100%
Nicola Harding	X	✓	✓	✓	✓	X	4/6	67%
Nick Loveland	✓	✓	✓	✓	X	✓	5/6	84%
Cllr Pete Lowe	X	X	X	-	-	-	0/3	0%
Cllr Christine Perks	✓	✓	✓	X	✓	✓	5/6	84%
Fiona Toye (Deputy Chair)	✓	X	✓	✓	✓	✓	5/6	84%
Lowell Williams (Chair)	X	✓	✓	✓	✓	✓	5/6	84%
Mike Williams	✓	✓	✓	X	✓	✓	5/6	84%
Andrew Lovett (Chief Executive)	✓	✓	✓	✓	✓	✓	6/6	100%

*maternity leave

Partnerships & Stakeholders

The Museum works with a number of partners and stakeholders to achieve its objectives, including a large number of volunteer groups. The principal volunteer groups being: Friends of the Museum (a founding group of the Museum, wound-up in November 2019); Transport Group; Collections & Archive Group; The Friends of President (steam narrow boat and part of the National Historic Fleet); Mine and Steam Teams; Friends of Willenhall Locksmith's House; and the volunteers from Rockspur House and Garden Pathways, who do much to help us keep our gardens and open spaces in good order and free of litter. The Museum also works with Dudley Canal Trust (Trips) Ltd, who operate their electric narrow boat services in the tunnels and limestone caverns adjacent to the Museum; and Marston Wolverhampton Heritage Trust, who maintain their important archives, on-loan to the Museum.

Black Country Living Museum Trust

Trustees' Report for the Year Ended 31 December 2019

The Museum also undertakes partnership working with University of Wolverhampton; University of Birmingham; Dudley College and City of Wolverhampton College; Royal Society of Chemistry; Association of Independent Museums (AIM); as well as The Black Country Society, an original campaigning group for the Museum; the Design & Technology Association; the Historic Lighting Group, and Thomas Dudley Ltd. The Museum is now a registered Anchor Point on the European Route of Industrial Heritage.

The Museum also maintains membership of a number of organisations; the major ones being: Association of Independent Museums (the Chief Executive was appointed its Chair on 25 February 2020), Association of European Open-Air Museums, Association of Living History, Farm and Agricultural Museums, Newcomen Society, Inland Waterways Association, Association of Industrial Archaeology, Society of Folk Life Studies, International Council of Museums, and Museums Association (individual memberships). The Museum is a member of Heart of England Attractions – a group which represents the interests of fifteen of the region's leading independent visitor destinations, as well as the Chamber of Commerce of the Black Country. The Museum is also a member of the West Midlands Growth Company, in addition to the Chief Executive being a member of the Executive Committee of the National Museums Directors' Council.

Dudley Borough is one of seven Constituent Authorities of the West Midlands Combined Authority (WMCA), led by its elected Mayor, Andy Street. This means that the Museum has a strategic relationship with the WMCA. The relationship has been strengthened with the Chief Executive joining the WMCA's Cultural Leadership Board, and it's Regional Tourism Board.

The Museum has an important relationship with Arts Council England, from April 2015 as a Major Partner Museum and from 1 April 2018, part of their National Portfolio. The Museum also maintains an important relationship with Dudley Metropolitan Borough Council. The Council provided grant funding to the Museum until 2012, but now provides alternative financial support, including discretionary rate relief and cash flow support, if necessary. The Council owns the majority of the freehold of the Museum site, leased until 2075.

Fundraising

The Museum undertakes fundraising to support both revenue and capital needs and does so through an in-house Development Team led by the Co-Directors of Development (job share). The largest proportion of funds are sought from grant-making bodies (public and private), however, donations from individuals and business support are pursued with those who have a strong relationship or an obvious connection with the Museum.

The Museum is registered with the Fundraising Regulator and pays the voluntary annual levy, as recommended for organisations with fundraising expenditure of over £100,000. As such, the Museum demonstrates its compliance with the Code of Fundraising Practice (updated October 2019) and commitment to The Fundraising Promise that its fundraising is legal, open, honest and respectful - both can be viewed at www.fundraisingregulator.org.uk. Fundraising materials and literature feature the Fundraising Regulator badge. All active fundraisers within the Development Team are members of the Institute of Fundraising and adhere to its Code of Conduct, which includes carrying out their duties in-line with the Code of Fundraising Practice. Team members attend regular one-to-one meetings with the Director of Development where current fundraising activity relative to their role is discussed and monitored and an annual Performance and Development Review is undertaken. Bi-monthly updates on fundraising activity are provided to

Black Country Living Museum Trust

Trustees' Report for the Year Ended 31 December 2019

the Board of Trustees and activity is also monitored through monthly Development Team meetings. No complaints regarding fundraising activity were received during the year.

2019 saw the fundraising team continue activity in pursuit of its £2.3m target in support of BCLM: Forging Ahead (£2.1m has been raised at the time of writing). Whilst the majority is formed of grants from trusts and foundations, individual support is sought through the Museum's Patrons scheme as well as optional donations as part of an online transaction and onsite donation points. The Museum does not undertake regular direct mail/telephone/face-to-face campaigns: in making a direct specific ask, it fully considers the recipient's recent relationship with the Museum (such as attendance, past donation activity), their contact preferences and data protection to ensure relevant and timely communications.

Significant Grants & Donations

The Museum wishes to acknowledge and thank all of the organisations and individuals which have pledged or given generous financial and in-kind support during the period of this review, in particular:

Arts Council England	Birmingham Common Good Trust
Black Country Local Enterprise Partnership	Clive & Sylvia Richards Charity
Dudley Metropolitan Borough Council	Dumbreck Charity
Fidelity UK Foundation	Foyle Foundation
Friends of the Black Country Living Museum	Grantham Yorke Trust
The Grimmitt Trust	Lord Austin Trust
Michael Marsh Charitable Trust	National Grid Community Grants
National Lottery Heritage Fund	The Headley Trust
The James Beattie Charitable Trust	The Patrick Foundation
The Roger & Douglas Turner Trust	The Rowlands Trust
Mr R Bills	Mr J H Hughes
Mr & Mrs J Smith	

Environmental Impact

Between 2015 and 2018 the Museum achieved a substantial 46% decrease in Carbon Emissions (CO₂e) from 1,091 tonnes of CO₂e in 2015 to 503 tonnes of CO₂e in March 2018, exceeding the 10% reduction target set as part of the Arts Council funded Major Partner Museum programme. As an Arts Council National Portfolio Organisation since April 2018, we continue to work with Julie's Bicycle, an organisation specialising in environmental sustainability within the arts and cultural sector, to continue to reduce the Museum's carbon emissions by a further 10% from the 2018 level by 2022. The Museum continued this year on year reduction with emissions of 497 tonnes of CO₂e in the year to March 2019.

Black Country Living Museum Trust

Trustees' Report for the Year Ended 31 December 2019

Reserves Policy

The Museum Trust recognises that its reserves are the part of the Charity's unrestricted funds that are freely available to spend on any of the Charity's purposes, and that this excludes tangible fixed assets. At the year end, the Reserves Policy arising from a review by the Financial Performance Scrutiny Committee, and approved by the Board, recommended a prudent level of unrestricted free cash balances would be £700,000 throughout the year.

Taking account of organisational risks, at the time this was considered adequate to allow the Museum to support its upcoming development project and to review its activities in the event of a significant and sudden reduction in trading revenues, or other major occurrence, so as to avoid the cessation of the Museum and the resultant loss of the public benefit it provides to its beneficiaries. At the balance sheet date the Group had a General Fund balance of £1.34m (2018: £1.01m) which equated to an unrestricted cash balance of £1.55m (2018: £1.41m). The Trustees have designated £931,000 of this for future developments and so the unrestricted free cash balance at the year-end equated to £619,000. However, as a result of the Covid-19 Pandemic, during 2020 the Board reviewed its Reserves Policy now taking account of the increased risk of the Museum having to close its doors as a result of a non-insured event and increased the recommended level of unrestricted free cash balances to be £1.25m. The Board will keep under review the circumstances of when it would be appropriate to use these reserves to protect the purpose and beneficiaries of the Museum.

Going Concern

The COVID-19 pandemic has had a significant effect on the Museum's admissions and trading income as a consequence of its closure and subsequent re-opening with lower visitor numbers. However, through a combination of cost reduction measures and successfully accessing various stands of funding, including the Government's Coronavirus Job Retention Scheme and Culture Recovery Fund, the Museum has been able to mitigate the loss of the majority of its budgeted income and is currently financially secure.

The Museum has forecast the impact of the likely measures arising from the continued COVID-19 pandemic and the assumed quite cautious levels of visitors for the next twelve months. Alongside this, the Museum has determined further actions to be taken if there is a further need to close the museum, or if visitor numbers do not remain at the levels forecast. The Trustees have reviewed these, considering the consequences of COVID-19 and other events and conditions, and they have determined, whilst COVID-19 has had a significant impact on the Museum and will continue to do so in the immediate future, they have determined that the Museum is sufficiently financially secure to continue in operational existence for the foreseeable future. Whilst the ongoing COVID-19 pandemic places a number of uncertainties around visitor numbers, the Trustees are satisfied that the Museum is able to manage these uncertainties over the next twelve months and they do not create a material uncertainty that casts significant doubt upon the Museum's ability to continue as a going concern. Therefore the Trustees have concluded that there are no material uncertainties about the Trust's ability to continue as a going concern and the Financial Statements are drawn up on the Going Concern basis.

On behalf of the Trustees

Lowell Williams Chair



Dated: 17 December 2020

Black Country Living Museum Trust

Strategic Report for the Year Ended 31 December 2019

Charitable Objects

As a registered (incorporated) charity, the legal Objects of the Museum Trust are:

- (i) the advancement of education for all by increasing and inspiring the public's understanding and appreciation of the significance and impact of the Black Country since the 18th Century on the industrialisation of the world as well as increasing the sum of knowledge of the region during this period of its history; and
- (ii) the provision, safeguarding and development of a museum and collections in the Black Country as a means of recording and exemplifying the contribution of the region since the 18th Century to the development of the modern industrialised world, for the benefit and enjoyment of the public.

Vision & Mission

The Museum's vision:-

Our staff live in the Museum to welcome you into the inspiring stories of real people, their streets and homes, work and daily lives, so you too can see, taste, feel, smell, hear and join in 300 years of Black Country history.

This vision makes real the Museum's mission of *Inspiring Your Discovery of the Black Country*.

Strategic Aims

The Museum has developed six strategic aims, as part of its Strategic Plan 2015–2020:

Strategic Aim One – Develop Our Distinctiveness and Brand

Amplify how we set ourselves apart by focussing on our own unique way of doing things to create a distinctive visitor offer, undeniably differentiating the Museum from the mainstream to build a matchless brand.

Strategic Aim Two – Safeguard, Enrich and Use Our Collections

Strengthen and better use our Designated Collections, intensifying the spotlight on living interpretation, working demonstrations and making things, as the principal and best means of engagement, to create an emotional response from our visitors.

Strategic Aim Three – Transform the Visitor Journey

Design and build a dramatic re-visioning, from beginning to end, of how visitors explore and experience our open-air site to choreograph an unrelenting and immersive visit.

