THE BLACK COUNTRY LIVING MUSEUM TRUST

England & Wales · Charity number 504481

Details

Other names	THE BLACK COUNTRY MUSEUM TRUST LIMITED, THE BLACK COUNTRY LIVING MUSEUM
Status	Registered
Legal form	Charitable company
Company number	01226321
Registered	1975-10-10
Register	View on the Charity Commission register

Contact

Address	Black Country Living Museum Tipton Road Dudley DY1 4SQ
Phone	0121 557 9643
Email	info@bclm.com
Website	www.bclm.com

Activities

Objects: 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; ANDTHE 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.

Activities: The open-air Museum, through the use of its Designated collections, provides opportunities for the public, including many thousands of pupils and students, to gain a better understanding, appreciation and knowledge of the history and international significance and impact of the Black Country and its people, over a period of 200 years, to c1960.

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Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage, Recreation
- **Who:** The General Public/mankind

Geography

- Birmingham City
- Coventry City
- Dudley
- Sandwell
- Shropshire
- Solihull
- Staffordshire
- Walsall
- Wolverhampton
- Worcestershire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£10,659,222	£11,645,563	£36,607,739	209
2023-12-31	£12,855,700	£11,241,026	£37,616,080	152
2022-12-31	£15,751,392	£9,219,316	£35,958,406	174
2021-12-31	£19,729,222	£7,311,717	£27,816,330	149
2020-12-31	£11,995,561	£7,153,188	£14,043,825	157

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Trustees

Name	Role	Appointed
Duncan Peter Bedhall	Chair	2018-01-25
Caroline Southall		2025-06-26
Dileep Singh Marway		2025-06-26
Dr Nicola Claire Guy		2025-08-28
Emma Norris		2025-10-30
Hasan Afzal		2025-06-26
Janet Patricia Chapman		2025-10-30
Jonathan Badyal		2018-01-25
Katy Baker		2020-06-18
Louise Jones		2022-04-28
Ruth Marie Levesley		2020-01-30
Sally Bourner		2021-06-24
Tarlok Singh Mander		2022-04-28

Linked charities

- THE BLACK COUNTRY MUSEUM DEVELOPMENT TRUST (504481-1)

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THE BLACK COUNTRY LIVING MUSEUM TRUST

England & Wales - Charity number 504481

Accounts

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

The Black Country Living Museum Trust

Annual Report & Accounts

for the year ended 31 December 2024

www.bclm.com

Black Country Living Museum Trust

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Reference & Administrative Information

The Trustees present their Annual Report & Accounts for the year ended 31 December 2024, 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
Honorary Patron:	HRH The Duke of Gloucester KG GCVO
Trustees / Directors (& Members):	Jonathan Badyal (Deputy Chair) Katy Baker Duncan Bedhall (Interim Chair) Sally Bourner Cllr. Matthew Follows[1] Victoria Jessop (Deputy Chair) Louise Jones Ruth Levesley Tarlok Singh Mander Catherine Murphy
Chief Executive:	Andrew Lovett OBE
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 4SQ
Independent Auditors:	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG

[1] Nominated by the Association of Black Country Authorities

Principal Bankers:	Barclays Bank PLC (Barclays Corporate) 1st Floor Queen Square Wolverhampton West Midlands WV1 1DS
Principal Solicitors:	Gowling WLG (UK) LLP 2 Snow Hill Birmingham West Midlands B4 6WR
Other Advisors:	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham West Midlands B3 2ES
Company Secretary:	Diane Harvey
Telephone:	+44 (0) 121 557 9643
Email:	info@bclm.com
Website:	www.bclm.com
Facebook:	facebook.com/bclivingmuseum
Instagram:	instagram.com/bclivingmuseum
LinkedIn:	linkedin.com/company/black-country-living-museum
TikTok:	tiktok.com/@blackcountrylivingmuseum
YouTube:	youtube.com/BClivingmuseum
X:	twitter.com/BCLivingMuseum

Chair's Review of the Year

I write this review as the Museum's interim Chair, following the retirement of Dr Paul Belford in April 2025, and ahead of undertaking an open search for a new Chair of the Board of Trustees. Therefore, my first duty and pleasure are to thank Paul for his commitment to the Museum and the knowledge and expertise he brought to the role these last four and a half years, and for a total of nine years as a Trustee. Paul has been at the helm during the Museum's strong recovery after the pandemic, increases in visitor attendance and impact, and the successful completion of Forging Ahead, our £30m development. The Board, staff, volunteers and beneficiaries of the Museum have a great deal to thank Paul for.

Our Trading Results

Success for the Museum is measured in two ways. Firstly, the achievements of our charitable objects, and secondly by our long-term sustainability without recourse to high levels of public sector funding to meet our everyday costs. The Museum is proud to be an independent heritage business. Alongside preserving the Museum's positive reputation, the most significant business risk is maintaining a strong and resilient trading performance.

Visitor attendance reached 377,024 (Budget: 415,000), 2% lower than the prior year. This was first year (outside the pandemic) that attendance has shrunk since 2013. That said, we were pleased to see school attendance – always an important audience for museums – grow by 5% to over 55,000. Within the overall results, venue hire and location fees for filming performed strongly. The results for visitor attendance are reflected in the trading results set out in this report, including for the Museum's subsidiary trading company.

The downturn in visitor attendance, alongside greater use of our UnChained Annual Pass (providing free returns) and the concomitant financial impact was largely neutralised by the tight control of costs and holding open several vacancies, to arrive at a manageable year-end position. However, the Museum recognised the need to establish a more structured and sustainable cost base, and in the early part of 2025 entered a period of consultation with staff to reduce the headcount, including at the Leadership Team level.

Trading at the Museum is subject to significant seasonal variations, with the summer school holidays being especially important to the annual results. In this context, the relatively poor weather of the summer certainly had a marked and negative impact on the financial performance of the Museum.

To further address this the Museum is reviewing its marketing strategy, as well as ensuring on-site trading maximises its potential. The welcome growth of certain non-visitor driven revenues, not least hire&hospitality, also presents an opportunity to improve results going forward, as well as diversifying revenue. The Museum also retains a strategic objective to return to achieving annual financial surpluses, as an essential part of its long-term viability.

At times like these the continued and significant financial support of Arts Council England, as part of their National Portfolio, is important to the Museum.

Our Bostin' Promise

In the autumn of 2024, we introduced our '*Bostin' Promise*' – a new framework to guide and improve our engagement and behaviours towards visitors and with our colleagues, under the themes of: (1)

Welcome, (2) Know Our Stuff, (3) Own Our Part, and (4) Care. 'Bostin' being a familiar term of the Black Country meaning something is exceptionally good, top-notch or simply brilliant. It was an important piece of work.

So, for example, under Welcome, we will set the stage and we're ready to invite people in, we give a nod, a friendly smile or an 'alright bab!' Under Know Our Stuff, we're curious, we share what we know, with thought, and we look for opportunities to learn from each other. Under Own Our Part, we notice the detail, and put things right, we value, give and act on feedback, and we seek alternatives to saying 'no'. Under Care, we take the time to listen and understand, we consider others' perspectives, with empathy, we're respectful and responsive to everyone's needs, and we show patience and are generous.

I would like to think it is positive initiatives like the Bostin' Promise that sustain and strengthen our position as a leading visitor attraction in the UK, even when trading headwinds are strong. In this context, I cannot write this review without mentioning the Museum's supreme win at the 2025 Visit England Awards, for Large Visitor Attraction of the year. An amazing accomplishment against competition across the whole of England, and a wonderful reflection of the professionalism, welcome and dedication of all staff and volunteers.

New Stories Being Told

During the year we continued to reveal and tell new stories as we opened the latest developments of Forging Ahead, our £30m capital project. New highlights include an Industrial Area featuring Joe H. Smith & Sons (Oldbury) Ltd; J. H. Lavender Aluminium Foundry, and Cricket Field Brickworks. Langer's Arm & Navy Stores, Halesowen & Hasbury Co-op, and Spring Hill Post Office.

Our approach to telling stories pushes the boundaries and definition of what it means to be a museum.

Reflecting on the Independent Museum Sector

As 2024 ended, Andrew Lovett OBE, our Chief Executive stood down as Chair of the Association of Independent Museums, a position he held since 2019. AIM is a hugely important organisation for museums with over one thousand members across the UK. On Andrew's retirement from that Board, he gave an interview to Matt Smith, Editor of the AIM Bulletin, and a short extract is provided here by way of Andrew's reflections on the current state of the independent museum sector in the United Kingdom.

Q. What's the most notable change that you've seen across the independent museum sector since you joined AIM Board?

I think they have become ever more sophisticated, in all aspects. Whether it's operations, governance structures, leadership, marketing, storytelling, wherever you look they've become more attuned to visitors and less insular. They recognise that they are just one of many ways in which people can spend their time or money. And a greater awareness of their good in society, and the role we've got to play.

Q. How do you feel AIM has changed?

I think it has continued to grow more self-assured in its voice. We've taken a seat at the top table with others; that you might think of as serious players such as Heritage Lottery or Arts Council England or

the Museums Association, or Art Fund. I think in the same breath people would now talk about AIM. And I'd like to think that our listening is better attuned to members.

Q. What makes you optimistic about the future of the independent sector?

Independents are good at not feeling they've got a right to exist. We don't lose sight of the cause and the purpose. That gives me optimism about the future, alongside the people that are running them. One of the wonderful things about museums is they show how far we've come. And, therefore, surely it gives us optimism about how far we can continue to go.

The Museum continues to be a proud member of AIM, and is delighted that Rhiannon Goddard, Head of Public Engagement & Business Management at Historic Royal Palaces, was elected Chair in January 2025.

All Change in the West Midlands

2024 was a year of significant political change across the UK, and of course in our hometown of Dudley and the West Midlands. So, I want to thank Sir Andy Street CBE, who served as WM Mayor 2017-2024, for his much valued and frequent support of the Museum, and to Marco Longhi (MP for Dudley North, 2019-2024) and Mike Wood (MP for Dudley South, 2015-2024).

We welcome Richard Parker, newly elected Mayor of the West Midlands, and are delighted that he has quickly sought to support the Museum and become a frequent visitor in his capacity as Mayor. We also welcome Sonia Kumar, our new MP for Dudley, who likewise has quickly established her support for the Museum with regular visits to the Museum, including accompanying members of the new Labour Government.

As I write this review, we also welcome Balvinder Heran as the new Chief Executive of Dudley Council, replacing Kevin O'Keefe, and Diana Martin, new Chief Executive at Dudley College. Diana takes over from Neil Thomas with whom the Museum enjoyed a warm and very positive relationship.

I mention these changes by way of demonstrating how important our local and regional networks are, and the support they bring to the Museum.

Further Strengthening the Board of Trustees

Although they will not be taking office until mid-2025, I want to take this opportunity to welcome and thank six new Trustees to the Board, and the strength of expertise and new perspectives they will bring to our strategic leadership of the Museum. They are Hasan Afzal, Janet Chapman, Dr Nicola Guy, Dileep Singh Marway, Emma Norris and Caroline Southall.

It was heartening that we attracted such a strong new cohort, reflecting the reputation and impact of the Museum and the warmth felt towards it.

With Thanks

Once again, I want to pay tribute to the Museum's staff. Without our staff we wouldn't be able to serve the public. Special thanks to Craig Edmondson, Sukhi Baden, Claire Packer, Glenis Williams and Elizabeth Peters who left the Museum during the early part of 2025, and to Paul Crofts who left in 2024.

I am extremely grateful to my fellow Trustees on the Board, and the independent members of our subsidiary trading company. During the year, Trustees Chris Ansell and Parminder Dosanjh retired from the Board, and I thank Chris and Parminder for their commitment, expertise and strategic voice.

I would like to take this opportunity 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 very supportive, recognising the importance of the Museum to the Borough. Special thanks go to public-sector investors, National Lottery Heritage Fund, Arts Council England, Black Country Local Enterprise Partnership, The Mayor & West Midlands Combined Authority, and the Department of Culture, Media & Sport.

Very sadly, there were staff and volunteers who died during 2024 and 2025. Amongst these were Dan Robinson (Historic Character) and Margaret Carrington (Volunteer Historic Character). My condolences to their families and friends, and deep thanks for everything they did in support of the Museum they loved so dearly. We also lost Les Millington in May 2025, dearest husband of Margaret. Les and Margaret have been volunteering at the Museum for over 30 years and were some of the first members of the Friends of the Museum.

I am proud of our achievements at the Museum and inspired by the thoughts of what we can yet achieve, including the final phase of Forging Ahead openings and new storytelling in 2025.

Duncan Bedhall Interim Chair

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:

Christopher Ansell	(resigned 25 April 2024)
Jonathan Badyal	
Katy Baker	
Duncan Bedhall	
Dr Paul Belford	(retired 24 April 2025)
Sally Bourner	
Parminder Dosanjh	(retired 31 March 2024)
Cllr. Matthew Follows	
Victoria Jessop	
Louise Jones	
Ruth Levesley	
Tarlok Singh Mander	
Catherine Murphy	

Recruitment & Appointment of Trustees

The governing document allows for two 'classes' of Trustees, ordinary and nominated. All Trustees are appointed because 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. Trustees can serve two terms of three years, unless the Board agrees a further and final term of three years.

The Museum takes 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. The Museum is proud of the work it has done over the last 12+ years to diversify membership of the Board.

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 Chair and Museum's Chief Executive. New and prospective Trustees are also provided with a copy of the Museum's application pack, 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 understanding of the Museum and the environment in which it operates. Trustees are kept up to date with bi-monthly reports, through social media channels, briefings and sector newsletters, best practice and developments impacting the museum 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 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 the latest Charity Governance Code for Larger Charities.

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, as usual, 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 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, Andy Comyn and Mani Kaur Roberts, and a Financial Performance Scrutiny Committee.

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 two Deputy Chief Executives: Operations & Content, and Business Management. These three staff comprise the Leadership Team. The Charity has in place a Consultative Forum, including elected representatives, which meets on a quarterly basis in accordance with its Terms of Reference. The Museum recognises the Community Trade Union (Regional Office, Northampton), for the purposes of collective bargaining for certain defined matters for its Historic Characters, a group of 60+ employees.

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, car parking, location filming, hire and hospitality, 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 to shield 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. There are currently five Directors of the Board of the Enterprises Company, including two independent Directors, Natasha Grice and Jacob Thompson. The Museum Trust, as the sole member of the Company, is represented at General Meetings by Museum Trustee, Duncan Bedhall, who also Chairs the subsidiary.

The Museum Trust and Enterprises Company no longer hold Annual General Meetings.

Remuneration Policy, Gender Pay Gap Information, Employment & Casual Workers

The Museum has a well-established median pay policy, informed by Museum-wide job evaluation and market data. At the end of 2019, the Museum undertook a job evaluation of all its 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 considers 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. The pay award for the 2024 year was made in January, in line with the median pay policy.

The Museum had a headcount of less than 250 employees as at April 2024 and so did not fall under the requirements of The Equality Act 2010 (Gender Pay Gap Information) regulations 2017. However, the Museum has voluntarily reported the organisation's gender pay information based on the designated 'snapshot date' of 5 April 2024. At the snapshot date, the mean difference between the average hourly rate for men and women working at the Museum is 2.5%. In other words, when comparing mean hourly rates, men earn 102.5p for every 100p that women earn. Whereas the median (middle number) hourly rate for men was 3.0% lower than the median hourly for women. There has been a small increase in the differential of the mean hourly rates for men and women compared to the last reported figure in 2023. The Museum remains committed to continue to develop our 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 workers, taking account of the needs of the business. The Museum also utilises a very small number of annualised contracts, which provides employees with the certainty of a guaranteed number of hours, while offering the flexibility to the Museum and the individual.

Trustee Indemnity

Professional liability insurance of £1m is in place through AXA Insurance UK plc at a cost of £1,623 (2023: £1,248).

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 2024.

	Date of Board Meetings						No. of Meetings	%
	29/02	25/04	27/06	05/09	31/10	19/12		
Chris Ansell	x	-	-	-	-	-	0/1	0%
Jonathan Badyal	✓	✓	✓	✓	x	✓	5/6	83%
Katy Baker	✓	✓	x	✓	x	✓	4/6	67%
Duncan Bedhall	✓	✓	✓	x	✓	✓	5/6	83%
Dr Paul Belford (Chair)	✓	✓	✓	✓	✓	✓	6/6	100%
Sally Bourner	✓	✓	✓	✓	✓	✓	6/6	100%
Parminder Dosanjh	x	-	-	-	-	-	0/1	0%
Cllr Matthew Follows	✓	x	x	✓	✓	✓	4/6	67%
Victoria Jessop	✓	x	x	✓	✓	✓	4/6	67%
Louise Jones	✓	✓	✓	x	✓	✓	5/6	83%
Ruth Levesley	✓	x	✓	x	✓	✓	4/6	67%
Tarlok Singh Mander	✓	✓	x	✓	x	✓	4/6	67%
Catherine Murphy	✓	✓	✓	x	✓	✓	5/6	83%
Andrew Lovett (Chief Executive)	✓	✓	✓	✓	✓	✓	6/6	100%

Partnerships & Stakeholders

The Museum works with several partners and stakeholders to achieve its objectives, including local universities, colleges and some volunteer groups.

The Museum maintains membership of several organisations; the major ones being Association of Independent Museums (the Museum's Chief Executive stood down as Chair in December 2024), Association of European Open-Air Museums, Association of Living History, Farm & 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 the West Midlands Growth Company (with the Museum's Chief Executive being a Director of the Company), and the Chambers of Commerce of the Black Country, and Greater Birmingham. In addition, the Museum is a member of the National Museums Directors' Council, a group of the UKs leading national and regional museums. The Museum has particularly close ties with Beamish Open-Air Museum, County Durham, Den Gamle By Museum in Aarhus, Denmark, Jamtli Museum, Ostersund in northern Sweden, and Skansen Museum, Stockholm, Sweden.

Dudley Metropolitan Borough Council is one of seven Constituent Authorities of the West Midlands Combined Authority (WMCA), led and chaired by its elected Mayor, Richard Parker. This means that the Museum has a strategic relationship with the WMCA. The relationship has been strengthened with the Museum's Deputy Chief Executive, Carol King, being appointed as Deputy Chair WMCA's Cultural Leadership Board, and the Museum's Chief Executive as Chair of the West Midlands (Combined Authority) Tourism & Hospitality Advisory Board. The Museum's Chief Executive is also Chair of the West Midlands Arts Trust (Charity Reg. No. 517916), the owner of freehold property in central Birmingham and let to Arts Council England and sub-let to Historic England.

The Museum has an important relationship with Arts Council England (ACE), from April 2015 as a Major Partner Museum and from 1 April 2018, part of their National Portfolio. This was successfully renewed from 1 April 2023, for an initial investment period ending 31 March 2026, later extended (nationally) by ACE until 31 March 2027 (subject to application). ACE's annual investment is significant, at £760,120. In November 2024 the Museum's Chief Executive was appointed by the Government to serve as a member of the National Council of Arts Council England.

The Museum also maintains an important relationship with Dudley Metropolitan Borough Council. The Council provided a small amount of grant funding to the Museum until 2012, but now provides alternative financial support, including discretionary non-domestic rate relief. The Council owns the majority (26.7 acres) of the freehold of the Museum site, leased until 2075, with the Museum owning 4.7 acres.

Environmental Impact & Commitments

The Museum works with Julie's Bicycle, an organisation specialising in environmental sustainability within the arts and cultural sector, to report on its environmental impact each year (from April to the following March) in line with Arts Council England (ACE) requirements.

Following an initial environmental review by Julie's Bicycle in 2016, more in-depth, informed and regular monitoring and measurement of energy, water, waste, fuel and business travel was established, and the Museum has reported on its carbon emissions (CO_2e) annually since April 2017.

Year Ended	Original calculation criteria (Tonnes CO_2e)	Audience Travel (Tonnes CO_2e)	Total Emissions (Tonnes CO_2e)
31 March 2018	503		
31 March 2019	761		
31 March 2020	728	735	1,463
31 March 2021 – COVID	351	171	522
31 March 2022	619	486	1,105
31 March 2023	776	645	1,421
31 March 2024	794	413	1,207

From April 2019 the Museum started to include the impact of visitors travelling to the Museum (Audience Travel) in its assessment using default data for museums provided by Julie's Bicycle. The table above reports the Museum's CO_2 emissions, using the original criteria and including Audience

Travel. In 2022, the Museum began to capture Audience Travel data itself, providing more accurate figures.

Julie's Bicycle review and improve the methodology used to capture carbon emissions constantly. When these reviews occur, the emissions calculations change positively and negatively. During the 2023 financial year, the methodology used to calculate the emissions generated from Waste and Waste Disposal has changed. This now recognises an improved understanding of lifecycle conversion factors, which include production and manufacturing, transport, storage and the direct use of the materials which have now become waste.

As a result of these improvements, the Museum has resubmitted its data for waste emissions, and as such, is also restating its emissions reported in previous Annual Reports. The result is significantly increased emission results since 2018.

The Museum spent 2023-2024 focusing on planning, but also entered a new energy contract, procuring its electricity from a green tariff supplier: Renewable Natural Product Fuel Mix. All the Museum's electricity now comes from hydro (13.06%), wind (44.81%) and solar photovoltaic (43.13%). Elyos Energy, London, has recently installed sub-metering across the Museum in key locations and the Museum now gets live half-hourly data, with the aim of monitoring demand and reducing usage.

The Museum remains committed to reducing its environmental impact and continued its membership of Sustainability West Midlands. Internally, the Museum established an Environmental Sustainability Steering Group, with members undertaking carbon literacy training. These two groups have allowed the Museum to have a realistic and impactful strategy, policy and action plan; something that will address not only the Museums direct emissions, but better inform colleagues, volunteers and visitors on the environmental impact of the region, alongside ways in which they can contribute to reducing their personal carbon footprint.

Fundraising

The Museum undertakes fundraising to support revenue and capital needs and does so through an in-house Development Team employed by the Museum. 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 June 2021) and commitment to The Fundraising Promise that its fundraising is legal, open, honest and respectful – both can be viewed at www.fundraisingregulator.org.uk. Active fundraisers in the team are members of the Chartered Institute of Fundraising and adhere to its Code of Conduct, which includes carrying out their duties in-line with the Code of Fundraising Practice.

Monitoring of team members and fundraising activities undertaken is carried out via regular one-to-one meetings, and updates on fundraising activity are regularly provided to the Board of Trustees. No complaints regarding fundraising activity were received during the year.

Whilst most fundraised income consists 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 and past donation activity), their contact preferences and that they have opted-in to receiving fundraising information to ensure relevant and timely communications.

Significant Grants & Donations

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

Arts Council England	FCC Communities Foundation Ltd
Chris Walker, Nottinghamshire	Mike Manners, Texas, USA
National Lottery Heritage Fund	S Nuttall, West Midlands
In memory of the late Anthony Malcolm Jennings, West Midlands	The late Gaynor Iddles, West Midlands
The late John H Hughes, Worcestershire	The late Mike Hessey, West Midlands

Reserves Policy

The Museum 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. When considering what would be an adequate level of these reserves, the Board, taking account of organisational risks, considers the level of unrestricted free cash which would be required to allow the Museum 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. As a result of COVID-19 the Board's consideration now also includes the risk of the Museum having to close its doors because of a non-insured event. Taking account of these criteria, the Board has set the recommended minimum level of unrestricted free cash balances to be £1.30m. The Board will continue to keep under review the appropriate level of reserves including the circumstances when it might be appropriate to use these reserves to protect the purpose and beneficiaries of the Museum.

At the Balance Sheet date, the Group had a General Fund balance of £2.11m (2023: £2.40m) which equated to a non-committed free unrestricted cash balance of £922k (2023: £1.34m). The Museum is a business with significant seasonal variances, and whereas the Museum aims to keep the balance at a level to ensure that the Museum's unrestricted free cash balance remains above £1.30m throughout the financial year, even at a time when the cash position is at its lowest, it is not always possible due to timing differences and the seasonal trading variances but it does recognise that it needs to increase the level of unrestricted cash balances going forward through the generation of operating surpluses.

Going Concern

The Museum made a small operating deficit for the year, in line with its approved budget, and continued to contribute to Forging Ahead. This resulted in a net decrease in unrestricted reserves before pension movements and a decrease in the non-committed free unrestricted cash balance. The non-committed free unrestricted cash balance at 31 December 2024 was £922k, a decrease from £1.34m at the end of the previous financial year.

The approved budget for 2025 forecasts a small operating surplus for the year, before depreciation based on savings generated through a reshaping of the staff structure of the organisation. The Museum also expects to receive the balancing payment (£225k) relating to the legacy previously recognised in these financial statements during 2023.

Over 95% of the Museum's unrestricted operating income is derived from visitor-driven sources and in this context, there will always be a risk to the Museum of not achieving forecast visitor attendance and associated sales revenue. The 2025 forecast has been calculated based on a small uplift on the visitor numbers achieved in 2024. The Management Team and Trustees are confident that this is an achievable target based on past performance and greater focused marketing activities.

The Forging Ahead project is fully funded, with the fundraising target having been met and the funds received, and the Trustees continue to be satisfied that any potential residual cost uncertainties arising from the completion of Forging Ahead are not material. The project will be completed during 2025, with all funds that the Museum has contributed to the project fully spent. For the past few years, the Museum has had the benefit of using those funds to support the working capital of the Museum during the periods when the seasonality of the Museum's activities impacts its cash position. This will not be the case going forward and therefore the Museum is likely to need to secure alternative facilities, as without such it could create a material uncertainty to whether the cash position can be managed through its normal working capital.

The Trustees have considered all this when looking at the Museum's ability to continue as a going concern and have concluded that it is appropriate to prepare the Financial Statements on the going concern basis.

On behalf of the Trustees

Duncan Bedhall Interim Chair Dated: 26 June 2025

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

With a vision of *"We are the Black Country"*, the Museum's mission is *"To champion the Black Country by celebrating people and communities and sharing their history and heritage to create pride in place and desire for a better future"*.

Strategic Directions

The Museum developed six strategic themes, as part of its latest Strategic Plan 2024-2028: (1) History, (2) Community, (3) Learning, (4) Stage, (5) Business, and (6) Future. There are complex inter-relationships between these themes. They support each other, and success in one supports success in the others.

We have also developed what we have called, Our Thinking. It amounts to a guiding philosophy:

(a) We are lively and hands-on, powering your curiosity to create memorable and happy times.

(b) We are welcoming and reflect the diversity of life in the Black Country so that everyone feels this is a place for them.

(c) We celebrate the Black Country's industrial might while reducing our own impact on the environment.

(d) We are co-operative and value people, their thoughts, ideas and experiences to make strong, emotional human connections.

(e) We are an organisation of the long-term and of consequence.

(f) We are forward looking and ingenious, shaping and challenging the way museums are imagined and defined.

(g) We create common cause.

The Museum's staffing restructure undertaken during the first quarter of 2025, amounted to a first shift of resources in response to the new Strategic Plan.

The Origin of the Museum

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 crucial 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 almost 32 acres and is one of the largest and most-visited open-air museums in the UK, having welcomed over 11m people since it opened; comparable with the UK's other largest 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. 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 and Jamestown, 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 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 offering hugely valuable opportunities for learning. Open-air museums have redefined what it means to be a museum.

Over time the Museum has placed more emphasis on lively storytelling with Historic Characters (as opposed to staff who wear a costume), using the landscape and streets as a stage upon which stories are told, rather than regarding it as a museum of buildings. In short, the Museum is about understanding, connections, community and place. We seek to join-up the dots of history and help people make sense of the world and their place in it.

Designated Collections

The Museum's entire collections (now c100,000 items) were *Designated* by Arts Council England in February 2012, recognising their quality and national significance. The Museum now holds a resource of considerable social value, for authenticating the sense of regional identity and for placing the full historical and cultural significance of the Black Country in a national context. Buildings, machines, tools, household objects, written records and other 'things' hold stories which attest to the national and international significance of the Black Country, chiefly spanning the period 1800–1950. The recent expansion of the Museum sees this extend into the 1960s and living memory once more.

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, albeit with close ties.

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 plans, the Trustees assert that the Charity is compliant with the requirements of the Charities Acts of 2011 and 2022; having due regard for the public benefit guidance published by the Charity Commission.

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.

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 (over 375k people each year) 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 and now totalling 55,000 annually;

- caring for and developing its accessioned and Designated collections of approximately 100,000 objects, including 90 significant buildings, features and other structures of historic interest and significance, and making them physically and intellectually accessible to the greatest feasible extent, to the general public. In recent times the Museum has added more than 15,000 objects to its collection to support Forging Ahead;

- making accessible to researchers and students, its important collections of 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, including from the Museum's website, publications, talks and podcasts, published articles, media interviews, contributing to TV and radio and a range of social media channels;

- responding to public enquiries to our collection enquiry service;

- maintaining all-year-round public access to its facilities and services;

- providing diverse opportunities for volunteering, currently for at least 190 people;

- supporting and strengthening the Black Country's identity, social cohesion 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.

The Museum has had success in breaking down the perceived barriers to visiting museums that often exist amongst a broad socio-demographic audience. Based on its research with Audience Agency, the Museum's general visitors continue to be split equally across socio-economic groups. Of the segments that attend, we see a higher than sector average visitation from groups who typically engage with cultural organisations less often. In particular, the "frontline families" group, which is generally comprised of visitors from a lower socio-economic background, makes up a significant proportion of the Museum's visitors. For the period November 2022-October 2023, 17% of the Museum's visitors were from the "frontline families" segment, despite this group being more affected by ongoing wider financial challenges.

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, in addition to offering British Sign Language tours.

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 2024, the Museum charged a price for adults of £25.95 (2023: £22.95). 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. Since 2015 the Museum has operated an annual pass scheme, 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, although this was not possible during the pandemic, or the Museum's focus on Forging Ahead.

Financial Review

The financial performance of the Museum for the year under review and the financial position at the Balance Sheet date are set out in this report. In particular, the Statement of Financial Activities (SOFA), which includes both unrestricted and restricted funds, shows the performance of the group during the year.

Visitor attendance for the year was 377,024, slightly lower than the previous year and lower than forecast which was set as part of the annual budget.

The Group net worth at 31 December 2024 stands at £36.61m (2023: £37.62m); the decrease being because of an operating loss, continued contribution to the completion of the Forging Ahead capital project and the significant depreciation associated with the new buildings relating to Forging Ahead.

Restricted Funds stand at £32.17m (2023: £32.43m) and Unrestricted Funds at £4.44m (2023: £5.18m) comprised of Designated Funds of £2.33m (2023: £2.79m), General Funds of £2.11m (2023: £2.40m) and Pension Reserve of £nil (2023: £nil).

	£
Net Operating Deficit	(91,563)
Accounting Adjustments and Non-recurring Costs included in Expenditure:	
Movement in the accounting accrual for holiday pay	10,185
Slow moving stock adjustment	(7,183)
Reversal of Brooke Entrance accrual	9,564
One-off Investments	(201,108)
Depreciation charge on Unrestricted Funds	(55,852)
Contribution to Forging Ahead (capital development)	(409,718)
Actuarial adjustment (pensions)	22,000
Net Income/(Expenditure) before taxation (as shown in SOFA)	(723,675)

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 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 is available to Trustees at all Board meetings. As part of its duties, the Museum's Audit Committee has oversight of the 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. This is an issue which the Museum monitors on a daily and active basis, and is managed by cost control and seeking alternative, more diverse, income sources.

The Museum's Register of Key Risks lists 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 the outputs associated with 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; and serious detrimental incident on site.

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

During the prior year the Museum undertook a review of its existing strategic direction, including consultation with visitors and organisational stakeholders, to develop a new strategic plan for 2024-2028. It developed six strategic themes under which future plans will be grouped:

	<u>The Intent</u>
History	Improve tangible and virtual contact with our Designated Collection. Continue to invest in and prioritise developments (and associated stories) and site improvements. Ensure that the Black Country is broadly represented. Support more people to connect with history.
Community	Develop a greater understanding of communities in the Black Country. Provide more opportunities for communities to use our unique site and its facilities. Create more events that celebrate the culture, modern traditions, and diversity of the Black Country. Develop projects and activities that enrich and give more meaning and purpose to peoples' lives.

Learning	Expand and diversify our learning offer across different audiences. Deepen and build longer term relationships with schools, colleges, and universities. Provide training and career progression opportunities for our people. Evaluate everything we do. Develop a set of organisational values to codify the very best behaviours towards our visitors.
Stage	We will always put on a good show. Provide an unbroken and expansive visitor experience. Create an authentic community feel that provides opportunities for audiences to get involved. Showcase the best of the Black Country through our visitor offer. Write and commission original content with high editorial standards to engage people in history. Develop visitor accommodation on site. Complete a new Master Plan of the 32-acre site.
Business	Grow and diversify our income across visitor and non-visitor sources, being aware that financial surpluses support our independence. Embed an organisation-wide data-led approach to support our decision-making. Increase the visibility and reach of our brand to deliver the Museum to the world. Establish ourselves as an employer of choice.
Future	Enhance learning opportunities, skills and aspirations in the Black Country. Use our 32-acre site, outdoor space and natural environment to benefit peoples' health and wellbeing. Showcase and promote the best of the Black Country today, making the link to today's successes. Reduce our environmental impact and educate and encourage audiences to take steps to do the same.

For 2025 there will also be particular focus on living history, as the defining method of engaging visitors and our most significant point of difference in the visitor attractions market. Additionally, the completion of Woodside Library – the last remaining new feature of this stage of Forging Ahead – is a priority for the Museum.

On behalf of the Trustees

Duncan Bedhall Interim Chair Dated: 26 June 2025

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 financial statements, 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; and
- 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

Duncan Bedhall Interim Chair Dated: 26 June 2025

Independent Auditors' Report to the Members of Black Country Living Museum Trust for the Year Ended 31 December 2024

Opinion

We have audited the financial statements of Black Country Living Museum Trust ('the charitable company') and its subsidiary ('the group') for the year ended 31 December 2024 which comprise the statement of financial activities, the group and charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including 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 2024 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of 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.

Material Uncertainty Related to Going Concern

We draw attention to note 1.2 in the financial statements, which indicates the conditions identified that may cast significant doubt on the Charity's ability to continue as a going concern. As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the Charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other Information

The trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material

misstatement in the financial statements themselves. 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 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:

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 24, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including

fraud and non-compliance with laws and regulations are set out below.

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.