Strategic Aim Four – Increase Visitor Attendance

Achieve greater resilience and underpin our long-term future by increasing visitor attendance.

Black Country Living Museum Trust

Strategic Report for the Year Ended 31 December 2019

Strategic Aim Five – Achieve National and International Impact

Broaden the appeal and value of the story of the Black Country, way beyond its regional boundaries.

Strategic Aim Six – Grow and Diversify Our Income

Further develop our culture of enterprise and self-reliance to maximise and diversify sources of revenue, making full use of our assets and resources.

There are complex inter-relationships between these objectives. They support each other, and success in one objective supports success in the others.

The Museum's Origins

The Museum grew out of community pressure and the foresight of Dudley Council, as early as 1950 and more substantially in the late 1960s (with the first land purchased in 1973 by Dudley Council) to ensure that the culture and traditions of the Black Country might be preserved and over forty years on it has accumulated a wide range of material – from entire buildings and transport infrastructure, down to pots and pans – which records and exemplifies the particular contribution of the Black Country to the origins of the Industrial Revolution and also the impact of industrialisation on the regional landscape and society. The Black Country Society (founded in 1967) was an early and effective campaigner for establishing the Museum.

In the very early days, Keith Hodgkins drew the original sketches of the site in c1972, and Richard Traves, latterly Keeper of Science & Industrial Archaeology at the Borough Council of Dudley from 1972, was an influential figure, before Ian Walden OBE was appointed as the Museum's Founding Director in 1975. The late Desmond Halahan was the first Chair of the Board, for a period of 13 years, between 1975 and 1988. The first structures were brought to the site in 1976, with Broad Street bridge, relocated from Wolverhampton and Darby Hand Chapel, from near Netherton, two of the earliest to be completed. The Museum now extends to 26 acres and is one of the largest and most-visited open-air museums in the UK, having welcomed over 9m people since it opened; comparable with the UK's other large open-air museum sites of Beamish in County Durham (1970); Blists Hill, Ironbridge, Shropshire (1973); St Fagans, South Wales (1948); and Weald & Downland, West Sussex (1968), and indeed, amongst the many European open-air museums.

The Museum opened on a permanent basis in 1978, within the same era as the UK's other large open-air museums, but almost 90 years after Skansen, Stockholm in Sweden opened in 1891 – the world's first – by museum pioneer, Arthur Hazelius. And so was born the translocation of whole buildings and structures to form a new and very distinct type of museum; often as much about expressing national identity, as saving heritage at risk. Today, even a cursory look at the map of Europe shows some 60 major open-air museums, stretching from Suzdal in Russia in the east, to the Ulster Folk Museum, north of Belfast, to the west, and as far north as Jamtli, Sweden, and ETAR, Bulgaria in the south. Not to mention the central and eastern states of America, including Colonial Williamsburg, Virginia, and Sovereign Hill, Ballarat, Victoria, Australia.

The Museum still takes inspiration from Elihu Burritt's famous description of the area, when, as the American Consul to Birmingham in 1868, he said, "The Black Country, black by day and red by night, cannot be matched for vast and varied production, by any other space of equal radius on the surface of the globe." It is the story of a turning point in Britain's national story that we

Black Country Living Museum Trust

Strategic Report for the Year Ended 31 December 2019

continue to tell and celebrate at the Museum, while all the time striving to articulate its relevance today. We exploit the fact that people visit museums – particularly open-air museums – precisely because we aren't a classroom, but nevertheless, offer hugely valuable opportunities for learning. Our greatest responsibility is to help make sense of the world, while our greatest potential is to enable people, our visitors, to think about something they perhaps haven't thought about before, to gain a deeper understanding of their own place in the world.

Designated Collections

The Museum's entire collections were *Designated* by Arts Council England in February 2012, recognising their quality and national significance. The Museum now holds a resource of considerable value, for authenticating the sense of regional identity and also for placing the full historical and cultural significance of the Black Country in a national context. Buildings, machines and other 'things' hold stories which attest to the national and international significance of the Black Country, chiefly spanning the period 1800–1950.

It is through the completeness and coherence of the reconstructed site, therefore, that the Museum has established itself as the 'last word' on the Black Country, a reference point for anyone today needing confirmation of – or searching for – Black Country identity. In some histories, the role of the Black Country has been subsumed in the concept of 'Birmingham and the Midlands Hardware District' – a term coined in the mid-nineteenth century. Today, outside the Midlands, there are many who see the entire region as a 'Greater Birmingham' and so, the true significance of the Black Country to national life as a distinct region with its distinctive character, culture and traditions is sometimes eclipsed. Here the Museum has played a prominent role in helping to place it on the map as a place apart from Birmingham and the rest of the West Midlands.

Achievement of Public Benefit

As a charity, the Trustees recognise their legal duty to report on the Museum's public benefit in their Annual Report, as part of a requirement – given particular emphasis by the Charities Act 2011 – to clearly demonstrate that the Objects of the charity are for the public benefit. In this context, the Trustees accept that being a registered charity is a privilege, not a right. In setting out, in this Annual Report, how the charity currently meets this requirement and is reflected in its future plans, the Trustees assert that the charity is compliant with the requirements of the Charities Act 2011; having due regard for the public benefit guidance published by the Charity Commission: *Public benefit: the public benefit requirement (PB1)*; *Public benefit: running a charity (PB2)*; and *Public benefit: reporting (PB3)*.

The Trustees acknowledge and accept that there exists a kind of covenant between charities and society: charities bring public benefit and, in their turn, are accorded high levels of trust and confidence, as well as the benefits of charitable status. The Museum Trust continues to welcome an explicit reporting of public benefit and how it is aligned with the Objects of the Charity, and believe that this will help maintain and grow public trust in the activities of the charitable sector, not least the charitable activities of the Black Country Living Museum.

The Museum gives expression to the accomplishment of public benefit throughout this Annual Report and especially when reporting below on its performance against objectives and other achievements.

Black Country Living Museum Trust

Strategic Report for the Year Ended 31 December 2019

The Museum identifies the most significant benefits to the public that arise from its objects, as:

- providing opportunities for enjoyable and stimulating learning for the general public (currently c360,000 people each year and well over 9m people since it opened) about the special significance of the Black Country – its people and its landscape and the major part it played in the development of an industrialised world, in a unique and authentic environment;
- providing formal learning programmes and resources for pupils and students in full-time education including overseas pupils and students;
- caring for and developing its accessioned and Designated collections of approximately 60,000 objects, including over 70 significant buildings, as well as many other features and other structures of historical interest and significance, and making them physically and intellectually accessible to the greatest feasible extent, to the general public;
- making accessible to researchers and students, its important collections of over 15,500 books, photographs and other important items of archive ephemera, and in so doing, adding to the collective knowledge, understanding and appreciation of the Black Country;
- publishing and widely disseminating to the public, information about the Black Country, via the Museum's website, and a range of social media channels;
- responding to public enquiries to our collections enquiry service;
- maintaining all-year round public access to its facilities and services for the equivalent of 44 full weeks in the review year;
- providing diverse opportunities for volunteering for over 200 people;
- supporting and strengthening the Black Country's identity and sense of place;
- providing access to the Locksmith's House, 54 New Road, Willenhall, and its collections, numbering some 6,000 items, for booked schools, as well as the general public on open-days and special events;
- and in providing these public benefits, the Museum supports the five widely accepted generic learning outcomes, which show the positive impact of the public's interaction with museums, on their knowledge and understanding; skills; attitudes and values; enjoyment, inspiration and creativity; and action, behaviour and progression.

With visitor attendance consistently split fairly equally across the two socio economic types (49% ABC1 and 51% C2DE according to market research results from summer 2016), BCLM has seen some success in breaking down the perceived barriers to visiting museums that often exist amongst a broad socio-demographic audience. However, a thorough audience analysis undertaken in 2016 allowed the Museum to understand its audiences by motivation rather than purely on statistics around social grade or ethnicity. The results of this work fed into the Museum's Audience Engagement and Equality Action Plans for 2018-2022 to ensure that the Museum is as relevant and reflective of its local population as it can be moving forward. Further work into audience segmentation was conducted in 2018, identifying the Museum's five core segments and creating marketing plans to reach and engage with them.

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Strategic Report for the Year Ended 31 December 2019

Although the Museum has created the conditions of the 19th and 20th Centuries, using original buildings and other features and often reflecting their original streetscape, with changes in level and uneven surfaces, great attention has been paid to ensuring good physical access. To this end, many adjustments have been made to provide level access and adapted transport and freely available wheelchairs are provided to serve visitors with restricted mobility. Other adapted facilities and services are provided at the Museum, and in 2018 a Museum Access Map was created for visitors with specific access needs. This map accompanies a comprehensive access guide which is available on the Museum's website and on arrival.

The Museum charges for admission and undertakes regular benchmarking to remain competitive and to retain its reputation for value, as well as offering a range of discounted rates and concessions in order that these charges do not unreasonably prevent wide public access to the Museum. In 2019, the Museum charged an on-the-door price for adults of £18.45 (2018: £17.95). Discounted rates were provided for people over the age of 65, students, families, young people and unwaged visitors. Children under the age of three and essential carers are admitted free. All groups (of 15+) received discounted rates. In 2015 the Museum introduced a new annual pass, UnChained. This provides unlimited access to the Museum (subject to certain conditions) and for the price of a standard day-ticket, offers extraordinary value, especially for visitors living within easy reach of the Museum. The Museum also offers Membership for a range of priced categories, linked to a package of benefits, including discounts and priority booking for special events.

Providing loans of objects to other accredited museums and other related organisations continued to be an important part of our public benefit.

Performance Against Objectives

Under its six Strategic Aims, the Museum set itself 11 objectives for 2019:

Strategic Aim One – Develop Our Distinctiveness and Brand

- (1) Complete the Leadership & Management restructuring, and recruitment to all posts by August 2019.

Progress: The Board of the Museum endorsed the Chief Executive's proposals on 31 January 2019, with consultations with affected staff getting underway in February 2019. Implementation took place during the course of 2019, reflecting changes made as a result of consultations. Four vacancies remain (as at January 2020) and will be recruited during 2020. The restructuring addressed the future requirements of the Museum, including the increased scale and complexity as a consequence of BCLM: Forging Ahead. The Museum was especially pleased that through the restructuring a number of existing staff were able to take-on new, larger roles.

- (2) Continue to develop a more strategic approach to the development of our people and our working culture.

Progress: As part of the restructuring, the Museum took a strategic decision to invest in and expand its People & Culture Team, under the leadership of a newly-appointed experienced human resources professional. During the year progress was made against each of the six identified strands:

Black Country Living Museum Trust

Strategic Report for the Year Ended 31 December 2019

- (i) creating more internal progression opportunities;
- (ii) enviable pay & benefits;
- (iii) progressive employer-employee relations;
- (iv) effective well-being programmes;
- (v) improved training, personal development and performance framework;
- (vi) effective communications and recognition.

The Museum was pleased to introduce well-being programmes, partly supported by funding from the West Midlands Combined Authority and its accreditation scheme, Thrive at Work.

An important step was also taken when the Museum completed a job evaluation of all 78 roles and in doing so reviewed its grading structure (dating from 2012) to ensure competitive, equitable and transparent rates.