Extent to Which the Audit was Considered Capable of Detecting Irregularities, Including Fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Health and Safety legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within recognition of grant and legacy income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over grant and legacy income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

Helen Blundell LLB FCA FCIE DChA
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
B69 2DG

Dated: 27 July 2025

Black Country Living Museum Trust

Consolidation Statement of Financial Activities including Income and Expenditure Account for the Year Ended 31 December 2024

	Notes	Unrestricted Funds £	Restricted Funds £	**Total 2024 £**	**Total 2023 £**
Income					
Donations and Legacies:					
Charitable donations	3	32,981	419,932	452,913	3,113,747
Charitable Activities:					
Admission to the Museum	4	5,385,238	-	5,385,238	5,171,124
Grants (Arts Council England)	5	760,120	-	760,120	710,120
Other Trading Activities:					
Retail income (subsidiary trading company)	6	3,251,043	-	3,251,043	3,313,019
Ancillary enterprises	7	727,256	-	727,256	480,709
Investment Income	8	25,199	-	25,199	10,289
Other Income	9	57,453	-	57,453	56,692
Total Income		10,239,290	419,932	10,659,222	12,855,700
Expenditure					
Raising Funds:					
Retail (subsidiary trading company)		3,382,236	-	3,382,236	3,213,060
Development and fundraising costs		147,531	-	147,531	237,068
Charitable Activities:					
Opening and operating the Museum		7,015,359	682,598	7,697,957	7,002,904
Developing the Museum		417,839	-	417,839	787,994
Total Expenditure	10	10,962,965	682,598	11,645,563	11,241,026
Net Income/(Expenditure) before taxation		(723,675)	(262,666)	(986,341)	1,614,674
Tax receivable		-	-	-	80,000
Net Income/(Expenditure) after taxation		(723,675)	(262,666)	(986,341)	1,694,674
Transfers		-	-	**-**	**-**
Net Income/(Expenditure) after transfers		(723,675)	(262,666)	(986,341)	1,694,674
Other Recognised Gains and Losses:					
Actuarial gain/(loss) on defined benefit pension		(22,000)	-	(22,000)	(37,000)
Net Movement in Funds		(745,675)	(262,666)	(1,008,341)	1,657,674
Reconciliation of Funds:					
Total Funds brought forward 1 January 2024		5,184,898	32,431,182	37,616,080	35,958,406
Total Funds carried forward at 31 December 2024		**4,439,223**	**32,168,516**	**36,607,739**	**37,616,080**

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 2024

	Notes	£	2024 £	£	2023 £
Fixed Assets:					
Tangible assets	16		28,267,571		28,275,506
Heritage assets	17		6,779,286		6,861,616
Total Fixed Assets			35,046,857		35,137,122
Current Assets:					
Stocks of goods for resale	19	149,503		142,945	
Debtors	20	721,659		926,906	
Cash at bank and in hand	29	1,881,018		3,013,683	
Total Current Assets		2,752,180		4,083,534	
Creditors: amount falling due within 1 year	21	(1,191,298)		(1,593,494)	
Net Current Assets			1,560,882		2,490,040
Total Assets less Current Liabilities			36,607,739		37,627,162
Creditors: amount falling due after 1 year	22		-		(11,082)
Net Assets (excluding pension liability)			36,607,739		37,616,080
Defined benefit pension asset/liability	30		-		-
Total Net Assets			36,607,739		37,616,080
The Funds of the Charity:					
Restricted funds	25		32,168,516		32,431,180
Unrestricted funds:					
Designated funds	26	2,328,990		2,785,377	
General funds	26	2,110,233		2,399,523	
Pension reserve	30	-		-	
			4,439,223		5,184,900
			36,607,739		37,616,080

The Annual Report & Accounts were approved and authorised for issue by the Board of Trustees of the Museum on 26 June 2025 and signed on behalf of the Board of Trustees:

Duncan Bedhall Interim Chair Dated: 26 June 2025

Black Country Living Museum Trust

Parent (Museum) Balance Sheet as at 31 December 2024

	Notes	£	2024 £	£	2023 £
Fixed Assets:					
Tangible assets	16		28,267,571		28,275,506
Heritage assets	17		6,779,286		6,861,616
Investments	18		1,000		1,000
Total Fixed Assets			35,047,857		35,138,122
Current Assets:					
Debtors	20	696,337		897,771	
Cash at bank and in hand	29	1,502,779		2,698,442	
Total Current Assets				3,596,213	
Creditors: amount falling due within 1 year	21	(1,151,841)		(1,647,147)	
Net Current Assets			1,047,275		1,949,066
Total Assets less Current Liabilities			36,095,132		37,087,188
Creditors: amount falling due after 1 year	22		-		(11,082)
Net Assets (excluding pension liability)			36,095,132		37,076,106
Defined benefit pension asset/liability	30		-		-
Total Net Assets			36,095,132		37,076,106
The Funds of the Charity:					
Restricted funds	25		32,168,516		32,431,180
Unrestricted funds:					
Designated funds	26	2,328,990		2,785,377	
General funds	26	1,597,626		1,859,549	
Pension reserve	30	-		-	
			3,926,616		4,644,926
			36,095,132		37,076,106

The net result reported in the Statement of Financial Activities of the parent charity for the year was £980,974 deficit (2023: £1,645,346).

The Annual Report & Accounts were approved and authorised for issue by the Board of Trustees of the Museum on 26 June 2025 and signed on behalf of the Board of Trustees:

Duncan Bedhall Interim Chair Dated: 26 June 2025

Black Country Living Museum Trust

Consolidated Cash Flow Statement for the Year Ended 31 December 2024

	Notes	£	2024 £	£	2023 £
Cash Flow from Operating Activities:					
Net cash flow from operating activities	29		(452,253		1,547,303
Cash Flows from Investing Activities:					
Interest from investments		25,199		10,289	
Proceeds from the sale of tangible fixed assets		-		1,000	
Purchase of tangible fixed assets		(651,380)		(1,977,690)	
Net Cash Used in Investing Activities			(626,181)		(1,966,401)
Cash Flows from Financing Activities:					
Repayment of borrowing		(54,231)		(38,807)	
Net Cash Used in Financing Activities			(54,231)		(38,807)
Change in Cash and Cash Equivalents in the year			(1,132,667)		(457,905)
Cash and cash equivalents at start of the year			3,013,683		3,471,588
Cash and Cash Equivalents at end of the year			1,881,018		3,013,683

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 Museum made a small operating deficit for the year, in line with its approved budget, and continued to contribute to Forging Ahead. This resulted in a net decrease in unrestricted reserves before pension movements and a decrease in the non-committed free unrestricted cash balance. The non-committed free unrestricted cash balance at 31 December 2024 was £922k, a decrease from £1.34m at the end of the previous financial year. The approved budget for 2025 forecasts a small operating surplus for the year, before depreciation based on saving generating through a reshaping of the staff structure of the organisation. The Museum also expects to receive the balancing payment (£225k) relating to the legacy recognised in these financial statements during 2023.

Over 95% of the Museum's unrestricted operating income is derived from visitor-driven sources and in this context, there will always be a risk to the Museum of not achieving forecast visitor attendance and associated sales revenue. The 2025 forecast has been calculated based on a small uplift on the visitor numbers achieved in 2024. The Management Team and Trustees are confident that this is an achievable target based on past performance and greater focused marketing activities.

The Forging Ahead project is fully funded, with the fundraising target having been met and the funds received, and the Trustees continue to be satisfied that any potential residual cost uncertainties arising from the completion of Forging Ahead are not material. The project will be completed during 2025, with all funds that the Museum has contributed to the project fully spent. For the past few years, the Museum has had the benefit of using those funds to support the working capital of the Museum during the periods when the seasonality of the Museum's activities impacts its cash position. This will not be the case going forward and therefore the Museum is likely to need to secure alternative facilities, as without such it could create a

material uncertainty to whether the cash position can be managed through its normal working capital.

The Trustees have considered all this when looking at the Museum's ability to continue as a going concern and have concluded that it is appropriate to prepare the Financial Statements on the going concern basis.

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 Position

The Charity recognises its financial position (asset or liability) in relation to the defined benefit scheme involves a number of estimations as disclosed in Note 30.

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 legacies, donations and charitable 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. Legacies, 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 engagement with visitors and collections care to retailing and finance. With one exception, people now volunteer as individuals, as opposed to as part of a volunteer group. Volunteer activity for the year was recorded to be 17,345 hours (2023: 18,536 hours). The Museum uses the standard National Lottery Heritage Fund multiplier of £50 per day for unskilled, £150 per day for skilled and £350 per day for professional volunteer roles. This equates to a value of £322,999 (2023: £336,845).

1.6 Expenditure

All costs are 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) Capitalisation Limits

Furniture and fittings installed as part of a major building construction, rebuild or renewal and exceeding £50,000 in total is capitalised as part of the building project. Otherwise, furniture and fittings expenditure are expensed.

IT equipment, including PCs, laptops, retail tills, servers, network infrastructure, where individual items are above £25,000 is capitalised. Groups of items that individually are below £25,000, even if in aggregate they exceed £25,000, is expensed in the year of purchase with the exception of where it is part of the construction or refurbishment of a building, and the equipment is an integral part of the building.

All office and other equipment with a single item value above £20,000 is capitalised at cost. Office and other equipment costing less than £20,000 per individual item or group of related items is expensed in the year of purchase.

Software is capitalised if more than £25,000 as long as is used in a live environment. This relates to purchased or developed software, not cloud based and licenced software, which will be expensed in the year of purchase.

(b) 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.

Type	Expected useful life
Freehold land	not depreciated
Freehold buildings/developments	50 years
Expenditure on long leasehold property	40 to 60 years

Fixtures, fittings, plant and equipment	4 to 10 years
Motor vehicles	6 years

(c) Intangible Assets

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

Type	**Expected useful life**
Computer software	4 to 10 years

(d) 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 68,000 items in its collection, as further reported in Note 17. 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 Museum is not free to dispose of them without incurring significant penalty. For the identified items, further capital expenditure on these assets (maintained principally for their contribution to the knowledge and culture), along with capital expenditure associated with any new translocated buildings reconstructed on the Museum site, is capitalised as incurred.

Where Heritage 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'. Heritage Assets which are buildings the depreciation is over 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 over 30 motorcycles of pre-1939 vintage.

It also holds a number of 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 granted 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.

1.8 Remuneration Policy

The Museum has a well-established pay and grading structure and median pay policy. 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 determines the remuneration of the Chief Executive outside this protocol.

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 except for 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 if 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 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 2022 which set contributions for the period 1 April 2023 to 31 March 2026.

The value of employer's assets/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 position 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 30.

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 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.

(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 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 30).

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 party transactions between the Parent Company and its subsidiary are shown in Note 31.

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).

3 Summary of Charitable Donations

	Unrestricted Funds 2024	**Restricted Funds 2024**	Unrestricted Funds 2023	Restricted Funds 2023
	£	**£**	£	£
Grants	-	259,727	-	2,347,536
Donations	22,481	160,204	173	26,552
Legacies	10,500	-	739,486	-
	32,981	419,931	739,659	2,374,088

The Museum thanks all the organisations and individuals who have given generously during the year and the details of the major contributors are acknowledged on page 15 of the Annual Report. Details on how the restricted income has been applied can be found in Note 25.

4 Visitor Admission to the Museum

	2024	2023
	£	£
Admission (Museum & Locksmith's House)	4,115,615	3,936,171
Gift Aid from donated admission charges*	423,392	401,966
	4,539,007	4,338,137
Events Programme	692,279	719,510
Membership	129,057	87,877
Learning Programmes & Courses	24,894	25,600
	5,385,238	5,171,124
Visitor Attendance (number)	377,024	385,140

*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 Arts Council England (National Portfolio Organisation Funding)

	2024	2023
	£	£
Arts Council England	760,120	710,120

The Museum became a National Portfolio Organisation in April 2018 and subsequently was awarded a new three-year funding agreement for 2023-2026.

6 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.

6 Results of the Museum's Subsidiary Trading Company (cont.)

Separate audited accounts have been filed with the Registrar of Companies, with the same accounting reference date as the Museum Trust.

	2024	2023
Profit & Loss Account	**£**	£
Income	3,731,680	3,706,031
Cost of sales, including staffing	(2,898,440)	(2,822,646)
Gross profit	833,240	883,385
Administrative expenses (inc. Group charges)	(465,364)	(404,879)
Operating profit	367,876	478,506
Net other operating income	140,421	58,072
Profit for year before and after taxation	508,297	536,578

7 Ancillary Enterprises

	2024	2023
	£	£
Parking charges	211,116	224,082
Business sponsorship	44,108	44,650
Hire & Hospitality	269,521	168,930
Dudley Canal Trips commission	17,061	18,019
Licensed on-site concessions	10,897	7,282
Filming rights and charges	174,553	17,746
	727,257	480,709

8 Investment Income

	2024	2023
	£	£
Interest received	25,119	10,289
	25,119	10,289

9 Other Income

	2024	2023
	£	£
Rent from leased freehold property	42,486	45,264
Other	14,967	11,428
	57,453	56,692

10 Analysis of Expenditure

	Staff Costs	Other Costs	Support Costs	**Total 2024**
	£	£	£	**£**
Raising Funds				
Subsidiary trading company	1,387,091	1,621,597	373,548	3,382,236
Fundraising costs	97,169	24,195	26,168	147,531
Total Cost	1,484,260	1,645,791	399,716	3,529,767
Charitable Activities				
Opening and operating the Museum	4,160,907	2,416,504	1,120,546	7,767,957
Developing the Museum	30,157	379,561	8,121	417,839
Total Cost	4,191,064	2,796,065	1,128,667	8,115,796
Total All Costs	5,675,324	4,441,856	1,528,383	11,645,564

Support costs are allocated on the basis of direct staffing expenditure.

11 Analysis of Support Costs

	Staff Costs	Other Costs	**Total 2024**	Total 2023
	£	£	**£**	£
Governance	-	10,817	10,817	10,408
Chief Executive's office, Finance and HR	696,273	470,386	1,166,659	1,147,563
Information Technology	89,967	260,940	350,907	246,026
	786,240	742,143	1,528,383	1,403,997

12 Analysis of Governance Costs

	2024	2023
	£	£
Trustees' expenses	567	868
Legal and professional fees	-	-
Audit and accountancy charges	10,250	9,540
	10,817	10,408

13 Net Income/Expenditure for the Year

	2024	2023
	£	£
This is stated after charging:		
Operating leases	17,024	17,024
Depreciation	741,646	606,062
Bank loan interest	872	5,526
Auditor's remuneration:		
Audit fee	15,750	14,840
Accountancy and tax services	2,990	6,850

14 Trustees (Directors and Members)

None of the Trustees (or any persons connected with them) received any remuneration or benefits during the year (2023: £nil). Four trustees were reimbursed out-of-pocket expenses totalling £567 (2023: five totalling £868).

15 Employees

The average monthly headcount of contracted employees during the year was 209 (2023: 192) and the average full-time equivalent (FTE) number of employees and casual workers during the year were as follows:

	2024	2023
	FTE	FTE
Direct (front-line) charitable activities	164	147
Management, specialists and administration	43	47
	207	194
Of which:		
Contracted employees	167	152
Casual workers	40	42
	207	194

Employment Costs:

	2024	2023
	£	**£**
Wages and salaries	5,828,167	5,319,722
National Insurance costs	427,358	368,803
Pension costs	206,040	187,261
	6,461,564	5,875,786

Employment costs include payments and payments in lieu of notice in relation to redundancy amounting to £10,014 (2023: £7,894) paid to six individuals (2023: two) including one ex-gratia payment of £2,000 (2023: £nil).

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

	2024	2023
	(number)	(number)
£60,000 - £70,000	-	1
£70,000 – £80,000	2	2
£100,000 - £110,000	-	1
£110,000-£120,000	1	-

During the year there were five posts considered as paid executive Key Management Personnel of the Museum (as defined by FRS102), comprising the Chief Executive, Chief Operating Officer, Director of Development (job share), Director of Finance, and Director of Content. The employee benefits of Key Management Personnel amounted to £382,468 (2023: £464,586).

16 Tangible and Intangible Fixed Assets

Group and Company	Intangible Fixed Assets	Tangible Fixed Assets					
		Land and buildings freehold	Land and buildings leasehold	Fixtures, fittings and equipment	Motor vehicles	Under Construction	Total
	£	£	£	£	£	£	£
Cost							
At 1 January 2024	23,064	3,385,721	26,908,510	983,621	100,966	654,808	32,033,626
Additions	-	-	-	48,756	-	602,624	651,380
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	(72,874)	(72,874)
At 31 December 2024	**23,064**	3,385,721	26,908,510	1,032,377	100,966	1,184,558	32,612,132
Depreciation							
At 1 January 2024	23,064	271,681	2,441,492	962,588	82,359	-	3,758,120
Charge for the period	-	59,039	513,182	9,571	4,649	-	586,441
On disposal	-	-	-	-	-	-	-
At 31 December 2024	**23,064**	330,720	2,954,674	972,159	87,008	0	4,344,561
Net book value							
At 31 December 2024	**-**	3,055,001	23,953,836	60,217	13,958	1,184,558	28,267,571
At 31 December 2023	-	3,114,040	24,467,018	21,033	18,607	654,808	28,275,506

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

17 Heritage Assets

Group and Company	£
Cost	
At 1 January 2024	8,391,500
Additions	-
Transfers	72,874
At 31 December 2024	**8,464,374**
Depreciation	
At 1 January 2024	1,529,884
Charge for the period	155,204
At 31 December 2024	**1,685,088**
Net book value	
At 31 December 2024	**6,779,286**
At 31 December 2023	6,861,616

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

17 Heritage Assets (cont.)

	2024	2023	2022	2021	2020	Pre- 2020	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	-	-	-	-	-	2,459,592	2,459,592
Oldbury Buildings	-	-	-	-	-	1,051,715	1,051,715
Hobbs Fish & Chip Shop	-	-	-	-	-	1,155,115	1,155,115
Birchill's Narrow Boat	-	-	-	-	-	68,468	68,468
Kildare Narrow Boat	-	-	-	-	-	34,795	34,795
Tram 5	-	-	-	-	-	96,312	96,312
Tramway	-	-	-	-	-	73,346	73,346
Racecourse Colliery	-	-	-	-	-	136,722	136,722
Anchor Forge/Steam Hammer	-	-	-	-	-	47,307	47,307
Patrick Collection Vehicles	-	-	-	-	-	96,000	96,000
Hut 14	-	-	148,063	-	-	-	148,063
Cast Iron Houses	-	1,234,288	-	-	-	-	1,234,288
J. H. Lavender's Foundry	-	1,194,300	-	-	-	-	1,194,300
Dudley Weighbridge Office / Trolleybus Shelter	72,874	-	-	-	-	-	72,874
	72,874	2,428,588	148,063	-	-	5,814,849	8,464,374
Depreciation							
Marston Collection	5,698	5,698	5,698	5,698	5,698	66,951	95,441
Locksmith's House	1,454	1,454	1,454	1,454	1,454	30,224	37,494
President Narrow Boat	1,757	1,757	1,757	1,757	1,757	18,962	27,747
Workers' Institute	42,394	42,393	42,395	42,395	42,395	497,924	709,896
Oldbury Buildings	17,750	17,750	17,750	17,750	17,750	195,286	284,036
Hobbs Fish & Chip Shop	19,252	19,252	19,252	19,252	19,252	226,211	322,471
Birchill's Narrow Boat	1264	1,264	1,264	1,264	1,264	7,772	14,092
Kildare Narrow Boat	653	653	653	653	653	3,450	6,715
Tram 5	1,086	1,086	1,836	1,836	1,836	8,174	15,854
Tramway	1,387	1,387	1,387	1,387	1,387	6,743	13,678
Racecourse Colliery	2,465	2,465	2,730	2,730	2,730	4,988	18,108
Anchor Forge/Steam Hammer	947	947	947	947	947	1578	6,313
Patrick Collection Vehicles	9,600	9,600	9,600	9,600	9,600	9,600	57,600
Hut 14	2,794	2,794	-	-	-	-	5,588
Cast Iron Houses	23,736	11,868	-	-	-	-	35,604
J. H. Lavender's Foundry	22,967	11,484	-	-	-	-	34,451
Dudley Weighbridge Office / Trolleybus Shelter	-	-	-	-	-	-	-
	155,204	131,852	106,723	106,723	106,723	1,077,863	1,685,088

18 Fixed Asset Investments

Company	£
Market value at 1 January 2023 and at 31 December 2024	1,000
Historical cost at 31 December 2022 and at 31 December 2024	1,000

The Museum holds 100% of the issued Ordinary Shares of Black Country Living Museum Enterprises Ltd. This wholly owned subsidiary undertakes on-site trading to support the charitable activities of the Museum. At 31 December 2024 its net assets and shareholder's funds amounted to £513,607 (2023: £540,974).

19 Stock

	Group		Parent	
	2024	2023	**2024**	2023
	£	£	**£**	£
Stock	149,503	142,945	**-**	-

20 Debtors

	Group		Parent	
	2024	2023	**2024**	2023
	£	£	**£**	£
Trade debtors	73,997	85,938	41,436	71,499
Owed by subsidiary Trading Company	-	-	-	-
Other debtors	33,952	41,100	63,169	50,317
Prepayments and accrued income	613,710	799,868	591,732	785,172
	721,659	926,906	696,337	906,988

Accrued income includes £230,250 (2023: £179,881) of grant income due from National Lottery Heritage Fund and £225,000 (2023: £300,000) legacy income.

21 Creditors: Amounts Falling Due Within One Year

	Group		Parent	
	2024	2023	**2024**	2023
	£	£	**£**	£
Bank loan	-	43,149	-	43,149
Owed to subsidiary Trading Company	-	-	176,200	309,280
Trade creditors	512,737	459,561	452,931	390,787
Taxes and social security costs	130,223	176,837	85,358	95,044
Other creditors	40,109	47,617	40,109	47,616
Accruals	508,228	866,330	397,243	761,271
	1,191,298	1,593,494	1,151,841	1,647,147

22 Creditors: Amounts Falling Due After More Than One Year

Group and Company	**2024**	2023
	£	£
Bank Loan	-	11,082

Group and Company	**2024**	2023
Analysis of Bank Loan	**£**	£
Not wholly repayable within 5 years	-	54,231
Included in the current liabilities	-	(43,149)
	-	11,082

Group and Company	**2024**	2023
Loan Maturity Analysis	**£**	£
Debt due in 1 year or less	-	43,149
In more than 1 year, but not more than 2 years	-	11,082
In more than 2 years, but not more than 5 years	-	-
	-	54,231

23 Obligations Under Leases and Hire Purchase Contracts

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

	2024	2023
	£	£
Less than 1 year	17,024	17,024
Between 2 and 5 years	68,096	68,096
Over 5 years	416,328	444,752
	501,448	529,872

24 Financial Instruments

	2024	2023
	£	£
Financial assets that are debt instruments measured at amortised cost	2,480,048	3,825,814
Financial liabilities measured at amortised cost	1,061,074	1,427,738

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.

25 Restricted Funds (Movement in Funds)

The restricted funds set out in these accounts represent, in the main, funds allocated to develop the Museum over several 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.

Group and Company	Balance at 1 January 2024	Incoming Funds	Resources Expended	Transfers	**Balance at 31 December 2024**
	£	£	£	£	£
Tangible Assets					
Operational Fixed Assets	688,340	-	(25,550)	-	662,790
Freehold Property/Developments	1,992,609	-	(41,983)	-	1,950,626
Rolfe Street Development	3,138,922	-	(77,548)	-	3,061,374
Moving the Black Country	649,305	-	(14,725)	-	634,580
Brook Entrance & Facilities	363,462	-	(8,674)	-	354,788
Newcomen Engine	58,421	-	(1,322)	-	57,099
Folkes Park Play Equipment	7,213	-	(6,744)	-	469
Elephant & Castle Pub	1,512,212	-	(29,507)	-	1,482,705
Visitor Centre	7,018,426	-	(136,945)	-	6,881,481
1950s/60s Town	7,521,763	-	(146,054)	-	7,375,709
Industrial Quarter	3,366,680	-	(65,372)	-	3,301,308
Assets under Construction	654,809	-	-	393,120	1,047,929
	26,972,162	-	(554,424)	393,120	26,810,858
Heritage Assets					
The Workers' Institute	1,330,393	-	(31,478)	-	1,298,915
The Locksmith's House	113,960	-	(1,454)	-	112,506
Old Birmingham Road	360,120	-	(8,139)	-	351,981
Hobbs Fish & Chip Shop	377,388	-	(8,529)	-	368,859
President Narrow Boat	77,622	-	(1,757)	-	75,865
Marston Motorcycles	252,122	-	(5,698)	-	246,424
Birchill's Narrow Boat	47,303	-	(1,074)	-	46,229
Kildare Narrow Boat	26,058	-	(592)	-	25,466
Tram 5	31,539	-	(717)	-	30,822
Anchor Forge/Steam Hammer	41,942	-	(947)	-	40,995
Racecourse Colliery	109,091	-	(2,465)	-	106,626
Hut 14	145,269	-	(2,794)	-	142,475
Cast Iron Houses	1,222,420	-	(23,736)	-	1,198,684
JH Lavenders Foundry	1,182,816	-	(22,967)	-	1,159,849
Dudley Weighbridge Office / Trolleybus Shelter	-	-	-	72,874	72,874
	5,318,043	-	(112,347)	72,874	5,278,570

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

Group and Company	Balance at 1 January 2024	Incoming Funds	Resources Expended	Transfers	**Balance at 31 December 2024**
	£	£	£	£	£
Other Items					
Racecourse Colliery	22,296	-	(1,120)	-	21,176
The Locksmith's House	9,015	-	-	-	9,015
Folkes Park Development	11,072	-	-	-	11,072
Improving Accessibility	1,000	-	-	-	1,000
Learning Projects	6,802	-	(3,135)	-	3,667
Stour (boat) Restoration	-	-	-	-	-
President (boat) Restoration	24,362	4,793	(10,837)	-	18,318
Collections Projects	12,605	-	-	-	12,605
Staff Award (training)	-	313	(313)	-	-
St James's School	1,537	-	-	-	1,537
Visitor Benches	637	483	(422)	-	698
Maintaining the Collection	-	-	-	-	-
Unpacking the Past	-	-	-	-	-
Adventures Through Time	-	-	-	-	-
Forging Ahead Capital Development Project	51,651	414,343	-	(465,994)	-
	140,977	419,932	(15,827)	(465,994)	79,088
	32,431,182	419,932	(682,598)	-	32,168,516

26 Designated Funds (Movement in Funds)

Group and Company	Balance at 1 January 2024	New Designations	Utilised funds	Transfers	**Balance at 31 December 2024**
	£	£	£	£	£
Future developments – FA	748,347	-	-	23,685	772,032
Fundraised/legacy income designated to Forging Ahead	493,457	-	(447,215)	-	46,242
Heritage asset reserve	1,543,573	-	(42,857)	-	1,500,716
Learning/People development	-	10,000	-	-	10,000
	2,785,377	10,000	(490,072)	23,685	2,328,990

Designated funds are unrestricted funds but nevertheless designated by the Trustees for the purposes of a Heritage Asset capital reserve and funding of the final elements of the Forging Ahead capital project and learning and people development in the coming year.

27 Analysis of Net Assets between Funds

Group	Unrestricted funds	Restricted funds	**Total**
	£	£	£
Fund balances at 31 December 2024 are represented by:			
Tangible fixed assets	2,957,429	32,089,428	35,046,857
Net current assets	1,481,794	79,088	1,560,882
Creditors: amounts falling due after more than one year	-	-	-
Defined benefit pension liability	-	-	-
	4,439,223	32,168,516	36,607,739

Company	Unrestricted funds	Restricted funds	**Total**
	£	£	£
Fund balances at 31 December 2024 are represented by:			
Tangible fixed assets	2,957,429	32,089,428	35,046,857
Net current assets	968,187	79,088	1,047,275
Creditors: amounts falling due after more than one year	-	-	-
Defined benefit pension liability	-	-	-
	3,925,616	32,168,516	36,095,132

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

	2024	2023
	£	£
Net income/(expenditure) for the year (as per the Statement of Financial Activities)	(986,341)	1,694,674
Adjustments for:		
Depreciation charges	741,645	606,062
Interest received	(25,199)	(10,289)
(Gain) on disposal of assets	-	(1,000)
(Increase) in stocks	(6,558)	(41,930)
Decrease in debtors	205,247	394,867
(Decrease) in creditors	(359,047)	(1,058,081)
Pension scheme non-cash movements	(22,000)	(37,000)
	452,253	1,547,303

29 Analysis of Cash and Cash Equivalents

	2024	2023
	£	£
Cash in hand	18,540	25,146
Current account	1,862,478	2,988,537
Total Cash and Cash Equivalents	1,881,018	3,013,683

30 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 800 participating employers and c340,000 scheme members. 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. 10 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

	2024	2023
Defined Contribution Pension Scheme	**£**	£
Contributions payable by the Museum	139,082	119,882

Defined Benefit Pension Scheme

An actuarial valuation of the WMPF was carried out in accordance with the Regulations as at 31 March 2022 and set contribution rates until 31 March 2026. 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 asset at the period end was £1,162,000 (2023: £447,000). However, the judgment is that there is insufficient entitlement for it to be appropriate to recognise this as an asset on the Balance Sheet. It is important to note that the position 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 crystallise in the short or medium-term.

	2024	2023
	£	£
Fair value of plan assets	6,494,000	6,377,000
Present value of funded obligations	(5,332,000)	(5,930,000)
Defined Benefit Pension Asset/Liability	1,162,000	447,000

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

	2024	2023
	£	£
Included in staff costs within total expenditure:		
Service costs	66,000	63,000
Net interest cost	(21,000)	(33,000)
Administrative expenses	-	-
Total Pension Costs	45,000	30,000
Actual return on plan assets	241,000	271,000
Actual return less expected return on pension scheme assets	32,000	170,000
Other actuarial losses on assets	-	(349,000)
Change of financial assumptions	844,000	3,000
Change of demographics assumptions	11,000	26,000
Experience loss on defined benefit obligation	(194,000)	(139,000)
	693,000	289,000

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

	2024	2023
	£	£
Opening defined benefit obligation	5,930,000	5,742,000
Current service cost	66,000	63,000
Interest cost	265,000	268,000
Contributions by scheme participants	15,000	15,000
Change in demographic assumptions	(11,000)	(26,000)
Change in other experiences	194,000	139,000
Change in financial assumptions	(844,000)	(3,000)
Benefits paid	(283,000)	(268,000)
	5,332,000	5,930,000

Changes in fair value of plan assets are as follows:

	2024	2023
	£	£
Opening fair value of plan assets	6,377,000	6,441,000
Interest on assets	286,000	301,000
Return on assets less interest	32,000	170,000
Change in other experiences	-	(349,000)
Contributions by employer	67,000	67,000
Contributions from scheme participants	15,000	15,000
Benefits paid	(283,000)	(268,000)
	6,494,000	6,377,000

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

Asset allocation:

	2024	**2024**	2023	2023
	£		£	
Equities	3,182,000	49%	3,699,000	58%
Bonds	2,403,000	37%	1,913,000	30%
Property	454,500	7%	446,000	7%
Cash	454,500	7%	319,000	5%
	6,494,000	100%	6,377,000	100%

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

	2024	2023	2022	2021	2020
CPI increases	**2.75%**	2.85%	3.05%	2.95%	2.50%
Discount rate at 31 December	**5.50%**	4.55%	4.75%	1.85%	1.25%
Future salary increases	**3.75%**	3.85%	4.05%	3.95%	3.50%

Assumed average future life expectations from age 65:

	2024*	2023*	2022*	2021*	2020
Retiring today – Male	**21.2**	21.9	21.2	21.7	22.0
Retiring today - Female	**24.2**	24.8	23.6	24.0	24.2
Retiring in 20 years – Male	**21.1**	22.3	22.9	23.5	23.8
Retiring in 20 years – Female	**24.6**	25.6	25.4	25.9	26.0

*Adjusted for Continuous Mortality Investigation's model, CMI_2021

Guaranteed Minimum Pension (GMP) Equalisation

The valuation assumption for GMP is that the Fund will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, it has been assumed that the Fund will be required to pay the entire inflationary increase. Therefore, the assumption is consistent with the consultation outcome and so the Fund does not believe it needs to make any adjustments to the value placed on the liabilities because of the Government's Guaranteed Minimum Pension Indexation consultation.

31 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 £ 401,753 (2023: £343,245) for rents and services and the Company donated its profits, through Gift Aid, of £535,664 (2023: £524,249). At the year end the Museum owed to the Enterprises Company £176,201 (2023: £309,280). These were the only related party transactions during the year.

Parminder Dosanjh, a Trustee of the Museum until 31 March 2024, is a member of the Midlands Area Council of the Arts Council England. From November 2024, Andrew Lovett, Chief Executive of the Museum, is a member of the National Council of Arts Council England. The Museum is a National Portfolio Organisation and received funding amounting of £650,000 during the year and transactions between the organisations during the year amounted to £15,531.

Andrew Lovett, Chief Executive of the Museum, was Chair of the Association of Independent Museums during part of the year and a director of the West Midlands Growth Company. The Museum is a paid member and corporate partner respectively of each and the Association of Independent Museums held their annual conference at the Museum during the year for which the Museum was also a sponsor.

32 Comparative Funds Notes

Restricted Funds

Group and Company	Balance at 1 January 2023	Incoming Funds	Resources Expended	Transfers	**Balance at 31 December 2023**
	£	£	£	£	£
Tangible Assets					
Operational Fixed Assets	713,890	-	(25,550)	-	688,340
Freehold Property/Developments	1,861,132	-	(41,983)	173,460	1,992,609
Rolfe Street Development	2,081,704	-	(72,498)	1,129,716	3,138,922
Moving the Black Country	664,030	-	(14,725)	-	649,305
Brook Entrance & Facilities	371,755	-	(8,293)	-	363,462
	59,743	-	(1,322)	-	58,421
Folkes Park Play Equipment	13,957	-	(6,744)	-	7,213
Elephant & Castle Pub	1,541,719	-	(29,507)	-	1,512,212
Visitor Centre	7,155,371	-	(136,945)	-	7,018,426
1950s/60s Town Area	-	-	(73,027)	7,594,790	7,521,763
Industrial Quarter	-	-	(32,686)	3,399,366	3,366,680
Assets under Construction	13,415,040	-	-	(12,760,231)	654,809
	27,878,341	-	(443,280)	(462,899)	26,972,162

32 Comparative Funds Notes (cont.)

Heritage Assets					
The Workers' Institute	1,361,871	-	(31,478)	-	1,330,393
The Locksmith's House	115,414	-	(1,454)	-	113,960
Old Birmingham Road	368,259	-	(8,139)	-	360,120
Hobbs Fish & Chip Shop	385,917	-	(8,529)	-	377,388
President Narrow Boat	79,379	-	(1,757)	-	77,622
Marston Motorcycles	257,820	-	(5,698)	-	252,122
Birchill's Narrow Boat	48,377	-	(1,074)	-	47,303
Kildare Narrow Boat	26,650	-	(592)	-	26,058
Tram 5	32,256	-	(717)	-	31,539
Anchor Forge/Steam Hammer	42,889	-	(947)	-	41,942
Racecourse Colliery	111,556	-	(2,465)	-	109,091
Hut 14	148,063	-	(2,794)	-	145,269
Cast Iron Houses	-	-	(11,868)	1,234,288	1,222,420
JH Lavenders Foundry	-	-	(11,484)	1,194,300	1,182,816
	2,978,451	-	(88,996)	2,428,588	5,318,043

Group and Company	Balance at 1 January 2023	Incoming Funds	Resources Expended	Transfers	**Balance at 31 December 2023**
	£	£	£	£	£
Other Items					
Anchor Forge/Steam Hammer	541	-	(541)	-	-
Racecourse Colliery	22,296	-	-	-	22,296
The Locksmith's House	9,015	-	-	-	9,015
Folkes Park Development	11,072	-	-	-	11,072
Improving Accessibility	1,000	-	-	-	1,000
Learning Projects	6,802	-	-	-	6,802
Stour (boat) Restoration	12,662	-	(12,662)	-	-
President (boat) Restoration	4,094	21,312	(1,044)	-	24,362
Collections Projects	13,899	-	-	(1,294)	12,605
Staff Award (training)	1,233	-	(1,233)	-	-
St James's School	2,632	-	(1,095)	-	1,537
Visitor Benches	637	-	-	-	637
Maintaining the Collection	-	-	-	-	-
Unpacking the Past	10,236	5,531	(21,479)	5,712	-
Adventures Through Time	11,924	-	(11,924)	-	-
Forging Ahead Capital Development Project	(329,905)	2,347,245	-	(1,965,689)	51,651
	(221,862)	2,374,088	(49,978)	(1,961,271)	140,977
	30,634,930	2,374,088	(582,254)	4,418	32,431,182

32 Comparative Funds Notes (cont.)

Group and Company	Balance at 1 January 2023	New Designations	Utilised funds	Transfers	**Balance at 31 December 2023**
	£	£	£	£	£
Future developments – FA	1,160,000	131,000	(542,653)	-	748,347
Fundraised/legacy income designated to Forging Ahead	103,971	389,486	-	-	493,457
Heritage asset reserve	1,586,430	-	(42,857)	-	1,543,573
	2,850,401	520,486	(585,510)	-	2,785,377

	Unrestricted funds	Restricted funds	**Total**
Group	£	£	£
Fund balances at 31 December 2023 are represented by:			
Tangible fixed assets	2,846,916	32,290,206	35,137,122
Net current assets	2,349,065	140,975	2,490,040
Creditors: amounts falling due after more than one year	(11,082)	-	(11,082)
Defined benefit pension liability	-	-	-
	5,184,899	32,431,181	37,616,080

	Unrestricted funds	Restricted funds	**Total**
Company	£	£	£
Fund balances at 31 December 2023 are represented by:			
Tangible fixed assets	2,847,916	32,290,206	35,138,122
Net current assets	1,808,091	140,975	1,949,066
Creditors: amounts falling due after more than one year	(11,082)	-	(11,082)
Defined benefit pension liability	-	-	-
	4,644,925	32,431,181	37,076,106

33 Capital Commitments

At 31 December 2024 the Museum had capital commitments of £0.47m (2023: £0.96m).

BLACK COUNTRY LIVING MUSEUM TRUST

TIPTON ROAD, DUDLEY, WEST MIDLANDS, DY1 4SQ, UK | TEL: +44 (0)121 557 9643
www.bclm.com | info@bclm.com

Private Company Limited by Guarantee Registered in England Company No. 1226321 and Registered as a Charity No. 504481

THE BLACK COUNTRY LIVING MUSEUM TRUST

England & Wales - Charity number 504481

Accounts

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

The Black Country Living Museum Trust

Annual Report & Accounts

for the year ended 31 December 2023

www.bclm.com

Black Country Living Museum Trust

Trustees' Report for the Year Ended 31 December 2023

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Black Country Living Museum Trust

Trustees' Report for the Year Ended 31 December 2023

Reference & Administrative Information

The Trustees present their Annual Report & Accounts for the year ended 31 December 2023, 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
Honorary Patron:	HRH The Duke of Gloucester KG GCVO GCStJ
Trustees / Directors (& Members):	Jonathan Badyal (Deputy Chair) Katy Baker Duncan Bedhall Dr Paul Belford (Chair) Sally Bourner Cllr. Matthew Follows[1] Victoria Jessop (Deputy Chair) Louise Jones Ruth Levesley Tarlok Singh Mander Catherine Murphy
Chief Executive:	Andrew Lovett OBE
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 4SQ
Independent Auditors:	Crowe U.K. LLP Black Country House Oldbury West Midlands B69 2DG

[1] Nominated by the Association of Black Country Authorities (ABCA)

Principal Bankers:	Barclays Bank PLC (Barclays Corporate) 1st Floor Queen Square Wolverhampton West Midlands WV1 1DS
Principal Solicitors:	Gowling WLG (UK) LLP 2 Snow Hill Birmingham West Midlands B4 6WR
Other Advisors:	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham West Midlands B3 2ES
Company Secretary:	Craig Edmondson
Telephone:	+44 (0) 121 557 9643
Email:	info@bclm.com
Website:	www.bclm.com
Facebook:	facebook.com/bclivingmuseum
Instagram:	instagram.com/bclivingmuseum
LinkedIn:	linkedin.com/company/black-country-living-museum
TikTok:	tiktok.com/@blackcountrylivingmuseum
YouTube:	youtube.com/BClivingmuseum
X:	twitter.com/BCLivingMuseum

Chair's Review of the Year

It has been another exciting year for the Museum, and it is a great pleasure to look back over 2023 and see how we have developed. I am very proud that we are continuing to grow as an influential voice for the Black Country and the wider region.

A bigger stage

This year marked another stage in the development of the Museum site — and a really significant moment as we move the stories forward both in time and scope. In July we brought new experiences to life, after years of hard work by the team researching and developing some amazing places.

Stanton's Music Shop now offers toe-tapping 1950s vinyl, sounds echoing among the tubs of Brylcreem in Laurie Thomas' 1956 hairdressers — whilst glamorous fashion styles are on display at Minett's Ladieswear. This exciting retail journey can be fuelled by meat from Marsh and Baxter 1950s butchers, or if you prefer, a trip down sweetshop memory lane in Burgin's newsagents. And you might have had something left over to invest in a future home in the West Bromwich Building Society. Across the road we opened the Lea Road Infant Welfare Centre in October, set in 1961, and the relocated Cast Iron Houses took visitors into the austerity of 1940s Britain, and next door to a nation gripped by football fever in the 1960s.

These buildings are the newly-enlarged stage on which the Museum tells a new range of stories about the post-war Black Country. Our strand of 'Real Lives, Real Stories' features a host of new historic characters, including:

- Alfred Cookson, Building Society Manager (1949)
- Mohammed Abdul Hakim, Foundryman (1959)
- Cynthia Burgin, Newsagent (1959)
- Carmen Salmon, Caribbean mother with baby (1959)
- Doris May Davis, Landlady of the Elephant and Castle Pub (1960)
- Cicilyn Miller, a midwife from Jamaica of the Windrush generation (1961)
- Ma Regan, Music Promoter (1962)
- Surinder Kaur, Punjabi Mother and pieceworker (1967)

These and our many other characters make the Museum special, full of energy and creating emotional connections with our visitors.

This year we also reopened our Drift Mine to visitors after a long period out of action, due to maintenance and the delicate foundation work of the new Visitor Centre overlying part of the mine structure. Mining is so central to the story of the Black Country - at one time the South Staffordshire coalfield accounted for 10% of national production - that I am delighted that this fundamentally important element of our visitor journey is back.

A more intangible but equally important aspect of Black Country heritage is the tradition of travelling fairs, and I am delighted to say that we have also established a new long-term relationship with Alex Hyman, continuing the long tradition of fairgrounds at the Museum. The new fairground is on 'waste ground' on the edge of the historic town, as it would have been originally, and is well worth a visit.

Strategic Directions

The Board have been very busy this year exploring where the Black Country Living Museum journey will travel in the next few years. With the support of external consultants and the Leadership Team, Trustees have worked hard to develop new strategic directions. Our strategic aims are grouped around six themes:

(1) History
We will connect people with stories, objects – the evidence of history, and places of the Black Country, sparking discovery and appreciation of the unique brand of the Black Country and its impact on the world. We are friendly historians.

(2) Community
We will forge relationships to create a shared sense of belonging and pride, celebrate our distinctive heritage and support a vibrant, connected and thriving Black Country.

(3) Learning
We will encourage curiosity through inspiring, relevant, and memorable learning experiences for all, alongside constantly learning ourselves, to influence how people think, feel and behave.

(4) Stage
We will bring Black Country stories to life, creating experiences that fire-up the senses, encourage thought and discussion, and are fun.

(5) Business
We will be an ever-stronger independent, self-sustaining, resilient, and commercially astute heritage business with national appeal, powered by our people and trusted by audiences.

(6) Future
We will use our reputation, convening power and profile, taking inspiration from the Black Country's past to help shape its future.

Within these themes, we are specifically turning our attention to refreshing the Master Plan of the Museum — looking at making the best use of our 31.4-acre site. We want to continue to move the Black Country story closer to the present, and we also want to increase the contribution we are already making to community life. We strongly believe that the Museum is as much about building the future as it is about the stories of the past. We are considering new ways of making use of the site, as well as more scholarly research into our history, and more focussed development of staff skills. We also want to attract visitors from further afield, to support our ambition to be valued as a national asset.

Trading Results – The Essential Foundation of Our Impact

We are an independent museum, and we are very proud of the fact that we stand on our own two feet financially, with only marginal reliance on revenue funding from the public sector.

Successful trading results are crucial to our ability to deliver wide public benefit as a registered charity. I am delighted to say that we had a record-breaking year in 2023 — 385,140 visitors, more even than our previous pre-Covid high in 2019. This reflects both the national recovery from Covid and the excitement of our newly expanded visitor offer.

The summer holidays are very important to our overall performance, and I am pleased that we also broke records in this area in 2023. During those eight weeks we welcomed 107,619 visitors – our busiest ever, and 30% higher than 2022 — and in three of those individual weeks over 16,000 people visited the Museum each week. The Summer Lates (until 8pm) also continued to be popular, with 8,368 visitors across the four Fridays in August, an increase of 17% on last year. This performance was made possible because of the £30m investment in new features and stories — the project we call Forging Ahead — and generating an outstanding £15m of media coverage from an excellent series of promotional campaigns.

Our latest attendance results also include a 17% increase in school attendance, to almost 53,000 students and pupils. We regard school attendance as hugely important to achieving the purpose of the Museum, and it has been heartening this year to see a strong recovery.

The financial statements and review set out elsewhere in this annual report provide a detailed analysis of this year's results, including a net trading surplus of c£100,000 on a trading turnover of approximately £10.5m. The Board would like to achieve healthier net trading results, towards £500k annually, to provide for better levels of reinvestment and free cash reserves and to maintain our independence.

This is why our work with partners — including the West Midlands Growth Company — to attract visitors from a wider catchment and to encourage them to stay longer in the region, is so vital.

Developing Our People

The past year has seen our largest investment in staff development with over 6,500 hours of training time devoted to improving the skills, knowledge and expertise of our colleagues. This investment has not only expanded individual capabilities but has also prepared and strengthened our collaborative abilities to support the Museum in delivering our new strategy.

Forging Ahead presented opportunities to grow and diversify our teams and we are pleased our staff and volunteers better reflect the rich tapestry of abilities, cultures and identities of our local communities. Underlining this growth has been a very positive responses from all our colleagues towards growing a culture of inclusivity and mutual respect as we continue to invest in our staff, and see our visitors benefit from their creativity, innovation, cultures and uniqueness.

Volunteering Support for the Museum

Volunteers have always been important to the Museum. Volunteers from The Friends of the Museum and the Black Country Society were instrumental in founding the Museum during the late 1960s and early 1970s. Volunteering continues to be a strong contributor to the Museum's performance — indeed it is fair to say that a lot of our work would not be possible without our volunteers. And it works both ways — volunteering also provides huge social growth, skills development and wellbeing benefits to individual volunteers.

We currently have 182 active volunteers providing an average of 1,500 hours each month of support across collections care, transport, gardening, maintenance, making costume, administration, and Historic Characters. We also have a Community Panel providing advice on our programme of events, and Me, Myself & I, a support group of 90 for those caring for people living with Dementia, and offering us advice about improving the visitor experience for Dementia sufferers.

All this adds up to a wonderful symbiotic relationship with volunteers and another great example of how the Museum is an active part of the Black Country community.

In Support of Culture in Our Lives

Our status as an independent museum means that our fortunes are very much in our own hands. The same is not the case for our colleagues and counterparts in local authorities, and it is with sadness that we have seen several local authorities — including some very close to home — enter serious financial difficulties.

Inevitably this impacts on museums, culture, arts and heritage — which often struggle to make their voices heard among the many demands on local authority resources. The loss of museums and cultural heritage institutions can have serious impact on local communities, creating long-term damage for people and places. Arts, culture and heritage are not add-ons or luxuries, but should be core activities at the heart of civilised society. They bring people together, help to nurture new ideas and creative wellbeing, and also create a sense of place and pride in local communities.

I am passionate about making the best use of heritage to create a better future, and believe strongly in creating the right conditions for people to live and thrive. I hope that all of our local authorities are able to find solutions to their financial problems, and safeguard museums and cultural heritage in their care.

Little Makers – A New Arts Council England-funded Project

As well as the Museum's successful application to Arts Council England to retain investment from their National Portfolio for 2023-26, we have also been awarded an additional annual investment of £200,000 from levelling-up funds. This project will offer Black Country schools a fully funded hands-on Key Stage 1 visit to the Museum, including free transport to and from the Museum. We are targeting schools with higher levels of children from low income families. The programme has been developed in consultation with local schools, and will offer visits on the themes of music, history, design and technology, with a focus on free-standing structures and buildings. During the three-year project we hope to reach 200 schools and 10,000 pupils across the Black Country.

Arts Council England have extended their current investment round for an additional year until 31 March 2027, and we hope the Museum's application to accept the opportunity of an extra year can include another 12-months of investment in Little Makers.

The Crooked House

The Crooked House was an iconic Black Country pub which was well-known for its wonky appearance due to mining subsidence. As we said at the time: 'buildings leaning at crazy angles because they had sunk into old mine workings were once common across the Black Country and were called 'pit-pulled'.'

Sadly the pub, which had been disused for a while, burned down on 5 August. It was subsequently demolished. The whole saga caused a great deal of local interest, and even made it into the national and international media.

Many people hoped that the building could be relocated to the Museum. However we were not in a position to save, let alone relocate the building. Instead we have offered support and expertise to individuals and organisations who can take the Crooked House forward on its original site. This story has some way to go yet, and the Museum will continue to monitor the situation during 2024.

With Thanks

Once again, I want to pay tribute to the Museum's staff, for achieving such great results. Without our staff we wouldn't be able to serve the public. Covid is now a distant memory: we have thoroughly bounced back — showing resilience, skill and enthusiasm, while opening many of the new features of a major expansion of the Museum. It's been a great year.

As ever, I am extremely grateful to my fellow Trustees on the Board, and the independent members of our subsidiary trading company.

I would like to take this opportunity 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 very supportive, recognising the importance of the Museum to the Borough. Special thanks go to public-sector investors, National Lottery Heritage Fund, Arts Council England (from which we secured this year, as part of the National Portfolio, a further round of investment worth over £3m over the next four years), Black Country Local Enterprise Partnership, The Mayor & West Midlands Combined Authority, and the Department of Culture, Media & Sport.

I want also to take this opportunity to thank Carolyn Sankey and Vicki Stanley, our outgoing Directors of Development, after 12 and 10 years respectively, of outstanding achievement. The Museum has been tremendously fortunate to have Carolyn and Vicki in leadership roles these last 10+ years. I doubt very much whether we would have been able to achieve the high level of success we have without them. And in saying this, I am not just referring to the financial investment they have been so crucial to securing, but the massive shift we have achieved in pretty much every aspect of the business of the Museum.

Very sadly, there have been several volunteers who died during 2023. Amongst these were Mervin 'Bob' While, Joanne Prescott, Maurice Parker, Sheila Shipman, Keith Peckmore and Cerys Akarca. My condolences to their families and friends, and deep thanks for everything they did in support of the Museum they loved so dearly.

I am proud of our achievements at the Museum, and inspired by the thoughts of what we can yet achieve, including the next phase of openings in 2024.

Dr Paul Belford Chair

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:

Christopher Ansell	(resigned 25 April 2024)
Jonathan Badyal	(Deputy Chair)
Katy Baker	
Duncan Bedhall	
Dr Paul Belford	(Chair)
Sally Bourner	
Parminder Dosanjh	(retired 31 March 2024)
Cllr. Matthew Follows	
Victoria Jessop	(Deputy Chair)
Louise Jones	
Ruth Levesley	
Tarlok Singh Mander	
Catherine Murphy	

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. Trustees can serve two terms of three years unless the Board agrees a further extended period of office.

The Museum takes 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. The Museum is proud of the work it has done over the last 10+ years to diversify membership of the Board.

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 Chair and Museum's Chief Executive. New and prospective Trustees are also provided with a copy of the Museum's application pack, 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 understanding of the Museum and the environment in which it operates. Trustees are kept up to date with bi-monthly reports, through social media channels, briefings and sector newsletters, best practice and developments impacting the museum 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 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 the latest Charity Governance Code for Larger Charities.

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, as usual, 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 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, Andy Comyn and (newly appointed) Mani Kaur Roberts, and a Financial Performance Scrutiny Committee.

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) Content & Collections; (2) Development & External Affairs; (3) Visitor Operations & Engagement, Trading, Estate Management, ICT and People Management; and (4) Finance, who meet on a regular basis. The Charity has in place a Staff Consultative Forum, including elected Staff Representatives, which meets on a quarterly basis in accordance with its Terms of Reference. The Museum recognises the Community Trade Union (Regional Office, Northampton), for the purposes of collective bargaining for certain defined matters for its Historic Characters, a group of 62 employees.

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, car parking, location filming, hire and hospitality, 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 to shield 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. There are currently five Directors of the Board of the Enterprises Company, including two newly appointed independent Directors, Natasha Grice and Jacob Thompson. The Museum Trust, as the sole member of the Company, is represented at General Meetings by Museum Trustee, Duncan Bedhall, who also Chairs the subsidiary.

Remuneration Policy, Gender Pay Gap Information, Employment & Casual Workers

The Museum has a well-established median pay policy, informed by Museum-wide job evaluation and market data. At the end of 2019, the Museum undertook a job evaluation of all its 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 considers 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. As a result of the unprecedented cost of living crisis the Museum implemented a special one-time flat increase across the Museum (hourly paid and salaried) for the 2023 pay award. This followed the approach of many organisations with a flat increase being a more equitable approach considering the external circumstances.

The Museum had a headcount of less than 250 employees as at April 2023 and so did not fall under the requirements of The Equality Act 2010 (Gender Pay Gap Information) regulations 2017. However, the Museum has voluntarily reported the organisation's gender pay information based on the designated 'snapshot date' of 5 April 2023. At the snapshot date, the mean difference between the average hourly rate for men and women working at the Museum is 1.0%. In other words, when comparing mean hourly rates, men earn £1.01 for every £1.00 that women earn. Whereas the median (middle number) hourly rate for women was 1.4% higher than the median hourly rate for men. These are similar to the reported figures for 2022 but with small decrease in the differential of the mean and median hourly rates between men and women. The Museum remains committed to continue to develop our 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 workers, taking account of the needs of the business. The Museum also utilises a small number of annualised contracts, which provides employees with the certainty of a guaranteed number of hours, while offering the flexibility to the Museum and the individual.

Trustee Indemnity

Professional liability insurance of £1m is in place through AXA Insurance UK plc at a cost of £1,248 (2022: £954).

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 2023.

	Date of Board Meetings						No. of Meetings	%
	23/02	27/04	29/06	31/08	26/10	21/12		
Chris Ansell	X	✓	X	✓	✓	✓	4/6	67%
Jonathan Badyal	✓	X	✓	✓	X	✓	4/6	67%
Katy Baker	✓	✓	✓	✓	✓	X	5/6	83%
Duncan Bedhall	✓	✓	✓	✓	X	✓	5/6	83%
Dr Paul Belford (Chair)	✓	✓	✓	X	✓	✓	5/6	83%
Sally Bourner	✓	✓	✓	✓	X	✓	5/6	83%
Parminder Dosanjh	✓	X	✓	X	✓	X	3/6	50%
Cllr Matthew Follows	✓	✓	✓	✓	✓	X	5/6	83%
Victoria Jessop	✓	✓	✓	✓	✓	✓	6/6	100%
Louise Jones	✓	X	✓	✓	✓	✓	5/6	83%
Ruth Levesley	✓	X	✓	✓	✓	✓	5/6	83%
Tarlok Singh Mander	✓	X	✓	X	✓	X	3/6	50%
Catherine Murphy	✓	✓	X	✓	✓	X	4/6	67%
Andrew Lovett (Chief Executive)	✓	✓	✓	✓	✓	✓	6/6	100%

Partnerships & Stakeholders

The Museum works with several partners and stakeholders to achieve its objectives, including local universities, colleges and some volunteer groups. The Museum has, this year, developed a relationship with Sustainability West Midlands (*the* sustainability champion for the region), to support our work to reduce our impact on the environment. We also have a new partnership with the Natural History Museum and the NHM's, *Our Broken Planet* – Community of Practice, which works to improve audience engagement with environmental sustainability. BCLM is a founding member and member of the Steering Group. The year also saw us partner with National Express to support transport to the Museum for school groups, under our Little Makers project. The Museum also works with Dudley Canal Trust (Trips) Ltd, which operates electric narrow boat services in the tunnels and limestone caverns adjacent to the Museum.

Important partnerships also continue with Creative Black Country, Black Country Touring, and the Jaivant Patel Company, designed to improve the Museum's connection and relationships with the Gujarati community.

The Museum maintains membership of several 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 & 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 the West Midlands Growth Company (with the Museum's Chief Executive being a Director of the Company), and the Chambers of Commerce of the Black Country, and Greater Birmingham. In addition, the Chief Executive is the Deputy Chair of the National Museums Directors' Council, a group of the UK's leading national and regional museums. The Museum has particularly close ties with Beamish Open Air Museum, County Durham, Den Gamle By Museum in Aarhus, Denmark, Jamtli Museum, Ostersund in northern Sweden, and Skansen Museum, Stockholm, Sweden.

Dudley Metropolitan Borough Council is one of seven Constituent Authorities of the West Midlands Combined Authority (WMCA), led and Chaired by its elected Mayor, Andy Street CBE. This means that the Museum has a strategic relationship with the WMCA. The relationship has been strengthened with the Museum's Director of Content, Carol King, being appointed as Deputy Chair WMCA's Cultural Leadership Board, and the Museum's Chief Executive as Chair of the West Midlands (Combined Authority) Tourism & Hospitality Advisory Board. The Museum's Chief Executive is also Chair of the West Midlands Arts Trust (Charity Reg. No. 517916), the owner of freehold property in central Birmingham and let to Arts Council England and sub-let to Historic England.

The Museum's Chief Executive is the Chair of the Dudley Towns Fund Board (regulated by the Department for Levelling Up, Housing & Communities), a group of local civic, political, public and private sectors leaders assembled to secure Government funds to further develop Dudley, specifically the development of a new healthcare training facility in a partnership between Dudley Council, Dudley College and the University of Worcester. Although, following an announcement by the Government in October 2023, the governance structures for Towns Funds are changing into what the Government is calling its Long-term Plan for Towns.

The Museum has an important relationship with Arts Council England (ACE), from April 2015 as a Major Partner Museum and from 1 April 2018, part of their National Portfolio. This was successfully renewed from 1 April 2023, for an initial investment period ending 31 March 2026, later extended (nationally) by ACE until 31 March 2027 (subject to application). ACE's annual investment is significant, at £760,120.

The Museum also maintains an important relationship with Dudley Metropolitan Borough Council. The Council provided a small amount of grant funding to the Museum until 2012, but now provides alternative financial support, including discretionary non-domestic rate relief. The Council owns the majority (26.7 acres) of the freehold of the Museum site, leased until 2075, with the Museum owning 4.7 acres.

Environmental Impact & Commitments

The Museum works with Julie's Bicycle, an organisation specialising in environmental sustainability within the arts and cultural sector, to report on its environmental impact each year (from April to the following March) in line with Arts Council England (ACE) requirements.

Following an initial environmental review by Julie's Bicycle in 2016, more in-depth, informed and regular monitoring and measurement of energy, water, waste, fuel and business travel was established, and the Museum has reported on its carbon emissions (CO_2e) annually since April 2017. Since 2015 the Museum has reduced its carbon emissions from 1091 tonnes of CO_2e to 438 tonnes of CO_2e up to 31 March 2023.

Year Ended	Original calculation criteria (Tonnes CO_2e)	Audience Travel (Tonnes CO_2e)	Total Emissions (Tonnes CO_2e)
31 March 2018	503		
31 March 2019	761		
31 March 2020	728	735	1,463
31 March 2021 - COVID	351	171	522
31 March 2022	619	486	1,105
31 March 2023	776	645	1,421
31 March 2024	794	413	1,207

From April 2019 the Museum started to include the impact of visitors travelling to the Museum (Audience Travel) in its assessment using default data for museums provided by Julie's Bicycle. The table above reports the Museum's CO_2 emissions, using the original criteria and including Audience Travel. In 2022 the Museum began to capture Audience Travel data itself, providing more accurate figures.

Julie's Bicycle review and improve the methodology used to capture carbon emissions constantly. When these reviews occur, the emissions calculations change positively and negatively. During the financial year, the methodology used to calculate the emissions generated from Waste and Waste Disposal has changed. This now recognises an improved understanding of lifecycle conversion factors, which include production and manufacturing, transport, storage and the direct use of the materials which have now become waste.

As a result of these improvements, the Museum has resubmitted its data for waste emissions, and as such, is also restating its emissions reported in previous Annual Reports. The result is significantly increased emission results since 2018.

Including Audience Travel, the total amount of emissions for 2023-24 was 1,206 tonnes - without including Audience Travel it was 787 tonnes. With previous years restated and resubmitted, this represents a 16.4% reduction in total emissions, but a 3% increase in Museum controlled emissions from the previous year due to our increased activity, including the fairground, a working aluminium foundry and six new buildings open to the public. Despite the 16% increase in visitor attendance between 2022 and 2023, the Museum worked hard to encourage visitors to use more sustainable modes of transport. For example, an important new partnership with National Express Bus, improved messaging on pre-visit emails and the website, helped reduce carbon emissions generated from audience travel by over 200 tonnes CO_2e.

The Museum spent 2023/2024 focusing on planning, but also entered a new energy contract, procuring its electricity from a green tariff supplier: Renewable Natural Product Fuel Mix. All of the Museum's electricity now comes from hydro (13.06%), wind (44.81%) and solar photovoltaic (43.13%). Elyos Energy, London, has recently installed sub-metering across the Museum in key locations and the Museum now gets live half-hourly data, with the aim of monitoring demand and reducing usage.

The Museum remains committed to reducing its environmental impact and continued its membership of Sustainability West Midlands. Internally, the Museum established an Environmental Sustainability Steering Group, with members undertaking carbon literacy training. These two groups have allowed the Museum to have a realistic and impactful strategy, policy and action plan; something that will address not only the Museums direct emissions, but better inform colleagues, volunteers and visitors on the environmental impact of the region, alongside ways in which they can contribute to reducing their personal carbon footprint.

Fundraising

The Museum undertakes fundraising to support revenue and capital needs and does so through an in-house Development Team employed by the Museum and led by a Director of Development & External Affairs. 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 June 2021) and commitment to The Fundraising Promise that its fundraising is legal, open, honest and respectful – both can be viewed at www.fundraisingregulator.org.uk. All active fundraisers within the Development Team are members of the Chartered Institute of Fundraising and adhere to its Code of Conduct, which includes carrying out their duties in-line with the Code of Fundraising Practice.

Monitoring of team members and fundraising activities undertaken is carried out via regular one-to-one meetings with the Director of Development & External Affairs, monthly team meetings where current and future fundraising activity and plans are discussed fully, as well as individual Progress Discussions. Updates on fundraising activity are regularly provided to the Board of Trustees. No complaints regarding fundraising activity were received during the year.

Whilst most fundraised income consists 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 and past donation activity), their contact preferences and that they have opted-in to receiving fundraising information to ensure relevant and timely communications.

Throughout 2023 the Development Team continued to fundraise for the Museum's major capital development project Forging Ahead; with the full target of £2.75m being achieved. Revenue fundraising support continued to be sought from schemes including (individual) membership and Business Partners.

Significant Grants & Donations

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

The Arts Council of England	Association for Industrial Archaeology
Clive Richards Foundation, Hereford	Mr John & Mrs Sheila Cooke, Derby
Dudley Metropolitan Borough Council	Department for Media, Culture & Sport (UK Government)
Enovert Community Trust, Stafford	FCC Communities Foundation Ltd, Norwich
National Lottery Heritage Fund	The late Mr George Leonard Price (1943-2022)
The 29th May 1961 Charitable Trust, Coventry	The Chatwin Trust, Warwickshire
The Eveson Charitable Trust, Worcester	The Grimmitt Trust, Birmingham
The Patrick Foundation, Birmingham	The Roger & Douglas Turner Trust, Upper Arley
Wellcome Trust, London	West Midlands Combined Authority

Reserves Policy

The Museum 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. When considering what would be an adequate level of these reserves, the Board, taking account of organisational risks, considers the level of unrestricted free cash which would be required to allow the Museum 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. As a result of COVID-19 the Board's consideration now also includes the risk of the Museum having to close its doors because of a non-insured event. Taking account of these criteria, the Board has set the recommended minimum level of unrestricted free cash balances to be £1.30m. The Board will continue to keep under review the appropriate level of reserves including the circumstances when it might be appropriate to use these reserves to protect the purpose and beneficiaries of the Museum.

At the Balance Sheet date, the Group had a General Fund balance of £2.40m (2022: £2.47m) which equated to a non-committed free unrestricted cash balance of £1.34m (2022: £1.27m). The Museum is a business with significant seasonal variances, and whereas the Museum aims to keep the balance at a level to ensure that the Museum's unrestricted free cash balance remains above £1.30m throughout the financial year, even at a time when the cash position is at its lowest, it is not always possible due to timing differences and the seasonal trading variances.

Going Concern

The Museum made a small operating surplus for the year, in line with its approved budget, and continued to contribute to Forging Ahead. This resulted in a net decrease in unrestricted reserves before pension movements and a decrease in the non-committed free unrestricted cash balance. The non-committed free unrestricted cash balance at 31 December 2023 was £1.34m, a slight increase from £1.27m at the end of the previous financial year.

The approved budget for 2024 forecasts a small operating surplus for the year, before one-off and investment expenditure and depreciation. The Museum also expects to receive the cash relating to the £300k legacy recognised in these financial statements during 2024 , of which the first payment of £75k was received in May 2024.

Over 95% of the Museum's unrestricted operating income is derived from visitor-driven sources and in this context, there will always be a risk to the Museum of not achieving forecast visitor attendance and associated sales revenue. Furthermore, the 2024 forecast includes a further step-change in visitor attendance, on the back of the £30m Forging Ahead development of the Museum. However, this increase is based on the uplift seen during the second half of 2023 after the opening of the new 1940s-1960s historic town. The 2024 forecast has been calculated based on a full year of the uplift achieved in the second half of 2023. The Management Team and Trustees are confident that this is an achievable target based on past performance.

The Forging Ahead project is fully funded and the Trustees continue to be satisfied that any potential residual cost uncertainties arising from the completion of Forging Ahead are not material. The fundraising target has been met through utilising part of the legacy money received during the year. At the year end, the project was in a positive cash position however the funding agreement with the National Lottery Heritage Fund requires that the final payment of their grant is held back until after the completion of the project. This retention timeframe is beyond the period when the Museum is due to make the final

payment to the main contractor. Provided that the lottery funds and the further legacy are received within the expected timeframe the Trustees expect that this can be managed through the Museum's normal working capital. However, any delay to the legacy or receipt of funds from the lottery could create a material uncertainty to whether it can be managed through the Museum's normal working capital.

The Trustees have considered all this when looking at the Museum's ability to continue as a going concern and have concluded that it is appropriate to prepare the Financial Statements on the going concern basis.

On behalf of the Trustees

Dr Paul Belford Chair Dated: 27 June 2024

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

With a vision of *"We are the Black Country"*, the Museum's mission is *"To champion the Black Country by celebrating people and communities and sharing their history and heritage to create pride in place and desire for a better future"*.

Strategic Directions

The Museum developed six strategic themes, as part of its latest Strategic Plan 2024-2028: (1) History, (2) Community, (3) Learning, (4) Stage, (5) Business, and (6) Future. There are complex inter-relationships between these themes. They support each other, and success in one support success in the others.

We have also developed what we have called, Our Thinking. It amounts to a guiding philosophy:

(a) We are lively and hands-on, powering your curiosity to create memorable and happy times.

(b) We are welcoming and reflect the diversity of life in the Black Country so that everyone feels this is a place for them.

(c) We celebrate the Black Country's industrial might while reducing our own impact on the environment.

(d) We are co-operative and value people, their thoughts, ideas and experiences to make strong, emotional human connections.

(e) We are an organisation of the long-term and of consequence.

(f) We are forward looking and ingenious, shaping and challenging the way museums are imagined.

(g) We create common cause.

The Museum's new plan, *We are the Black Country, Strategic Directions 2024 - 2028*, will be published and launched in the second quarter of 2024. During 2024, work will be undertaken to move the Museum in new strategic directions, including the allocation of financial and staffing resources.

The Origin of the Museum

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 crucial 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 almost 32 acres and is one of the largest and most-visited open-air museums in the UK, having welcomed over 11m people since it opened; comparable with the UK's other largest 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. 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 and Jamestown, 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 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 offering hugely valuable opportunities for learning.

Over time the Museum has placed more emphasis on lively storytelling with Historic Characters (as opposed to staff who wear a costume), using the landscape and streets as a stage upon which stories are told, rather than regarding it as a museum of buildings. In short, the Museum is about understanding, connections, community and place. We seek to join-up the dots of history and help people make sense of the world and their place in it.

Designated Collections

The Museum's entire collections (now c100,000 items) were *Designated* by Arts Council England in February 2012, recognising their quality and national significance. The Museum now holds a resource of considerable social value, for authenticating the sense of regional identity and for placing the full historical and cultural significance of the Black Country in a national context. Buildings, machines, tools, household objects, written records and other 'things' hold stories which attest to the national and international significance of the Black Country, chiefly spanning the period 1800–1950. The recent expansion of the Museum sees this extend into the 1960s, and living memory once more.

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, albeit with close ties.

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 plans, the Trustees assert that the Charity is compliant with the requirements of the Charities Acts of 2011 and 2022; having due regard for the public benefit guidance published by the Charity Commission.

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.

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 (over 385k people each year) 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, and now totalling more than 50,000 annually.

- caring for and developing its accessioned and Designated collections of approximately 100,000 objects, including 90 significant buildings, features and other structures of historic interest and significance, and making them physically and intellectually accessible to the greatest feasible extent, to the general public. In recent times the Museum has added in excess of 8,500 objects to its collection to support Forging Ahead;

- making accessible to researchers and students, its important collections of 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, including from the Museum's website, and a range of social media channels;

- responding to public enquiries to our collection enquiry service;

- maintaining all-year-round public access to its facilities and services;

- providing diverse opportunities for volunteering, currently for at least 180 people;

- supporting and strengthening the Black Country's identity, social cohesion 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.

BCLM has had success in breaking down the perceived barriers to visiting museums that often exist amongst a broad socio-demographic audience. Based on its research with Audience Agency, the Museum's general visitors continue to be split fairly equally across socio-economic groups. Of the segments that attend, we see a higher than sector average visitation from groups who typically engage with cultural organisations less often. In particular, the "frontline families" group, which is generally comprised of visitors from a lower socio-economic background, makes up a significant proportion of the Museum's visitors. For the period November 2022 – October 2023, 17% of the Museum's visitors were from the "frontline families" segment, despite this group being more affected by ongoing wider financial challenges.

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, in addition to offering British Sign Language tours.

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 2023 the Museum charged a price for adults of £22.95 (2022: £19.95). 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. Since 2015 the Museum has operated an annual pass scheme, 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, although this was not possible during the pandemic, or the Museum's focus on Forging Ahead.

Performance Against Objectives & Achievements During the Year

The performance and achievements of the Museum are set out throughout this report.

2023 was an important year for the Museum. It saw the realisation and opening of the most ambitious capital development (Forging Ahead) in the Museum's 45-year history as we stepped into living memory through our 1940s-1960s town and widened the breadth of stories that we tell. We also saw the highest visitor attendance in the Museum's history with 385,000 visitors (previous highest: 358,000 in 2019). This included a 30% increase on 2022 figures from July 2023 onwards, following the opening of the new town.

After the opening of the new Visitor Centre in the second half of 2022, the culmination of seven years of work, saw the Museum open, in July, the 1940s-1960s town of recreated and replica historic buildings – Burgin's Newsagents, Laurie Thomas Hairdressers, Marsh & Baxter's Butchers, Stanton's Music Shop, West Bromwich Building Society, Minett's Ladieswear, Lea Road Infant Welfare Centre, and two Cast Iron Houses.

Furthermore, earlier in April, we had opened the refurbished Rolfe Street building as a dedicated Learning Centre to provide modern spaces for additional learning activities, improving the practical and logistical elements of a school visit with a separate entrance and arrival point and storage. Other openings during the year included: a Changing Places facility; the reopening the Drift Mine following its four-year closure due to construction; and a new fairground featuring items from the renowned Carters Steam Fair.

Through the new development, we have created a more vibrant and entertaining visitor experience with new participatory opportunities, first person interpretation, and performance. 31 new Historic Characters will be introduced to bring new stories to life e.g. Jane and Cynthia Burgin, who ran Burgin's Newsagents – an example of female entrepreneurship in an era when businesses were commonly dominated by men. In developing Historic Characters to tell new and more diverse stories, we have established partnerships with organisations, creative practitioners and communities of relevant heritage. New Characters include Mr Singh and Surinder Kaur (of Sikh Punjabi heritage), Gwen Lally (non-gender conforming) and Carmen Salmon (a Jamaican mother migrating to find work as a nurse). Partnership working has resulted in the development and portrayal of multifaceted characters; we believe we are the only museum co-creating characters focused on telling migration stories with our community.

Underpinning the above, we continued to diversify our workforce to reflect the diversity of the Black Country, and to ensure that stories are created and told by authentic voices. Recruitment practices are revised to reach underrepresented groups e.g. working with local colleges and education institutions and attending and hosting career fairs. Claudia Davies also completed her placement with the Museum as part of the National Lottery Heritage Fund, Curating for Change, which creates placements and career paths for D/deaf, disabled and neurodiverse people in museums.

Community engagement and collaboration is now embedded in the programme and will continue. The new piece of theatre and performance, "Spanner in the Works", commissioned with Black Country Touring and performed during the summer showcased the story of 1960s industrial action related to turban wearing by Sikh employees of Black Country bus companies. The performance helping to present stories of prejudice in an accessible form. Our annual Diwali-inspired Festival of Light, a co-created community event, has continued to grow from a small community project to a large-scale public event with 1,500 people attending in 2023 with 62% of these felling that the Museum represented their heritage.

The Forging Ahead development has also allowed collection items, formerly in storage, to now be accessible in the heart of the Museum, displayed in context and/or operational and we continued collecting to authentically portray the 1940-1960s period - 8,500+ objects have been donated, increasing our Designated Collection to 100,000+ items. Furthermore, the development, along with other site improvements, have resulted in an increase to 91% for the Museum's most recent VisitEngland quality assessment (VAQAS), its highest ever rating.