The workings of the Museum's Staff Consultative Forum was reviewed during the year to ensure continued utility.

Strategic Aim Two – Safeguard, Enrich and Use Our Collections

- (3) Commence implementation of the BCLM: Forging Ahead Collections Development Action Plan, including a programme of collecting to support the Museum's new developments.

Progress: The BCLM: Forging Ahead Collections Development Action Plan has been implemented by the Collections Care Team. Supported by a rolling programme of public call outs, our active collecting programme has made substantial progress in securing the donation of key objects outlined in the plan. To date a significant number of objects have been collected specifically for Forging Ahead. In addition to donations, a number of potential loans have been identified particularly for objects that are rare or less likely to be donated. The development of a new the Collections Store has alleviated immediate storage pressures allowing collecting to increase at pace.

Strategic Aim Three – Transform the Visitor Journey

- (4) In line with the programme and cost plans, commence the delivery of BCLM: Forging Ahead, the Museum's major 3-year capital development, from June 2019.

Progress: Design refinements continued apace during 2019. However, the appointment of main contractors was delayed by six-months after a reappraisal to ensure cost-effective procurement. A contractor was approved in November 2019, under the terms of a Pre-construction Services Agreement.

- (5) Secure all remaining funds required to complete BCLM: Forging Ahead, by September 2019.

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Strategic Report for the Year Ended 31 December 2019

Progress: The cost plan identified a funding requirement of £23.685m. By 31 December 2019, funding of £23.492m had been secured, representing 99.2%. This total includes £9.8m from the National Lottery Heritage Fund, £9m from the Black Country Local Enterprise Partnership, £1.275m from Arts Council England, £900,000 from the Museum's retained surpluses, and £2.267m from the fundraising campaign. Additionally, the Museum has contributed close to £400,000 in the year from its own resources to fund costs outside the scope of the project as defined by our external funding partners. However, subsequent design and other work has identified a significant funding short-fall. This has been made worse because of the impact of COVID-19, impacting the programme and market conditions. Work is ongoing to review the scope of the project, as well as secure additional investment.

- (6) Achieve all year one plans set out in the BCLM: Forging Ahead Activity Plan, including the unique opportunities that will exist to fully engage our communities in the construction of the Museum's new historic developments, as part of the visitor experience.

Progress: The Museum's Activity Plan, running alongside building works, has 11 programmes, and although construction was delayed, a great deal of progress has been made during the year. Highlights include establishing the new Black Country Studies Centre in partnership with the University of Wolverhampton; establishing a PhD in Brickmaking (Elizabeth Thompson) in partnership with the University of Birmingham; recruitment of 6.5FTE additional jobs; collection of at least 75 oral histories, as part of the Museum's 'Call-Outs' for stories; final editing of a publication on the research findings undertaken in preparation for the project; at least 200 items added to the Museum collection specifically to support Forging Ahead, and continued R&D on our formal learning programmes and for specialist audiences. The programmes of the Activity Plan will continue until at least 2022.

Strategic Aim Four – Increase Visitor Attendance

- (7) Continue to maximise the existing assets and activities of the Museum to enhance the visitor experience, including the continued development of new ways of delivering living interpretation.

Progress: A significant amount of progress has been made. Our successful Summer 'Lates' programme was further developed and extended resulting in a 106% increase in visitor attendance at these events. The Programmes Team reviewed the interconnection of the visitor experience across the site during school holiday periods and introduced new ways of delivering first person interpretation which focused on deploying a mix of short spontaneous interactions, timed scenarios and linked hands-on activities across the site, all centred on single narrative. Investment was also increased in training and paid rehearsal time for first person interpretation to support development and improve performance skills.

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Strategic Report for the Year Ended 31 December 2019

Strategic Aim Five – Achieve National and International Impact

- (8) Achieve all year two planned activity linked to Arts Council England, National Portfolio Funding (2018-2022).

Progress: Of this planned activity, the most significant achievements relate to securing all funding for BCLM: Forging Ahead; establishing an effective partnership with Black Country Touring to deliver a new performance dimension to living interpretation; continuing to run an effective and valued national programme for the next generation of museum/cultural leaders; reducing the Museum's carbon footprint; continuing our international work with overseas open-air museums; maintaining the strength of our Cultural Diversity and Access Panels; maintaining levels of school attendance; continuing to grow the number of volunteers; and making effective progress towards equality and diversity objectives.

Things which were not progressed in-line with the original timetable included putting together a programme of works to enhance our boat dock and lime kilns and identifying new Trustees. However, these objectives will be reviewed and progressed depending on the prevailing priorities of the Museum.

- (9) Successfully advance the aims of the Black Country Studies Centre, in partnership with the University of Wolverhampton.

Progress: Dr Jenny Gilbert was appointed to the jointly funded post of Programme Co-ordinator in the first quarter of 2019, and since then good progress has been made on raising the Centre's profile and publicising its purpose and activities. Outputs so far include a successful bid for funds from Arts Council England to support research and digitisation of the Museum's packaging collection, as a pioneer to the digitisation of the entire collection; and the launch of the Black Country Research Network. 2020 will see the Centre continue to develop its activities, including its public programme.

Strategic Aim Six – Grow and Diversify Our Income

- (10) Continue to strengthen the Museum's financial position by achieving visitor attendance of at least 328,348, a trading surplus, before depreciation and one-off investments of at least £30,000, and free cash reserves of at least £500,000, in-line with our reserves policy, for the year to 31 December 2019.

Progress: The Museum saw another year of growth (the sixth consecutive year), with visitor attendance reaching 358,871 (2018: 355,054) and a trading surplus of £653,000. Free cash reserves of £700,000 were designated by the Board. This performance represents another excellent result for the Museum.

- (11) Review the Museum's fundraising strategy by December 2019.
-

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Strategic Report for the Year Ended 31 December 2019

Progress: Although early thinking has progressed well, it was decided that the review of our fundraising strategy should dovetail with the development of the Museum's new strategic plan. In this context, the review will be undertaken during 2020.

Financial Review

The financial activities of the Museum for the year under review and the financial position at the Balance Sheet date are set out in the Accounts. In particular the Statement of Financial Activities (SOFA), which includes both unrestricted and restricted funds, shows the performance of the group during the year. The 1.1% increase in visitor attendance contributed to record income of £9.0m (2018: £8.03m), with £7.23m (2018: £6.63m) directly attributable to visitor attendance to the Museum. The table below reconciles the trading surplus £643,000 to the net unrestricted income £484,000 shown in the Statement of Financial Activities. A sizeable element of the trading surplus is generated through the Museum's subsidiary trading company which undertakes all non-primary-purpose trading: catering, retail, hire & hospitality, location filming and business sponsorship. The results show that turnover increased by 6% to £2.72m (2018: £2.56m) reflecting the increase in visitor attendance of 1.1% and an increase in spend per visit. The profit, before Group charges, for the year was £834,000 (2018: £910,000). The result represents another very strong performance for the Museum's subsidiary trading company, and its support for the charitable activities of the Museum.

	2019	2018
	£	£
Net Trading Surplus	653,401	1,043,695
Accounting Adjustments and Non-recurring Costs included in Expenditure:		
Surplus/income arising from land exchange	396,058	-
One-off Investments	(34,551)	(126,851)
Depreciation charge on Unrestricted Funds	(83,667)	(76,950)
Non-cash donation of Heritage Motor Vehicles	-	96,000
Tax Received	-	12,804
Contribution to BCLM: Forging Ahead	(391,387)	(438,504)
Actuarial adjustment (pensions)	(56,000)	(44,000)
Net Income/(Expenditure) after taxation (as shown in SOFA)	<u>483,854</u>	<u>466,194</u>

Achieving a further strong operational trading surplus in 2019 is another significant accomplishment for the Museum and this remains a priority going forward in order to continue to establish a resilient financial position, to maintain and develop the open-air site, and to build an adequate and consistent level of free cash reserves.

The operational trading result contributed to a cash inflow from operating activities of £941,000 (2018: £710,000). After capital expenditure of £536,000, borrowing repayments of £40,000 and interest received of £1,000 there was a net increase in cash of £366,000 resulting in a rise in cash at bank and in-hand as at 31 December 2019 to £2.03m (2018: £1.67m).

The Group Net Worth at 31 December 2019 stands at £10.50m (2018: £9.61m) the increase being as a result of the trading surplus and increase of restricted funds. Restricted Funds stand at £7.81m (2018: £7.40m) and Unrestricted Funds at £2.69m (2018: £2.21m) comprised of

Black Country Living Museum Trust

Strategic Report for the Year Ended 31 December 2019

Designated Funds of £2.77m (2018: £2.55m), General Funds of £1.33m (2018: £1.01m) and Pension Reserve (deficit) of £1.41m (2018: deficit of £1.35m).

Risk Management

The Museum acknowledges the risks inherent in its 'business', and is committed to managing risks that pose a significant threat to the achievement of its business aims and financial strength. The Board has adopted a Register of 11 Key Risks which is supported by operational and project risk registers. The Register of Key Risks is a standing item on the agenda for meetings of the Leadership Team and Senior Management Team and is available to Trustees at all Board meetings. As part of its duties, the Museum's Audit Committee has oversight of process of the management of key risks.

Primary Risks & Uncertainties

The Museum operates in a market and charges admission with over 95% of the Museum's unrestricted income derived from visitor-driven sources. In this context there will always be a risk to the Museum of not achieving forecast visitor attendance and associated sales revenue but it is an issue which the Museum monitors on a daily and active basis and is managed by cost control and seeking alternative income sources.

The Museum's Register of Key Risks lists 11 risks, including: a major event within or outside of the control or influence of the Museum which impacts the operations of the Museum (the Covid-19 pandemic is an example of this), failure to deliver and manage BCLM: Forging Ahead; inadequate management of legislative compliance including health and safety; inadequate financial planning and levels of free cash reserves; poor reputation and stakeholder relationship management; serious detriment incident on site.

The Museum, as reported at Note 31, has a potential defined benefit pension liability of £1.414m (2018: £1.358m). This will not crystallise in the short or medium term, and if the Museum wound-up, any pension liability is underwritten by Dudley Metropolitan Borough Council, as guarantor.

Investment Policy

The Museum, when able to do so, takes advantage of short-term cash flow surpluses by placing funds with regulated financial institutions approved by the Board, which will primarily be in deposit accounts with mainstream banks. It is not the policy of the Museum to delegate investment management to an agent of the Charity. In making any investment decisions the Board has due regard to Charity Commission guidance.

Future Plans

As 2020 commenced the Museum had identified 11 key objectives and priorities for the year, in support of the Museum's Strategic Plan (2015–2020). However, as the global outbreak of COVID-19 quickly developed, the majority of these had to be put to one side, as the Museum focused on two major priorities; the survival of the Museum and the progression of BCLM: Forging Ahead. The pandemic and the measures taken by the Government to contain the virus required the Museum to close to the public from 18 March 2020 until 31 July 2020. When allowed to be reopen the requirements of the Government for social distancing had an impact on the operating capacity of the Museum.

Black Country Living Museum Trust


Strategic Report for the Year Ended 31 December 2019

However, through a combination of cost reduction measures and accessing various forms of funding, including the Government's Job Retention Scheme and its Culture Recovery Fund, the Museum has been able to mitigate the loss of income such that it remains financially secure for the immediate future. The plans of the Museum have been impacted by COVID-19. We are now focussed on 2021, and have identified the following objectives:

2021 Objectives	Benefits
1. To develop and diversify our team.	<ul style="list-style-type: none">• We represent and are valued by our community.• Our team is more motivated, creative and innovative.• The team feel valued and morale is strong.• We benefit from a broader diversity of opinion.
2. Develop, maintain and use our collection, in its broadest sense, to support inclusive storytelling.	<ul style="list-style-type: none">• Our visitor experience is increasingly relevant.• Black Country heritage is protected and shared.• The collection connects the Museum and our community to our unique stories.
3. Build engagement with audiences to increase representation and enable active participation.	<ul style="list-style-type: none">• Understand and grow our audiences.• Increased sense of ownership and belonging in our local communities.• Our audiences are included and represented.
4. Innovate to ensure the Museum is strategically aligned for our sustainable future.	<ul style="list-style-type: none">• Our revenue is grown and diversified.• The Museum is valued and relevant to our audiences.• The Museum has efficient and effective operations.
5. Use our influence and strengthened reputation to effect positive change for our communities.	<ul style="list-style-type: none">• Allows us to positively impact individuals and organisations.• Ensure our work is amplified and reputation strengthened.• Close collaboration to be part of a joined-up approach to tackle issues and challenges.

Detailed work plans lie behind each of these five objectives, with all staff having a part to play in achieving them. There are complex interrelationships between these objects. They support each other, and success in one object contributes to success in others.

On behalf of the Trustees



Lowell Williams Chair

Dated: 17 December 2020

Black Country Living Museum Trust

Statement of Trustees' Responsibilities

The Trustees, who are also the directors of Black Country Living Museum Trust for the purpose of company law, are responsible for preparing the Trustees' Annual Report, including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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 the profit or loss of the Charity for that period.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles set out in the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities';
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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 to enable them to ensure that these 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 Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Trustees



Lowell Williams Chair

Dated: 17 December 2020

Black Country Living Museum Trust

Independent Auditors' Report to the Members of Black Country Living Museum Trust for the Year Ended 31 December 2019

Opinion

We have audited the financial statements of Black Country Living Museum Trust for the year ended 31 December 2019 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2019 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

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

Conclusions Relating to Going Concern

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

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

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Black Country Living Museum Trust

Independent Auditors' Report to the Members of Black Country Living Museum Trust for the Year Ended 31 December 2019

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 our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on Which We are Required to Report by Exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report or the] directors' report included within 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:

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 31, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees

Black Country Living Museum Trust

Independent Auditors' Report to the Members of Black Country Living Museum Trust for the Year Ended 31 December 2019

either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of Our Report

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



Kerry Brown
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
B69 2DG

Dated: 18 December 2020

Black Country Living Museum Trust

Consolidated Statement of Financial Activities including Income and Expenditure Account for the Year Ended 31 December 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Income					
Donations and Legacies:					
Charitable donations	3	158,940	681,112	840,052	534,197
Charitable Activities:					
Admission to the Museum	4	4,391,719	-	4,391,719	4,058,267
Major Partner Museum (Arts Council England)	5	-	-	-	225,848
Grants (Arts Council England)	6	550,000	-	550,000	412,500
Other Trading Activities:					
Retail income (subsidiary trading company)	7	2,587,283	-	2,587,283	2,373,246
Ancillary enterprises	8	316,210	-	316,210	368,781
Investment Income	9	1,220	-	1,220	-
Other Income	10	311,190	-	311,190	55,735
Total Income		8,316,562	681,112	8,997,674	8,028,574
Expenditure					
Raising Funds:					
Retail (subsidiary trading company)		2,189,608	218	2,189,826	1,906,632
Development and fundraising costs		192,877	19	192,896	184,025
Charitable Activities:					
Opening and operating the Museum		4,588,047	185,167	4,773,214	4,036,602
Developing the Museum		711,773	91,674	803,447	1,179,518
Major Partner Museum (Arts Council England)		-	-	-	403,349
National Leadership Programme		150,403	15	150,418	104,441
Total Expenditure	11	7,832,708	277,093	8,109,801	7,814,567
Net Income/(Expenditure) before taxation		483,854	404,019	887,873	214,007
Tax receivable		-	-	-	12,804
Net Income/(Expenditure) after taxation		483,854	404,019	887,873	226,811
Other Recognised Gains and Losses:					
Actuarial gain/(loss) on defined benefit pension		-	-	-	390,000
Net Movement in Funds		483,854	404,019	887,873	616,811
Reconciliation of Funds:					
Total Funds brought forward 1 January 2019		2,208,042	7,403,537	9,611,579	8,994,768
Total Funds carried forward at 31 December 2019		2,691,896	7,807,556	10,499,452	9,611,579


The Statement of Financial Activities (SOFA) also complies with the requirements for an income and expenditure account under the Companies Act 2006. All income and expenditure derive from continuing activities.

Black Country Living Museum Trust

Group (Consolidated) Balance Sheet as at 31 December 2019

	Notes	£	2019 £	£	2018 £
Fixed Assets:					
Intangible assets	17		-		1,491
Tangible assets	17		5,355,364		4,559,607
Heritage assets	18		5,091,619		5,210,643
Total Fixed Assets			10,446,983		9,771,741
Current Assets:					
Stocks of goods for resale	20	132,685		101,773	
Debtors	21	431,292		298,637	
Cash at bank and in hand	30	2,033,912		1,667,574	
Total Current Assets		2,597,889		2,067,984	
Creditors: amount falling due within 1 year	22	(951,850)		(649,113)	
Net Current Assets			1,646,039		1,418,871
Total Assets less Current Liabilities			12,093,022		11,190,612
Creditors: amount falling due after more than 1 year	23		(179,570)		(221,033)
Net Assets (excluding pension liability)			11,913,452		10,969,579
Defined benefit pension liability	31		(1,414,000)		(1,358,000)
Total Net Assets			10,499,452		9,611,579
The Funds of the Charity:					
Restricted funds	26		7,807,556		7,403,537
Unrestricted funds:					
Designated funds	27	2,768,075		2,552,946	
General funds		1,337,821		1,013,096	
Pension reserve	31	(1,414,000)		(1,358,000)	
			2,691,896		2,208,042
			10,499,452		9,611,579

These financial statements were approved and authorised for issue by the Board of Trustees of the Museum on 17 December 2020 and signed on behalf of the Board of Trustees:



Lowell Williams Chair

Dated: 17 December 2020


Black Country Living Museum Trust

Parent (Museum) Balance Sheet as at 31 December 2019

	Notes	£	2019 £	£	2018 £
Fixed Assets:					
Intangible assets	17		-		1,491
Tangible assets	17		5,353,178		4,549,983
Heritage assets	18		5,091,619		5,210,643
Investments			1,000		1,000
Total Fixed Assets			10,445,797		9,763,117
Current Assets:					
Debtors	21	446,920		270,080	
Cash at bank and in hand	30	1,791,690		1,390,510	
Total Current Assets		2,238,610		1,660,590	
Creditors: amount falling due within 1 year	22	(1,203,494)		(949,137)	
Net Current Assets			1,035,116		711,453
Total Assets less Current Liabilities			11,480,913		10,474,570
Creditors: amount falling due after more than 1 year	23		(179,570)		(221,033)
Defined benefit pension liability	31		(1,414,000)		(1,358,000)
Total Net Assets			9,887,343		8,895,537
The Funds of the Charity:					
Restricted funds	26		7,807,556		7,403,537
Unrestricted funds:					
Designated funds	27	2,768,075		2,552,946	
General funds		725,712		297,054	
Pension reserve	31	(1,414,000)		(1,358,000)	
			2,079,787		1,492,000
			9,887,343		8,895,537

The net gain reported in the Statement of Financial Activities of the parent charity for the year was £991,806 (2018: £420,801).

These financial statements were approved and authorised for issue by the Board of Trustees of the Museum on 17 December 2020 and signed on behalf of the Board of Trustees:



Lowell Williams Chair

Dated: 17 December 2020

Black Country Living Museum Trust

Consolidated Cash Flow Statement for the Year Ended 31 December 2019

	Notes	2019 £	2018 £
Cash Flow from Operating Activities:			
Net cash flow from operating activities	29	941,073	709,909
Cash Flows from Investing Activities:			
Interest from investments		1,220	-
Proceeds from the sale of tangible fixed assets		-	7,083
Purchase of tangible fixed assets		(535,685)	(34,996)
Net Cash Used in Investing Activities		(534,465)	(27,913)
Cash Flows from Financing Activities:			
Repayment of borrowing		(40,270)	(38,957)
Net Cash Used in Financing Activities		(40,270)	(38,957)
Change in Cash and Cash Equivalents in the Year		366,338	643,039
Cash and cash equivalents at the beginning of the year		1,667,574	1,024,535
Total Cash and Cash Equivalents at the End of the Year		2,033,912	1,667,574

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

1 Accounting Policies

1.1 Basis of Preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice, 'Accounting and Reporting by Charities', issued in 2015 and Financial Reporting Standard 102 (FRS102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to give a 'true and fair' view. This departure has involved following the SORP rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

The Museum meets the definition of public benefit under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Statements of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Museum and its wholly owned subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis. A separate SOFA and Income and Expenditure Account for the Charity has not been presented as permitted by Section 408 of the Companies Act 2006.

1.2 Going Concern

The COVID-19 pandemic has had a significant effect on the Museum's admissions and trading income as a consequence of its closure and subsequent re-opening with lower visitor numbers. However, through a combination of cost reduction measures and successfully accessing various stands of funding, including the Government's Coronavirus Job Retention Scheme and Culture Recovery Fund, the Museum has been able to mitigate the loss of the majority of its budgeted income and is currently financially secure.

The Museum has forecast the impact of the likely measures arising from the continued COVID-19 pandemic and the assumed quite cautious levels of visitors for the next twelve months. Alongside this, the Museum has determined further actions to be taken if there is a further need to close the museum, or if visitor numbers do not remain at the levels forecast. The Trustees have reviewed these, considering the consequences of COVID-19 and other events and conditions, and they have determined that, whilst COVID-19 has had a significant impact on the Museum and will continue to do so in the immediate future, the Museum is sufficiently financially secure to continue in operational existence for the foreseeable future. Whilst the ongoing COVID-19 pandemic places a number of uncertainties around visitor numbers, the Trustees are satisfied that the Museum is able to manage these uncertainties over the next twelve months and they do not create a material uncertainty that casts significant doubt upon the Museum's ability to continue as a going concern. Therefore the Trustees have concluded that there are no material uncertainties about the Trust's ability to continue as a going concern and the Financial Statements are drawn up on the Going Concern basis.

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

1.3 Key Sources of Estimation Uncertainty

The key source of estimation uncertainty with a significant effect on the amounts recognised in the financial statements is summarised below:

Defined Pension Liabilities

The Charity recognises that its liability to its defined benefit contribution scheme involves a number of estimations as disclosed in Note 31.

Voluntary Income

The Charity is party to a Deed of Gift which undertakes to make a donation of £500,000 to the Museum. The Deed outlines that the donation is to be made in four annual instalments. In the Charity's judgement, although the Deed of Gift is technically legally binding the income should be treated as a voluntary donation and accounted for when receivable or received.