In April we commented the new project, 'Little Makers' – a skills development project funded through Levelling Up for Culture investment and offering a fully funded visit to the Museum by Black Country schools from areas of high deprivation – which will continue until March 2026.

Activity during the year to reduce our carbon footprint included a full site audit of energy use to establish an action plan to further reduce emissions. We hosted the 2023 Sustainability West Midlands conference, are a founding partner of 'Our Broken Planet' community of practice collaboration with the National History Museum, and contributed to the UK Museum COP, particularly regarding Scope 3 challenges for museums.

The Museum and Forging Ahead is helping to raise the profile and changing perceptions of the Black Country region. Throughout 2023, the Museum featured in over 800 pieces of print and online coverage, plus multiple radio and TV appearances giving a record combined advertising value equivalent of around £15 million. And as part of English Tourism Week in February 2023 we even welcomed Prime Minister Rishi Sunak for an exclusive view of the Historic Town in its final stages ahead of opening as well as the Elephant & Castle Pub.

Financial Review

The financial performance of the Museum for the year under review and the financial position at the Balance Sheet date are set out in this report. In particular, the Statement of Financial Activities (SOFA), which includes both unrestricted and restricted funds, shows the performance of the group during the year.

Visitor attendance for the year was a record for the Museum, at 385,000, albeit slightly lower than the forecast which was set as part of the annual budget. We saw the continuation of the greater use of its Unchained Pass (providing 12-month fee returns), likely as result of the squeeze on household finances, which had an impact on admissions income. However, through savings achieved on expenditure, the Museum still made a small trading surplus of £109k for the year, in line with the budget.

The Group net worth at 31 December 2023 stands at £37.62m (2022: £35.96m); the increase being as a result of restricted funds received for Forging Ahead. For the next financial year, the restricted fund balance will continue to increase, reflecting the income received for the project with the matching expenditure being mostly capitalised in the form of the newly constructed buildings and features. But

subsequent financial years will see the balance start to fall as the project will have completed with no more income being received and depreciation be charged against the restricted capital assets.

Restricted Funds stand at £32.43m (2022: £30.63m) and Unrestricted Funds at £5.18m (2022: £5.32m) comprised of Designated Funds of £2.79m (2021: £2.85m), General Funds of £2.40m (2022: £2.47m) and Pension Reserve of £nil (2022: £nil).

	£
Net Trading Surplus	108,566
Accounting Adjustments and Non-recurring Costs included in Expenditure:	
Movement in the accounting accrual for holiday pay	(24,007)
Legacy income	739,486
Income directly designated for BCLM: Forging Ahead	60,120
One-off Investments	(291,166)
Depreciation charge on Unrestricted Funds	(64,692)
Contribution to BCLM: Forging Ahead	(742,468)
Actuarial adjustment (pensions)	37,000
Net Income/(Expenditure) before taxation (as shown in SOFA)	(177,161)

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 12 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 is available to Trustees at all Board meetings. As part of its duties, the Museum's Audit Committee has oversight of the 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. This is an issue which the Museum monitors on a daily and active basis, and is managed by cost control and seeking alternative, more diverse, income sources.

The Museum's Register of Key Risks lists 12 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 the outputs associated with 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 detrimental incident on site.

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

During 2023 the Museum undertook a review of its existing strategic direction, including consultation with visitors and organisational stakeholders, to develop a new strategic plan for 2024-2028. We have developed six strategic themes under which our future plans will be grouped:

	The Intent
History	Improve tangible and virtual contact with our Designated Collection. Continue to invest in and prioritise developments (and associated stories) and site improvements, for we haven't finished! Ensure that the Black Country is broadly represented. Support more people to connect with history.
Community	Develop a greater understanding of communities in the Black Country. Provide more opportunities for communities to use our unique site and its facilities. Create more events that celebrate the culture, modern traditions, and diversity of the Black Country. Develop projects and activities that enrich and give more meaning and purpose to people's lives.
Learning	Expand and diversify our learning offer across different audiences. Deepen and build longer term relationships with schools, colleges, and universities. Provide training and career progression opportunities for our people. Evaluate everything we do. Develop a set of organisational values to codify the very best behaviours towards our visitors.
Stage	We will put on a good show. Provide an unbroken and expansive visitor experience. Create an authentic community feel that provides opportunities for audiences to get involved. Showcase the best of the Black Country through our visitor offer. Write and commission original content with high editorial standards to engage people in history. Develop visitor accommodation on site. Complete a new Master Plan of the 32-acre site.
Business	Grow and diversify our income across visitor and non-visitor sources, being aware that financial surpluses support our independence. Embed an organisation-wide data-led approach to support our decision-making. Increase the visibility and reach of our brand to deliver the Museum to the world. Establish ourselves as an employer of choice.

Future	Enhance learning opportunities, skills and aspirations in the Black Country. Use our 32-acre site, outdoor space and natural environment to benefit peoples' health and wellbeing. Showcase and promote the best of the Black Country today, making the link to today's successes. Reduce our environmental impact and educate and encourage audiences to take steps to do the same.

For 2024 there will also be particular focus on completing Forging Ahead, which will include completing the rebuilding of Woodside Library and opening the remaining buildings including the Industrial Quarter alongside developing the detail plans to deliver on the new strategic directions.

On behalf of the Trustees

Dr Paul Belford Chair Dated: 27 June 2024

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 financial statements, 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; and
- 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

Dr Paul Belford Chair Dated: 27 June 2024

Independent Auditors' Report to the Members of Black Country Living Museum Trust for the Year Ended 31 December 2023

Opinion

We have audited the financial statements of Black Country Living Museum Trust ('the charitable company') and its subsidiary ('the group') for the year ended 31 December 2023 which comprise the statement of financial activities, the group and charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including 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 2023 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis For Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of 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.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates the conditions identified that may cast significant doubt on the Charity's ability to continue as a going concern. As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the Charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other Information

The trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 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:

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 27, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Independent Auditors' Report to the Members of Black Country Living Museum Trust for the Year Ended 31 December 2023

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR) Health and safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within recognition of grant and legacy income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over grant and legacy income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

Independent Auditors' Report to the Members of Black Country Living Museum Trust for the Year Ended 31 December 2023

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: 16 July 2024

Black Country Living Museum Trust

Consolidation Statement of Financial Activities including Income and Expenditure Account for the Year Ended 31 December 2023

	Notes	Unrestricted Funds £	Restricted Funds £	**Total 2023 £**	**Total 2022 £**
Income					
Donations and Legacies:					
Charitable donations	3	739,659	2,374,088	3,113,747	7,839,601
Charitable Activities:					
Admission to the Museum	4	5,171,124	-	5,171,124	4,287,634
COVID-19 support funding		-	-	-	8,667
Grants (Arts Council England)	5	710,120	-	710,120	557,590
Other Trading Activities:					
Retail income (subsidiary trading company)	6	3,313,019	-	3,313,019	2,659,017
Ancillary enterprises	7	480,709	-	480,709	331,776
Investment Income	8	10,289	-	10,289	2,400
Other Income	9	56,692	-	56,692	64,707
Total Income		10,481,612	2,374,088	12,855,700	15,751,392
Expenditure					
Raising Funds:					
Retail (subsidiary trading company)		3,213,060	-	3,213,060	2,411,674
Development and fundraising costs		237,068	-	237,068	210,608
Charitable Activities:					
Opening and operating the Museum		6,420,650	582,254	7,002,904	5,506,511
Developing the Museum		787,994	-	787,994	1,090,523
Total Expenditure	10	10,658,772	582,254	11,241,026	9,219,316
Net Income/(Expenditure) before taxation		(177,160)	1,791,834	1,614,674	6,532,076
Tax receivable		80,000	-	80,000	-
Net Income/(Expenditure) after taxation		(97,160)	1,791,834	1,694,674	6,532,076
Transfers		(4,418)	4,418	**-**	-
Net Income/(Expenditure) after transfers		(101,578)	1,796,252	**1,694,674**	6,532,076
Other Recognised Gains and Losses:					
Actuarial gain/(loss) on defined benefit pension		(37,000)	-	**(37,000)**	1,610,000
Net Movement in Funds		(138,578)	1,796,252	**1,657,674**	8,142,076
Reconciliation of Funds:					
Total Funds brought forward 1 January 2023		5,323,476	30,634,930	**35,958,406**	27,816,330
Total Funds carried forward at 31 December 2023		**5,184,898**	**32,431,182**	**37,616,080**	35,958,406

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 2023

	Notes	£	2023 £	£	2022 £
Fixed Assets:					
Tangible assets	16		28,275,506		29,200,614
Heritage assets	17		6,861,616		4,564,880
Total Fixed Assets			35,137,122		33,765,494
Current Assets:					
Stocks of goods for resale	19	142,945		101,015	
Debtors	20	926,906		1,321,773	
Cash at bank and in hand	29	3,013,683		3,471,588	
Total Current Assets		4,083,534		4,894,376	
Creditors: amount falling due within 1 year	21	(1,593,494)		(2,648,450)	
Net Current Assets			2,490,040		2,245,926
Total Assets less Current Liabilities			37,627,162		36,011,420
Creditors: amount falling due after 1 year	22		(11,082)		(53,014)
Net Assets (excluding pension liability)			37,616,080		35,958,406
Defined benefit pension asset/liability	30		-		-
Total Net Assets			37,616,080		35,958,406
The Funds of the Charity:					
Restricted funds	25		32,431,180		30,634,930
Unrestricted funds:					
Designated funds	26	2,785,377		2,850,401	
General funds		2,399,523		2,473,075	
Pension reserve	30	-		-	
			5,184,900		5,323,476
			37,616,080		35,958,406

The Annual Report & Accounts were approved and authorised for issue by the Board of Trustees of the Museum on 27 June 2024 and signed on behalf of the Board of Trustees:

Dr Paul Belford Chair Dated: 27 June 2024

Black Country Living Museum Trust

Parent (Museum) Balance Sheet as at 31 December 2023

	Notes	£	2023 £	£	2022 £
Fixed Assets:					
Tangible assets	16		28,275,506		29,200,614
Heritage assets	17		6,861,616		4,564,880
Investments			1,000		1,000
Total Fixed Assets			35,138,122		33,766,494
Current Assets:	19				
Debtors	20	897,771		1,259,487	
Cash at bank and in hand	29	2,698,442		3,254,164	
Total Current Assets		3,596,213		4,513,651	
Creditors: amount falling due within 1 year	21	(1,647,147)		(2,796,371)	
Net Current Assets			1,949,066		1,717,280
Total Assets less Current Liabilities			37,087,188		35,483,774
Creditors: amount falling due after 1 year	22		(11,082)		(53,014)
Net Assets (excluding pension liability)			37,076,106		35,430,760
Defined benefit pension asset/liability	30		-		-
Total Net Assets			37,076,106		35,430,760
The Funds of the Charity:					
Restricted funds	25		32,431,180		30,634,930
Unrestricted funds:					
Designated funds	26	2,785,377		2,850,401	
General funds		1,859,549		1,945,429	
Pension reserve	30	-		-	
			4,644,926		4,795,830
			37,076,106		35,430,760

The net result reported in the Statement of Financial Activities of the parent charity for the year was £1,645,346 (2022: £8,338,310).

The Annual Report & Accounts were approved and authorised for issue by the Board of Trustees of the Museum on 27 June 2024 and signed on behalf of the Board of Trustees:

Dr Paul Belford Chair Dated: 27 June 2024

Black Country Living Museum Trust

Consolidated Cash Flow Statement for the Year Ended 31 December 2023

	Notes	£	2023 £	£	2022 £
Cash Flow from Operating Activities:					
Net cash flow from operating activities	29		1,547,303		11,641,064
Cash Flows from Investing Activities:					
Interest from investments		10,289		2,400	
Proceeds from the sale of tangible fixed assets		1,000		-	
Purchase of tangible fixed assets		(1,977,690)		(12,980,116)	
Net Cash Used in Investing Activities			(1,966,401)		(12,977,716)
Cash Flows from Financing Activities:					
Repayment of borrowing		(38,807)		(42,028)	
Net Cash Used in Financing Activities			(38,807)		(42,028)
Change in Cash and Cash Equivalents in the year			(457,905)		(1,378,680)
Cash and cash equivalents at start of the year			3,471,588		4,850,268
Cash and Cash Equivalents at end of the year			3,013,683		3,471,588

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

Over 95% of the Museum's unrestricted operating income is derived from visitor-driven sources and in this context, there will always be a risk to the Museum of not achieving forecast visitor attendance and associated sales revenue. Furthermore, the 2024 forecast includes a further step-change in visitor attendance, on the back of the £30m Forging Ahead development of the Museum. However, this increase is based on the uplift seen during the second half of 2023 after the opening of the new 1940s-1960s historic town. The 2024 forecast has been calculated based on a full year of the uplift achieved in the second half of 2023. The Management Team and Trustees are confident that this is an achievable target based on past performance.

The Forging Ahead project is fully funded and the Trustees continue to be satisfied that any potential residual cost uncertainties arising from the completion of Forging Ahead are not material. The fundraising target has been met through utilising part of the legacy money received during the year. At the year end, the project was in a positive cash position however the funding agreement with the National Lottery Heritage Fund requires that the final payment of their grant is held back until after the completion of the project. This retention timeframe is beyond the period when the Museum is due to make the final payment to the main contractor. Provided that the lottery funds and the further legacy are received within the expected timeframe the Trustees expect that this can be managed through the Museum's normal working capital. However, any delay to the legacy or receipt of funds from the lottery could create a material uncertainty to whether it can be managed through the Museum's normal working capital.

The Trustees have considered all this when looking at the Museum's ability to continue as a going concern and have concluded that it is appropriate to prepare the Financial Statements on the going concern basis.

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 Position

The Charity recognises its financial position (asset or liability) in relation to the defined benefit scheme involves a number of estimations as disclosed in Note 30.

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 legacies, donations and charitable 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. Legacies, 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 engagement with visitors and collections care to retailing and finance. With one exception, people now volunteer as individuals, as opposed to as part of a volunteer group. Volunteer activity for the year was recorded to be 18,536 hours (2022: 15,766 hours). The Museum uses the standard National Lottery Heritage Fund multiplier of £50 per day for unskilled, £150 per day for skilled and £350 per day for professional volunteer roles. This equates to a value of £336,845 (2022: £233,704).

1.6 Expenditure

All costs are 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/developments	- 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 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

(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 68,000 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 Museum is not free to dispose of them without incurring significant penalty. For the identified items, further capital expenditure on these assets (maintained principally for their contribution to the knowledge and culture), along with capital expenditure associated with any new translocated buildings reconstructed on the Museum site, is capitalised as incurred.

Where Heritage 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'. Heritage Assets which are buildings the depreciation is over 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 over 30 motorcycles of pre-1939 vintage.

It also holds a number of 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 granted 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.

1.8 Remuneration Policy

The Museum has a well-established pay and grading structure and median pay policy. 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. (Although, because of the unprecedented cost of living crisis the Museum implemented a one-time flat increase across the Museum (hourly paid and salaried) for the 2023 pay award). 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 determines the remuneration of the Chief Executive outside this protocol.

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 except for 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 if 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 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 2022 which set contributions for the period 1 April 2023 to 31 March 2026.

The value of employer's assets/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 position 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 provided 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.

(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 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 party transactions between the Parent Company and its subsidiary are shown in Note 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).

3 Summary of Charitable Donations

	Unrestricted Funds 2023	**Restricted Funds 2023**	Unrestricted Funds 2022	Restricted Funds 2022
	£	**£**	£	£
Grants	-	2,347,536	-	7,757,722
Donations	173	26,552	774	81,105
Legacies	739,486	-	-	-
	739,659	2,374,088	774	7,838,827

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 17 of the Annual Report. Details on how the restricted income has been applied can be found in Note 25.

4 Visitor Admission to the Museum

	2023	2022
	£	£
Admission (Museum & Locksmith's House)	3,936,171	3,144,668
Gift Aid from donated admission charges*	401,966	333,718
	4,338,137	3,478,386
Events Programme	719,510	705,518
Membership	87,877	83,885
Learning Programmes & Courses	25,600	19,845
	5,171,124	4,287,634
Visitor Attendance (number)	385,140	331,631

*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 Arts Council England (National Portfolio Organisation Funding)

	2023	2022
	£	£
Arts Council England	710,120	557,590

The Museum became a National Portfolio Organisation in April 2018 and has subsequently been awarded a new three-year funding agreement for 2023-2026.

6 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.

6 Results of the Museum's Subsidiary Trading Company (cont.)

Separate audited accounts have been filed with the Registrar of Companies, with the same accounting reference date as the Museum Trust.

	2023	2022
Profit & Loss Account	**£**	£
Income	3,706,031	2,875,253
Cost of sales, including staffing	(2,822,646)	(2,073,801)
Gross profit	883,385	801,452
Administrative expenses (inc. Group charges)	(404,879)	(356,337)
Operating profit	478,506	445,115
Net other operating income	58,072	79,335
Profit for year before and after taxation	536,578	524,450

7 Ancillary Enterprises

	2023	2022
	£	£
Parking charges	224,082	172,520
Business sponsorship	44,650	38,203
Hire & Hospitality	168,930	43,716
Dudley Canal Trips commission	18,019	19,637
Licensed on-site concessions	7,282	8,609
Filming rights and charges	17,746	49,091
	480,709	331,776

8 Investment Income

	2023	2022
	£	£
Interest received	10,289	2,400
	10,289	2,400

9 Other Income

	2023	2022
	£	£
Rent from leased freehold property	45,264	45,000
Other	11,428	19,707
	56,692	64,707

10 Analysis of Expenditure

	Staff Costs	Other Costs	Support Costs	**Total 2023**
	£	£	£	**£**
Raising Funds				
Subsidiary trading company	1,168,467	1,727,418	317,175	3,213,060
Fundraising costs	174,490	15,214	47,364	237,068
Total Cost	1,342,957	1,742,632	364,539	3,450,128
Charitable Activities				
Opening and operating the Museum	3,661,631	2,347,341	993,932	7,002,904
Developing the Museum	167,718	574,750	45,526	787,994
Total Cost	3,829,349	2,922,091	1,039,458	7,790,898
Total All Costs	5,172,306	4,664,723	1,403,997	11,241,026

Support costs are allocated on the basis of direct staffing expenditure.

11 Analysis of Support Costs

	Staff Costs	Other Costs	**Total 2023**	Total 2022
	£	£	**£**	£
Governance	-	10,408	10,408	11,073
Chief Executive's office, Finance and HR	630,153	517,410	1,147,563	973,399
Information Technology	73,327	172,699	246,026	214,982
	703,480	700,517	1,403,997	1,199,454

12 Analysis of Governance Costs

	2023	2022
	£	£
Trustees expenses	868	741
Legal and professional fees	-	1,015
Audit and accountancy charges	9,540	9,317
	10,408	11,073

13 Net Income/Expenditure for the Year

	2023	2022
	£	£
This is stated after charging:		
Operating leases	17,024	20,161
Depreciation	606,062	308,902
Bank loan interest	5,526	4,287
Auditor's remuneration:		
Audit fee	14,840	14,000
Accountancy and tax services	6,850	1,475

14 Trustees (Directors and Members)

None of the Trustees (or any persons connected with them) received any remuneration or benefits during the year. Five trustees were reimbursed out-of-pocket expenses totalling £868 (2022: six totalling £533).

15 Employees

The average monthly headcount of contracted employees during the year was 192 (2022: 166) and the average full-time equivalent (FTE) number of employees and casual workers during the year were as follows:

	2023	2022
	FTE	FTE
Direct (front-line) charitable activities	147	125
Management, specialists and administration	47	49
	194	174
Of which:		
Contracted employees	152	136
Casual workers	42	38
	194	174

Employment Costs:

	2023	2022
	£	**£**
Wages and salaries	5,319,722	4,405,961
National Insurance costs	368,803	321,418
Pension costs	187,261	163,798
	5,875,786	4,891,177

Employment costs include payments and payments in lieu of notice in relation to redundancy amounting to £7,894 (2022: £nil) paid to two individuals (2022: nil).

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

	2023	2022
	(number)	(number)
£60,000 - £70,000	1	3
£70,000 – £80,000	2	-
£100,000 - £110,000	1	1

There are five posts considered as paid executive Key Management Personnel of the Museum (as defined by FRS102), comprising the Chief Executive, Chief Operating Officer, Director of Development (job share), Director of Finance, and Director of Content. The employee benefits of Key Management Personnel amounted to £464,586 (2022: £438,257).

16 Tangible and Intangible Fixed Assets

Group and Company	Intangible Fixed Assets	Tangible Fixed Assets					
		Land and buildings freehold	Land and buildings leasehold	Fixtures, fittings and equipment	Motor vehicles	Under Construction	Total
	£	£	£	£	£	£	£
Cost							
At 1 January 2023	23,064	3,212,259	14,784,639	983,621	93,966	13,415,039	32,489,524
Additions	-	209,224	-	-	12000	1,756,466	1,977,690
Disposals	-	-	-	-	(5,000)	-	(5,000)
Transfers	-	(35,762)	12,123,871	-	-	(14,516,697)	(2,428,588)
At 31 December 2023	**23,064**	**3,385,721**	**26,908,510**	**983,621**	**100,966**	**654,808**	**32,033,626**
Depreciation							
At 1 January 2023	23,064	212,640	2,039,454	955,861	80,955	-	3,288,910
Charge for the period	-	59,041	402,038	6,727	6,404	-	474,210
On disposal	-	-	-	-	(5,000)	-	(5,000)
At 31 December 2023	**23,064**	**271,681**	**2,441,492**	**962,588**	**82,359**	**-**	**3,758,120**
Net book value							
At 31 December 2023	**-**	**3,114,040**	**24,467,018**	**21,033**	**18,607**	**654,808**	**28,275,506**
At 31 December 2022	-	2,999,619	12,745,185	27,760	13,011	13,415,039	29,200,614

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

17 Heritage Assets

Group and Company	£
Cost	
At 1 January 2023	5,962,912
Additions	-
Transfers	2,428,588
At 31 December 2023	**8,391,500**
Depreciation	
At 1 January 2023	1,398,032
Charge for the period	131,852
At 31 December 2023	**1,529,884**
Net book value	
At 31 December 2023	**6,861,616**
At 31 December 2022	4,564,880

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

17 Heritage Assets (cont.)

	2023	2022	2021	2020	2019	Pre- 2019	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	-	-	-		-	2,459,592	2,459,592
Oldbury Buildings	-	-	-	-	-	1,051,715	1,051,715
Hobbs Fish & Chip Shop	-	-	-	-	-	1,155,115	1,155,115
Birchill's Narrow Boat	-	-	-	-	-	68,468	68,468
Kildare Narrow Boat	-	-	-	-	-	34,795	34,795
Tram 5	-	-	-	-	-	96,312	96,312
Tramway	-	-	-	-	-	73,346	73,346
Racecourse Colliery	-	-	-	-	-	136,722	136,722
Anchor Forge/Steam Hammer	-	-	-	-	-	47,307	47,307
Patrick Collection Vehicles	-	-	-	-		96,000	96,000
Hut 14	-	148,063	-	-	-	-	148,063
Cast Iron Houses	1,234,288	-	-	-	-	-	1,234,288
J. H. Lavender's Foundry	1,194,300					-	1,194,300
	2,428,588	148,063	-	-	-	5,814,849	8,391,500
Depreciation							
Marston Collection	5,698	5,698	5,698	5,698	5,698	61,253	89,743
Locksmith's House	1,454	1,454	1,454	1,454	1,454	28,770	36,040
President Narrow Boat	1,757	1,757	1,757	1,757	1,757	17,205	25,990
Workers' Institute	42,393	42,395	42,395	42,395	42,395	455,529	667,502
Oldbury Buildings	17,750	17,750	17,750	17,750	17,750	177,536	266,286
Hobbs Fish & Chip Shop	19,252	19,252	19,252	19,252	19,252	206,959	303,219
Birchill's Narrow Boat	1,264	1,264	1,264	1,264	1,264	6,508	12,828
Kildare Narrow Boat	653	653	653	653	653	2,797	6,062
Tram 5	1,086	1,836	1,836	1,836	1,836	6,338	14,768
Tramway	1,387	1,387	1,387	1,387	1,387	5,356	12,291
Racecourse Colliery	2,465	2,730	2,730	2,730	2,730	2,258	15,643
Anchor Forge/Steam Hammer	947	947	947	947	947	631	5,366
Patrick Collection Vehicles	9,600	9,600	9,600	9,600	9,600	-	48,000
Hut 14	2,794	-	-	-	-	-	2,794
Cast Iron Houses	11,868	-	-	-	-	-	11,868
J. H. Lavender's Foundry	11,484	-	-	-	-	-	11,484
	131,852	106,723	106,723	106,723	106,723	971,140	1,529,884

18 Fixed Asset Investments

Company	£
Market value at 1 January 2023 and at 31 December 2023	1,000
Historical cost at 31 December 2022 and at 31 December 2023	1,000

The Museum holds 100% of the issued Ordinary Shares of Black Country Living Museum Enterprises Ltd. This wholly-owned subsidiary undertakes on-site trading to support the charitable activities of the Museum. At 31 December 2023 its net assets and shareholder's funds amounted to £540,974 (2022: £528,645).

19 Stock

	Group		Parent	
	2023	2022	**2023**	2022
	£	£	**£**	£
Stock	142,945	101,015	**-**	-

20 Debtors

	Group		Parent	
	2023	2022	**2023**	2022
	£	£	**£**	£
Trade debtors	85,938	147,496	71,499	39,304
Owed by subsidiary Trading Company	-	-	-	
Other debtors	41,100	258,259	50,317	311,532
Prepayments and accrued income	799,868	916,018	785,172	908,651
	926,906	1,321,773	906,988	1,259,487

Accrued income includes £179,881 (2022: £410,438) of grant income due from National Lottery Heritage Fund and £300,000 (2022: £nil) legacy income.

21 Creditors: Amounts Falling Due Within One Year

	Group		Parent	
	2023	2022	**2023**	2022
	£	£	**£**	£
Bank loan	43,149	40,024	43,149	40,024
Owed to subsidiary Trading Company	-	-	309,280	240,871
Trade creditors	459,561	1,195,766	390,787	1,169,333
Taxes and social security costs	176,837	73,168	95,044	73,168
Other creditors	47,617	21,892	47,616	21,893
Accruals	866,330	1,317,600	761,271	1,251,082
	1,593,494	2,648,450	1,647,147	2,796,371

22 Creditors: Amounts Falling Due After More Than One Year

Group and Company	**2023**	2022
	£	£
Bank Loan	11,082	53,014

Group and Company	**2023**	2022
Analysis of Bank Loan	**£**	£
Not wholly repayable within 5 years	54,231	93,038
Included in the current liabilities	(43,149)	(40,024)
	11,082	53,014

Group and Company	**2023**	2022
Loan Maturity Analysis	**£**	£
Debt due in 1 year or less	43,149	40,024
In more than 1 year, but not more than 2 years	11,082	41,305
In more than 2 years, but not more than 5 years	-	11,709
	54,231	93,038

The bank loan is repayable by March 2025 with interest charged at 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 Living Museum Enterprises Limited.

23 Obligations Under Leases and Hire Purchase Contracts

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

	2023	2022
	£	£
Less than 1 year	17,024	17,024
Between 2 and 5 years	68,096	68,096
Over 5 years	444,752	461,776
	529,872	546,896

24 Financial Instruments

	2023	2022
	£	£
Financial assets that are debt instruments measured at amortised cost	3,825,814	4,708,595
Financial liabilities measured at amortised cost	1,427,738	2,628,297

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.

25 Restricted Funds (Movement in Funds)

The restricted funds set out in these accounts represent, in the main, funds allocated to develop the Museum over several 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.

Group and Company	Balance at 1 January 2023	Incoming Funds	Resources Expended	Transfers	**Balance at 31 December 2023**
	£	£	£	£	£
Tangible Assets					
Operational Fixed Assets	713,890	-	(25,550)	-	688,340
Freehold Property/Developments	1,861,132	-	(41,983)	173,460	1,992,609
Rolfe Street Development	2,081,704	-	(72,498)	1,129,716	3,138,922
Moving the Black Country	664,030	-	(14,725)	-	649,305
Brook Entrance & Facilities	371,755	-	(8,293)	-	363,462
Newcomen Engine	59,743	-	(1,322)	-	58,421
Folkes Park Play Equipment	13,957	-	(6,744)	-	7,213
Elephant & Castle Pub	1,541,719	-	(29,507)	-	1,512,212
Visitor Centre	7,155,371	-	(136,945)	-	7,018,426
1950s/60s Town Area	-	-	(73,027)	7,594,790	7,521,763
Industrial Quarter	-	-	(32,686)	3,399,366	3,366,680
Assets under Construction	13,415,040	-	-	(12,760,231)	654,809
	27,878,341	-	(443,280)	(462,899)	26,972,162
Heritage Assets					
The Workers' Institute	1,361,871	-	(31,478)	-	1,330,393
The Locksmith's House	115,414	-	(1,454)	-	113,960
Old Birmingham Road	368,259	-	(8,139)	-	360,120
Hobbs Fish & Chip Shop	385,917	-	(8,529)	-	377,388
President Narrow Boat	79,379	-	(1,757)	-	77,622
Marston Motorcycles	257,820	-	(5,698)	-	252,122
Birchill's Narrow Boat	48,377	-	(1,074)	-	47,303
Kildare Narrow Boat	26,650	-	(592)	-	26,058
Tram 5	32,256	-	(717)	-	31,539
Anchor Forge/Steam Hammer	42,889	-	(947)	-	41,942
Racecourse Colliery	111,556	-	(2,465)	-	109,091
Hut 14	148,063	-	(2,794)	-	145,269
Cast Iron Houses	-	-	(11,868)	1,234,288	1,222,420
JH Lavenders Foundry	-	-	(11,484)	1,194,300	1,182,816
	2,978,451	-	(88,996)	2,428,588	5,318,043

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

Group and Company	Balance at 1 January 2023	Incoming Funds	Resources Expended	Transfers	**Balance at 31 December 2023**
	£	£	£	£	£
Other Items					
Anchor Forge/Steam Hammer	541	-	(541)	-	-
Racecourse Colliery	22,296	-	-	-	22,296
The Locksmith's House	9,015	-	-	-	9,015
Folkes Park Development	11,072	-	-	-	11,072
Improving Accessibility	1,000	-	-	-	1,000
Learning Projects	6,802	-	-	-	6,802
Stour (boat) Restoration	12,662	-	(12,662)	-	-
President (boat) Restoration	4,094	21,312	(1,044)	-	24,362
Collections Projects	13,899	-	-	(1,294)	12,605
Staff Award (training)	1,233	-	(1,233)	-	-
St James's School	2,632	-	(1,095)	-	1,537
Visitor Benches	637	-	-	-	637
Maintaining the Collection	-	-	-	-	-
Unpacking the Past	10,236	5,531	(21,479)	5,712	-
Adventures Through Time	11,924	-	(11,924)	-	-
BCLM:Forging Ahead Capital Development Project	(329,905)	2,347,245	-	(1,965,689)	51,651
	(221,862)	2,374,088	(49,978)	(1,961,271)	140,977
	30,634,930	2,374,088	(582,254)	4,418	32,431,182

26 Designated Funds (Movement in Funds)

Group and Company	Balance at 1 January 2023	New Designations	Utilised funds	Transfers	**Balance at 31 December 2023**
	£	£	£	£	£
Future developments – FA	1,160,000	131,000	(542,653)	-	748,347
Fundraised/legacy income designated to Forging Ahead	103,971	389,486	-	-	493,457
Heritage asset reserve	1,586,430	-	(42,857)	-	1,543,573
	2,850,401	520,486	(585,510)	-	2,785,377

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 BCLM: Forging Ahead capital development project and other Museum developments.

27 Analysis of Net Assets between Funds

Group	Unrestricted funds	Restricted funds	**Total**
	£	£	£
Fund balances at 31 December 2023 are represented by:			
Tangible fixed assets	2,846,916	32,290,206	35,137,122
Net current assets	2,349,065	140,975	2,490,040
Creditors: amounts falling due after more than one year	(11,082)	-	(11,082)
Defined benefit pension liability	-	-	-
	5,184,899	32,431,181	37,616,080

Company	Unrestricted funds	Restricted funds	**Total**
	£	£	£
Fund balances at 31 December 2023 are represented by:			
Tangible fixed assets	2,847,916	32,290,206	35,138,122
Net current assets	1,808,091	140,975	1,949,066
Creditors: amounts falling due after more than one year	(11,082)	-	(11,082)
Defined benefit pension liability	-	-	-
	4,644,925	32,431,181	37,076,106

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

	2023	2022
	£	£
Net income/(expenditure) for the year (as per the Statement of Financial Activities)	1,694,674	6,532,076
Adjustments for:		
Depreciation charges	606,062	308,902
Interest received	(10,289)	(2,400)
Non-cash donations		-
(Surplus)/Loss of disposal of assets	(1,000)	96,735
(Increase) in stocks	(41,930)	(2,732)
Decrease in debtors	394,867	3,921,812
(Decrease)/Increase in creditors	(1,058,081)	704,671
Pension scheme non-cash movements	(37,000)	82,000
	1,547,303	11,641,064

29 Analysis of Cash and Cash Equivalents

	2023	2022
	£	£
Cash in hand	25,146	15,665
Current account	2,988,537	3,455,923
Total Cash and Cash Equivalents	3,013,683	3,471,588

30 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 800 participating employers and 340,000 scheme members. 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. 11 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

	2023	2022
Defined Contribution Pension Scheme	**£**	£
Contributions payable by the Museum	119,882	97,164

Defined Benefit Pension Scheme

An actuarial valuation of the WMPF was carried out in accordance with the Regulations as at 31 March 2022 and set contribution rates for the next four years until 31 March 2026. 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 asset at the period end was £447,000 (2022: £699,000). However, the judgment is that there is insufficient entitlement for it to be appropriate to recognise this as an asset on the balance sheet. It is important to note that the position 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 crystallise in the short or medium-term.

	2023	2022
	£	£
Fair value of plan assets	6,377,000	6,441,000
Present value of funded obligations	(5,930,000)	(5,742,000)
Defined Benefit Pension Asset/Liability	447,000	699,000

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

	2023	2022
	£	£
Included in staff costs within total expenditure:		
Service costs	63,000	120,000
Net interest cost	(33,000)	29,000
Administrative expenses	-	-
Total Pension Costs	30,000	149,000
Actual return on plan assets	371,000	(358,000)
Actual return less expected return on pension scheme assets	170,000	(485,000)
Other actuarial losses on assets	(349,000)	-
Change of financial assumptions	3,000	2,768,000
Change of demographics assumptions	26,000	36,000
Experience loss on defined benefit obligation	(139,000)	(10,000)
	289,000	2,309,000

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

	2023	2022
	£	£
Opening defined benefit obligation	5,742,000	8,505,000
Current service cost	63,000	120,000
Interest cost	268,000	156,000
Contributions by scheme participants	15,000	14,000
Change in demographic assumptions	(26,000)	(36,000)
Change in other experiences	139,000	10,000
Change in financial assumptions	(3,000)	(2,768,000)
Benefits paid	(268,000)	(259,000)
	5,930,000	5,742,000

Changes in fair value of plan assets are as follows:

	2023	2022
	£	£
Opening fair value of plan assets	6,441,000	6,977,000
Interest on assets	301,000	127,000
Return on assets less interest	170,000	(485,000)
Change in other experiences	(349,000)	-
Contributions by employer	67,000	67,000
Contributions from scheme participants	15,000	14,000
Benefits paid	(268,000)	(259,000)
	6,377,000	6,441,000

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

Asset allocation:

	2023	**2023**	2022	2022
	£		£	
Equities	3,699,000	58%	4,380,000	68%
Bonds	1,913,000	30%	1,417,000	22%
Property	446,000	7%	451,000	7%
Cash	319,000	5%	193,000	3%
	6,377,000	100%	6,441,000	100%

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

	2023	2022	2021	2020	2019
CPI increases	**2.85%**	3.05%	2.95%	2.50%	2.35%
Discount rate at 31 December	**4.55%**	4.75%	1.85%	1.25%	2.05%
Future salary increases	**3.85%**	4.05%	3.95%	3.50%	3.85%

Assumed average future life expectations from age 65:

	2023*	2022*	2021*	2020	2019
Retiring today - Male	**21.9**	21.2	21.7	22.0	20.9
Retiring today - Female	**24.8**	23.6	24.0	24.2	23.2
Retiring in 20 years – Male	**22.3**	22.9	23.5	23.8	22.6
Retiring in 20 years – Female	**25.6**	25.4	25.9	26.0	25.1

*Adjusted for Continuous Mortality Investigation's model, CMI_2021

Guaranteed Minimum Pension (GMP) Equalisation

The valuation assumption for GMP is that the Fund will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, it has been assumed that the Fund will be required to pay the entire inflationary increase. Therefore, the assumption is consistent with the consultation outcome and so the Fund does not believe it needs to make any adjustments to the value placed on the liabilities as a result of the Government's Guaranteed Minimum Pension Indexation consultation.