1.4 Income

Income from admission to the Museum (including the associated Gift Aid) is recognised on the date the ticket is purchased, except for special events when the income is recognised on the date the event takes place.

Income from charitable donations and grants, both of a capital and revenue nature, are recognised when the Charity has entitlement to the funds and it is probable that the income will be received. They are accounted for gross when receivable, including gifts in kind at estimated valuation. Donations and grants with conditions attached to them are credited to restricted funds and any unspent amounts are shown on the balance sheet as restricted funds. Where the restricted income is to fund capital expenditure the restricted fund balance matches capital value and the restricted funds are released in the Statement of Financial Activities over the expected useful lives of their relevant assets.

Income from commercial trading activities is recognised as earned. Trading income represents income from a variety of retail activities on the Museum site, exclusive of VAT.

Income from parking, location filming and concessions, and investment income is recognised on a receivable basis.

1.5 Donated Services

The Museum aims to involve volunteers across the organisation from costumed interpretation and collections care to retailing and finance. People volunteer as individuals and as part of volunteer groups, who in certain cases take on shared responsibility for the operation of specific aspects of the Museum. Some volunteer groups also provide restricted funds to support particular projects or collection purchases. The Museum has over 200 active volunteers and it is estimated that they provided a total of 32,306 volunteer hours during the course of 2019. Using the standard National Lottery Heritage Fund multiplier of £50 per day for unskilled, £150 per day for skilled and £350 per day for professional roles, this equates to a value of £408,690 (2018: £407,672).

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

1.6 Expenditure

All costs allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of resources. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and support costs; being those costs of an indirect nature necessary to support them.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Direct charitable expenditure includes the direct costs and depreciation related to activities undertaken by the Museum.

Support costs are shared across more than one activity undertaken by the Museum and include governance costs, payroll administration, human resources and information technology. The basis on which these costs have been allocated is set out in Note 11.

1.7 Fixed Assets

(a) Operational Assets

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, using the straight-line method, as follows:

Freehold land	- not depreciated
Freehold buildings	- over 50 years
Expenditure on long leasehold property	- over 40 to 60 years
Fixtures, fittings, plant and equipment	- over 4 to 10 years
Motor vehicles	- over 6 years

(b) Intangible Assets

Intangible assets are stated at cost less amortisation. Amortisation is charged so as to allocate the cost of intangible assets less their residual values over their estimated useful lives, using the straight-line method, as follows:

Computer software	- over 4 to 10 years
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(c) Heritage Assets

Whilst regarding its Heritage Assets (in other words, with a few exceptions, its accessioned collections) as inalienable, held in perpetuity and mostly irreplaceable, in 2009 the Museum Trust chose to capitalise the few such assets for which original cost valuations were known. The reality of this is that the financial statements only include a very small number of the Museum's 60,000 items in its collection, as further reported in Note 18. Establishing valuations for the entirety of the Museum's collection is considered unrealistic, prohibitively expensive and contrary to the Museum's duty of care to the public for the long-term stewardship of culturally significant material. In some instances, Heritage Assets have been purchased with restricted or conditional grants, and the

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

Museum is not free to dispose of them without incurring significant penalty. For the identified items, expenditure on these assets (maintained principally for their contribution to the knowledge and culture) is capitalised as incurred. Where such assets have a finite 'economic life', depreciation will be provided at rates calculated to write off the cost less the estimated residual value of each asset over its expected 'economic life'. Expenditure on Heritage Assets is written off over much of the remaining period of the lease of the Museum site.

The Designated Collections constitute a comprehensive record of industrial activity and society in the Black Country, chiefly spanning the period 1800–1950. They include four original industrial features on site, including two mine shafts, limekilns and a canal arm representing a microcosm of the classic Black Country industrial landscape. To this core over seventy buildings as well as engineering structures and items of street and canal furniture, all with regional provenance, have been relocated to the Museum.

The Museum has extensive collections of equipment, tools and manufactured articles relating to a wide range of the region's industries. Particularly strong are the holdings relating to the production of hardware, edge tools and domestic goods of cast-iron and brass. The collection of locks is the largest in Britain and is centred on the Hodson family business, now the Locksmith's House Museum at Willenhall. Other important industries represented include electrical engineering, brick making and fireclay goods, food and drink processing and chemical industries. The Museum holds the largest collection of road vehicles of Black Country manufacture in the country, including trolley buses, motor cars and thirty six motorcycles of pre-1939 vintage.

It also holds sixteen canal boats of local provenance together with a fully equipped reconstructed boat dock. Representing everyday life are large collections of domestic furnishings, retail businesses and community life.

The object collections are supported by an extensive archive including business records, trade catalogues, photographs, prints, drawings, oral history recordings and family papers much of which relates to the structures and equipment on the two sites. The Museum library includes the collection of books, photographs and papers of the noted industrial historian, Keith Gale.

As part of being an Accredited Museum (as ratified by Arts Council England) the Museum manages its collections in accordance with a suite of policies, submitted to ACE and approved by the Board of the Museum. These policies cover all aspects of collections management including, care and conservation, acquisitions, disposals, access, documentation, professional standards of curation, environmental sustainability and adherence to the Code of Ethics, published by the Museums Association.

The Board of Trustees will keep its policy on the financial treatment of Heritage Assets under review, to reflect changing views on such matters in the museums sector, including changes to the recognised Code of Ethics for museums, as prepared under the auspices of the Museums Association.

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

1.8 Remuneration Policy

The Museum has a well-established median pay policy, informed by market data provided by The Hay Group. Annual reviews of salary are carried out and where an award is made, it is targeted at staff furthest below the median rate of pay for their role, by applying the largest percentage increase. The policy applies to all staff at the Museum, including Key Management Personnel. The Key Management Personnel received no additional remuneration benefits to those provided to all other staff. The Board reserves the right to review and determine the remuneration of the Chief Executive outside this protocol. A review of the Museum's pay & grading structure and rates of pay was undertaken during 2019.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first-in-first-out basis. At each reporting date, stocks are assessed for impairment and impairment losses are recognised immediately.

1.10 Debtors

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

1.11 Creditors

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

1.12 Financial Instruments

Other than financial investments, the Museum Trust has only financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans, which are subsequently measured at amortised cost using the effective interest method.

1.13 Pensions

The Museum is an admitted body as part of the West Midlands Pension Fund (WMPF). The WMPF was set up under the Superannuation Act 1972 for UK-wide local government employees. The permanent staff of the Museum (although not local government employees) became eligible for membership, under the auspices of Dudley Metropolitan Borough Council (who act as guarantor) when the Museum was first established in September 1975. This means that in the event that the Museum is wound-up, Dudley Council will be liable for any continuing defined pension liabilities, and as such, this represents a very significant level of support from the local authority. The WMPF provides

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

a pension scheme for certain employees of the Museum, currently providing benefits based on career average revalued salary and length of service on retirement. It is constituted as a trust fund whose assets are held and managed separately from those of the Museum. Contributions are set every three years as a result of the actuarial valuation of the Fund, the last one being as at 31 March 2016. The next valuation will be carried out as at 31 March 2019 and will set contributions for the period 1 April 2020 to 31 March 2023.

The value of employer's liabilities have been assessed by rolling forward the value of the liabilities calculated at the last full funding valuation using financial assumptions that comply with Financial Reporting Standard 102. The asset share has been calculated by rolling forward the assets allocated to the employer at the last full funding valuation allowing for investment returns (estimated where necessary), contributions paid into and estimated benefits paid from the fund by and in respect of the employer and its employees.

As required under FRS102, the projected unit method of valuation has been used to calculate the service cost. Actuarial gains and losses are recognised in full in the Statement of Financial Activities in the period in which they occur. The defined benefit pension liability in the Balance Sheet comprises the total of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less any past service cost not yet recognised and less the fair value of plan assets of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published mid-market value. The value of a net pension benefit is restricted to the sum of any unrecognised past service costs and the present value of any amount the Museum expected to recover by ways of refunds from the plan or reductions in future contributions.

In line with the requirements of Financial Reporting Standard 102, the Museum's defined benefit pension scheme liability and related costs are included in these financial statements. Further information is contained in Note 31.

After 31 March 2011, the Museum closed the defined pension scheme to new entrants and made available a separate defined contribution pension scheme provide by Friends Life and Aegon for existing staff who do not have other pension provision, as well as for new employees. Contributions are charged to the Statement of Financial Activities in the period in which they are payable. There is no liability under the scheme other than the payment of those contributions.

1.14 Funds and Reserves Accounting

The Museum maintains four types of funds and reserves as follows.

- (i) Restricted funds include donations where the donor has specified the funds be set aside for a particular purpose. In addition, restricted funds also include grants from local authorities and similar bodies in connection with the cost of the Museum's original operational fixed assets and its heritage assets, which have been credited to this reserve. The depreciation of the related assets is recovered from this reserve.

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

- (ii) Unrestricted funds represent funds that are expendable at the discretion of the Trustees in the furtherance of the objects of the Museum. Such funds may be held in order to finance both working capital and capital investment.
- (iii) Designated funds represent funds that have been set aside by the Trustees for particular purposes. The aim and use of such funds is set out in the notes to the financial statements.
- (iv) Pension reserve, associated with the obligation associated with the Museum's defined benefit pension scheme (ref. Note 31).

1.15 Related Party Transactions

Black Country Living Museum Trust is the 'parent company' within a group that prepares consolidated financial statements. Details of related part transactions between the parent company and its subsidiary are shown in Notes 32.

2 Legal Status of the Museum Trust (The Black Country Living Museum Trust)

The Museum Trust (established 15 September 1975) is a company limited by guarantee (reg. no. 1226321) registered in England & Wales, without share capital and governed by its Memorandum and Articles of Association, last amended on 29 May 2014. It is also a registered charity (reg. no. 504481). The company's principal address and registered office are provided elsewhere in this report.

3 Summary of Charitable Donations

	Unrestricted Funds 2019	Restricted Funds 2019	Unrestricted Funds 2018	Restricted Funds 2018
	£	£	£	£
Grants	3,000	637,132	-	355,352
Donations	155,940	43,980	107,054	71,791
Legacies	-	-	-	-
	158,940	681,112	107,054	427,143

The Museum thanks all of the organisations and individuals who have given generously during the year and the details of the major contributors are acknowledged on page 16 of the Annual Report. Details on how the restricted income has been applied can be found in note 26.

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

4 Visitor Admission to the Museum

	2019	2018
	£	£
Admission (Museum & Locksmith's House)	3,213,620	3,041,744
Gift Aid from donated admission charges*	364,338	348,332
	3,577,958	3,390,076
Events Programme	696,789	561,830
Membership	75,039	56,127
Learning Programmes & Courses	41,933	50,234
	4,391,719	4,058,267
Visitor Attendance (number)	358,871	355,054

*Gift Aid is a well-established scheme run by the UK Government which allows charities like the Museum to benefit from tax already paid by visitors. Upon making a prescribed declaration, the Museum receives 25p from the Government for every pound donated in support of the Museum, in lieu of normal admission charges.