31 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 £343,245 (2022: £276,189) for rents and services and the Company donated its profits, through Gift Aid, of £524,249 (2022: £721,683). At the year end the Museum owed to the Enterprises Company £309,280 (2022: £240,871). These were the only related party transactions during the year.

Parminder Dosanjh, a Trustee of the Museum, is a member of the Midlands Area Council of the Arts Council England. The Museum is a National Portfolio Organisation and received funding amounting of £650,000 during the year and transactions between the organisations during the year amounted to £15,531.

Andrew Lovett, Chief Executive of the Museum, is Chair of the Association of Independent Museums and a director of the West Midlands Growth Company. The Museum is a paid member and corporate partner respectively of each.

32 Comparative Funds Notes

Restricted Funds

Group and Company	Balance at 1 January 2021	Incoming Funds	Resources Expended	Transfers	**Balance at 31 December 2022**
	£	£	£	£	£
Tangible Assets					
Operational Fixed Assets	693,641	-	(126,973)	206,965	773,633
Freehold Property/Developments	187,533	-	(13,148)	1,686,747	1,861,132
Rolfe Street Development	2,139,052	-	(57,348)		2,081,704
Moving the Black Country	665,457	-	(14,438)	13,011	664,030
Brook Entrance & Facilities	378,904	-	(7,149)		371,755
Folkes Park Play Equipment	17,447	-	(3,490)		13,957
Elephant & Castle Pub	-	-	(7,377)	1,549,096	1,541,719
Visitor Centre	-	-	(34,236)	7,189,607	7,155,371
Assets under Construction	11,012,721	-	-	2,402,319	13,415,040
	15,094,755	-	(264,159)	13,047,745	27,878,341

32 Comparative Funds Notes (cont.)

Group and Company	Balance at 1 January 2021	Incoming Funds	Resources Expended	Transfers	**Balance at 31 December 2022**
	£	£	£	£	£
Heritage Assets					
The Workers' Institute	1,393,349	-	(31,478)	-	1,361,871
The Locksmith's House	116,868	-	(1,454)	-	115,414
Conway Garage	13,298	-	(287)	(13,011)	-
Folkes Park	150,476	-	(3,254)	(147,222)	-
Old Birmingham Road	376,398	-	(8,139)	-	368,259
Hobbs Fish & Chip Shop	394,446	-	(8,529)	-	385,917
Newcomen Engine	61,065	-	(1,322)	(59,743)	-
President Narrow Boat	81,136	-	(1,757)	-	79,379
Marston Motorcycles	263,518	-	(5,698)	-	257,820
Birchill's Narrow Boat	49,451	-	(1,074)	-	48,377
Kildare Narrow Boat	27,242	-	(592)	-	26,650
Tram 5	32,973	-	(717)	-	32,256
Anchor Forge/Steam Hammer	43,836	-	(947)	-	42,889
Racecourse Colliery	114,021	-	(2,465)	-	111,556
Hut 14	-	-	-	148,063	148,063
	3,118,077	-	(67,713)	(71,913)	2,978,451
Other Items					
Anchor Forge/Steam Hammer	796	-	(255)	-	541
Racecourse Colliery	22,296	-	-	-	22,296
The Locksmith's House	8,917	98	-	-	9,015
Folkes Park Development	11,072	-	-	-	11,072
Improving Accessibility	1,000	-	-	-	1,000
Learning Projects	7,346	-	(544)	-	6,802
Stour (boat) Restoration	13,130	-	(468)	-	12,662
President (boat) Restoration	29,546	10,223	(35,675)	-	4,094
Collections Projects	13,950	-	(51)	-	13,899
Staff Award (training)	3,248	250	(2,265)	-	1,233
St James's School	2,632	-	-	-	2,632
Visitor Benches	612	25	-	-	637
Maintaining the Collection	120,000	-	-	(120,000)	-
Unpacking the Past	30,420	13,000	(33,184)	-	10,236
Adventures Through Time	11,924	-	-	-	11,924
BCLM:Forging Ahead Capital Development Project	5,101,417	7,815,231	(386,436)	(12,860,117)	(329,905)
	5,378,306	7,838,827	(458,878)	(12,980,117)	(221,862)
	23,591,138	7,838,827	(790,750)	(4,285)	30,634,930

32 Comparative Funds Notes (cont.)

Designated Funds

Group and Company	Balance at 1 January 2021	New Designations	Utilised funds	Transfers	**Balance at 31 December 2022**
	£	£	£	£	£
Future developments – FA	1,160,000	-	-	-	1,160,000
Future developments – other	222,000	-	(222,000)	-	-
Fundraised income designated to Forging Ahead	103,197	774	-	-	103,971
Heritage asset reserve	1,689,208	-	(45,138)	(57,640)	1,586,430
	3,174,405	774	(267,138)	(57,640)	2,850,401

	Unrestricted funds	Restricted funds	**Total**
Group	£	£	£
Fund balances at 31 December 2022 are represented by:			
Tangible fixed assets	2,908,702	30,856,792	33,765,494
Net current assets	2,467,788	(221,862)	2,245,926
Creditors: amounts falling due after more than one year	(53,014)	-	(53,014)
Defined benefit pension liability	-	-	-
	5,323,476	30,634,930	35,958,406

	Unrestricted funds	Restricted funds	**Total**
Company	£	£	£
Fund balances at 31 December 2022 are represented by:			
Tangible fixed assets	2,909,702	30,856,792	33,766,494
Net current assets	1,939,142	(221,862)	1,717,280
Creditors: amounts falling due after more than one year	(53,014)	-	(53,014)
Defined benefit pension liability	-	-	-
	4,795,830	30,634,930	35,430,760

33 Capital Commitments

At 31 December 2023 the Museum had capital commitments of £0.96m (2022: £1.51m).

THE BLACK COUNTRY LIVING MUSEUM TRUST

England & Wales - Charity number 504481

Accounts

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 2022

www.bclm.com

Black Country Living Museum Trust

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Black Country Living Museum Trust

Trustees' Report for the Year Ended 31 December 2022

Reference & Administrative Information

The Trustees present their Annual Report & Accounts for the year ended 31 December 2022, 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
Honorary Patron:	HRH The Duke of Gloucester KG GCVO GCStJ
Trustees / Directors (& Members):	Christopher Ansell Jonathan Badyal (Deputy Chair) Katy Baker Duncan Bedhall Dr Paul Belford (Chair) Sally Bourner Parminder Dosanjh Cllr. Matt Follows[1] Victoria Jessop (Deputy Chair) Louise Jones Ruth Levesley Tarlok Singh Mander Catherine Murphy
Chief Executive:	Andrew Lovett OBE
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 4SQ
Independent Auditors:	Crowe U.K. LLP Black Country House Oldbury West Midlands B69 2DG

[1] Nominated by the Association of Black Country Authorities (ABCA)

Principal Bankers:	Barclays Bank PLC (Barclays Corporate) 1st Floor Queen Square Wolverhampton West Midlands WV1 1DS
Principal Solicitors:	Gowling WLG (UK) LLP 2 Snow Hill Birmingham West Midlands B4 6WR
Other Advisors:	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham West Midlands B3 2ES
Company Secretary:	Craig Edmondson
Telephone:	+44 (0) 121 557 9643
Email:	info@bclm.com
Website:	www.bclm.com
Facebook:	facebook.com/bclivingmuseum
Social Media:	@bclivingmuseum @bclmdirector
TikTok:	@blackcountrymuseum

Chair's Review of the Year

As always, it has been an honour and privilege to Chair the Museum's Board of Trustees for another year. And it has been a good year. We have continued to achieve positive progress with our major capital development Forging Ahead, once again we have secured investment from Arts Council England, and we have continued to improve our profile and influence regionally and nationally. Most importantly, we have also seen strongly recovering visitor attendance, and have begun to set out our strategic directions for the future.

Forging Ahead, From Vision to Reality

As with all complex capital developments, it has been a long and sometimes testing journey, but completion is now in sight. Astonishingly this journey began more than six years ago, when we welcomed the award of £400,000 development funding - and a conditional promise of a further £9.4m - from the National Lottery Heritage Fund (NLHF) on 26 April 2017. Our vision was to catapult the Museum forward again into living memory with new storylines: we had inspired the NLHF to invest in our project and for us there was no turning back. Our ambition was to amplify the Museum's relevance to contemporary life by exploring the untold stories of Black Country history from the 1940s, through into the 1960s. In the words of former Museum Trustee, Dr Malcolm Dick OBE: *'It shows the importance that local and regional history plays in enriching our understanding of people, place and community and how we connect past and present.'*

The basis for Forging Ahead - what we might think of as its intellectual and philosophical underpinnings, so to speak - was clearly articulated by the Museum's Researcher - Dr Simon Briercliffe. His 2021 book, Forging Ahead: Austerity to Prosperity in the Black Country 1945-1968, emerged from his work at the Museum. He wrote: *'Forging Ahead surveys the challenges and complexities of the Black Country between 1945 – when the outbreak of peace and a landslide Labour victory offered to usher in a new world – and 1968 – when the last colliery in the Black Country finally closed, a symbolic end to one traditional lifestyle. It also surveys the uniquely Black Country solutions and approaches to life which characterised the transition from austerity to prosperity. Its focus is on the Black Country as an industrial, working-class region. The is not to diminish the importance of its middle classes, but the central story both in the Black Country and across Britain in this period was the rise of the working class as a political, economic and cultural force, and Forging Ahead reflects that shift.'*

This reflects our passion at the Museum for storytelling. Yes of course the Forging Ahead project has been an intensive capital project - and Trustees have been well aware of the pragmatic concerns around concrete, bricks and mortar - but this is also about the deep-running storylines of people negotiating these new post-war eras. The bricks and mortar, the buildings and contents, the streets and spaces are all important. They provide atmosphere and tangible nostalgia for our visitors. But more than anything else they provide a framework for storytelling. Our not-so-secret weapon is the way we engage visitors in history through costumed characters and providing richness for all the senses.

There are always a lot of unknowns at the beginning of such a project, not least how to meet our fundraising target? In our case this was £3m or 10% of the total project cost. It is all too easy to overlook the private donations of trusts and foundations, when the limelight is often captured by public-sector investors, but I am pleased to highlight the significant contributions of Patrick Foundation (£773,125), Garfield Weston Foundation (£375,000), Wolfson Foundation (£250,000), FCC Communities Fund (£250,000) and Wellcome Trust (£200,000). These are the five largest private funders of Forging Ahead, and we are extremely grateful to them - and to the many of smaller donors too - for believing in our vision.

In September, the Museum opened our impressive new Visitor Centre, designed by Steven Clarke of Napier Clarke. This has allowed us to turn our 'face 'towards the centre of Dudley and to align with exciting new developments such as the Midland Metro extension. The autumn also saw the opening of the *Elephant and Castle* Public House, our recreation of the iconic and highly decorative building that once stood on the corner of Stafford Street and Cannock Road in Wolverhampton. This centre of social life - and the new ethnic diversity seen in the region from the 1960s - has already become an integral part of our visitor experience and corporate offer.

Our long relationship with Balfour Beatty - our main contractor - will come to a close in the latter part of 2023, and I would like to thank them and the myriad of sub-contractors for being with us on this highly unusual, but standout project. Later in 2023 we will open more new features of the Museum, as well as starting to rebuild the iconic Woodside Library, formerly of Stourbridge Road, Dudley. Strange as it might seem we look forward to mentioning Forging Head no more, for it will signal its assimilation into the Museum.

We feel that the long-term fundamental proposition is strong. Of course the headwinds of the short-term unpredictability of the consumer market is trickier to negotiate.

Trading Results – Continuing Our Recovery

The headline is that the Museum welcomed 331,631 visitors during 2022. That represents an increase on the prior year of 60%, and 92% of our pre-pandemic norms of 2019. The attendance of 2020 of 89,338 demonstrates what a rollercoaster it has been for visitor attractions and many other customer-facing business over the last three years.

Within the overall positive attendance results is a continuing concern about school attendance; showing an increase compared to the significantly impacted 2021, but only at 74% of pre-pandemic levels. Part of the issue is undoubtedly the high cost of coach travel and schools only slowly regaining their pre-pandemic desire for learning outside the classroom. Nevertheless there is room for optimism: international groups are beginning to return and we hope to see more in 2023 and beyond.

In the financial review of this Annual Report, details of our trading results are separated out, and these clearly show the strength of the Museum's business. We are proud of being largely independent financially, and so our trading results are paramount. This approach was recognised at the regional and national VisitEngland Awards for Excellence, where the Museum won the Resilience & Innovation Award - strong testament to a very special team.

Our Strategic Relationship with Arts Council England

The Museum first joined the National Portfolio (NPO) of Arts Council England (ACE) in April 2018, and until March 2023 will receive investment of £560,120 per year. This represents around 7% of our total trading revenues. We are very pleased to have been successful in our application for another three-year investment round - starting on 1 April 2023 and running to 31 March 2026. I am very proud of our team for securing this investment, which is in line with our current investment level, and our expectations.

Our latest application also included an opportunity to apply for additional investment. This came about because the Government increased grant-in-aid support to ACE by £43.5m for 2022-25, and the Secretary of State for Digital, Culture, Media & Sport instructed ACE to ensure that this investment should benefit creativity and culture outside of London, and where possible in a way that benefits 109 'Levelling Up for Culture Places '(LUCPs). ACE previously identified 54 'Priority Places 'where ACE investment and

engagement is low and these are included on the list of LUCPS. This includes all four Black Country local authority areas – Dudley, Wolverhampton, Sandwell and Walsall.

As the second largest current NPO in the Black Country (after Walsall Council/New Art Gallery Walsall) and with an established and trusted brand and track-record in engaging with those from lower socio-economic backgrounds, the Museum considered ourselves well placed to support the Levelling Up agenda. We therefore, applied for additional annual investment of around £400,000 to deliver a step change in the Museum's engagement and outreach work with schools and community groups.

On 4 November 2022, the Museum received confirmation it will remain part of the National Portfolio and was offered investment of £2.28m (£760,120 per year). This equates to core investment of £560,120, plus an additional £200k per annum for Levelling Up work with schools in the Black Country. This represents a significant achievement for the Museum and the Black Country, and reflected a very positive assessment of the Museum by ACE.

We were pleased to see that in total 990 organisations will receive a share of £446m each year (up from 828 organisations in the previous round). This includes 276 new organisations, and that the number of museums/museum services in the Portfolio has increased to 77, with 28 museums joining for the first time.

The number of NPOs in the Black Country has increased to twelve from seven, receiving £11.5m over the three years, although the Museum remains the only heritage organisation in the Portfolio in the Black Country.

New Strategic Directions

All of this change and excitement has emerged from our strategic plan which we began to develop more than eight years ago now. This covered the period 2015-2020, and for understandable reasons the Trustees did not have the capacity to turn to this during 2020 and 2021 when we were dealing with the very urgent issues emerging as part of the Covid pandemic.

However, we have always been mindful of the need to reset our strategic priorities, and last year we set about this process in earnest. We kick-started the conversation at a strategy day in October 2021, held at the wonderful Bletchley Park, Buckinghamshire - and we are very grateful to Iain Standen for his hospitality. This was followed by an 'away day 'on 25 August 2022, at the equally wonderful but very different National Memorial Arboretum in Staffordshire. Here, the Board and Executive Team, facilitated by Adam Walker and colleagues from the OAKS Consultancy, kick-started the thinking and process to review our existing plan.

As I write the Trustees and Museum leadership colleagues continue to work closely to develop the strategic plan. We have adopted a positive approach to problem solving on a big-picture scale, putting ourselves in our visitors' shoes and asking questions about what they want today, and in the future. We are also drilling down into the lessons we have learnt - or perhaps should have learnt - in the last five years. The process also involves close consultation with colleagues at all levels in the museum, and with external partners and stakeholders. We are looking ahead to see what we can achieve in the next ten years - or if that seems too far ahead, focusing on 2028, when the Museum will celebrate our 50th anniversary.

This is some of the most important work the Museum has undertaken in 2022, and will continue in 2023. I especially look forward to analysing the external consultation we have initiated, to better understand the ambitions for the Museum of our stakeholders and visitors.

Whatever new strategic directions we take, or reinforce, I have no doubt we will build on and enhance the special qualities which sets ourselves and open-air museums apart.

Strengthening Regional Tourism

2022 was the year of the Birmingham Commonwealth Games, integrating the largest para sport programme in its history. 15 locations hosted sports across the city, West Midlands and in London, between 28 July and 8 August, attracting over 1.5 million spectators, and providing 14,000 volunteer opportunities. The Games also featured a unique six-month Cultural Festival.

Alongside showcasing the very best of sporting achievement, the Games provided a tremendous boost to the region's tourism, both during the eleven days of action and as a legacy, by creating better perceptions of the region as a place for leisure visits. The Museum was pleased to host international travel-trade journalists and organisers during the Games and our Chief Executive and Chair of the West Midlands Tourism & Hospitality Advisory Board, Andrew Lovett, hosted the Tourism Sector Day at UK House, part of the Government-funded Business & Tourism Programme.

Following the success of the Games, the region is strengthening its focus on attracting other large-scale sporting events, as a way of boosting tourism and the economy.

With Thanks

Once again, I want to pay tribute to the Museum's staff, for achieving such great results for the beneficiaries of what we do. Without our staff we wouldn't be able to serve the public. We continued to bounce back strongly; showing resilience, skill and enthusiasm, while at the same time delivering a major expansion of the Museum.

As ever, I am extremely grateful to my fellow Trustees on the Board, and the independent members of our subsidiary trading company, Richard Fletcher and Lisa Simpson. Thanks also to Andy Comyn, the independent Chair of the Audit Committee, and our other independent member, Dinah McLannahan.

I would like to take this opportunity 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 very supportive, recognising the importance of the Museum to the Borough.

Special thanks go to public-sector investors, National Lottery Heritage Fund, Arts Council England, Black Country Local Enterprise Partnership, West Midlands Combined Authority, and the Department of Digital, Culture, Media and Sport.

Very sadly, there have been a number of staff and volunteers who died during 2022. Amongst these were George Price, whose dedication over many years was truly inspirational and whose generous legacy will ensure ongoing work for years to come. We also lost Ken Bradley, a former Chair of The Friends, and Mike Hessey, who volunteered as a photographer at the Museum for many years.

Finally, 2022 was a year of great change. We saw the death of her late Majesty Queen Elizabeth II, and the accession and Coronation of King Charles III. We have seen changes in government and in the economic situation. We continue to see deep and sometimes troubling changes to our climate and to the natural environment. And of course we have seen the changes that I have described here at the Museum. But change is an inevitable fact of life. What matters is how we - as individuals and organisations - rise to face those changes and deal with them in a positive and forward-looking way.

I am proud of our achievements at the Museum, and inspired by the thoughts of what we can yet achieve.

Dr Paul Belford Chair

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:

Chris Ansell	
Jonathan Badyal	(Deputy Chair)
Katy Baker	
Duncan Bedhall	
Dr Paul Belford	(Chair)
Sally Bourner	
Parminder Dosanjh	
Cllr Matthew Follows	
Victoria Jessop	(Deputy Chair)
Louise Jones	(appointed 28 April 2022)
Ruth Levesley	
Tarlok Singh Mander	(appointed 28 April 2022)
Catherine Murphy	

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. Two appointments were made in 2022. Trustees can serve two terms of three years, unless the Board agrees a further extended period of office.

The Museum takes 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. The Museum is proud of the work it has done over the last 10 years to diversify membership of the Board.

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 Chair and Museum's Chief Executive. New and prospective Trustees are also provided with a copy of the Museum's application pack, 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, through social media channels, briefings and sector newsletters about relevant issues, best practice and developments impacting 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 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 the latest Charity Governance Code for Larger Charities.

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, as usual, 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 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, Andy Comyn and Dinah McLannahan, and a Financial Performance Scrutiny Committee.

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) Visitor Operations, Estate Management, Marketing, and People Management; and (4) Finance, who meet on a regular basis. 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 Trade Union, for the purposes of collective bargaining for certain defined matters for its Costumed Characters, a group of about 80 individuals.

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. 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, Duncan Bedhall, who also Chairs the subsidiary. The Museum's Chief Operating Officer, Paul Crofts, is the Chief Executive of the Enterprises Company, although not a Company Director of it.

Remuneration Policy, Gender Pay Gap Information, Employment & Casual Workers

The Museum has a well-established median pay policy, informed by Museum-wide job evaluation and market data. At the end of 2019, 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 considers 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. The pay award for the 2022 year was made in April, in line with the median pay policy.

The Museum had a headcount of less than 250 employees at April 2022 and so did not fall under the requirements of The Equality Act 2010 (Gender Pay Gap Information) regulations 2017. However, the Museum has voluntarily reported the organisation's gender pay information based on the designated 'snapshot date' of 5 April 2022. At the snapshot date, the mean difference between the average hourly rate for men and women working at the Museum is 2.3%. In other words, when comparing mean hourly rates, men earn £1.02 for every £1.00 that women earn. Whereas the median (middle number) hourly rate for men was 0.6% higher than the median hourly for women, which is a negligible difference and consistent with the last reported figure in 2020. There has been a small increase in the differential of the mean hourly rates for men and women to the last reported figure in 2020. The Museum remains committed to continue to develop our 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 workers, 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, while offering the flexibility to the Museum and the individual.

Trustee Indemnity

Professional liability insurance of £1m is in place through AXA Insurance UK plc at a cost of £954 (2021: £971).

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 2022.

	Date of Board Meetings						No. of Meetings	%
	24/02	28/04	30/06	25/08	27/10	22/12		
Chris Ansell	✓	✓	X	✓	✓	✓	5/6	83%
Jonathan Badyal	✓	✓	✓	✓	X	✓	5/6	83%
Katy Baker	✓	✓	✓	✓	✓	✓	6/6	100%
Duncan Bedhall	X	✓	✓	✓	✓	✓	5/6	83%
Dr Paul Belford (Chair)	✓	✓	✓	✓	✓	✓	6/6	100%
Sally Bourner	✓	✓	✓	✓	✓	✓	6/6	100%
Parminder Dosanjh	X	X	X	✓	✓	X	2/6	33%
Cllr Matthew Follows	X	✓	✓	✓	X	X	3/6	50%
Victoria Jessop	✓	✓	✓	✓	✓	✓	6/6	100%
Louise Jones	-	-	✓	✓	✓	✓	4/4	100%
Ruth Levesley	✓	✓	✓	✓	✓	✓	6/6	100%
Tarlok Singh Mander	-	-	✓	✓	X	✓	¾	75%
Catherine Murphy	✓	X	✓	✓	✓	✓	5/6	83%
Andrew Lovett (Chief Executive)	✓	✓	✓	✓	✓	✓	6/6	100%

Partnerships & Stakeholders

The Museum works with a number of partners and stakeholders to achieve its objectives, including some volunteer groups. The principal volunteer groups being: Collections & Archive Group; The Friends of President (steam narrow boat and part of the National Historic Fleet); 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. Recently, ownership of the Marston Archive & Collection (John Marston, 1836-1918), has been transferred from the Marston Wolverhampton Heritage Trust (MWHT) to the Museum. We acknowledge and thank the Trustees of the MWHT for this significant and welcome donation of material, especially Trevor Davies and the late Brian Watton.

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 also 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 & 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 the West Midlands Growth Company (with the Museum's Chief Executive being a Director of the Company), and the Chambers of Commerce of the Black Country, and Greater Birmingham. In addition, the Chief Executive is the Deputy Chair of the National Museums Directors' Council, a group of the UK's leading national and regional museums.

Dudley Borough is one of seven Constituent Authorities of the West Midlands Combined Authority (WMCA), led and Chaired 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 Museum's Director of Programmes, Carol King, being appointed as Deputy Chair WMCA's Cultural Leadership Board, and the Museum's Chief Executive as Chair of the West Midlands (Combined Authority) Tourism & Hospitality Advisory Board. The Museum's Chief Executive is also Chair of the West Midlands Arts Trust (Charity Reg. No. 517916), the owner of freehold property in central Birmingham and let to Arts Council England and Historic England.

The Museum's Chief Executive is the Chair of the Dudley Towns Fund Board (regulated by the Department for Levelling Up, Housing & Communities), a group of local civic, political, public and private sectors leaders assembled to secure Government funds to further develop Dudley.

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 employed by the Museum and 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 June 2021) and commitment to The Fundraising Promise that its fundraising is legal, open, honest and respectful – both can be viewed at www.fundraisingregulator.org.uk. All active fundraisers within the Development Team are members of the Chartered Institute of Fundraising and adhere to its Code of Conduct, which includes carrying out their duties in-line with the Code of Fundraising Practice.

Monitoring of team members and fundraising activities undertaken is carried out via regular one-to-one meetings with the Co-Directors of Development (job share), monthly team meetings where current and future fundraising activity and plans are discussed fully as well as individual Progress Discussions. Updates on fundraising activity are regularly provided to the Board of Trustees. No complaints regarding fundraising activity were received during the year.

Throughout 2022 the Development Team has continued to support the fundraising target for the Museum's major capital development; £2.71m of £2.75m has been raised at the time of writing. The Co-Directors of Development also successfully led the Museum's application to remain an Arts Council England

National Portfolio Organisation for the 2023-26 investment round. Revenue fundraising support is provided via schemes including (individual) membership and Business Partners.

Whilst the majority of fundraised income consists 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 that they have opted-in to receiving fundraising information 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	Association for Industrial Archaeology
Baron Davenport's Charity Trust	Birmingham Common Good Trust
Charles Hayward Foundation	Department for Media, Culture & Sport (UK Government)
IWA Lichfield Branch	Lord Austin Trust
National Lottery Heritage Fund	The 29th May 1961 Charitable Trust
The Patrick Foundation	The Roger & Douglas Turner Trust
Wellcome Trust	West Midlands Combined Authority

Environmental Impact & Responsibilities

The Museum works with Julie's Bicycle, an organisation specialising in environmental sustainability within the arts and cultural sector, to report on its environmental impact each year (from April to the following March) in line with Arts Council England (ACE) requirements.

Following an initial environmental review by Julie's Bicycle in 2016, more in-depth and regular monitoring and measurement of energy, water, waste, fuel and business travel was established and the Museum has reported on its carbon emissions (CO2e) annually since April 2017. Since 2015 the Museum has reduced its carbon emissions from 1091 tonnes of CO2e to 438 tonnes of CO2e up to 31 March 2023.

Year Ended	Original calculation criteria (Tonnes CO2e)	Audience Travel (Tonnes CO2e)	Total Emissions (Tonnes CO2e)
31 March 2018	503		
31 March 2019	497		
31 March 2020	401	143	544
31 March 2021	253	171	424
31 March 2022	365	486	851
31 March 2023	438	645	1083

From April 2019 the Museum started to include the impact of visitors travelling to the Museum (Audience Travel) in its assessment using default data for museums provided by Julie's Bicycle. The table above reports the Museum's CO2 emissions, using the original criteria and including Audience Travel. For the current year, the Museum has begun to capture Audience Travel data itself, providing a more accurate figure.

Including Audience Travel, the total amount of emissions for 2022-23 was 1083 tonnes - without including Audience Travel it was 438 tonnes. Although this shows an increase from 31 March 2022 (365 tonnes of CO2e), this was expected as the Museum neared the completion of its Forging Ahead capital project, with internal fit outs and subcontractors requiring more energy than in the earlier stages of the project. As this contracted work is completed in mid-2023 and normal operation resume, the focus will be on reducing emissions to previous levels and lower. In addition, following a localised power outage in the area in November 2022, the Museum suffered a large scale electrical failure, which required the temporary use of diesel generators. This contributed to nearly 100 tonnes of CO2e that the Museum would not normally have produced.

The Museum spent 2022 focusing on its environmental impact and growing its knowledge: accredited courses were undertaken including *Carbon Literacy* (ACE Roots & Branches) & *Road to Net Zero (University of Birmingham)*; new waste streams including glass and food were introduced, diverting over 25 tonnes of waste from energy recovery to recycling and composting; it became a member of Sustainability West Midlands, giving access to a wealth of knowledge, best practice and networks in the West Midlands; and commissioned *EarthHub* to conduct an in-depth audit of the site's energy use, which will form the basis of its Environmental Strategy & Action Plan for 2023.

To support this vital work an Environmental Sustainability Steering Group has been formed with responsibility for the delivery of the strategy. Additionally, a new Environmental Sustainability Coordinator will be recruited in late 2023.

Reserves Policy

The Museum 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. When considering what would be an adequate level of these reserves, the Board, taking account of organisational risks, considers the level of unrestricted free cash which would be required to allow the Museum 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. As a result of COVID-19 the Board's consideration now also includes the risk of the Museum having to close its doors as a result of a non-insured event. Taking account of these criteria, the Board has set the recommended minimum level of unrestricted free cash balances to be £1.25m. The Board will continue to keep under review the appropriate level of reserves including the circumstances when it might be appropriate to use these reserves to protect the purpose and beneficiaries of the Museum.

At the balance sheet date, the Group had a General Fund balance of £2.47m (2021: £2.58m) which equated to a non-committed free unrestricted cash balance of £1.27m (2020: £2.1m). The Museum is a business with significant seasonal variances, and whereas the Museum aims to keep the balance at a level to ensure that the Museum's unrestricted free cash balance remains above £1.25m throughout the financial year,

even at a time when the cash position is at its lowest, it is not always possible due to timing differences and the seasonal variances.

Going Concern

The Museum made a small operating deficit for the year, in line with its approved budget, and continued to contribute to Forging Ahead. This resulted in a net decrease in unrestricted reserves before pension movements and a decrease in the non-committed free unrestricted cash balance. The non-committed free unrestricted cash balance as at 31 December 2022 was £1.27m.

The approved budget for 2023 forecasts a small operating surplus for the year, albeit including, once again, some additional one-off investment costs supporting Forging Ahead.

The Trustees are satisfied that any residual financial uncertainties arising from the completion of the Forging Ahead Project are not material but as the project nears its completion there will be increased pressure on the finances of the Museum, where the timing of the remaining fundraised/donated income will become more sensitive. In addition, the funding agreement with the National Lottery Heritage Fund requires the final payment of their grant is retained for twelve months after the completion of the project. This retention timeframe is beyond the period when the Museum is due to make the final payment to the main contractor.

Over 95% of the Museum's unrestricted operating income is derived from visitor-driven sources and in this context there will always be a risk to the Museum of not achieving forecast visitor attendance and associated sales revenue. Furthermore, during the next two years the forecast includes a step-change in visitor attendance, on the back of the £30m Forging Ahead development of the Museum. There is no historic precedence of where the Museum has previously had the level of visitor attendance, because they are predicated on the new historic town and industrial area. This means there is, ultimately, an element of uncertainty associated with this strand of the forecast which is not unsubstantial in value.

The Trustees have considered these factors when considering the Museum's ability to continue as a going concern and have concluded that it is appropriate to prepare the Financial Statements on the going concern basis. They do, however, acknowledge that if the growth visitor numbers does not reach the forecast levels it increases the pressure on the level of non-committed free unrestricted cash funds during 2023 and 2024 available to meet operational requirements and accept that this constitutes material uncertainty over the Museum's ability to continue as a going concern.

On behalf of the Trustees

Dr Paul Belford Chair Dated: 29 June 2023

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 developed six strategic aims, as part of its latest Strategic Plan:

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.

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 crucial 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 over 26 acres and is one of the largest and most-visited open-air museums in the UK, having welcomed over 10.7m 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. 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 and Jamestown, 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 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 and what the future might hold.

Over time the Museum has placed more emphasis on lively story-telling with Costumed Characters (as opposed to staff who wear a costume), using the land and streetscapes as a stage upon which stories are told, rather than regarding it as a museum of buildings. In short, the Museum is about understanding, connections, community and place.

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. The recent expansion of the Museum will see this time period extend into the 1960s, and living memory, once more.

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, albeit with close ties.

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.

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.

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 (over 330k people each year) 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 68,000 objects, including 90 significant buildings, features and other structures of historic interest and significance, and making them physically and intellectually accessible to the greatest feasible extent, to the general public. In recent times the Museum has added in excess of 7,500 objects to its collection to support Forging Ahead;

- making accessible to researchers and students, its important collections of 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, including from 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;

- providing diverse opportunities for volunteering, currently for 168 people;

- supporting and strengthening the Black Country's identity, social cohesion 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.

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, in addition to offering British Sign Language tours.

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 2022 the Museum charged a price for adults of £19.95 (2021: £19.95). 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. Since 2015 the Museum has operated an annual pass scheme, 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, although this was not possible during the pandemic, or as the focus continues on Forging Ahead.

Performance Against Objectives & Achievements During the Year

The performance and achievements of the Museum are set-out throughout this report.

In September, the Museum opened its new Visitor Centre and car park, as well as the Elephant & Castle Public House, our recreation of the iconic building that once stood in Wolverhampton. These are the first features of Forging Ahead to be completed. Elsewhere, construction of the Historic Town and Industrial Area continued at pace throughout the year, such that by the year-end, the majority of the structures had been finished. Refurbishment of the former entrance complex was also nearing completion, providing a new Museum Conference & Learning Centre.

The Museum saw particularly strong visitor attendance over Easter, Queen's Jubilee half-term and the October half-term, where, with the benefit of a week of dry weather, attendance was more than 20% above budget. Attendance during the summer holidays was steady, in line with the budget and not far below 2019. However, during second half of the year it is likely that uncertainty caused by steeply rising prices, especially in domestic energy costs, impacted attendance, including our evening events programme. Additionally, school attendance continued to be slow to recover and achieved just 74% of pre-pandemic levels.

Overall the Museum welcomed 331,631 visitors during 2022, an increase on the prior year of 60%, and 92% of our pre-pandemic norms of 2019.

Alongside the priority of working towards the successful completion Forging Ahead, the Museum's work for 2022 continued to be focused towards following five objectives:

1. Develop and diversify our team.
Benefits • 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.

Progress and achievements

The Museum supports the Art Council England's Inclusivity & Relevance Investment Principle and continued its work on its Equality, Diversity & Inclusion (EDI) Action Plan through its EDI Working Group. To support the work of the group, the Museum also recruited to and established an EDI Focus Group of external and independent individuals to provide external feedback and challenge.

Understanding the barriers to diversifying the workforce and creating actions to drive change has continued to be a key focus. Actions have included improving the accessibility of the application process; establishing different assessment approaches rather than traditional verbal interviews; reviewing all interview questions to identify areas that would provide unfair advantages to candidates, e.g. experience in industry. Further work has taken place to expand the candidate pool through targeted recruitment activity to increase applications from underrepresented groups focusing on particular areas of the Black Country.

We were delighted to welcome Claudia Davies to the Museum in August as part of the National Lottery Heritage Fund, Curating for Change, which creates placements and career paths for D/deaf, disabled and neurodiverse people in museums.

2. Develop, maintain and use our collection, in its broadest sense, to support inclusive storytelling.

Benefits

- 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.

Progress and achievements

The accessioned and handling collection has continued to be developed and increased to fulfil the needs of Forging Ahead with over 7,000 objects in total having been received. This year also saw the commencement of a three year Collection Representation Review to identify gaps in representation within the Museum's collection.

We again held a wide range of Members' events, talks and community handling sessions covering different aspects of the Museum, alongside online activity including the 'Adventures through Time' digital engagement project.

3. Build engagement with audiences to increase representation and enable active participation.

Benefits

- 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.

Progress and achievements

After two years of disruption, due to Covid-19, in 2022 we are again able to deliver a full programme of events including varied themed daytime holiday and weekend programmes and our evening events. This also included the Festival of Light (celebrating Diwali and the Museum's historic lighting collection) which has grown from a small community project to a large scale event in 2022 with 1,500 people attending.

We have worked closely with communities and creatives practitioners of relevant backgrounds and heritage to develop new Historic Characters. These include Mr Singh (of South-Asian heritage as part of the Jubilee programme), Gwen Lally (non-gender conforming), and Carmen Salmon, a new mother who migrated to the UK from Jamaica in the Caribbean in the hope of finding work as a nurse. We have also increased representation within our commissioned artists e.g. The Glad Tidings Christmas events included examples of an African Caribbean Christmas with entertainment including a gospel singer and a steel pan band.