5 West Midlands Museum Partnership (Major Partner Museum)

	2019	2018
	£	£
Arts Council England	-	225,848

The West Midlands Museum Partnership was established, with effect from 1 April 2015, to deliver a three year programme of activity under the Arts Council's Major Partner Museum Programme (2015/16–2017/18). This national programme represented Arts Council England's (ACE) most significant investment in museums at the time across England and involved some £22.6m each year to 21 Major Partner Museums. The partnership was led by Black Country Living Museum, which was accountable to ACE by way of a funding agreement and programme/spending plan. A legal agreement detailed the relationship between the Museum and its partner, Culture Coventry. The programme ended on 31 March 2018.

6 Arts Council England (National Portfolio Organisation Funding)

	2019	2018
	£	£
Arts Council England	550,000	412,500

From 1 April 2018, the Museum became a National Portfolio Organisation. A four-year funding agreement is in place until 31 March 2022. Over this period total funds of £2.2m are planned.

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

7 Results of the Museum's Subsidiary Trading Company

The Museum (Parent) wholly owns a trading subsidiary which is incorporated in the UK and has the same registered office as the Museum. The subsidiary undertaking, Black Country Living Museum Enterprises Limited (Company Registration No. 3026731) operates the ancillary commercial activities connected to the activities of the Black Country Living Museum. The trading company donates its taxable profit to the Museum as unrestricted funds. A summary of the results is set out below. Separate audited Accounts have been filed with the Registrar of Companies, with the same accounting reference date as the Museum Trust.

	2019	2018
	£	£
Profit & Loss Account		
Retail Sales income	2,677,467	2,453,766
Cost of sales, including staffing	(1,842,068)	(1,621,989)
Gross profit	835,399	831,777
Administrative expenses (inc. Group charges)	(264,723)	(219,734)
Operating profit	570,676	612,043
Other operating income	46,910	106,870
Profit for year before and after taxation	617,586	718,913

8 Ancillary Enterprises

	2019	2018
	£	£
Parking charges	164,198	163,046
Business sponsorship	26,234	31,958
Hire & Hospitality	90,197	80,520
Dudley Canal Trips & advertising commission	14,905	18,345
Licensed on-site concessions	14,148	21,462
Filming rights and charges	6,528	53,450
	316,210	368,781

9 Investment Income

	2019	2018
	£	£
Interest received	1,220	-
	1,220	-

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

10 Other Income

	2019	2018
	£	£
Rent from leased freehold property	45,000	45,125
Surplus from disposal of land	241,058	-
Other	25,132	10,610
	<u>311,190</u>	<u>55,735</u>

11 Analysis of Expenditure

	Staff Costs	Other Costs	Support Costs	Total 2019
	£	£	£	£
Raising Funds				
Subsidiary trading company	778,291	1,111,954	299,581	2,189,826
Fundraising costs	140,758	25,749	26,389	192,896
Total Cost	<u>919,049</u>	<u>1,137,703</u>	<u>325,970</u>	<u>2,382,722</u>
Charitable Activities				
Opening and operating the Museum	2,568,831	1,559,041	645,342	4,773,214
Developing the Museum	187,980	505,551	109,916	803,447
Leadership Programme	-	129,840	20,578	150,418
Total Cost	<u>2,756,811</u>	<u>2,194,432</u>	<u>775,836</u>	<u>5,727,079</u>
Total All Costs	<u>3,675,860</u>	<u>3,332,135</u>	<u>1,101,806</u>	<u>8,109,801</u>

Support costs are allocated on the basis of direct expenditure.

12 Analysis of Support Costs

	Staff Costs	Other Costs	Total 2019	Total 2018
	£	£	£	£
Governance	-	8,426	8,426	8,080
Chief Exec office, Finance and HR	480,411	443,325	923,736	858,591
Information Technology	44,216	125,428	169,644	164,613
	<u>524,627</u>	<u>577,179</u>	<u>1,101,806</u>	<u>1,031,284</u>

13 Analysis of Governance Costs

	2019	2018
	£	£
Trustees expenses	143	-
Legal and professional fees	603	580
Audit and accountancy charges	7,680	7,500
	<u>8,426</u>	<u>8,080</u>

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

14 Net Income/Expenditure for the Year

	2019	2018
	£	£
This is stated after charging:		
Operating leases	29,088	27,568
Depreciation	272,185	294,276
Bank loan interest	7,251	7,944
Auditor's remuneration:		
Audit fee	11,850	11,500
Accountancy and tax services	700	700

15 Trustees (Directors and Members)

None of the Trustees (or any persons connected with them) received any remuneration or benefits during the year. Trustees were reimbursed out-of-pocket expenses totalling £nil (2018: total £nil).

16 Employees

The average monthly headcount of contracted employees during the year was 156 (2018: 166) and the average full time equivalent number of employees and casual workers during the year were as follows:

	2019	2018
	FTE	FTE
Direct (front-line) charitable activities	118	116
Management, specialists and administration	43	44
	161	160
Of which:		
Contracted employees	123	129
Casual workers	38	31
	161	160

Employment Costs:

	2019	2018
	£	£
Wages and salaries	3,753,840	3,477,551
National Insurance costs	247,048	231,358
Pension costs	199,599	188,704
	4,200,487	3,897,613

Employment costs includes payments and payments in lieu of notice in relation to redundancy amounting to £53,199 (2018: £31,478) paid to seven individuals (2018: four) including a non-disclosable settlement made under an ACAS conciliation action.

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

16 Employees (cont)

The number of employees with annual emoluments of £60,000 or more:

	2019 (number)	2018 (number)
£60,000 - £70,000	1	1
£80,000 - £90,000	1	1

There are five posts considered as paid executive Key Management Personnel of the Museum (as defined by FRS 102), comprising the Chief Executive, Chief Operating Officer, Director of Development (job share), Director of Finance, and Director of Programmes. The employee benefits of Key Management Personnel amounted to £342,207 (2018: £414,632).

17 Tangible and Intangible Fixed Assets

(a) Operational Assets – Group

	Intangible Fixed Assets	Tangible Fixed Assets					Total
		Land and buildings freehold	Land and buildings leasehold	Fixtures, fittings and equipment	Motor vehicles	Under Construc- tion	
	£	£	£	£	£	£	£
Cost							
At 1 January 2019	23,064	787,597	5,512,605	1,359,335	84,864	-	7,744,401
Additions	-	816,888	-	-	-	213,797	1,030,685
Disposals	-	(83,258)	-	-	-	-	(83,258)
At 31 December 2019	23,064	1,521,227	5,512,605	1,359,335	84,864	213,797	8,691,828
Depreciation							
At 1 January 2019	21,573	123,265	1,720,319	1,266,742	74,468	-	3,184,794
Charge for the period	1,491	15,666	92,026	40,599	3,379	-	151,670
On disposal	-	-	-	-	-	-	-
At 31 December 2019	23,064	138,931	1,812,345	1,307,341	77,847	-	3,336,464
Net book value							
At 31 December 2019	-	1,382,296	3,700,260	51,994	7,017	213,797	5,355,364
At 31 December 2018	1,491	664,332	3,792,286	92,593	10,396	-	4,559,607

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

17 Tangible and Intangible Fixed Assets (cont)

(b) Operational Assets – Parent

	Intangible Fixed Assets	Tangible Fixed Assets					Total
		Land and buildings freehold	Land and buildings leasehold	Fixtures, fittings and equipment	Motor vehicles	Under Construc- tion	
	£	£	£	£	£	£	£
Cost							
At 1 January 2019	23,064	787,597	5,512,605	1,302,511	79,569	-	7,682,282
Additions	-	816,888	-	-	-	213,797	1,030,685
Disposals	-	(83,258)	-	-	-	-	(83,258)
At 31 December 2019	23,064	1,521,227	5,512,605	1,302,511	79,569	213,797	8,629,709
Depreciation							
At 1 January 2019	21,573	123,265	1,720,319	1,219,542	69,173	-	3,132,299
Charge for the period	1,491	15,666	92,026	33,161	3,379	-	144,232
On disposal	-	-	-	-	-	-	-
At 31 December 2019	23,064	138,931	1,812,345	1,252,703	72,552	-	3,276,531
Net book value							
At 31 December 2019	-	1,382,296	3,700,260	49,808	7,017	213,797	5,353,178
At 31 December 2018	1,491	664,332	3,792,286	82,969	10,396	-	4,549,983

Freehold land and buildings of both the Group and Parent includes land (being the Museum's overflow car park) with a net book value of £495,000 which is not depreciated.

18 Heritage Assets

Group and company	£
Cost	
At 1 January 2019	6,244,044
Additions	-
Disposals	-
At 31 December 2019	6,244,044
Depreciation	
At 1 January 2019	1,033,401
Charge for the period	119,024
On disposal	-
At 31 December 2019	1,152,425
Net book value	
At 31 December 2019	5,091,619
At 31 December 2018	5,210,643

Heritage Assets include land at the Locksmith's House at Willenhall, with a net book value of £50,000 is not depreciated.

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

18 Heritage Assets (cont)

	2019	2018	2017	2016	2015	Pre 2015	Total
	£	£	£	£	£	£	£
Purchases and Additions							
Marston Collection	-	-	-	-	-	341,865	341,865
Locksmith's House	-	-	-	-	-	150,000	150,000
President Narrow Boat	-	-	-	-	-	103,612	103,612
Workers' Institute	-	-	-	(83,821)	-	2,543,413	2,459,592
Oldbury Buildings	-	-	-	-	-	1,051,715	1,051,715
Hobbs Fish & Chip Shop	-	-	-	-	-	1,155,115	1,155,115
Folkes Park	-	-	-	-	-	194,564	194,564
Conway Garage	-	-	-	-	-	71,203	71,203
Bradburn & Wedge	-	-	-	-	-	2,120	2,120
Newcomen Engine	-	-	-	-	-	92,497	92,497
Birchill's Narrow Boat	-	-	-	-	7,185	61,283	68,468
Kildare Narrow Boat	-	-	-	-	24,795	10,000	34,795
Tram 5	-	-	13,033	25,716	57,563	-	96,312
Tramway	-	-	-	9,916	63,430	-	73,346
The Drift Mine (replica)	-	-	-	8,753	-	-	8,753
Racecourse Colliery	-	-	131,266	5,456	-	-	136,722
Anchor Forge/Steam Hammer	-	-	20,726	26,581	-	-	47,307
Hut 14	-	16,253	43,805	-	-	-	60,058
Patrick Collection Vehicles	-	96,000	-	-	-	-	96,000
	-	112,253	208,830	(7,399)	152,973	5,777,387	6,244,044
Depreciation							
Marston Collection	5,698	5,698	5,698	5,698	5,698	38,461	66,951
Locksmith's House	1,454	1,454	1,454	1,454	1,454	22,954	30,224
President Narrow Boat	1,757	1,757	1,757	1,757	1,757	10,177	18,962
Workers' Institute	42,393	42,393	42,393	42,393	42,393	285,957	497,922
Oldbury Buildings	17,750	17,750	17,750	17,750	17,750	106,536	195,286
Hobbs Fish & Chip Shop	19,252	19,252	19,252	19,252	19,252	129,951	226,211
Folkes Park	3,254	3,254	3,254	3,254	3,254	21,312	37,582
Conway Garage	1,187	1,187	1,187	1,187	1,187	8,012	13,947
Bradburn & Wedge	35	35	35	35	35	237	412
Newcomen Engine	1,652	1,652	1,652	1,652	1,652	4,183	12,443
Birchill's Narrow Boat	1,264	1,264	1,264	1,264	1,265	1,451	7,772
Kildare Narrow Boat	653	653	653	653	653	185	3,450
Tram 5	1,836	1,836	1,836	1,580	1,086	-	8,174
Tramway	1,387	1,387	1,387	1,387	1,195	-	6,743
The Drift Mine (replica)	168	167	167	167	-	-	669
Racecourse Colliery	2,730	2,048	105	105	-	-	4,988
Anchor Forge/Steam Hammer	947	631	-	-	-	-	1,578
Hut 14	6,007	3,504	-	-	-	-	9,511
Patrick Collection Vehicles	9,600	-	-	-	-	-	9,600
	119,024	105,922	99,844	99,588	98,631	629,416	1,152,425

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

19 Fixed Asset Investments

Company	£
Market value at 1 January 2019 and at 31 December 2019	1,000
Historical cost at 31 December 2018 and at 31 December 2019	<u>1,000</u>

The Companies Act 2006 required the Museum to disclose any holdings which amount to more than 20% of a company's issued shares. The Museum holds 100% of the issued Ordinary Shares of Black Country Living Museum Enterprises Limited. This wholly-owned subsidiary undertakes on-site trading to support the charitable activities of the Museum, as further described in this Annual Report and its own filed accounts. The net asset and shareholder's funds value of Black Country Living Museum Enterprises Limited at 31 December 2019 was £613,113 (2018: £717,042).

20 Stock

	Group		Parent	
	2019	2018	2019	2018
	£	£	£	£
Stock	<u>132,685</u>	101,773	-	-

21 Debtors

	Group		Parent	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	48,710	54,550	32,862	29,679
Other debtors	30,508	56,470	63,499	56,470
Prepayments and accrued income	352,074	187,617	350,559	183,931
	<u>431,292</u>	298,637	<u>446,920</u>	270,080

22 Creditors: Amounts Falling Due Within One Year

	Group		Parent	
	2019	2018	2019	2018
	£	£	£	£
Bank loan	36,999	36,020	36,999	36,020
Obligations under finance leases and hire purchase contracts	4,854	4,640	4,854	4,640
Owed to subsidiary Trading Company	-	-	353,190	440,433
Trade creditors	419,983	315,893	367,801	270,030
Taxes and social security costs	70,452	119,569	62,122	57,677
Other creditors	14,651	8,521	14,651	8,521
Accruals	404,911	164,470	363,877	131,816
	<u>951,850</u>	649,113	<u>1,203,494</u>	949,137

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

23 Creditors: Amounts Falling Due After More Than One Year

Group and company	2019	2018
	£	£
Bank Loan	170,478	207,087
Obligations under finance leases and hire purchase contracts	9,092	13,946
	<u>179,570</u>	<u>221,033</u>
	2019	2018
	£	£
Analysis of Bank Loan		
Not wholly repayable within 5 years	207,477	243,107
Included in the current liabilities	(36,999)	(36,020)
	<u>170,478</u>	<u>207,087</u>
Loan Maturity Analysis		
Debt due in 1 year or less	36,999	36,020
In more than 1 year, but not more than 2 years	38,183	37,080
In more than 2 years, but not more than 5 years	122,037	117,900
In more than 5 years	10,258	52,107
	<u>207,477</u>	<u>243,107</u>

The bank loan is repayable by March 2025 with interest charged a 2.45% above the bank's base rate. It is secured by a legal charge over the Museum's freehold land at Tipton Road, Dudley (Title No. WM414023) and an unlimited guarantee from the Museum's subsidiary trading company, Black Country Museum Living Enterprises Limited.

24 Obligations Under Leases and Hire Purchase Contracts

The group and company use finance leases and hire purchase contracts to acquire certain items of fixtures, fittings and equipment. Renewals are at the option of the lessee. Future minimum lease payments due under finance leases and hire purchase contracts:

Group and company	2019	2018
Amounts payable	£	£
Within 1 year	5,444	5,444
In more than 1 years, but not more than 5 years	4,083	9,528
less: finance charges allocated to future periods	(435)	(1,026)
	<u>9,092</u>	<u>13,946</u>

Future minimum rentals of the consolidated group payable under non-cancellable operating leases are as follows:

	2019	2018
	£	£
Less than 1 year	23,084	19,692
Between 2 and 5 years	18,112	26,037
	<u>41,196</u>	<u>45,729</u>

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

25 Financial Instruments

	2019	2018
	£	£
Financial assets that are debt instruments measured at amortised cost	2,389,209	1,921,875
Financial liabilities measured at amortised cost	1,031,487	750,758

Financial assets measured at amortised cost comprise cash at bank, trade debtors, other debtors and accrued income. Financial liabilities measured at amortised cost comprise bank loan, trade creditors, other creditors and accruals.

26 Restricted Funds (Movement in Funds)

Group and company	Balance at 1 January 2019	Incoming Funds	Resources Expended	Transfers	Balance at 31 December 2019
	£	£	£	£	£
Tangible Assets					
Operational Fixed Assets	260,866	-	(10,119)	213,797	464,544
Freehold Property	105,183	90,000	(2,550)	-	192,633
Rolfe Street Development	2,311,096	-	(57,348)	-	2,253,748
Moving the Black Country	708,771	-	(14,438)	-	694,333
Brook Entrance & Facilities	400,351	-	(7,149)	-	393,202
Rolfe Street Exhibition	11	-	(11)	-	-
Major Partner Museum (ACE)	12,196	-	(12,196)	-	-
Folkes Park Play Equipment	27,917	-	(3,490)	-	24,427
	<u>3,826,391</u>	<u>90,000</u>	<u>(107,301)</u>	<u>213,797</u>	<u>4,022,887</u>
Heritage Assets					
The Workers' Institute	1,487,783	-	(31,478)	-	1,456,305
The Locksmith's House	121,230	-	(1,454)	-	119,776
Conway Garage	14,159	-	(287)	-	13,872
Folkes Park	160,238	-	(3,254)	-	156,984
Old Birmingham Road	400,815	-	(8,139)	-	392,676
Hobbs Fish & Chip Shop	420,033	-	(8,529)	-	411,504
Newcomen Engine	65,031	-	(1,322)	-	63,709
President Narrow Boat	86,407	-	(1,757)	-	84,650
Marston Motorcycles	280,612	-	(5,698)	-	274,914
REO Speedwagon	-	-	-	-	-
Birchill's Narrow Boat	52,673	-	(1,074)	-	51,599
Kildare Narrow Boat	29,018	-	(592)	-	28,426
Tram 5	35,124	-	(717)	-	34,407
Anchor Forge & Steam Hammer	46,677	-	(947)	-	45,730
Racecourse Colliery	121,416	-	(2,465)	-	118,951
	<u>3,321,216</u>	<u>-</u>	<u>(67,713)</u>	<u>-</u>	<u>3,253,503</u>

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

26 Restricted Funds (Movement in Funds) (cont.)

Group and company	Balance at 1 January 2019	Incoming Funds	Resources Expended	Transfers	Balance at 31 December 2019
	£	£	£	£	£
Other Items					
Anchor Forge/Steam Hammer	796			-	796
Racecourse Colliery	22,296	-	-	-	22,296
The Locksmith's House	9,288	-	(371)	-	8,917
Folkes Park	11,072			-	11,072
Improving Accessibility	1,000			-	1,000
Learning Projects	7,071	3,150	(3,825)	-	6,386
Stour (boat) Restoration	13,130			-	13,130
Collections Projects	10,611	5,669	(4,411)	-	11,869
Staff Award (training)	1,259	2,002	(801)	-	2,460
St James's School refurbishment	3,239		(607)	-	2,632
Visitor Benches	-	621	(459)	-	162
Maintaining the Collection	30,000	30,000	-	-	60,000
Forging Ahead - delivery phase	146,168	549,670	(91,595)	(213,797)	390,446
	255,930	591,112	(102,079)	(213,797)	531,166
	7,403,537	681,112	(277,093)	-	7,807,556

The restricted funds set out in these accounts represent, in the main, funds allocated to develop the Museum over a number of years, including a number of Heritage Assets. In these cases the fund is transferred to the appropriate asset heading to match the carrying value of the asset. As the carrying value of the asset depreciates, a matching amount is released (transferred) to general reserves. In more recent times, restricted funds have also included funds received to deliver programmes and for the procurement of services.

27 Designated Funds (Movement in Funds)

Group and company	1 January 2019	New Designations	Utilised funds	Transfers	31 December 2019
	£	£	£	£	£
Future developments – FA	600,000	118,000	-	-	718,000
Future developments – other	-	147,500	-	-	147,500
Fundraised income designated to Forging Ahead	63,519	940	-	-	64,459
Heritage asset reserve	1,889,427	-	51,311	-	1,838,116
	2,552,946	266,440	51,311	-	2,768,075

Designated funds are unrestricted funds, but nevertheless designated by the Trustees for the particular purposes of a Heritage Asset capital reserve and future funding of the Forging Ahead development programme and other future developments planned for 2020.

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

28 Analysis of Net Assets between Funds

Group	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2019 are represented by:			
Tangible fixed assets	3,170,593	7,276,390	10,390,293
Net current assets	1,114,873	531,166	1,646,039
Creditors: amounts falling due after more than one year	(179,570)	-	(179,570)
Defined benefit pension liability	(1,414,000)	-	(1,414,000)
	<u>2,691,896</u>	<u>7,807,556</u>	<u>10,499,452</u>
Company			
Fund balances at 31 December 2019 are represented by:			
Tangible fixed assets	3,169,407	7,276,390	10,445,797
Net current assets	503,950	531,166	1,035,116
Creditors: amounts falling due after more than one year	(179,570)	-	(179,570)
Defined benefit pension liability	(1,414,000)	-	(1,414,000)
	<u>2,079,787</u>	<u>7,807,556</u>	<u>9,887,343</u>

29 Reconciliation of Net Income/(Expenditure) to Net Cash Flow from Operating Activities

	2019 £	2018 £
Net income/(expenditure) for the year (as per the Statement of Financial Activities)	887,873	214,007
Adjustments for:		
Depreciation charges	272,185	294,276
Interest received	(1,220)	-
Non-cash donations	(155,000)	(96,000)
(Profit)/Loss of sale of assets	(256,742)	(7,083)
Taxation received	-	12,804
Decrease/(increase) in stocks	(30,912)	(2,079)
Decrease/(increase) in debtors	(132,655)	88,169
(Decrease)/increase in creditors	301,544	161,815
Pension scheme non cash movements	56,000	44,000
	<u>941,073</u>	<u>709,909</u>

30 Analysis of Cash and Cash Equivalents

	2019 £	2018 £
Cash in hand	53,745	65,545
Current account	1,980,167	1,602,029
Total Cash and Cash Equivalents	<u>2,033,912</u>	<u>1,667,574</u>

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

31 Pension Scheme and Other Post-Retirement Benefit Commitments

The Museum is an admitted body as part of the West Midlands Pension Fund (WMPF) providing benefits based on pensionable pay to certain members of Museum staff. The WMPF has 673 active scheme employers and 323,795 scheme members, and net assets of £15.7bn. The permanent staff of the Museum (although not local government employees) became eligible for membership, under the auspices of Dudley Metropolitan Borough Council (who act as guarantor), when the Museum was first established in September 1975. 14 members of staff remained as active members at the year end. This statutory scheme is administered locally by Wolverhampton City Council, on behalf of the participating organisations, in accordance with the Local Government Pension Scheme Regulations 1997, as amended in 2014, and is part of the national pension scheme for certain public service employees. The assets of the fund are held and managed separately from those of the Museum. Further information about the WMPF can be found at www.wmpfonline.com.