4. Innovate to ensure the Museum is strategically aligned for our sustainable future.

Benefits

- Our revenue is grown and diversified.
- The Museum is valued and relevant to our audiences.
- The Museum has efficient and effective operations.

Progress and achievements

The Museum won the Resilience & Innovation Award at the regional and then national VisitEngland Awards for Excellence. This recognised the approach, work and results of the Museum during and after Covid-19.

The new Visitor Centre, entrance and car park, opened in late summer, which have been designed to allow the Museum to turn its 'face' towards the new Midland Metro extension and facilitate greater visitor attendance. The Visitor Centre contains a new shop which gives a much improved space to showcase our retail offer, including new ranges to coincide with the opening of this new shop.

The Visitor Centre, along with the new Elephant & Castle pub have provided additional locations to increase the opportunities for external hire for corporate events, with the Visitor Centre already being particularly popular with clients. The Museum site also continues to be a desirable location for filming with three large scales filming projects taking place during the year. Three Little Birds, a six part series for ITV written by Sir Lenny Henry, a music video for Swedish heavy metal band Sabaton, and Stonehouse, another production for ITV about disgraced politician, John Stonehouse.

5. Use our influence and strengthened reputation to effect positive change for our communities.

Benefits

- 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.

Progress and achievements

The Museum has continued to play a role in the regeneration and changing perceptions of Dudley, the Black Country and wider West Midlands by working with Dudley Council and the West Midlands Combined Authority (WMCA), contributing to their strategic plans for culture via Carol King, Director of Programmes, as the Deputy Chair for the West Midlands Regional Cultural Leadership Board, and Andrew Lovett, Chief Executive, as the Chair of the West Midlands Tourism & Hospitality Advisory Board, as well as a director of the West Midlands Growth Company.

Throughout the year we also continued to develop the partnership with Creative Black Country and its delivery of Arts Council England's Creative People & Places programme to provide arts and culture opportunities for people in Dudley as well as our partnership work on a number of other projects including, the Apna Heritage Archive (with members of the Black Country Punjabi community) and 'Pravās' with Jaivant Patel Dance company to tell stories of Gujarati migration into the Black Country from the 1950s.

Andrew Lovett has also continued to Chair the Dudley Towns Fund Board, harnessing £25m of Government funds to support the regeneration of the town centre.

Financial Review

The financial performance of the Museum for the year under review and the financial position at the Balance Sheet date are set out in this report. In particular, the Statement of Financial Activities (SOFA), which includes both unrestricted and restricted funds, shows the performance of the group during the year.

Visitor attendance for the year was in the main good, just below budget, albeit a budget set slightly lower than the two years before Covid-19, and only 8% lower than in 2019. It is likely that the squeeze on household budgets impacted attendance and secondary spending. The Museum also saw greater use of its Unchained Pass (providing 12-month fee returns), impacting admissions income. The Museum made a small trading deficit of £35k for the year, against a break-even budget.

The Group net worth at 31 December 2022 stands at £35.96m (2021: £27.82m); the sharp increase being as a result of restricted funds received for Forging Ahead. For the next financial year the restricted fund balance will continue to increase, reflecting the income received for the project with the matching expenditure being mostly capitalised in the form of the newly constructed buildings and features.

Restricted Funds stand at £30.63m (2021: £23.59m) and Unrestricted Funds at £5.32m (2021: £4.23m) comprised of Designated Funds of £2.85m (2021: £3.17m), General Funds of £2.47m (2021: £2.58m) and Pension Reserve of £nil (2021: deficit of £1.53m).

	£
Net Trading (Deficit) / Surplus	(35,108)
Accounting Adjustments and Non-recurring Costs included in Expenditure:	
Movement in the accounting accrual for holiday pay	1,877
Loss in disposal of assets	-
Income directly designated for BCLM: Forging Ahead	237,594
One-off Investments	(34,487)
Depreciation charge on Unrestricted Funds	(66,172)
Contribution to BCLM: Forging Ahead	(537,795)
Actuarial adjustment (pensions)	(82,000)
Net Income/(Expenditure) after taxation (as shown in SOFA)	(516,001)

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 is available to Trustees at all Board meetings. As part of its duties, the Museum's Audit Committee has oversight of the 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. This is an issue which the Museum monitors on a daily and active basis, and is managed by cost control and seeking alternative, more diverse, 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 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 detrimental incident on site.

Due to its size and the extent of its potential risks, Forging Ahead has its own risk register which is monitored by a Project Board.

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

During 2023 the Museum will be undertaking a review of its existing strategic directions, including consultation with visitors and organisational stakeholders.

Otherwise, we will continue to work to achieve our existing five objectives, alongside specifically:

(a) Continuing to complete Forging Ahead; which will include the opening of the Conference & Learning Centre (late spring), new Historic Town area (summer) and Industrial area (autumn) and the rebuilding of Woodside Library.

(b) Delivering Arts Council England investment, from 1 April 2023 onwards, including a new project, Little Makers, in support of Key Stages 1 and 2.

(c) Continuing to improve our environmental impact reporting and reducing our CO2e.

On behalf of the Trustees

Dr Paul Belford Chair Dated: 29 June 2023

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 financial statements, 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; and
- 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

Dr Paul Belford Chair Dated: 29 June 2023

Independent Auditors' Report to the Members of Black Country Living Museum Trust for the Year Ended 31 December 2022

Opinion

We have audited the financial statements of Black Country Living Museum Trust ('the charitable company') and its subsidiary ('the group') for the year ended 31 December 2022 which comprise the statement of financial activities, the group and charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including 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 2022 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2011.

Basis For Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates the conditions identified that may cast significant doubt on the Charity's ability to continue as a going concern. As stated in note 1.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other Information

The trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 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 2011 requires us to report to you if, in our opinion:

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

Responsibilities Of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 27, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent To Which The Audit Was Considered Capable Of Detecting Irregularities, Including Fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR) Health and safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-

compliance with all laws and regulations.

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: 12 July 2023

Black Country Living Museum Trust

Consolidated Statement of Financial Activities including Income and Expenditure Account for the Year Ended 31 December 2022

	Notes	Unrestricted Funds £	Restricted Funds £	**Total 2022 £**	**Total 2021 £**
Income					
Donations and Legacies:					
Charitable donations	3	774	7,838,827	**7,839,601**	**12,103,198**
Charitable Activities:					
Admission to the Museum	4	4,287,634	-	**4,287,634**	**3,135,325**
COVID-19 support funding	5	8,667	-	**8,667**	**1,642,720**
Grants (Arts Council England)	6	557,590	-	**557,590**	**560,120**
Other Trading Activities:					
Retail income (subsidiary trading company)	7	2,659,017	-	**2,659,017**	**1,819,670**
Ancillary enterprises	8	331,776	-	**331,776**	**416,948**
Investment Income	9	2,400	-	**2,400**	**303**
Other Income	10	64,707	-	**64,707**	**50,938**
Total Income		7,912,565	7,838,827	**15,751,392**	**19,729,222**
Expenditure					
Raising Funds:					
Retail (subsidiary trading company)		2,411,674	-	**2,411,674**	**1,709,394**
Development and fundraising costs		210,608	-	**210,608**	**198,042**
Charitable Activities:					
Opening and operating the Museum		5,102,198	404,313	**5,506,511**	**4,726,354**
Developing the Museum		704,086	386,437	**1,090,523**	**677,927**
Total Expenditure	11	8,428,566	790,750	**9,219,316**	**7,311,717**
Net Income/(Expenditure) before transfers		(516,001)	7,048,077	**6,532,076**	**12,417,505**
Transfers		4,285	(4,285)	**-**	**-**
Net Income/(Expenditure) after transfers		(511,716)	7,043,792	**6,532,076**	**12,417,505**
Other Recognised Gains and Losses:					
Actuarial gain/(loss) on defined benefit pension		1,610,000	-	**1,610,000**	**1,355,000**
Net Movement in Funds		1,098,284	7,043,792	**8,142,076**	**13,772,505**
Reconciliation of Funds:					
Total Funds brought forward 1 January 2021		4,225,192	23,591,138	**27,816,330**	**14,043,825**
Total Funds carried forward at 31 December 2022		**5,323,476**	**30,634,930**	**35,958,406**	**27,816,330**

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 2022

	Notes	£	2022 £	£	2021 £
Fixed Assets:					
Tangible assets	17		29,200,614		16,383,731
Heritage assets	18		4,564,880		4,807,284
Total Fixed Assets			33,765,494		21,191,015
Current Assets:					
Stocks of goods for resale	20	101,015		98,283	
Debtors	21	1,321,773		5,243,585	
Cash at bank and in hand	30	3,471,588		4,850,268	
Total Current Assets		4,894,376		10,192,136	
Creditors: amount falling due within 1 year	22	(2,648,450)		(1,947,123)	
Net Current Assets			2,245,926		8,245,013
Total Assets less Current Liabilities			36,011,420		29,436,028
Creditors: amount falling due after 1 year	23		(53,014)		(91,698)
Net Assets (excluding pension liability)			35,958,406		29,344,330
Defined benefit pension asset/liability	31		-		(1,528,000)
Total Net Assets			35,958,406		27,816,330
The Funds of the Charity:					
Restricted funds	26		30,634,930		23,591,138
Unrestricted funds:					
Designated funds	27	2,850,401		3,174,405	
General funds		2,473,075		2,578,787	
Pension reserve	31	-		(1,528,000)	
			5,323,476		4,225,192
			35,958,406		27,816,330

The Annual Report & Accounts were approved and authorised for issue by the Board of Trustees of the Museum on 29 June 2023 and signed on behalf of the Board of Trustees:

Dr Paul Belford Chair Dated: 29 June 2023

Black Country Living Museum Trust

Parent (Museum) Balance Sheet as at 31 December 2022

	Notes	£	2022 £	£	2021 £
Fixed Assets:					
Tangible assets	17		29,200,614		16,383,731
Heritage assets	18		4,564,880		4,807,284
Investments	19		1,000		1,000
Total Fixed Assets			33,766,494		21,192,015
Current Assets:					
Debtors	21	1,259,487		5,260,546	
Cash at bank and in hand	30	3,254,164		4,693,073	
Total Current Assets		4,513,651		9,953,619	
Creditors: amount falling due within 1 year	22	(2,796,371)		(2,434,486)	
Net Current Assets			1,717,280		7,519,133
Total Assets less Current Liabilities			35,482,774		28,711,148
Creditors: amount falling due after 1 year	23		(53,014)		(91,698)
Net Assets (excluding pension liability)			35,430,760		28,619450
Defined benefit pension asset/liability	31		-		(1,528,000)
Total Net Assets			35,430,760		27,091,450
The Funds of the Charity:					
Restricted funds	26		30,634,930		23,591,138
Unrestricted funds:					
Designated funds	27	2,850,401		3,174,405	
General funds		1,945,429		1,853,907	
Pension reserve	31	-		(1,528,000)	
			4,795,830		3,500,312
			35,430,760		27,091,450

The net result reported in the Statement of Financial Activities of the parent charity for the year was £8,338,310 (2021: £13,066,659).

The Annual Report & Accounts were approved and authorised for issue by the Board of Trustees of the Museum on 29 June 2023 and signed on behalf of the Board of Trustees:

Dr Paul Belford Chair Dated: 29 June 2023

Black Country Living Museum Trust

Consolidated Cash Flow Statement for the Year Ended 31 December 2022

	Notes	£	2022 £	£	2021 £
Cash Flow from Operating Activities:					
Net cash flow from operating activities	29		11,641,064		9,971,941
Cash Flows from Investing Activities:					
Interest from investments		2,400		303	
Proceeds from the sale of tangible fixed assets		-		-	
Purchase of tangible fixed assets		(12,980,116)		(8,783,623)	
Net Cash Used in Investing Activities			(12,977,716)		(8,783,320)
Cash Flows from Financing Activities:					
Repayment of borrowing		(42,028)		(43,670)	
Net Cash Used in Financing Activities			(42,028)		(43,670)
Change in Cash and Cash Equivalents in the year			(1,378,680)		1,144,951
Cash and cash equivalents at start of the year			4,850,268		3,705,317
Cash and Cash Equivalents at end of the year			3,471,588		4,850,268

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 Trustees are satisfied that any residual financial uncertainties arising from the completion of the Forging Ahead Project are not material but as the project nears its completion there will be increased pressure on the finances of the Museum, where the timing of the remaining fundraised/donated income will become more sensitive. In addition, the funding agreement with the National Lottery Heritage Fund requires the final payment of their grant is retained for twelve months after the completion of the project. This retention timeframe is beyond the period when the Museum is due to make the final payment to the main contractor.

Over 95% of the Museum's unrestricted operating income is derived from visitor-driven sources and in this context there will always be a risk to the Museum of not achieving forecast visitor attendance and associated sales revenue. Furthermore, during the next two years the forecast includes a step-change in visitor attendance, on the back of the £30m Forging Ahead development of the Museum. There is no historic precedence of where the Museum has previously had the level of visitor attendance, because they are predicated on the new historic town and industrial area. This means there is, ultimately, an element of uncertainty associated with this strand of the forecast which is not unsubstantial in value.

The Trustees have considered these factors when considering the Museum's ability to continue as a going concern and have concluded that it is appropriate to prepare the Financial Statements on the going concern basis. They do, however, acknowledge that if the growth visitor numbers does not reach the forecast levels it increases the pressure on the level of non-committed free unrestricted cash funds during 2023 and 2024 available to meet operational requirements and accept that this constitutes material uncertainty over the Museum's ability to continue as a going concern.

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 Position

The Charity recognises its financial position (asset or liability) in relation to the defined benefit scheme involves a number of estimations as disclosed in Note 31.

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 engagement with visitors and collections care to retailing and finance. With one exception, people now volunteer as individuals, as opposed to as part of a volunteer group. Volunteer activity for the year was recorded to be 15,766 hours (2021: 9,651 hours). The Museum uses the standard National Lottery Heritage Fund multiplier of £50 per day for unskilled, £150 per day for skilled and £350 per day for professional volunteer roles. This equates to a value of £233,704 (2021: £135,311).

1.6 Expenditure

All costs are 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/developments	- 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

(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 68,000 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 Museum is not free to dispose of them without incurring significant penalty. For the identified items, further capital expenditure on these assets (maintained principally for their contribution to the knowledge and culture), along with capital expenditure associated with any new translocated buildings reconstructed on the Museum site, is capitalised as incurred

Where Heritage 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'. Heritage Assets which are buildings the depreciation is over 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 over 30 motorcycles of pre-1939 vintage.

It also holds a number 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 granted 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.

1.8 Remuneration Policy

The Museum has a well-established pay and grading structure and median pay policy. 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 and was followed for the pay award in 2022. The Key Management Personnel received no additional remuneration benefits to those provided to all other staff. The Board determines the remuneration of the Chief Executive outside this protocol.

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 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 2019 which set contributions for the period 1 April 2020 to 31 March 2023.

The value of employer's assets/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 position 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 provided 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.

(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 party transactions between the Parent Company and its subsidiary are shown in Note 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 2022	**Restricted Funds 2022**	Unrestricted Funds 2021	Restricted Funds 2021
	£	**£**	£	£
Grants	-	7,757,722	16,905	12,072,277
Donations	774	81,105	2,117	11,899
Legacies	-	-	-	-
	774	7,838,827	19,022	12,084,176

Grants includes £6.89m receivable from National Lottery Heritage Fund relating to Forging Ahead. 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 14 of the Annual Report. Details on how the restricted income has been applied can be found in Note 26.

4 Visitor Admission to the Museum

	2022	2021
	£	£
Admission (Museum & Locksmith's House)	3,144,668	2,061,992
Gift Aid from donated admission charges*	333,718	294,032
	3,478,386	2,356,024
Events Programme	705,518	723,100
Membership	83,885	48,947
Learning Programmes & Courses	19,845	7,254
	4,287,634	3,135,325
Visitor Attendance (number)	331,631	207,939

***** 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 COVID-19 Support Funding

	2022	2021
	£	£
Culture Recovery Fund (UK Government)	-	655,000
Emergency Response Fund (Arts Council England / UK Government)	-	-
Job Retention Scheme Grant (Furlough)	-	584,635
Other Grants	8,667	403,085
	8,667	1,642,720

6 Arts Council England (National Portfolio Organisation Funding)

	2022	2021
	£	£
Arts Council England	557,590	560,120

From 1 April 2018, the Museum became a National Portfolio Organisation. A four-year funding agreement is in place until 31 March 2022. This was extended in 2020 for a further year to 31 March 2023, due to COVID-19. Funding from ACE has now been secured for 2023-2026.

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.

	2022	2021
Profit & Loss Account	**£**	£
Income	2,875,253	2,131,837
Cost of sales, including staffing	(2,073,801)	(1,455,128)
Gross profit	801,452	676,709
Administrative expenses (inc. Group charges)	(356,337)	(192,587)
Operating profit	445,115	484,122
Net other operating income	79,335	237,806
Profit for year before and after taxation	524,450	721,928

8 Ancillary Enterprises

	2022	2021
	£	£
Parking charges	172,520	113,562
Business sponsorship	38,203	12,181
Hire & Hospitality	43,716	198,606
Dudley Canal Trips commission	19,637	8,101
Licensed on-site concessions	8,609	6,381
Filming rights and charges	49,091	78,117
	331,776	416,948

9 Investment Income

	2022	2021
	£	£
Interest received	2,400	303
	2,400	303

10 Other Income

	2022	2021
	£	£
Rent from leased freehold property	45,000	45,293
Other	19,707	5,645
	64,707	50,938

11 Analysis of Expenditure

	Staff Costs	Other Costs	Support Costs	Total 2022
	£	£	£	£
Raising Funds				
Subsidiary trading company	862,337	1,308,180	241,157	2,411,674
Fundraising costs	145,011	25,044	40,553	210,608
Total Cost	1,007,348	1,333,224	281,710	2,622,282
Charitable Activities				
Opening and operating the Museum	2,982,583	1,689,834	834,093	5,506,511
Developing the Museum	299,124	707,748	83,651	1,090,523
Total Cost	3,281,707	2,397,582	917,744	6,597,034
Total All Costs	4,289,056	3,730,806	1,199,454	9,219,316

Support costs are allocated on the basis of direct expenditure.

12 Analysis of Support Costs

	Staff Costs	Other Costs	**Total 2022**	Total 2021
	£	£	**£**	£
Governance	-	11,073	11,073	9,864
Chief Executive's office, Finance and HR	538,380	435,020	973,399	806,128
Information Technology	63,742	151,240	214,981	218,789
	602,121	597,332	1,199,454	1,034,781

13 Analysis of Governance Costs

	2022	2021
	£	£
Trustees expenses	741	369
Legal and professional fees	1,015	245
Audit and accountancy charges	9,317	9,250
	11,073	9,864

14 Net Income/Expenditure for the Year

	2022	2021
	£	£
This is stated after charging:		
Operating leases	20,161	40,069
Depreciation	308,902	263,385
Bank loan interest	4,287	3,887
Auditor's remuneration:		
Audit fee	14,000	12,750
Accountancy and tax services	1,475	1,475

15 Trustees (Directors and Members)

None of the Trustees (or any persons connected with them) received any remuneration or benefits during the year. Six trustees were reimbursed out-of-pocket expenses totalling £533 (2021: two totalling £344).

16 Employees

The average monthly headcount of contracted employees during the year was 166 (2021: 149) and the average full-time equivalent (FTE) number of employees and casual workers during the year were as follows:

	2022	2021
	FTE	FTE
Direct (front-line) charitable activities	125	117
Management, specialists and administration	49	44
	174	161
Of which:		
Contracted employees	136	118
Casual workers	38	43
	174	161

Employment Costs:

	2022	2021
	£	**£**
Wages and salaries	4,405,961	3,796,759
National Insurance costs	321,418	258,092
Pension costs	163,798	143,236
	4,891,177	4,198,087

Employment costs include payments and payments in lieu of notice in relation to redundancy amounting to £nil (2021: £36,013) paid to nil individuals (2021: five).

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

	2022	2021
	(number)	(number)
£60,000 - £70,000	3	2
£90,000 – £100,000	-	1
£100,000 - £110,000	1	-

There are five posts considered as paid executive Key Management Personnel of the Museum (as defined by FRS102), 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 £438,257 (2020: £399,759).

17 Tangible and Intangible Fixed Assets

Group and Company	Intangible Fixed Assets	Tangible Fixed Assets					
		Land and buildings freehold	Land and buildings leasehold	Fixtures, fittings and equipment	Motor vehicles	Under Construc-tion	Total
	£	£	£	£	£	£	£
Cost							
At 1 January 2021	23,064	1,521,227	6,015,569	1,160,934	93,966	11,012,721	19,804,417
Additions	-	-	-	-	-	12,980,116	12,980,116
Disposals	-	-	(330,017)	(177,313)	-	-	(507,330)
Transfers	-	1,691,032	9,099,087	-	-	(10,577,798)	212,321
At 31 December 2022	**23,064**	**3,212,259**	**14,784,639**	**983,621**	**93,966**	**13,415,039**	**32,489,524**
Depreciation							
At 1 January 2021	23,064	182,434	2,036,216	1,125,980	76,056	-	3,420,686
Charge for the period	-	30,206	153,752	7,194	4,899	-	196,051
On disposal	-	-	(233,282)	(177,313)	-	-	(410,595)
Transfers	-	-	82,768	-	-	-	82,768
At 31 December 2022	**23,064**	**212,640**	**2,039,454**	**955,861**	**80,955**	-	**3,288,910**
Net book value							
At 31 December 2022	**-**	**2,999,619**	**12,745,185**	**27,760**	**13,011**	**13,415,039**	**29,200,614**
At 31 December 2021	-	1,338,793	3,979,353	34,954	17,910	11,012,721	16,383,731

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

18 Heritage Assets

Group and Company	£
Cost	
At 1 January 2021	6,175,233
Additions	-
Transfers	(212,321)
At 31 December 2022	**5,962,912**
Depreciation	
At 1 January 2021	1,367,949
Charge for the period	112,851
Transfers	(82,768)
At 31 December 2022	**1,398,032**
Net book value	
At 31 December 2022	**4,564,880**
At 31 December 2021	4,807,284

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

18 Heritage Assets (cont.)

	2022	2021	2020	2019	2018	Pre- 2018	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	-	-	-		-	2,459,592	2,459,592
Oldbury Buildings	-	-	-	-	-	1,051,715	1,051,715
Hobbs Fish & Chip Shop	-	-	-	-	-	1,155,115	1,155,115
Birchill's Narrow Boat	-	-	-	-	-	68,468	68,468
Kildare Narrow Boat	-	-	-	-	-	34,795	34,795
Tram 5	-	-	-	-	-	96,312	96,312
Tramway	-	-	-	-	-	73,346	73,346
Racecourse Colliery	-	-	-	-	-	136,722	136,722
Anchor Forge/Steam Hammer	-	-	-	-	-	47,307	47,307
Patrick Collection Vehicles	-	-	-	-	96,000	-	96,000
Hut 14	148,063	-	-	-	-	-	148,063
	148,063	-	-	-	96,000	5,718,849	5,962,912
Depreciation							
Marston Collection	5,698	5,698	5,698	5,698	5,698	55,555	84,045
Locksmith's House	1,454	1,454	1,454	1,454	1,454	27,316	34,586
President Narrow Boat	1,757	1,757	1,757	1,757	1,757	15,448	24,233
Workers' Institute	42,395	42,395	42,395	42,395	42,393	413,136	625,109
Oldbury Buildings	17,750	17,750	17,750	17,750	17,750	159,786	248,536
Hobbs Fish & Chip Shop	19,252	19,252	19,252	19,252	19,252	187,707	283,967
Birchill's Narrow Boat	1,264	1,264	1,264	1,264	1,264	5,244	11,564
Kildare Narrow Boat	653	653	653	653	653	2,144	5,409
Tram 5	1,836	1,836	1,836	1,836	1,836	4,502	13,682
Tramway	1,387	1,387	1,387	1,387	1,387	3,969	10,904
Racecourse Colliery	2,730	2,730	2,730	2,730	2,048	210	13,178
Anchor Forge/Steam Hammer	947	947	947	947	631	-	4,419
Patrick Collection Vehicles	9,600	9,600	9,600	9,600	-	-	38,400
Hut 14	-	-	-	-	-	-	-
	106,723	106,723	106,723	106,723	96,123	875,017	1,398,032

19 Fixed Asset Investments

Company	£
Market value at 1 January 2020 and at 31 December 2022	1,000
Historical cost at 31 December 2021 and at 31 December 2022	1,000

The Museum holds 100% of the issued Ordinary Shares of Black Country Living Museum Enterprises Ltd. This wholly-owned subsidiary undertakes on-site trading to support the charitable activities of the Museum. At 31 December 2022 its net assets and shareholder's funds amounted to £528,645 (2021: £725,878).

20 Stock

	Group		Parent	
	2022	2021	**2022**	2021
	£	£	**£**	£
Stock	101,015	98,283	**-**	-

21 Debtors

	Group		Parent	
	2022	2021	**2022**	2021
	£	£	**£**	£
Trade debtors	147,496	34,534	39,304	24,163
Owed by subsidiary Trading Company	-	-		-
Other debtors	258,259	147,018	311,532	186,022
Prepayments and accrued income	916,018	5,062,033	908,651	5,050,361
	1,321,773	5,243,585	1,259,487	5,260,546

Accrued income includes £410,438 (2020: £4,990,000) of grant income due from National Lottery Heritage Fund.

22 Creditors: Amounts Falling Due Within One Year

	Group		Parent	
	2022	2021	**2022**	2021
	£	£	**£**	£
Bank loan	40,024	39,346	40,024	39,346
Obligations under finance leases and hire purchase contracts	-	4,022	-	4,022
Owed to subsidiary Trading Company	-	-	240,871	537,906
Trade creditors	1,195,766	952,340	1,169,333	944,200
Taxes and social security costs	73,168	78,150	73,168	78,150
Other creditors	21,892	29,230	21,893	29,230
Accruals	1,317,600	844,035	1,251,081	801,632
	2,648,450	1,947,123	2,796,371	2,434,486

23 Creditors: Amounts Falling Due After More Than One Year

Group and Company	**2022**	2021
	£	£
Bank Loan	53,014	91,698
Obligations under finance leases and hire purchase contracts	-	-
	53,014	91,698

23 Creditors: Amounts Falling Due After More Than One Year (cont.)

Group and Company	**2022**	2021
Analysis of Bank Loan	**£**	£
Not wholly repayable within 5 years	93,038	131,044
Included in the current liabilities	(40,024)	(39,346)
	53,014	91,698

Group and Company	**2022**	2021
Loan Maturity Analysis	**£**	£
Debt due in 1 year or less	40,024	39,346
In more than 1 year, but not more than 2 years	41,305	40,185
In more than 2 years, but not more than 5 years	11,709	90,274
	93,038	131,044

The bank loan is repayable by March 2025 with interest charged at 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 Living Museum 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 leasee. Future minimum lease payments due under finance leases and hire purchase contracts:

Group and Company	**2022**	2021
Amounts payable	**£**	£
Within 1 year	-	4,183
In more than 1 year, but not more than 5 years	-	-
less: finance charges allocated to future periods	-	(161)
	-	4,022

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

	2022	2021
	£	£
Less than 1 year	17,024	18,792
Between 2 and 5 years	68,096	68,096
Over 5 years	461,776	478,800
	546,896	565,688

25 Financial Instruments

	2022	2021
	£	£
Financial assets that are debt instruments measured at amortised cost	4,708,595	10,031,591
Financial liabilities measured at amortised cost	2,628,297	1,960,672

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)

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.

Group and Company	Balance at 1 January 2021	Incoming Funds	Resources Expended	Transfers	**Balance at 31 December 2022**
	£	£	£	£	£
Tangible Assets					
Operational Fixed Assets	693,641	-	(126,973)	206,965	773,633
Freehold Property/Developments	187,533	-	(13,148)	1,686,747	1,861,132
Rolfe Street Development	2,139,052	-	(57,348)		2,081,704
Moving the Black Country	665,457	-	(14,438)	13,011	664,030
Brook Entrance & Facilities	378,904	-	(7,149)		371,755
Folkes Park Play Equipment	17,447	-	(3,490)		13,957
Elephant & Castle Pub	-	-	(7,377)	1,549,096	1,541,719
Visitor Centre	-	-	(34,236)	7,189,607	7,155,371
Assets under Construction	11,012,721	-	-	2,402,319	13,415,040
	15,094,755	-	(264,159)	13,047,745	27,878,341

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

Group and Company	Balance at 1 January 2021	Incoming Funds	Resources Expended	Transfers	**Balance at 31 December 2022**
	£	£	£	£	£
Heritage Assets					
The Workers' Institute	1,393,349	-	(31,478)	-	1,361,871
The Locksmith's House	116,868	-	(1,454)	-	115,414
Conway Garage	13,298	-	(287)	(13,011)	-
Folkes Park	150,476	-	(3,254)	(147,222)	-
Old Birmingham Road	376,398	-	(8,139)	-	368,259
Hobbs Fish & Chip Shop	394,446	-	(8,529)	-	385,917
Newcomen Engine	61,065	-	(1,322)	(59,743)	-
President Narrow Boat	81,136	-	(1,757)	-	79,379
Marston Motorcycles	263,518	-	(5,698)	-	257,820
Birchill's Narrow Boat	49,451	-	(1,074)	-	48,377
Kildare Narrow Boat	27,242	-	(592)	-	26,650
Tram 5	32,973	-	(717)	-	32,256
Anchor Forge/Steam Hammer	43,836	-	(947)	-	42,889
Racecourse Colliery	114,021	-	(2,465)	-	111,556
Hut 14	-	-	-	148,063	148,063
	3,118,077	-	(67,713)	(71,913)	2,978,451
Other Items					
Anchor Forge/Steam Hammer	796	-	(255)	-	541
Racecourse Colliery	22,296	-	-	-	22,296
The Locksmith's House	8,917	98	-	-	9,015
Folkes Park Development	11,072	-	-	-	11,072
Improving Accessibility	1,000	-	-	-	1,000
Learning Projects	7,346	-	(544)	-	6,802
Stour (boat) Restoration	13,130	-	(468)	-	12,662
President (boat) Restoration	29,546	10,223	(35,675)	-	4,094
Collections Projects	13,950	-	(51)	-	13,899
Staff Award (training)	3,248	250	(2,265)	-	1,233
St James's School	2,632	-	-	-	2,632
Visitor Benches	612	25	-	-	637
Maintaining the Collection	120,000	-	-	(120,000)	-
Unpacking the Past	30,420	13,000	(33,184)	-	10,236
Adventures Through Time	11,924	-	-	-	11,924
BCLM:Forging Ahead Capital Development Project	5,101,417	7,815,231	(386,436)	(12,860,117)	(329,905)
	5,378,306	7,838,827	(458,878)	(12,480,117)	(221,862)
	23,591,138	7,838,827	(790,750)	495,715	30,634,930

27 Designated Funds (Movement in Funds)

Group and Company	Balance at 1 January 2021	New Designations	Utilised funds	Transfers	**Balance at 31 December 2022**
	£	£	£	£	£
Future developments – FA	1,160,000	-	-	-	1,160,000
Future developments – other	222,000	-	(222,000)	-	-
Fundraised income designated to Forging Ahead	103,197	774	-	-	103,971
Heritage asset reserve	1,689,208	-	(45,138)	(57,640)	1,586,430
	3,174,405	774	(267,138)	(57,640)	2,850,401

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 BCLM: Forging Ahead capital development project and other Museum developments.

28 Analysis of Net Assets between Funds

	Unrestricted funds	Restricted funds	**Total**
Group	£	£	£
Fund balances at 31 December 2022 are represented by:			
Tangible fixed assets	2,908,702	30,856,792	33,765,494
Net current assets	2,467,788	(221,862)	2,245,926
Creditors: amounts falling due after more than one year	(53,014)	-	(53,014)
Defined benefit pension liability	-	-	-
	5,323,476	30,634,930	35,958,406

	Unrestricted funds	Restricted funds	**Total**
Company	£	£	£
Fund balances at 31 December 2022 are represented by:			
Tangible fixed assets	2,909,702	30,856,792	33,766,494
Net current assets	1,939,142	(221,862)	1,717,280
Creditors: amounts falling due after more than one year	(53,014)	-	(53,014)
Defined benefit pension liability	-	-	-
	4,795,830	30,634,930	35,430,760

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

	2022	2021
	£	£
Net income/(expenditure) for the year (as per the Statement of Financial Activities)	6,447,676	12,417,505
Adjustments for:		
Depreciation charges	308,902	263,385
Interest received	(2,400)	(303)
Non-cash donations	-	(250,000)
Loss of disposal of assets	96,735	46,284
(Increase)/Decrease in stocks	(2,732)	(9,832)
(Increase)/Decrease in debtors	3,921,812	(3,453,922)
(Decrease)/Increase in creditors	704,671	852,824
Pension scheme non-cash movements	120,000	106,000
	11,641,064	9,971,941

30 Analysis of Cash and Cash Equivalents

	2022	2021
	£	£
Cash in hand	15,665	31,613
Current account	3,455,923	4,818,655
Total Cash and Cash Equivalents	3,471,588	4,850,268

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 800 participating employers and 340,000 scheme members. 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. 12 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.

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

Defined Contribution Pension Scheme

	2022	2021
Defined Contribution Pension Scheme	**£**	£
Contributions payable by the Museum	97,164	80,392

Defined Benefit Pension Scheme

An actuarial valuation of the WMPF was carried out in accordance with the Regulations as at 31 March 2019 and set contribution rates for the next four years until 31 March 2023. 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 asset at the period end was £699,000 (2020: £1,528,000 - liability). However, the judgment is that there is insufficient entitlement for it to be appropriate to recognise this as an asset on the balance sheet. It is important to note that the position 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 crystallise in the short or medium-term.

	2022	2021
	£	£
Fair value of plan assets	6,441,000	6,977,000
Present value of funded obligations	(5,742,000)	(8,505,000)
Defined Benefit Pension Asset/Liability	699,000	(1,528,000)

	2022	2021
	£	£
Included in staff costs within total expenditure:		
Service costs	120,000	129,000
Net interest cost	29,000	35,000
Administrative expenses	-	4,000
Total Pension Costs	149,000	168,000
Actual return on plan assets	(358,000)	794,000

	2022	2021
	£	£
Actual return less expected return on pension scheme assets	(485,000)	716,000
Other actuarial losses on assets		-
Change of financial assumptions	2,768,000	303,000
Change of demographics assumptions	36,000	144,000
Experience loss on defined benefit obligation	(10,000)	192,000
	2,309,000	(1,298,000)

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

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

	2022	2021
	£	£
Opening defined benefit obligation	8,505,000	9,100,000
Current service cost	120,000	129,000
Interest cost	156,000	113,000
Contributions by scheme participants	14,000	13,000
Change in demographic assumptions	(36,000)	(144,000)
Change in other experiences	10,000	(192,000)
Change in financial assumptions	(2,768,000)	(303,000)
Benefits paid	(259,000)	(211,000)
	5,742,000	8,505,000

Changes in fair value of plan assets are as follows:

	2022	2021
	£	£
Opening fair value of plan assets	6,977,000	6,323,000
Interest on assets	127,000	78,000
Return on assets less interest	(485,000)	716,000
Other actuarial gains	-	-
Administration expenses	-	(4,000)
Contributions by employer	67,000	62,000
Contributions from scheme participants	14,000	13,000
Benefits paid	(259,000)	(211,000)
	6,441,000	6,977,000

Asset allocation:

	2022	**2022**	2021	2021
	£		£	
Equities	4,380,000	68%	4,233,000	61%
Bonds	1,417,000	22%	993,000	14%
Property	451,000	7%	500,000	7%
Cash	193,000	3%	1,251,000	18%
	6,441,000	100%	6,977,000	100%

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

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

	2022	2021	2020	2019	2018
CPI increases	3.05%	2.95%	2.50%	2.35%	2.40%
Discount rate at 31 December	4.75%	1.85%	1.25%	2.05%	2.80%
Future salary increases	4.05%	3.95%	3.50%	3.85%	3.90%
Future pension increases		2.95%	2.50%	2.35%	2.40%

Assumed life expectations from age 65:

	2022*	2021*	2020	2019	2018
Retiring today - Male	21.2	21.7	22.0	20.9	21.9
Retiring today - Female	23.6	24.0	24.2	23.2	24.4
Retiring in 20 years – Male	22.9	23.5	23.8	22.6	24.1
Retiring in 20 years – Female	25.4	25.9	26.0	25.1	26.7

*Adjusted for Continuous Mortality Investigation's model, CMI_2020

Guaranteed Minimum Pension (GMP) Equalisation

The valuation assumption for GMP is that the Fund will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, it has been assumed that the Fund will be required to pay the entire inflationary increase. Therefore, the assumption is consistent with the consultation outcome and so the Fund does not believe it needs to make any adjustments to the value placed on the liabilities as a result of the Government's Guaranteed Minimum Pension Indexation consultation.