After 31 March 2011, the Museum closed the defined pension scheme to new entrants and made available a separate defined contribution pension scheme provided by Friends Life and Aegon to new employees and for existing staff who did not have other pension provision. From 1 June 2014, this was supplemented by an auto-enrolment scheme provided by Aegon which is available for all eligible staff.

Defined Contribution Pension Scheme

	December 2019	December 2018
Defined Contribution Pension Scheme	£	£
Contributions payable by the Museum	<u>72,111</u>	<u>56,805</u>

Defined Benefit Pension Scheme

An actuarial valuation of the WMPF was carried out in accordance with the Regulations as at 31 March 2016 and set contribution rates for the next four years until 31 March 2020. The next valuation is due as at 31 March 2019 and the final version is expected to be published by 31 March 2020. The key Financial Reporting Standard 102 assumptions used for the WMPF are set out below, along with the fair value of assets, the present value of the FRS102 liabilities and the deficit of assets below the FRS102 liabilities (which equate the gross pension liability). The liability at the period end was £1,414,000 (2018: £1,358,000). It is important to note that the liability represented by this value (being based on actuarial assumptions) will alter in response to changes to the future funding and structure of the pension scheme (as well as to economic and investment market conditions) and does not crystallize in the short or medium-term.

	December 2019	December 2018
	£	£
Present value of funded obligations	7,372,000	6,717,000
Fair value of plan assets	<u>(5,958,000)</u>	<u>(5,359,000)</u>
Defined Benefit Pension Liability	<u>1,414,000</u>	<u>1,358,000</u>

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

31 Pension Scheme and Other Post-Retirement Benefit Commitments (cont.)

	December 2019	December 2018
	£	£
Included in staff costs within total expenditure:		
Service costs	144,000	135,000
Net interest cost	36,000	41,000
Administrative expenses	4,000	2,000
Total Pension Costs	184,000	178,000
Actual return on plan assets	594,000	(56,000)
	December 2019	December 2018
	£	£
Actual return less expected return on pension scheme assets	444,000	(192,000)
Other actuarial losses on assets	-	-
Losses on change of financial assumptions	(805,000)	582,000
Losses on change of demographics assumptions	361,000	-
	-	390,000

Changes in the present value of the defined benefit obligation are as follows:

	December 2019	December 2018
	£	£
Opening defined benefit obligation	6,717,000	7,163,000
Current service cost	108,000	135,000
Interest cost	186,000	177,000
Contributions by scheme participants	17,000	19,000
Change in demographic assumptions	(361,000)	-
Past service costs, including curtailments	36,000	-
Actuarial losses	805,000	(582,000)
Benefits paid	(136,000)	(195,000)
	7,372,000	6,717,000

Changes in fair value of plan assets are as follows:

	December 2019	December 2018
	£	£
Opening fair value of plan assets	5,359,000	5,459,000
Interest on assets	150,000	136,000
Return on assets less interest	444,000	(192,000)
Other actuarial losses	-	-
Administration expenses	(4,000)	(2,000)
Contributions by employer	128,000	134,000
Contributions from scheme participants	17,000	19,000
Benefits paid	(136,000)	(195,000)
	5,958,000	5,359,000

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

31 Pension Scheme and Other Post-Retirement Benefit Commitments (cont.)

Asset allocation:

	December 2019	December 2019	December 2018	December 2018
Equities	3,515,000	59%	3,117,000	58%
Gilts	586,000	10%	404,000	8%
Other bonds	229,000	4%	205,000	4%
Property	469,000	8%	480,000	9%
Cash	306,000	5%	271,000	5%
Other	853,000	14%	882,000	16%
	5,958,000	100%	5,359,000	100%

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	December 2019	December 2018	December 2017	December 2016	December 2015
CPI increases	2.35%	2.40%	2.60%	2.70%	2.10%
Discount rate at 31 December	2.05%	2.80%	2.50%	2.70%	3.80%
Future salary increases	3.85%	3.90%	4.10%	4.20%	3.85%
Future pension increases	2.35%	2.40%	2.60%	2.70%	2.10%

Assumed life expectations from age 65:

	December 2019	December 2018	December 2017	December 2016	December 2015
Retiring today: Male	20.9	21.9	21.8	21.7	23.0
Female	23.2	24.4	24.3	24.2	25.6
Retiring in 20 years: Male	22.6	24.1	24.0	23.9	25.2
Female	25.1	26.7	26.6	26.5	28.0

32 Related Party Disclosures

The Museum owns the whole of the issued share capital of Black Country Living Museum Living Enterprises Limited. During the year, the Museum charged the company £216,546 (2018: £191,182) for rents and services and the company donated its profits, through Gift Aid, of £721,515 (2018: £522,904). At the year end the Museum owed the Enterprises Company £353,190 (2018: £440,433).

Duncan Bedhall is a trustee of the Museum and a partner of Fisher German LLP. Fisher German LLP is a corporate partner of the Museum and during the year paid the Museum a total of £3,526 for corporate hospitality hire and their corporate partner fee.

33 Capital Commitments

At 31 December 2019 the Museum had capital commitments of £256,965 (2018: £nil).

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

34 Comparative Funds Notes

Designated Funds

Group and company	1 January 2018	New Designations	Utilised funds	Transfers	31 December 2018
	£	£	£	£	£
Refurbishment programme	449,559	300,000	(149,559)	-	600,000
Future developments	-	63,519	-	-	63,519
Tangible fixed assets	1,815,985	112,253	(38,811)	-	1,889,427
Heritage asset reserve	2,265,544	475,772	(188,370)	-	2,552,946

Restricted Funds

Group and company	Balance at 1 January 2018	Incoming Funds	Resources Expended	Transfers	Balance at 31 December 2018
	£	£	£	£	£
Tangible Assets					
Operational Fixed Assets	270,985	-	(10,119)	-	260,866
Freehold Property	107,733	-	(2,550)	-	105,183
Rolfe Street Development	2,368,444	-	(57,348)	-	2,311,096
Moving the Black Country	723,209	-	(14,438)	-	708,771
Brook Entrance & Facilities	407,500	-	(7,149)	-	400,351
Rolfe Street Exhibition	11,397	-	(11,386)	-	11
Major Partner Museum (ACE)	49,230	-	(37,034)	-	12,196
Folkes Park Play Equipment	31,407	-	(3,490)	-	27,917
	3,969,905	-	(143,514)	-	3,826,391
Heritage Assets					
The Workers' Institute	1,519,261	-	(31,478)	-	1,487,783
The Locksmith's House	122,684	-	(1,454)	-	121,230
Conway Garage	14,447	-	(288)	-	14,159
Folkes Park	163,492	-	(3,254)	-	160,238
Old Birmingham Road	408,953	-	(8,138)	-	400,815
Hobbs Fish & Chip Shop	428,562	-	(8,529)	-	420,033
Newcomen Engine	66,683	-	(1,652)	-	65,031
President Narrow Boat	88,164	-	(1,757)	-	86,407
Marston Motorcycles	286,310	-	(5,698)	-	280,612
Birchill's Narrow Boat	53,747	-	(1,074)	-	52,673
Kildare Narrow Boat	29,610	-	(592)	-	29,018
Tram 5	35,841	-	(717)	-	35,124
Anchor Forge & Steam Hammer	47,308	-	(631)	-	46,677
Racecourse Colliery	123,265	-	(1,849)	-	121,416
	3,388,327	-	(67,111)	-	3,321,216

Black Country Living Museum Trust

Notes to the Financial Statements for the Year Ended 31 December 2019

34 Comparative Funds notes (cont.)

Group and company	Balance at 1 January 2018	Incoming Funds	Resources Expended	Transfers	Balance at 31 December 2018
	£	£	£	£	£
Other Items					
Major Partner Museum (ACE)	133,894	225,848	359,742	-	-
Anchor Forge/Steam Hammer	4,955	-	4,159	-	796
Racecourse Colliery	25,560	-	3,264	-	22,296
The Locksmith's House	12,703	35	3,450	-	9,288
Folkes Park	10,953	-	(119)	-	11,072
Arts Commissioning	3,318	(3,116)	202	-	-
Exhibition (Hall 2)	1,287	-	1,287	-	-
Improving Accessibility	1,000	-	-	-	1,000
Learning Projects	10,728	4,976	8,633	-	7,071
Stour (boat) Restoration	13,130	-	-	-	13,130
Collections Projects	11,544	3,442	4,375	-	10,611
Staff Award (training)	985	1,000	726	-	1,259
St James's School refurbishment	3,239	-	-	-	3,239
Visitor Benches	-	424	424	-	-
Maintaining the Collection	-	30,000	-	-	30,000
Forging Ahead - predevelopment phase	(156)	23,377	23,221	-	-
Forging Ahead – development phase	-	272,385	272,385	-	-
Forging Ahead - delivery phase	51,548	94,620	-	-	146,168
	284,688	652,991	681,749	-	255,930
	7,642,920	652,991	(892,374)	-	7,403,537

Group	Unrestricted funds	Restricted funds	Total
	£	£	£

Fund balances at 31 December 2018 are represented by:

Tangible fixed assets	2,624,134	7,147,607	9,771,741
Net current assets	1,162,941	255,930	1,418,870
Creditors: amounts falling due after more than one year	(221,033)	-	(221,033)
Defined benefit pension liability	(1,358,000)	-	(1,358,000)
	2,208,042	7,403,537	9,611,579

Company	Unrestricted funds	Restricted funds	Total
	£	£	£

Fund balances at 31 December 2018 are represented by:

Tangible fixed assets	2,615,510	7,147,607	9,763,117
Net current assets	455,523	255,930	711,453
Creditors: amounts falling due after more than one year	(221,033)	-	(221,033)
Defined benefit pension liability	(1,358,000)	-	(1,358,000)
	1,492,000	7,403,537	8,895,537

35 Post Balance Sheet Event

The global outbreak of COVID-19 in 2020 and the measures taken by the Government to contain the virus required the Museum to close to the public, from 18 March 2020 until 31 July 2020. And then since re-opening, on 1 August 2020, the requirements of the Government for social distancing, has had an impact on the operating capacity of the Museum. All this, alongside the second national lockdown between 5 November 2020 and 2 December 2020, has resulted in a significant reduction in the number of visitors to the Museum and its admissions and trading income for 2020 financial year (estimated at about £5m).

Through a combination of cost reduction measures and accessing various forms of funding, including the Government's Job Retention Scheme, its Culture Recovery Fund, as well as emergency funding from Arts Council England, the Museum has been able to mitigate the loss of admissions and trading income, such that it remains financially secure at the time of the signing of these financial statements and for the immediate future.



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