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 £276,189 (2021: £152,371) for rents and services and the Company donated its profits, through Gift Aid, of £721,683 (2021: £16,084). At the year end the Museum owed to the Enterprises Company £240,871 (2021: £537,906). These were the only related party transactions during the year.

33 Comparative Funds Notes

Restricted Funds

Group and Company	Balance at 1 January 2021	Incoming Funds	Resources Expended	Transfers	**Balance at 31 December 2021**
	£	£	£	£	£
Tangible Assets					
Operational Fixed Assets	723,676	-	(30,035)	-	693,641
Freehold Property	190,083	-	(2,550)	-	187,533
Rolfe Street Development	2,196,400	-	(57,348)	-	2,139,052
Moving the Black Country	679,895	-	(14,438)	-	665,457
Brook Entrance & Facilities	386,053	-	(7,149)	-	378,904
Folkes Park Play Equipment	20,937	-	(3,490)	-	17,447
Assets under Construction	1,287,989	-	-	9,724,732	11,012,721
	5,485,033	-	(115,010)	9,724,732	15,094,755

Group and Company	Balance at 1 January 2021	Incoming Funds	Resources Expended	Transfers	**Balance at 31 December 2021**
	£	£	£	£	£
Heritage Assets					
The Workers' Institute	1,424,827	-	(31,478)	-	1,393,349
The Locksmith's House	118,322	-	(1,454)	-	116,868
Conway Garage	13,585	-	(287)	-	13,298
Folkes Park	153,730	-	(3,254)	-	150,476
Old Birmingham Road	384,537	-	(8,139)	-	376,398
Hobbs Fish & Chip Shop	402,975	-	(8,529)	-	394,446
Newcomen Engine	62,387	-	(1,322)	-	61,065
President Narrow Boat	82,893	-	(1,757)	-	81,136
Marston Motorcycles	269,216	-	(5,698)	-	263,518
Birchill's Narrow Boat	50,525	-	(1,074)	-	49,451
Kildare Narrow Boat	27,834	-	(592)	-	27,242
Tram 5	33,690	-	(717)	-	32,973
Anchor Forge/Steam Hammer	44,783	-	(947)	-	43,836
Racecourse Colliery	116,486	-	(2,465)	-	114,021
	3,185,790	-	(67,713)	-	3,118,077

33 Comparative Funds Notes (cont.)

Group and Company	Balance at 1 January 2020	Incoming Funds	Resources Expended	Transfers	**Balance at 31 December 2021**
	£	£	£	£	£
Other Items					
Anchor Forge/Steam Hammer	796	-	-	-	796
Racecourse Colliery	22,296	-	-	-	22,296
The Locksmith's House	8,917	-	-	-	8,917
Folkes Park Development	11,072	-	-	-	11,072
Improving Accessibility	1,000	-	-	-	1,000
Learning Projects	7,158	400	(185)	(27)	7,346
Stour (boat) Restoration	13,130	-	-	-	13,130
President (boat) Restoration	30,457	10,049	(10,960)	-	29,546
Collections Projects	14,310	-	(360)	-	13,950
Staff Award (training)	3,210	1,000	(962)	-	3,248
St James's School	2,632	-	-	-	2,632
Visitor Benches	162	450	-	-	612
Maintaining the Collection	90,000	30,000	-	-	120,000
Unpacking the Past	32,500	13,000	(15,080)	-	30,420
Adventures Through Time	12,021	-	(97)	-	11,924
Forging Ahead Capital Development Project	2,796,845	12,029,277	-	(9,724,705)	5,101,417
	3,046,506	12,084,176	(27,644)	(9,724,732)	5,378,306
	11,717,329	12,084,176	(210,367)	-	23,591,138

	Unrestricted funds	Restricted funds	**Total**
Group	£	£	£
Fund balances at 31 December 2021 are represented by:			
Tangible fixed assets	2,978,183	18,212,832	21,191,015
Net current assets	2,866,707	5,378,306	8,245,013
Creditors: amounts falling due after more than one year	(91,698)	-	(91,698)
Defined benefit pension liability	(1,528,000)	-	(1,528,000)
	4,225,192	23,591,138	27,816,330

	Unrestricted funds	Restricted funds	**Total**
Company	£	£	£
Fund balances at 31 December 2021 are represented by:			
Tangible fixed assets	2,979,183	18,212,832	21,192,015
Net current assets	2,124,743	5,378,306	7,503,049
Creditors: amounts falling due after more than one year	(91,698)	-	(91,698)
Defined benefit pension liability	(1,528,000)	-	(1,528,000)
	3,484,228	23,591,138	27,075,366

33 Comparative Funds Notes (cont.)

Designated Funds

Group and Company	Balance at 1 January 2021	New Designations	Utilised funds	Transfers	**Balance at 31 December 2021**
	£	£	£	£	£
Future developments – FA	747,113	412,887	-	-	1,160,000
Future developments – other	-	222,000	-	-	222,000
Fundraised income designated to Forging Ahead	101,080	2,117	-	-	103,197
Heritage asset reserve	1,786,804	-	(51,312)	(46,284)	1,689,208
	2,634,997	637,004	(51,312)	(46,284)	3,174,405

34 Capital Commitments

At 31 December 2022 the Museum had capital commitments of £1.51m (2021:£ 12.48m).

BLACK COUNTRY LIVING MUSEUM TRUST
TIPTON ROAD, DUDLEY, WEST MIDLANDS, DY1 4SQ UK TEL: +44 (0)121 557 9643
www.bclm.com info@bclm.com

Private Company Limited by Guarantee Registered in England Company No. 1226321 and Registered as a Charity No. 504481

THE BLACK COUNTRY LIVING MUSEUM TRUST

England & Wales - Charity number 504481

Accounts

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

The Black Country Living Museum Trust

Annual Report & Accounts

for the year ended 31 December 2021

www.bclm.com

Black Country Living Museum Trust

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Black Country Living Museum Trust

Trustees' Report for the Year Ended 31 December 2021

Reference & Administrative Information

The Trustees present their Annual Report & Accounts for the year ended 31 December 2021, 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 GCStJ
Trustees / Directors (& Members):	Christopher Ansell Jonathan Badyal (Deputy Chair) Katy Baker Duncan Bedhall Dr Paul Belford (Chair) Sally Bourner Parminder Dosanjh Cllr. Matt Follows[1] Victoria Jessop (Deputy Chair) Louise Jones Ruth Levesley Tarlok Singh Mander Catherine Murphy
Chief Executive:	Andrew Lovett OBE
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 4SQ
Independent Auditors:	Crowe U.K. LLP Black Country House Oldbury West Midlands B69 2DG

[1] Nominated by the Association of Black Country Authorities (ABCA)

Principal Bankers:	Barclays Bank PLC (Barclays Corporate) 1st Floor Queen Square Wolverhampton West Midlands WV1 1DS
Principal Solicitors:	Gowling WLG (UK) LLP 2 Snow Hill Birmingham West Midlands B4 6WR
Other Advisors:	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham West Midlands B3 2ES
Company Secretary:	Craig Edmondson
Telephone:	+44 (0) 121 557 9643
Email:	info@bclm.com
Website:	www.bclm.com
Facebook:	facebook.com/bclivingmuseum
Social Media:	@bclivingmuseum @bclmdirector
TikTok:	@blackcountrymuseum

Chair's Review of the Year

The last two years have certainly brought into sharp relief the need for Trustees to be fully engaged, strategic and well-informed. Good governance behaviours which we can easily take for granted – using care and skill, managing risks, and access to sound and timely information – became critical, dynamic and far from hypothetical. The responsibilities and accountabilities of being a Trustee and Chair of the Board were profound and serious.

Getting beyond COVID-19

It wasn't until 17 May 2021 that the Museum was allowed to reopen after COVID-19 restrictions were lifted in England. It was great to be open again for visitors, albeit more than five months later than we had hoped (and budgeted for). Indeed none of us expected that we would still be bound by COVID-19 restrictions 14 months after the first national lockdown.

In this context, the financial results for 2021 are impressive. We were helped by two of the Museum's intrinsic aspects. First is our outdoor space – providing visitors with a greater sense of safety during a time when being apart was important. Second is our core support from local, regional and national visitors – which meant that unlike many visitor attractions we were not vulnerable to the cessation of international travel. This love and value that people feel for the place meant that visitor attendance reached 207,939, or 79% of the level reached in the last normal year, 2019, over the same 33 weeks. These results were also encouraging because visitor attendance in 2020 barely reached 90,000, and we were only surviving due to taxpayer support. Relying on taxpayer support always sat uncomfortably with the ethos of the Museum and the Board, and I am delighted that this year we were able to reduce our burden on the taxpayer. Surpassing 200,000 visitors in 2021 felt like quite a milestone, and that level of attendance is reflected in the strong financial results set out in detail elsewhere in this annual report. We are definitely getting beyond COVID-19.

Beyond our boundaries

Notwithstanding the global impact of COVID-19, when putting together this kind of review, it is easy to overlook the significance of the international and national environment in which the Museum exists. The UK public policy context has been dominated by the climate crisis and levelling-up.
Surprising though it may seem, the coal-burning steam-powered element of our Museum is not one of our main contributors to climate change. Indeed the Museum has and will continue to reduce its impact on the environment, although it is obvious we have already taken the easiest steps to achieving this, and achieving greater impacts. A key aspect is the fact that 95% of our visitors currently arrive at the Museum by car. Encouraging behavioural change from our will also be easy on our own. We will rely on the wider provision of infrastructure and social change. This is one of the reasons why the Museum enthusiastically backed the expansion of the Midland Metro, from Wednesbury to Brierley Hill, via Dudley. When complete this will offer – for the first time – a viable public transport alternative for many visitors.

When the Government launched levelling-up as a major policy, the Black Country was the embodiment of the sort of place Ministers had in mind. The area has been identified as a priority by Arts Council England because of low levels of engagement. The Government has also identified the Black Country (with the exception of Wolverhampton) as an Education Investment Area – where educational attainment is weak. The statistics show that, for example, 31% of Black

Country residents are educated to NVQ4+ levels compared with 43% nationally. And twice as many residents have no qualifications (16.7%) compared with the national average.
On average, academic progress in Black Country secondary schools is also well below national averages, and even below the minimum standard expected by the Government. The health index is also very worrying for people in our region, with Dudley in the bottom 25% for England; Walsall in the bottom 10% and Sandwell and Wolverhampton in the bottom 5%.

I mention this situation because it emboldens the Museum – as a fairly large employer with a well-established presence and positive reputation in the Black Country, to do the very best it can for the people of our region. In this respect we are an outward-looking organisation which plays its part in securing investment, creating jobs and improving lives.

Forging Ahead - living memory once More

The Museum's major capital development, Forging Ahead, has seen significant progress during 2021. There was a long period of little visual change during ground and foundation works – but these were of course essential on our site which is riddled with disused coal and limestone mines. Most of the buildings are now taking shape, and the layout of the town is becoming clear. Forging Ahead will create a very different looking museum. Not just because of its scale, but because it will bring us forward, once more, into living memory. In this context, you can expect to see the Cast Iron Houses set in 1968, Lea Road Infant Welfare Centre telling stories from 1961, and the Elephant & Castle Public House serving Babycham or a pint of mild in a dimpled glass to Irish immigrants and fellow drinkers from the Caribbean in the late 1950s.

Taking our story-telling forward – into living memory – keeps the Museum relevant to our audiences. We are joining up the dots of history, helping to show how events and people connect, allowing everyone to make greater sense of the world. Whilst a Museum looks to the past, engaging future generations in the Black Country story also helps to anchor their place in the future.

It isn't entirely predictable how visitors will respond to our new developments, but I have every confidence that they will create strong emotional responses. This is one of the wonderful and unique aspects of an open-air museum, which in many ways is closer to other elements of our cultural landscape than more conventional museums. We will find out more when the Elephant and Castle pub opens in mid-2022, along with our new Visitor Centre which will be a much more community-focused space, and will also turn the Museum's face towards Castle Hill. In total 23 historic buildings and features will open in a sequence through to mid-2024. An exciting couple of years ahead!

Of course all of this is built on detailed and meticulous research, and this is an appropriate moment to congratulate Dr Simon Briercliffe, the Museum's Researcher, on the conferment of his doctoral degree from the University of Birmingham. I recognise – with a huge degree of empathy – that this moment represents a very significant personal and professional milestone for Simon, and a fulfilment of his intense interest in the social changes impacting local communities. Simon's research is already creating a better understanding of how housing, poverty and immigration affects peoples' lives. We are also very proud to have supported his recent publication Austerity to Prosperity in the Black Country, and of course, his continuing work at the Museum including for Forging Ahead.

Strengthening Governance, and diversifying our Board

During 2021 we continued to strengthen and diversify the Board. This is a continuous work in progress, requiring constant effort and vigour. Although progress is incremental, when I look back on my eight years' service on the Board it is incredible just how far we have come. The way we go about things now has diversity and inclusion firmly embedded – although we still have a long way to go of course, and there is no room for complacency. It is important to us that our community and stakeholders have confidence in the Board, including demonstrating we are representative of the UK – and particularly the Black Country – in the twenty-first century. We also strive to ensure the Board understands and can step-up to the challenges and opportunities before us, by which I mean we recognise that the right Trustees expand the intellectual and strategic resource and talent available to the Museum. In short it makes the Museum ever more capable.
Progress has continued into 2022, and I am delighted to welcome Louise Jones and Tarlok Singh Mander to the Board.

We do our best at the Museum to ensure our governance is strategic, effective and of the highest standard. I'd like to think our instincts are good, but clear and succinct support is always welcome. As Chair, and as a Board, we have found the latest *Charity Governance Code for Larger Charities* (updated 2020) an extremely valuable tool. This asks charities to focus on achieving their purpose; leadership; integrity; decision making, risk & control; Board effectiveness; equality, diversity & inclusion; and openness & accountability. At the Museum we are using these themes to develop and sustain a Trustee team with a shared sense of commitment to, and pride in, the Museum's cause, who can work together with wisdom, judgement and insight.

Our partnership with Arts Council England

During 2022 we will once again apply for investment from Arts Council England to enable us to do more, for more people. The current investment of £560,000 represents around 7% of our total annual trading revenue. As I mentioned earlier we value our financial independence, and this support is a way of increasing our resources to enable us to do more for our communities. Working with ACE, as part of their National Portfolio of organisations, has really sharpened our focus on issues such as climate change and equality, diversity and inclusion, as well as allowing us to shine a light on more instinctive characteristics such as dynamism, ambition and quality. The partnership is a hugely valuable learning process for us. We are also pleased to be here – in a priority area for levelling-up – attracting this kind of public-sector investment, for the benefit of people in the Black Country. As a major cultural organisation in the area, we feel we have an obligation to do so.

With thanks

We are now all having to live with COVID-19, and in this new reality it continues to be a great relief that we haven't seen widespread health issues amongst staff or volunteers, although I am aware of deaths and illness in extended families and amongst friends. I offer my condolences to anyone who has suffered loss amongst their loved-ones and friends.

Once again, I want to pay tribute to the Museum's staff, for achieving such great results for the beneficiaries of what we do, in spite of COVID-19 restrictions keeping us closed until May 2021. We bounced back very strongly; showing resilience, skill and enthusiasm.

This was further reflected when the Museum won the Visit England National award for Resilience and Innovation, at a ceremony on 8 June 2022. The Museum was commended for the many ways it was able to connect with audiences during the difficult year it faced in 2021. This included being able to provide a space for the NHS to distribute vaccines to the local community, connecting with worldwide audiences through TikTok, and hosting the production of a number of high profile filming projects, including Peaky Blinders.

I am always extremely grateful to my fellow Trustees on the Board, and the independent members of our subsidiary trading company and our Audit Committee. Thanks in particular to Andy Holding, who is stepping down after six years Chairing the Audit Committee. We welcome Andy Comyn as the new independent Chair of our Audit Committee.

I want to take this opportunity 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.
Special thanks go to the National Lottery Heritage Fund, Arts Council England, Black Country Local Enterprise Partnership, West Midlands Combined Authority, and the Department of Digital, Culture, Media and Sport, for the scale of funding support received during the pandemic, including, for the first time, capital funding from the UK Government through its Capital Kickstart Programme.

Finally, on behalf of the Board, I am delighted to have this opportunity to congratulate our Chief Executive, Andrew Lovett on being awarded an OBE in the New Year Honours, 2022. The award was rightly given for services to heritage, and as Chair of the Association of Independent Museums, especially during COVID-19. Andrew has said he was overwhelmed by the appreciation shown for the role he is privileged to play supporting the museum and heritage sector across the UK.

Dr Paul Belford Chair

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:

Christopher Ansell	(appointed 29 April 2021)
Jonathan Badyal	
Katy Baker	
Duncan Bedhall	
Dr Paul Belford	
Sally Bourner	(appointed 24 June 2021)
Andrew Comyn	(appointed 25 February 2021, resigned 28 October 2021)
Parminder Dosanjh	
Cllr. Matt Follows	
Nicola Harding	(retired 24 June 2021)
Victoria Jessop	
Ruth Levesley	
Nick Loveland	(resigned 29 April 2021)
Catherine Murphy	

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. Two appointments were made in 2021. Trustees can serve for two terms of three years, unless the Board agrees a third consecutive term of up to three years.

The Museum takes 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. The Museum is proud of the work it has done over the last 10 years to diversify membership of the Board.

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 Chair and Museum Chief Executive. New and prospective Trustees are also provided with a copy of the Museum's application pack, 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, through social media channels, briefings and sector newsletters about relevant issues, best practice and developments impacting 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 the latest Charity Governance Code for Larger Charities.

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 usually meets 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 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 (retiring in 2022), Andrew Holding, and Dinah McLannahan) and a Financial Performance Scrutiny Committee.

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) Visitor Operations, Estate Management, Marketing, and 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.

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. 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, Duncan Bedhall, who also Chairs the subsidiary. The Museum's Chief Operating Officer, Paul Crofts, is the Chief Executive of the Enterprises Company, although not a Company Director of it.

Remuneration Policy, Gender Pay Gap Information, Employment & Casual Workers

The Museum has a well-established median pay policy, informed by Museum-wide job evaluation and market data. At the end of 2019, 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 considers 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. The terms of recent emergency Government funding has meant the Museum has been obliged to implement pay restraint.

Normally 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. However, as a result of COVID-19 at the designated 'snapshot date' of 5 April 2021, 95% of the Museum's employees and workers were flexi-furloughed, which meant only eleven individuals met the definition of 'full-pay relevant employees' and the criteria for the Gender Pay Gap calculations. For the previous two years, when comparing the mean hourly rates and the median (middle number) hourly rate for men and women, there was a difference of less than 2%. 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 workers, 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, while offering the flexibility to the Museum and the individual.

Trustee Indemnity

Professional liability insurance of £1m is in place through AXA Insurance UK plc at a cost of £971 (2020: £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 2021.

	Date of Board Meetings						No. of Meetings	%
	25/02	29/04	24/06	26/08	28/10	16/12		
Chris Ansell	-	✓	✓	✓	X	✓	4/5	80%
Jonathan Badyal	✓	✓	✓	✓	X	✓	5/6	83%
Katy Baker	✓	✓	X	✓	✓	X	4/6	67%
Duncan Bedhall	✓	✓	X	✓	✓	✓	5/6	83%
Dr Paul Belford (Chair)	✓	✓	✓	✓	✓	✓	6/6	100%
Sally Bourner	-	-	✓	✓	✓	X	3/4	75%
Andy Comyn	✓	X	X	X	-	-	1/4	25%
Parminder Dosanjh	✓	✓	X	✓	X	✓	4/6	67%
Cllr Matthew Follows	X	✓	✓	✓	✓	X	4/6	67%
Nicola Harding	X	X	✓	-	-	-	1/3	33%
Victoria Jessop	✓	✓	✓	✓	✓	✓	6/6	100%
Ruth Levesley	✓	✓	✓	✓	✓	X	5/6	83%
Nick Loveland	X	X	-	-	-	-	0/2	0%
Catherine Murphy	✓	✓	✓	X	✓	✓	5/6	83%
Andrew Lovett (Chief Executive)	✓	✓	✓	✓	✓	✓	6/6	100%

Partnerships & Stakeholders

The Museum works with a number of partners and stakeholders to achieve its objectives, including some volunteer groups. The principal volunteer groups being: Collections & Archive Group; The Friends of President (steam narrow boat and part of the National Historic Fleet); 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 volunteer Transport Group was disbanded in 2020/2021; reflecting the changed operation of the Museum. 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. The Marston Archive is kept at the Museum.

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 the West Midlands Growth Company (with the Museum's Chief Executive being a Director of the Company), and the Chambers of Commerce of the Black Country, and Greater Birmingham. In addition, the Chief Executive is the Deputy Chair of the National Museums Directors' Council, a group of the UK's leading national and regional museums.

Dudley Borough is one of seven Constituent Authorities of the West Midlands Combined Authority (WMCA), led and Chaired 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 Museum's Director of Programmes, Carol King, being appointed as Deputy Chair WMCA's Cultural Leadership Board, and the Museum's Chief Executive as Chair of its Regional Tourism Board.

The Museum's Chef Executive is the Chair of the Dudley Towns Fund Board, a group of local civic, political, public and private sectors leaders assembled to secure Government funds to further develop Dudley.

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 employed by the Museum and 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. All active fundraisers within the Development Team are members of the Chartered Institute of Fundraising and adhere to its

Code of Conduct, which includes carrying out their duties in-line with the Code of Fundraising Practice.

Monitoring of team members and fundraising activities undertaken is carried out via regular one-to-one meetings with the Co-Directors of Development (job share), monthly team meetings where current and future fundraising activity and plans are discussed fully as well as individual Progress Discussions. Updates on fundraising activity are regularly provided to the Board of Trustees. No complaints regarding fundraising activity were received during the year.

Throughout 2021 the Development Team has continued to support the fundraising target for the Museum's major capital development; £2.64m of £2.75m has been raised at the time of writing. Revenue support is provided via schemes including (individual) membership and Business Partners.

Whilst the majority of fundraised income consists 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 that they have opted-in to receiving fundraising information 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	Art Fund
Black Country Local Enterprise Partnership	Birmingham Common Good Trust
Central England Co-operative Limited	Department for Digital, Media, Culture & Sport (UK Government)
Dudley Metropolitan Borough Council	Foyle Foundation
Garfield Weston Foundation	The George Cadbury Trust
National Lottery Heritage Fund	The Owen Family Trust
The Patrick Foundation	The Saintbury Trust
The Roger & Douglas Turner Trust	Eric W Vincent Trust Fund
Mr D Greeves	Mr J H Hughes
Mr & Mrs J Smith	The Late Sheila Ann Tuft

Environmental Impact & Responsibilities

The Museum works with Julie's Bicycle, an organisation specialising in environmental sustainability within the arts and cultural sector, to report on its environmental impact each year (from April to the following March) in line with Arts Council for England (ACE) requirements. Following an initial environmental review by Julie's Bicycle in 2016, more in-depth and regular monitoring and measurement of energy, water, waste, fuel and business travel was established and the Museum has reported on its carbon emissions (CO_2e) annually since April 2017. Between 2015 and 2018 the Museum achieved a substantial 46% decrease from 1,091 tonnes of CO_2e in

2015 to 503 tonnes of CO2e in March 2018, exceeding the 10% reduction target. The Museum then set a target to reduce its carbon emissions by a further 10% by April 2022.

Year Ended	Original calculation criteria (Tonnes CO2e)	Including Audience Travel (Tonnes CO2e)
31 March 2018	503	n/a
31 March 2019	497	n/a
31 March 2020	401	544
31 March 2021	253	424
31 March 2022	365	851

From April 2019 the Museum started to include the impact of visitors travelling to the Museum (Audience Travel) in its assessment using default data for museums provided by Julie's Bicycle. The table above reports the Museum's CO2 emissions both using the original criteria and including Audience Travel. For the current year, the Museum has begun to capture Audience Travel data itself, providing a more accurate figure.

Including Audience Travel, the total amount of emissions for 2021/22 was 851 tonnes, but without including Audience Travel it was 365 tonnes. This is 27% lower than the 2017/18 level calculated under the same criteria. Some of the reduction will be due to operating at slightly lower levels due to COVID-19. If it wasn't for the reduced operating levels, emissions would have been similar to 2019/20 levels which showed a 20% reduction.

Going forward the Museum will re-baseline its position in relation to environmental responsibility and begin to capture data and improvements outside the reporting requirements for ACE and Julie's Bicycle. Emissions from Audience Travel will be given specific focus.

Reserves Policy

The Museum 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. When considering what would be an adequate level of reserves, the Board, taking account of organisational risks, considers the level of unrestricted free cash which would be required, to allow the Museum 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. As a result of COVID-19 the Board's consideration now also includes taking account of the increased risk of the Museum having to close its doors as a result of a non-insured event. Encapsulating all these criteria, the Board has set the recommended minimum level of unrestricted free cash balances to be £1.25m. The Board will continue to keep under review the appropriate level of reserves including the circumstances when it might be appropriate to use these reserves to protect the purpose and beneficiaries of the Museum.

At the balance sheet date, the Group had a General Fund balance of £2.58m (2020: £2.47m) which equated to a non-committed unrestricted cash balance of £2.1m (2020: £1.47m). The Trustees have designated £222,000 of this for future developments and so the unrestricted free cash balance at the year-end equated to £1.88m. The Museum is a business with significant seasonal variances, and the balance is appropriate to ensure that the Museum's unrestricted free

cash balance remains above £1.25m throughout the financial year, even at a time when the cash position is at its lowest.

Going Concern

The Trustees are satisfied that the Museum will be able to manage any residual uncertainties arising from COVID-19 over the next 12 months and they do not create a material uncertainty that casts significant doubt on 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 Financial Statements are drawn up on the going concern basis.

On behalf of the Trustees

Dr Paul Belford Chair Dated: 30 June 2022

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 developed six strategic aims, as part of its latest Strategic Plan:

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.

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 10.4m 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. 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 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 and what the future might hold.

Over time the Museum has placed more emphasis on lively story-telling with Costumed Characters (as opposed to staff who wear a costume), using the land and streetscapes as a stage upon which stories are told, rather than regarding it as a museum of buildings.

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. The current expansion of the Museum will see this time period extend into the 1960s.

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, albeit with close ties.

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.

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.

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 (before the impact of COVID-19 this was c350,000 people in a normal year and 10.4m 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. In recent times the Museum has added something like 3,000 objects to its collections in support of Forging Ahead;

- 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, including from 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 (COVID-19 restricted excepted);

- providing diverse opportunities for volunteering for 185 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.

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.

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 2021, the Museum charged a price for adults of £19.95 (2020: £19.95). 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 for free. All groups (of 15+) received discounted rates. Since 2015 the Museum has operated an annual pass scheme, 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, although this was not possible during the pandemic.

Performance Against Objectives & Achievements During the Year

The performance and achievements of the Museum are set-out throughout this report.

The year commenced with the Museum being closed to the public due to the second full COVID-19 lockdown. However, as a result of financial support through the Government's Culture Recovery Fund and increased flexibility of the Job Retention Scheme, the Museum was able to keep a significant proportion of staff working allowing activity to continue including the planning and preparation for re-opening and progression of the BCLM: Forging Ahead capital development project.

The Museum re-opened to the public on 17 May 2021, at step 3 of the Government's roadmap out of lockdown. By using the Museum site to its maximum potential, bringing our characters and collections outside, and providing new content, performances and demonstrations we ensured our visitors had an enjoyable yet safe experience. 8,652 visitors were welcomed over May half term week. With the delay of Step 4 of the Government's roadmap until 19 July, the Museum's 1940s weekend was able to take place, but with restrictions on capacity.

The summer holidays proved positive and provided a much-needed boost with 54,650 visitors attending during August – twice as many visitors as in August 2020. Five Summer Lates held on Fridays throughout July and August also proved popular with three of the events selling out.

Our autumn and winter events programme created strong demand in the second half of the year. The Peaky Blinders Nights returned with six evenings in September and a further two in November, attracting 11,402 visitors and a testament to the continued popularity of the event despite no new season of the TV series airing since 2019. The October half-term drove significant levels of attendance through our Adventures in Sci-Fi theme during the daytime and through the three sold-out 'Monsters vs. Aliens' Halloween events in the evenings.

The year ended in a buoyant manner despite the emergence of the COVID-19 Omicron variant through our Christmas programme which included three special events: Christmas Nights (two dates), An Enchanted Christmas (four dates), and Santa Hunts (nine dates).

In total we welcomed 207,939 visitors over the 33 weeks the Museum was able to open, which was 79% of the level reached in the last normal year, 2019, over the same period.

Alongside the priority to move forward following the severe impacts of COVID-19 the Museum's work for 2021 focused on the following five objectives:

1. Develop and diversify our team.

Benefits

- 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.

Progress

A new Progress Development Programme was launched to all staff across the Museum.

The Museum adopted Art Council England's Inclusivity & Relevance Investment Principle and developed an Equality, Diversity & Inclusion (EDI) Action Plan, which was approved by the Board of Trustees in June. From this the Museum has established an internal EDI Working Group and has established the basis for an EDI Focus Group, of external individuals, which will be recruited to in 2022.

Three new Trustees joined in 2021 as part of the Museum's commitment to continually develop and refresh the Board to ensure that is has an appropriate spectrum of diversity.

2. Develop, maintain and use our collection, in its broadest sense, to support inclusive storytelling.

Benefits

- 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.

Progress

We completed the research relating to the physical design of the new historic buildings being constructed as part of BCLM: Forging Ahead.

We supported the publication of 'BCLM: Forging Ahead: building a new urban history of the Black Country', written by Researcher, Dr Simon Briercliffe.

We continued (in partnership with University of Wolverhampton) to further develop and deliver the Black Country Studies Centre events programme which included a series of events commemorating the 70th anniversary of the Festival of Britain and its impact in the Black Country and the 'Hush Now' series which supported inclusive storytelling onsite and skills

development in inclusive and sensitive storytelling for University of Wolverhampton Drama students.

As part of the BCLM: Forging Ahead project, Woodside Library in Dudley, was dismantled, brick by brick, and transported to the Museum ready to be rebuilt as part of the 1940-60s Historic Town.

3. Build engagement with audiences to increase representation and enable active participation.

Benefits

- 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.

Progress

Despite the continuing restrictions arising from COVID-19 the Museum delivered a varied events programme, from when it was able to open in May, throughout 2021. This included a new daytime family orientated Christmas event, 'Enchanted Christmas' for which each of the four days were sold out with over 2,000 people attending each day and a Festival of Light, linked to Diwali. The 'Enchanted' event was targeted at attracting new family audiences and succeeded in doing so, as 69% of visitors to this event had not previously attended a Christmas event at BCLM.

The Museum continued to produce creative content for online engagement and whilst physical attendance has been impacted, the Museum's social media audiences have continued to grow. We began using TikTok in August 2020, and this continued throughout 2021, showcasing the Museum, its characters and stories by creating viral videos. By tapping into Tik-Tok trends, e.g. juxtaposing history with a modern soundtrack, the platform has enabled us to bring the Black Country's history to life in eye-catching ways in spaces where young people are digitally experiencing culture. Museum-wide collaboration has been key: a small working group of research and programming staff provide historical accuracy, as well as direction on narrative, and a variety of historic characters have been created to feature on screen. We have focused on subject matters of interest to a younger audience, specifically themes of social justice and women's history. We became an official TikTok partner via the #tiktoklearning campaign and in May 2021 featured in 'museum moments' – a live event by 23 museums across 12 countries.

As a result of its activity during 2021 the Museum won 'Best Use of Social Media' Award at the Museums + Heritage Awards 2021 and the "Being Social" category at Arts Council England and the Digital Culture Network's Digital Culture awards.

Having had our previous website for nine years, August saw the launch of phase one of a new website which better reflects how audiences interact with BCLM and which will help encourage greater engagement, in both digital and 'real-life' experiences.

Developments in digital engagement continued in summer 2021 with the launch of Adventures Through Time – an Art-Fund supported series of monthly animated educational videos and podcasts aimed at children between 8 and 16 years. The series was borne out of the popular History At Home online activities which were in response to the initial lockdown in spring 2020.

4. Innovate to ensure the Museum is strategically aligned for our sustainable future.

Benefits

- Our revenue is grown and diversified.
- The Museum is valued and relevant to our audiences.
- The Museum has efficient and effective operations.

Progress

We continued explore how we could increase the opportunities for external hire including filming and photography and during the year the site was used for two large-scale filming projects – Sky Cinema's The Colour Room (biopic of 20th century ceramicist Clarice Cliff) and Peaky Blinders season six.

We undertook a review of on-site trading, so the activity better aligned with programme which helped, along with the Government's reduced VAT rate for the hospitality sector, the average spend per head increase to £8.75 from £7.50 in 2020.

5. Use our influence and strengthened reputation to effect positive change for our communities.

Benefits

- 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.

Progress

We continued to play a role in the regeneration and changing perceptions of Dudley, the Black Country and wider West Midlands by working with Black Country Local Enterprise Partnership (BCLEP), Dudley MBC and West Midlands Combined Authority (WMCA) contributing to their strategic plans for culture. Carol King, Direcor of Programmes, was elected as the Deputy Chair for the West Midlands Regional Cultural Leadership Board, and in December Andrew Lovett, CEO, was appointed the new Chair of the Regional Tourism Board, as well as to the Board of the West Midlands Growth Company.

The Museum team provided support for this significant undertaking which opened in the Museum's two large conference halls at the end of January 2021. Black Country & West Birmingham NHS CCG confirmed that 125,000 jabs were delivered to the local community between January and June 2021.

Throughout the year we also continued to develop the partnership with Creative Black Country and its delivery of ACE's Creative People & Places programme to provide arts and culture opportunities for people in Dudley. During 2021 BCLM supported their Creative Connections commissioning strand for socially distanced/lockdown activities that could bring fun, joy and creativity to local people in the Black Country and keep them connected. 17 diverse projects have been commissioned as part of this process ranging from Life From our Doorstep photographic competition to Conquérir dance project with Deaf women in Dudley borough.

Financial Review

The financial performance of the Museum for the year under review and the financial position at the Balance Sheet date are set out in this report. In particular the Statement of Financial Activities (SOFA), which includes both unrestricted and restricted funds, shows the performance of the group during the year.

For a second consecutive year the Museum was impacted by COVID-19 and the national restrictions. Consequently, visitor attendance was restricted to around 60% of the levels recorded in the two years prior to COVID-19 and consequently income from admissions and retail sales were 30% lower than in 2019.

As a result of COVID-19 and the national restrictions the Museum was closed until 16 May 2021 and during this time the Museum continued to make use of the Government's Job Retention Scheme and the financial support from Culture Recovery Fund which the Museum was awarded in 2020. These helped to mitigate the deficits in the first five months of the financial year.

After opening on 17 May 2021 and throughout the remainder of the year, performance was good. Visitor attendance during this period was in-line with budget, albeit set lower than previous years, and only 20% lower than in 2019. However, the Museum saw much higher secondary spend by visitors than in a normal year, and this together with the cost saving measures which had been introduced at the start of the year, resulted in trading surplus of £834k.

The Group net worth at 31 December 2021 stands at £27.82m (2020: £14.04m); the sharp increase being as a result of restricted funds received for BCLM: Forging Ahead. Over the next two financial years the restricted fund balance will continue to increase, reflecting the income received for the project with the matching expenditure being mostly capitalised in the form of the newly constructed buildings and features.

Restricted Funds stand at £23.59m (2020: £11.72m) and Unrestricted Funds at £4.23m (2020: £2.32m) comprised of Designated Funds of £3.17m (2020: £2.63m), General Funds of £2.58m (2020: £2.47m) and Pension Reserve (deficit) of £1.53m (2020: deficit of £2.78m).

	2021	2020
	£	£
Net Trading Surplus	834,011	(20,739)
Accounting Adjustments and Non-recurring Costs included in Expenditure:		
Culture Recovery Fund investment into cash reserves	-	1,250,000
Movement in the accounting accrual for holiday pay	34,269	-
Loss in disposal of assets	(46,284)	-
Income directly designated for BCLM: Forging Ahead	183,780	65,734
One-off Investments	(43,654)	(13,164)
Depreciation charge on Unrestricted Funds	(74,722)	(74,722)
Contribution to BCLM: Forging Ahead	(237,704)	(209,509)
Actuarial adjustment (pensions)	(106,000)	(65,000)
Net Income/(Expenditure) after taxation (as shown in SOFA)	543,696	932,600

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 the 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 detrimental incident on site.

Due to its size and the extent of its potential risks, BCLM: Forging Ahead has its own risk register which is monitored by the BCLM: Forging Ahead Project Board.

The Museum, as reported at Note 31, has a potential defined benefit pension liability of £1.53m (2020: £2.78.m). This will not crystallise in the short or medium term, and if the Museum wound-up, any pension liability would be 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

During the next 12-months the Museum will focus on its existing 5 stated objectives, alongside specifically:

(a) Continuing the Museum's recovery from COVID-19.
(b) Applying to retain Arts Council England investment, from 1 April 2023 onwards.
(c) Continuing to complete Forging Ahead, and the successful opening of the new Visitor Centre and Elephant & Castle Pub by mid-2022.

(d) Developing a new Strategic Plan.
(e) Refreshing the partnership with the University of Wolverhampton (Black Country Studies Centre).
(f) Developing a new Marketing & Communications Strategy.
(g) Improving our environmental impact reporting and continuing to reduce our CO2e.
(h) Refreshing the Museum's Master Plan, to determine land use on site.

On behalf of the Trustees

Dr Paul Belford Chair Dated: 30 June 2022

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 financial statements, 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; and
- 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

Dr Paul Belford Chair Dated: 30 June 2022

Independent Auditors' Report to the Members of Black Country Living Museum Trust for the Year Ended 31 December 2021

Opinion

We have audited the financial statements of Black Country Living Museum Trust ('the charitable company') and its subsidiary ('the group') for the year ended 31 December 2021 which comprise the statement of financial activities, the group and charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including 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 2021 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2011.

Basis For Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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

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

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

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

Other Information

The trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 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 2011 requires us to report to you if, in our opinion:

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

Responsibilities Of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 27, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the Members of Black Country Living Museum Trust for the Year Ended 31 December 2021

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent To Which The Audit Was Considered Capable Of Detecting Irregularities, Including Fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR) Health and safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have

detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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: 13 July 2022

Black Country Living Museum Trust

Consolidated Statement of Financial Activities including Income and Expenditure Account for the Year Ended 31 December 2021

	Notes	Unrestricted Funds £	Restricted Funds £	**Total 2021 £**	**Total 2020 £**
Income					
Donations and Legacies:					
Charitable donations	3	19,022	12,084,176	**12,103,198**	5,188,521
Charitable Activities:					
Admission to the Museum	4	3,135,325	-	**3,135,325**	1,072,941
COVID-19 support funding	5	1,642,720	-	**1,642,720**	4,318,748
Grants (Arts Council England)	6	560,120	-	**560,120**	560,120
Other Trading Activities:					
Retail income (subsidiary trading company)	7	1,819,670	-	**1,819,670**	669,645
Ancillary enterprises	8	416,948	-	**416,948**	133,179
Investment Income	9	303	-	**303**	3,071
Other Income	10	50,938	-	**50,938**	49,336
Total Income		7,645,046	12,084,176	**19,729,222**	11,995,561
Expenditure					
Raising Funds:					
Retail (subsidiary trading company)		1,709,394	-	**1,709,394**	1,074,671
Development and fundraising costs		198,042	-	**198,042**	185,558
Charitable Activities:					
Opening and operating the Museum		4,515,987	210,367	**4,726,354**	4,227,795
Developing the Museum		677,927	-	**677,927**	1,634,465
National Leadership Programme		-	-	**-**	30,699
Total Expenditure	11	7,101,350	210,367	**7,311,717**	7,153,188
Net Income/(Expenditure) before taxation		543,696	11,873,809	**12,417,505**	4,842,373
Tax receivable		-	-	**-**	-
Net Income/(Expenditure) after taxation		543,696	11,873,809	**12,417,505**	4,842,373
Other Recognised Gains and Losses:					
Actuarial gain/(loss) on defined benefit pension		1,355,000	-	**1,355,000**	(1,298,000)
Net Movement in Funds		1,898,696	11,873,809	**13,772,505**	3,544,373
Reconciliation of Funds:					
Total Funds brought forward 1 January 2021		2,326,496	11,717,329	**14,043,825**	10,499,452
Total Funds carried forward at 31 December 2021		**4,225,192**	**23,591,138**	**27,816,330**	14,043,825

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 2021

	Notes	£	2021 £	£	2020 £
Fixed Assets:					
Tangible assets	17		16,383,731		6,787,468
Heritage assets	18		4,807,284		4,972,593
Total Fixed Assets			21,191,015		11,760,061
Current Assets:					
Stocks of goods for resale	20	98,283		88,451	
Debtors	21	5,243,585		1,789,663	
Cash at bank and in hand	30	4,850,268		3,705,317	
Total Current Assets		10,192,136		5,583,431	
Creditors: amount falling due within 1 year	22	(1,947,123)		(388,186)	
Net Current Assets			8,245,013		5,195,245
Total Assets less Current Liabilities			29,436,028		16,955,306
Creditors: amount falling due after 1 year	23		(91,698)		(134,481)
Net Assets (excluding pension liability)			29,344,330		16,820,825
Defined benefit pension liability	31		(1,528,000)		(2,777,000)
Total Net Assets			27,816,330		14,043,825
The Funds of the Charity:					
Restricted funds	26		23,591,138		11,717,329
Unrestricted funds:					
Designated funds	27	3,174,405		2,634,997	
General funds		2,578,787		2,468,499	
Pension reserve	31	(1,528,000)		(2,777,000)	
			4,225,192		2,326,496
			27,816,330		14,043,825

The Annual Report & Accounts were approved and authorised for issue by the Board of Trustees of the Museum on 30 June 2022 and signed on behalf of the Board of Trustees:

Dr Paul Belford Chair Dated: 30 June 2022

Black Country Living Museum Trust

Parent (Museum) Balance Sheet as at 31 December 2021

	Notes	£	2021 £	£	2020 £
Fixed Assets:					
Tangible assets	17		16,383,731		6,787,468
Heritage assets	18		4,807,284		4,972,593
Investments	19		1,000		1,000
Total Fixed Assets			21,192,015		11,761,061
Current Assets:					
Debtors	21	5,260,546		1,959,175	
Cash at bank and in hand	30	4,693,073		3,568,776	
Total Current Assets		9,953,619		5,527,951	
Creditors: amount falling due within 1 year	22	(2,434,486)		(352,740)	
Net Current Assets			7,519,133		5,175,211
Total Assets less Current Liabilities			28,711,148		16,936,272
Creditors: amount falling due after 1 year	23		(91,698)		(134,481)
Net Assets (excluding pension liability)			28,619450		16,801,791
Defined benefit pension liability	31		(1,528,000)		(2,777,000)
Total Net Assets			27,091,450		14,024,791
The Funds of the Charity:					
Restricted funds	26		23,591,138		11,717,329
Unrestricted funds:					
Designated funds	27	3,174,405		2,634,997	
General funds		1,853,907		2,449,465	
Pension reserve	31	(1,528,000)		(2,777,000)	
			3,500,312		2,307,462
			27,091,450		14,024,791

The net result reported in the Statement of Financial Activities of the parent charity for the year was £13,066,659 (2020: £4,137,448).

The Annual Report & Accounts were approved and authorised for issue by the Board of Trustees of the Museum on 30 June 2022 and signed on behalf of the Board of Trustees:

Dr Paul Belford Chair Dated: 30 June 2022

Black Country Living Museum Trust

Consolidated Cash Flow Statement for the Year Ended 31 December 2021

	Notes	£	2021 £	£	2020 £
Cash Flow from Operating Activities:					
Net cash flow from operating activities	29		9,971,941		3,288,177
Cash Flows from Investing Activities:					
Interest from investments		303		3,071	
Proceeds from the sale of tangible fixed assets		-		-	
Purchase of tangible fixed assets		(8,783,623)		(1,577,156)	
Net Cash Used in Investing Activities			(8,783,320)		(1,574,085)
Cash Flows from Financing Activities:					
Repayment of borrowing		(43,670)		(42,687)	
Net Cash Used in Financing Activities			(43,670)		(42,687)
Change in Cash and Cash Equivalents in the year			1,144,951		1,671,405
Cash and cash equivalents at start of the year			3,705,317		2,033,912
Cash and Cash Equivalents at end of the year			4,850,268		3,705,317

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 Trustees are satisfied that the Museum will be able to manage any residual uncertainties arising from the COVID-19 pandemic over the next 12 months and they do not create a material uncertainty that casts significant doubt on 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 Financial Statements are drawn up on the going concern basis.

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 has been accounted for when 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 engagement with visitors and collections care to retailing and finance. With one exception, people now volunteer as individuals, as opposed to as part of a volunteer group. Because of the pandemic, volunteer activity was continued to be restricted, with a reduced level of hours (9,651) recorded. The Museum uses the standard National Lottery Heritage Fund multiplier of £50 per day for unskilled, £150 per day for skilled and £350 per day for professional volunteer roles this equates to a value of £135,311 (2020: £112,395).

1.6 Expenditure

All costs are 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

(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 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.

1.8 Remuneration Policy

The Museum has a well-established pay and grading structure and median pay policy. 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 determines the remuneration of the Chief Executive outside this protocol.

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 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 2019 which 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 provided 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.

(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 party 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 2021	Restricted Funds 2021	Unrestricted Funds 2020	Restricted Funds 2020
	£	£	£	£
Grants	16,905	12,072,277	-	5,076,528
Donations	2,117	11,899	48,670	53,323
Legacies	-	-	10,000	-
	19,022	12,084,176	58,670	5,129,851

Grants includes £4.99m receivable from National Lottery Heritage Fund and £6.21m receivable from Black Country Local Enterprise Partnership relating to BCLM:Forging Ahead. 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 13 of the Annual Report. Details on how the restricted income has been applied can be found in Note 26.

4 Visitor Admission to the Museum

	2021	2020
	£	£
Admission (Museum & Locksmith's House)	2,061,992	900,743
Gift Aid from donated admission charges*	294,032	130,068
	2,356,024	1,030,811
Events Programme	723,100	-
Membership	48,947	40,031
Learning Programmes & Courses	7,254	2,099
	3,135,325	1,072,941
Visitor Attendance (number)	207,939	89,338

* 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 COVID-19 Support Funding

	2021	2020
	£	£
Culture Recovery Fund (UK Government)	655,000	1,904,805
Emergency Response Fund (Arts Council England / UK Government)	-	1,175,000
Job Retention Scheme Grant (Furlough)	584,635	1,222,541
Other Grants	403,085	16,402
	1,642,720	4,318,748

6 Arts Council England (National Portfolio Organisation Funding)

	2021	2020
	£	£
Arts Council England	560,120	560,120

From 1 April 2018, the Museum became a National Portfolio Organisation. A four-year funding agreement is in place until 31 March 2022. This was extended in 2020 for a further year to 31 March 2023, due to COVID-19.

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.

	2021	2020
Profit & Loss Account	£	£
Retail Sales income	2,131,837	766,221
Cost of sales, including staffing	(1,455,128)	(878,274)
Gross profit	676,709	(112,053)
Administrative expenses (inc. Group charges)	(192,587)	(119,606)
Operating profit	484,122	(231,659)
Other operating income	237,806	262,910
Profit for year before and after taxation	721,928	31,251

8 Ancillary Enterprises

	2021	2020
	£	£
Parking charges	113,562	55,982
Business sponsorship	12,181	12,194
Hire & Hospitality	198,606	40,594
Dudley Canal Trips commission	8,101	2,032
Licensed on-site concessions	6,381	3,276
Filming rights and charges	78,117	19,101
	416,948	133,179

9 Investment Income

	2021	2020
	£	£
Interest received	303	3,071
	303	3,071

10 Other Income

	2021	2020
	£	£
Rent from leased freehold property	45,293	45,000
Other	5,645	4,336
	50,938	49,336

11 Analysis of Expenditure

	Staff Costs	Other Costs	Support Costs	Total 2021
	£	£	£	£
Raising Funds				
Subsidiary trading company	756,903	740,428	212,063	1,709,394
Fundraising costs	145,799	11,394	40,849	198,042
Total Cost	902,702	751,822	252,912	1,907,436
Charitable Activities				
Opening and operating the Museum	2,495,710	1,521,318	709,326	4,726,354
Developing the Museum	258,923	346,461	72,543	677,927
Total Cost	2,754,633	1,867,779	781,869	5,404,281
Total All Costs	3,657,335	2,619,601	1,034,781	7,311,717

Support costs are allocated on the basis of direct expenditure.

12 Analysis of Support Costs

	Staff Costs	Other Costs	Total 2021	Total 2020
	£	£	£	£
Governance	-	9,864	9,864	9,852
Chief Executive's office, Finance and HR	484,869	321,259	806,128	712,620
Information Technology	55,883	162,906	218,789	185,028
	540,752	494,029	1,034,781	907,500

13 Analysis of Governance Costs

	2021	2020
	£	£
Trustees expenses	369	132
Legal and professional fees	245	720
Audit and accountancy charges	9,250	9,000
	9,864	9,852

14 Net Income/Expenditure for the Year

	2021	2020
	£	£
This is stated after charging:		
Operating leases	40,069	30,075
Depreciation	263,385	264,078
Bank loan interest	3,887	5,178
Auditor's remuneration:		
Audit fee	12,750	12,250
Accountancy and tax services	1,475	700

15 Trustees (Directors and Members)

None of the Trustees (or any persons connected with them) received any remuneration or benefits during the year. Two trustees were reimbursed out-of-pocket expenses totalling £344 (2020: two totalling £132).

16 Employees

The average monthly headcount of contracted employees during the year was 149 (2020: 157) and the average full-time equivalent (FTE) number of employees and casual workers during the year were as follows:

	2021	2020
	FTE	FTE
Direct (front-line) charitable activities	117	107
Management, specialists and administration	44	44
	161	151
Of which:		
Contracted employees	118	120
Casual workers	43	31
	161	151

16 Employees (cont.)

Employment Costs:

	2021	2020
	£	**£**
Wages and salaries	3,796,759	3,642,897
National Insurance costs	258,092	243,845
Pension costs	143,236	141,901
	4,198,087	4,028,643

Employment costs include payments and payments in lieu of notice in relation to redundancy amounting to £36,013 (2020: £27,615) paid to five individuals (2020: two).

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

	2021	2020
	(number)	(number)
£60,000 - £70,000	2	1
£90,000 – £100,000	1	-
£100,000 - £110,000	-	1

There are five posts considered as paid executive Key Management Personnel of the Museum (as defined by FRS102), 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 £399,759 (2020: £390,156).

17 Tangible and Intangible Fixed Assets

Group and Company	Intangible Fixed Assets	Tangible Fixed Assets					
		Land and buildings freehold	Land and buildings leasehold	Fixtures, fittings and equipment	Motor vehicles	Under Construc-tion	Total
	£	£	£	£	£	£	£
Cost							
At 1 January 2021	23,064	1,521,227	6,015,569	1,302,511	78,075	1,287,989	10,205,371
Additions	-	-	-	-	15,891	9,724,732	9,740,623
Disposals	-	-	-	(141,577)	-	-	(141,577)
At 31 December 2021	**23,064**	1,521,227	6,015,569	1,160,934	93,966	11,012,721	19,804,417
Depreciation							
At 1 January 2021	23,064	160,683	1,924,278	1,260,130	72,812	-	3,417,903
Charge for the period	-	21,751	111,938	7,427	3,244	-	144,360
On disposal	-	-	-	(141,577)	-	-	(141,577)
At 31 December 2021	**23,064**	182,434	2,036,216	1,125,980	76,056	-	3,420,686
Net book value							
At 31 December 2021	**-**	1,338,793	3,979,353	34,954	17,910	11,012,721	16,383,731
At 31 December 2020	-	1,360,544	4,091,291	42,381	5,263	1,287,989	6,787,468

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

18 Heritage Assets

Group and Company	£
Cost	
At 1 January 2021	**6,244,044**
Additions	-
Disposals	(68,811)
At 31 December 2021	**6,175,233**
Depreciation	
At 1 January 2021	1,271,451
Charge for the period	119,025
On disposal	(22,527)
At 31 December 2021	**1,367,949**
Net book value	
At 31 December 2021	**4,807,284**
At 31 December 2020	4,972,593

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

18 Heritage Assets (cont.)

	2021	2020	2019	2018	2017	Pre-2017	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	-	-	-		-	2,459,592	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	-	-	-	-	-	68,468	68,468
Kildare Narrow Boat	-	-	-	-	-	34,795	34,795
Tram 5	-	-	-	-	13,033	83,279	96,312
Tramway	-	-	-	-	-	73,346	73,346
Racecourse Colliery	-	-	-	-	131,266	5,456	136,722
Anchor Forge/Steam Hammer	-	-	-	-	20,726	26,581	47,307
Patrick Collection Vehicles	-	-	-	96,000	-	-	96,000
	-	-	-	96,000	165,025	5,914,208	6,175,233
Depreciation							
Marston Collection	5,698	5,698	5,698	5,698	5,698	49,857	78,347
Locksmith's House	1,454	1,454	1,454	1,454	1,454	25,862	33,132
President Narrow Boat	1,757	1,757	1,757	1,757	1,757	13,691	22,476
Workers' Institute	42,395	42,395	42,395	42,393	42,393	370,743	582,714
Oldbury Buildings	17,750	17,750	17,750	17,750	17,750	142,036	230,786
Hobbs Fish & Chip Shop	19,252	19,252	19,252	19,252	19,252	168,455	264,715
Folkes Park	3,254	3,254	3,254	3,254	3,254	27,820	44,090
Conway Garage	1,187	1,187	1,187	1,187	1,187	10,386	16,321
Bradburn & Wedge	35	35	35	35	35	307	482
Newcomen Engine	1,652	1,652	1,652	1,652	1,652	7,487	15,747
Birchill's Narrow Boat	1,264	1,264	1,264	1,264	1,264	3,980	10,300
Kildare Narrow Boat	653	653	653	653	653	1491	4,756
Tram 5	1,836	1,836	1,836	1,836	1,836	2,666	11,846
Tramway	1,387	1,387	1,387	1,387	1,387	2,582	9,517
Racecourse Colliery	2,730	2,730	2,730	2,048	105	105	10,448
Anchor Forge/Steam Hammer	947	947	947	631	-	-	3,472
Patrick Collection Vehicles	9,600	9,600	9,600	-	-	-	28,800
	112,851	112,851	112,851	102,251	99,677	827,468	1,367,949

19 Fixed Asset Investments

Company	£
Market value at 1 January 2020 and at 31 December 2021	1,000
Historical cost at 31 December 2020 and at 31 December 2021	1,000

The Museum holds 100% of the issued Ordinary Shares of Black Country Living Museum Enterprises Ltd. This wholly-owned subsidiary undertakes on-site trading to support the charitable activities of the Museum. At 31 December 2021 its net assets and shareholder's funds amounted to £725,878 (2020: £20,034).

20 Stock

	Group		Parent	
	2021	2020	**2021**	2020
	£	£	**£**	£
Stock	98,283	88,451	**-**	-

21 Debtors

	Group		Parent	
	2021	2020	**2021**	2020
	£	£	**£**	£
Trade debtors	34,534	2,518	24,163	1,037
Owed by subsidiary Trading Company	-	-	-	227,852
Other debtors	147,018	87,511	186,022	90,059
Prepayments and accrued income	5,062,033	1,699,634	5,050,361	1,640,227
	5,243,585	1,789,663	5,260,546	1,959,175

Accrued income includes £4,990,000 (2020: £ 595,378) of grant income due from National Lottery Heritage Fund.

22 Creditors: Amounts Falling Due Within One Year

	Group		Parent	
	2021	2020	**2021**	2020
	£	£	**£**	£
Bank loan	39,346	39,185	39,346	39,185
Obligations under finance leases and hire purchase contracts	4,022	5,070	4,022	5,070
Owed to subsidiary Trading Company	-	-	537,906	-
Trade creditors	952,340	43,838	944,200	39,733
Taxes and social security costs	78,150	59,741	78,150	59,741
Other creditors	29,230	930	29,230	930
Accruals	844,035	239,422	801,632	208,081
	1,947,123	388,186	2,434,486	352,740

23 Creditors: Amounts Falling Due After More Than One Year

Group and Company	**2021**	2020
	£	£
Bank Loan	91,698	130,459
Obligations under finance leases and hire purchase contracts	-	4,022
	91,698	134,481

Group and Company	**2021**	2020
Analysis of Bank Loan	**£**	£
Not wholly repayable within 5 years	131,044	169,644
Included in the current liabilities	(39,346)	(39,185)
	91,698	130,459

Group and Company	**2021**	2020
Loan Maturity Analysis	**£**	**£**
Debt due in 1 year or less	39,346	39,185
In more than 1 year, but not more than 2 years	40,319	40,185
In more than 2 years, but not more than 5 years	51,379	90,274
	131,044	169,644

The bank loan is repayable by March 2025 with interest charged at 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 leasee. Future minimum lease payments due under finance leases and hire purchase contracts:

Group and Company	**2021**	2020
Amounts payable	**£**	**£**
Within 1 year	4,183	5,444
In more than 1 years, but not more than 5 years	-	4,183
less: finance charges allocated to future periods	(161)	(535)
	4,022	9,092

24 Obligations Under Leases and Hire Purchase Contracts (cont.)

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

	2021	2020
	£	£
Less than 1 year	18,792	33,378
Between 2 and 5 years	68,096	69,864
Over 5 years	478,800	507,224
	565,688	610,466

25 Financial Instruments

	2021	2020
	£	£
Financial assets that are debt instruments measured at amortised cost	10,031,591	5,386,093
Financial liabilities measured at amortised cost	1,960,672	462,926

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)

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.

Group and Company	Balance at 1 January 2021	Incoming Funds	Resources Expended	Transfers	**Balance at 31 December 2021**
	£	£	£	£	£
Tangible Assets					
Operational Fixed Assets	723,676	-	(30,035)	-	693,641
Freehold Property	190,083	-	(2,550)	-	187,533
Rolfe Street Development	2,196,400	-	(57,348)	-	2,139,052
Moving the Black Country	679,895	-	(14,438)	-	665,457
Brook Entrance & Facilities	386,053	-	(7,149)	-	378,904
Folkes Park Play Equipment	20,937	-	(3,490)	-	17,447
Assets under Construction	1,287,989	-	-	9,724,732	11,012,721
	5,485,033	-	(115,010)	9,724,732	15,094,755

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

Group and Company	Balance at 1 January 2021	Incoming Funds	Resources Expended	Transfers	Balance at 31 December 2021
	£	£	£	£	£
Heritage Assets					
The Workers' Institute	1,424,827	-	(31,478)	-	1,393,349
The Locksmith's House	118,322	-	(1,454)	-	116,868
Conway Garage	13,585	-	(287)	-	13,298
Folkes Park	153,730	-	(3,254)	-	150,476
Old Birmingham Road	384,537	-	(8,139)	-	376,398
Hobbs Fish & Chip Shop	402,975	-	(8,529)	-	394,446
Newcomen Engine	62,387	-	(1,322)	-	61,065
President Narrow Boat	82,893	-	(1,757)	-	81,136
Marston Motorcycles	269,216	-	(5,698)	-	263,518
Birchill's Narrow Boat	50,525	-	(1,074)	-	49,451
Kildare Narrow Boat	27,834	-	(592)	-	27,242
Tram 5	33,690	-	(717)	-	32,973
Anchor Forge/Steam Hammer	44,783	-	(947)	-	43,836
Racecourse Colliery	116,486	-	(2,465)	-	114,021
	3,185,790	-	(67,713)	-	3,118,077
Other Items					
Anchor Forge/Steam Hammer	796	-	-	-	796
Racecourse Colliery	22,296	-	-	-	22,296
The Locksmith's House	8,917	-	-	-	8,917
Folkes Park Development	11,072	-	-	-	11,072
Improving Accessibility	1,000	-	-	-	1,000
Learning Projects	7,158	400	(185)	(27)	7,346
Stour (boat) Restoration	13,130	-	-	-	13,130
President (boat) Restoration	30,457	10,049	(10,960)	-	29,546
Collections Projects	14,310	-	(360)	-	13,950
Staff Award (training)	3,210	1,000	(962)	-	3,248
St James's School	2,632	-	-	-	2,632
Visitor Benches	162	450	-	-	612
Maintaining the Collection	90,000	30,000	-	-	120,000
Unpacking the Past	32,500	13,000	(15,080)	-	30,420
Adventures Through Time	12,021	-	(97)	-	11,924
BCLM:Forging Ahead Capital Development Project	2,796,845	12,029,277	-	(9,724,705)	5,101,417
	3,046,506	12,084,176	(27,644)	(9,724,732)	5,378,306
	11,717,329	12,084,176	(210,367)	-	23,591,138

27 Designated Funds (Movement in Funds)

Group and Company	Balance at 1 January 2021	New Designations	Utilised funds	Transfers	**Balance at 31 December 2021**
	£	£	£	£	£
Future developments – FA	747,113	412,887	-	-	1,160,000
Future developments – other	-	222,000	-	-	222,000
Fundraised income designated to Forging Ahead	101,080	2,117	-	-	103,197
Heritage asset reserve	1,786,804	-	(51,312)	(46,284)	1,689,208
	2,634,997	637,004	(51,312)	(46,284)	3,174,405

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 BCLM:Forging Ahead capital development project and other Museum developments.

28 Analysis of Net Assets between Funds

	Unrestricted funds	Restricted funds	**Total**
Group	£	£	£
Fund balances at 31 December 2021 are represented by:			
Tangible fixed assets	2,978,183	18,212,832	21,191,015
Net current assets	2,866,707	5,378,306	8,245,013
Creditors: amounts falling due after more than one year	(91,698)	-	(91,698)
Defined benefit pension liability	(1,528,000)	-	(1,528,000)
	4,225,192	23,591,138	27,816,330

	Unrestricted funds	Restricted funds	**Total**
Company	£	£	£
Fund balances at 31 December 2021 are represented by:			
Tangible fixed assets	2,979,183	18,212,832	21,192,015
Net current assets	2,124,743	5,378,306	7,503,049
Creditors: amounts falling due after more than one year	(91,698)	-	(91,698)
Defined benefit pension liability	(1,528,000)	-	(1,528,000)
	3,484,228	23,591,138	27,075,366

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

	2021	2020
	£	£
Net income/(expenditure) for the year (as per the Statement of Financial Activities)	12,417,505	4,842,373
Adjustments for:		
Depreciation charges	263,385	264,078
Interest received	(303)	(3,071)
Non-cash donations	(250,000)	-
Loss of disposal of assets	46,284	-
(increase)/Decrease in stocks	(9,832)	44,234
(increase)/Decrease in debtors	(3,453,922)	(1,358,371)
(Decrease)increase/ in creditors	852,824	(566,066)
Pension scheme non-cash movements	106,000	65,000
	9,971,941	3,288,177

30 Analysis of Cash and Cash Equivalents

	2021	2020
	£	£
Cash in hand	31,613	23,363
Current account	4,818,655	3,681,954
Total Cash and Cash Equivalents	4,850,268	3,705,317

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 764 active scheme employers and 343,000 scheme members, and total managed assets of £18.7bn. 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. 13 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.

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

Defined Contribution Pension Scheme

	2021	2020
Defined Contribution Pension Scheme	£	£
Contributions payable by the Museum	80,392	79,978

Defined Benefit Pension Scheme

An actuarial valuation of the WMPF was carried out in accordance with the Regulations as at 31 March 2019 and set contribution rates for the next four years until 31 March 2023. 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 £1,528,000 (2020: £2,777,000). 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 crystallise in the short or medium-term.

	2021	2020
	£	£
Present value of funded obligations	8,505,000	9,100,000
Fair value of plan assets	(6,977,000)	(6,323,000)
Defined Benefit Pension Liability	1,528,000	2,777,000

	2021	2020
	£	£
Included in staff costs within total expenditure:		
Service costs	129,000	100,000
Net interest cost	35,000	28,000
Administrative expenses	4,000	4,000
Total Pension Costs	168,000	132,000
Actual return on plan assets	794,000	437,000

	2021	2020
	£	£
Actual return less expected return on pension scheme assets	716,000	316,000
Other actuarial losses on assets	-	73,000
Change of financial assumptions	303,000	(1,335,000)
Change of demographics assumptions	144,000	(242,000)
Experience loss on defined benefit obligation	192,000	(110,000)
	1,355,000	(1,298,000)

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

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

	2021	2020
	£	£
Opening defined benefit obligation	9,100,000	7,372,000
Current service cost	129,000	100,000
Interest cost	113,000	149,000
Contributions by scheme participants	13,000	15,000
Change in demographic assumptions	(144,000)	242,000
Past service costs, including curtailments	-	-
Experience loss on defined benefit obligation	(192,000)	110,000
Change in financial assumptions	(303,000)	1,335,000
Benefits paid	(211,000)	(223,000)
	8,505,000	9,100,000

Changes in fair value of plan assets are as follows:

	2021	2020
	£	£
Opening fair value of plan assets	6,323,000	5,958,000
Interest on assets	78,000	121,000
Return on assets less interest	716,000	316,000
Other actuarial gains	-	73,000
Administration expenses	(4,000)	(4,000)
Contributions by employer	62,000	67,000
Contributions from scheme participants	13,000	15,000
Benefits paid	(211,000)	(223,000)
	6,977,000	6,323,000

Asset allocation:

	2021	2021	2020	2020
	£		£	
Equities	4,233,000	61%	3,724,000	59%
Gilts	587,000	8%	630,000	10%
Other bonds	406,000	6%	243,000	4%
Property	500,000	7%	457,000	7%
Cash	277,000	4%	378,000	6%
Other	974,000	14%	891,000	14%
	6,977,000	100%	6,323,000	100%

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

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

	2021	2020	2019	2018	2017
CPI increases	2.95%	2.50%	2.35%	2.40%	2.60%
Discount rate at 31 December	1.85%	1.25%	2.05%	2.80%	2.50%
Future salary increases	3.95%	3.50%	3.85%	3.90%	4.10%
Future pension increases	2.95%	2.50%	2.35%	2.40%	2.60%

Assumed life expectations from age 65:

	2021*	2020	2019	2018	2017
Retiring today - Male	21.7	22.0	20.9	21.9	21.8
Retiring today - Female	24.0	24.2	23.2	24.4	24.3
Retiring in 20 years – Male	23.5	23.8	22.6	24.1	24.0
Retiring in 20 years – Female	25.9	26.0	25.1	26.7	26.6

*Adjusted for Continuous Mortality Investigation's model, CMI_2020

Guaranteed Minimum Pension (GMP) Equalisation

The valuation assumption for GMP is that the Fund will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, it has been assumed that the Fund will be required to pay the entire inflationary increase. Therefore, the assumption is consistent with the consultation outcome and so the Fund does not believe it needs to make any adjustments to the value placed on the liabilities as a result of the Government's Guaranteed Minimum Pension Indexation consultation.

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 £152,371 (2020: £69,391) for rents and services and the Company donated its profits, through Gift Aid, of £16,084 (2020: £624,330). At the year end the Museum owed to the Enterprises Company £553,990 (2020: £227,852 debtor). These were the only related party transactions during the year.

33 Comparative Funds Notes

Restricted Funds

Group and Company	Balance at 1 January 2020	Incoming Funds	Resources Expended	Transfers	**Balance at 31 December 2020**
	£	£	£	£	£
Tangible Assets					
Operational Fixed Assets	464,544	-	(30,035)	289,167	723,676
Freehold Property	192,633	-	(2,550)	-	190,083
Rolfe Street Development	2,253,748	-	(57,348)	-	2,196,400
Moving the Black Country	694,333	-	(14,438)	-	679,895
Brook Entrance & Facilities	393,202	-	(7,149)	-	386,053
Folkes Park Play Equipment	24,427	-	(3,490)	-	20,937
Assets under Construction	-	-	-	1,287,989	1,287,989
	4,022,887	-	(115,010)	1,577,156	5,485,033

Group and Company	Balance at 1 January 2020	Incoming Funds	Resources Expended	Transfers	**Balance at 31 December 2020**
	£	£	£	£	£
Heritage Assets					
The Workers' Institute	1,456,305	-	(31,478)	-	1,424,827
The Locksmith's House	119,776	-	(1,454)	-	118,322
Conway Garage	13,872	-	(287)	-	13,585
Folkes Park	156,984	-	(3,254)	-	153,730
Old Birmingham Road	392,676	-	(8,139)	-	384,537
Hobbs Fish & Chip Shop	411,504	-	(8,529)	-	402,975
Newcomen Engine	63,709	-	(1,322)	-	62,387
President Narrow Boat	84,650	-	(1,757)	-	82,893
Marston Motorcycles	274,914	-	(5,698)	-	269,216
Birchill's Narrow Boat	51,599	-	(1,074)	-	50,525
Kildare Narrow Boat	28,426	-	(592)	-	27,834
Tram 5	34,407	-	(717)	-	33,690
Anchor Forge/Steam Hammer	45,730	-	(947)	-	44,783
Racecourse Colliery	118,951	-	(2,465)	-	116,486
	3,253,503	-	(67,713)	-	3,185,790

33 Comparative Funds Notes (cont.)

Group and Company	Balance at 1 January 2020	Incoming Funds	Resources Expended	Transfers	Balance at 31 December 2020
	£	£	£	£	£
Other Items					
Anchor Forge/Steam Hammer	796	-	-	-	796
Racecourse Colliery	22,296	-	-	-	22,296
The Locksmith's House	8,917	-	-	-	8,917
Folkes Park	11,072	-	-	-	11,072
Improving Accessibility	1,000	-	-	-	1,000
Learning Projects	6,386	1,600	(828)	-	7,158
Stour (boat) Restoration	13,130	-	-	-	13,130
President (boat) Restoration	5,083	25,374	-	-	30,457
Collections Projects	6,786	8,624	(1,100)	-	14,310
Staff Award (training)	2,460	1,500	(750)	-	3,210
St James's School	2,632	-	-	-	2,632
Visitor Benches	162	-	-	-	162
Maintaining the Collection	60,000	30,000	-	-	90,000
Unpacking the Past	-	32,500	-	-	32,500
Adventures Through Time	-	40,500	(28,479)	-	12,021
Forging Ahead	390,446	4,989,753	(1,006,198)	(1,577,156)	2,796,845
	531,166	5,129,851	(1,037,355)	(1,577,156)	3,046,506

Group	Unrestricted funds	Restricted funds	**Total**
	£	£	£
Fund balances at 31 December 2020 are represented by:			
Tangible fixed assets	3,089,238	8,670,823	11,760,061
Net current assets	2,148,740	3,046,505	5,195,245
Creditors: amounts falling due after more than one year	(134,481)	-	(134,481)
Defined benefit pension liability	(2,777,000)	-	(2,777,000)
	2,326,497	11,717,328	14,043,825

Company	Unrestricted funds	Restricted funds	**Total**
	£	£	£
Fund balances at 31 December 2020 are represented by:			
Tangible fixed assets	3,089,238	8,670,823	11,760,061
Net current assets	2,129,705	3,046,505	5,176,210
Creditors: amounts falling due after more than one year	(134,481)	-	(134,481)
Defined benefit pension liability	(2,777,000)	-	(2,777,000)
	2,307,462	11,717,328	14,024,790

33 Comparative Funds Notes (cont.)

Designated Funds

Group and Company	Balance at 1 January 2020	New Designations	Utilised funds	Transfers	**Balance at 31 December 2020**
	£	£	£	£	£
Future developments – FA	718,000	29,113		-	747,113
Future developments – other	147,500	-	(13,164)	(134,336)	-
Fundraised income designated to Forging Ahead	64,459	36,621	-	-	101,080
Heritage asset reserve	1,838,116	-	(51,312)	-	1,786,804
	2,768,075	65,734	(64,476)	(134,336)	2,634,997

34 Capital Commitments

At 31 December 2021 the Museum had capital commitments of £12.48m (2020:£nil).

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Private Company Limited by Guarantee Registered in England Company No. 1226321 and Registered as a Charity No. 504481

THE BLACK COUNTRY LIVING MUSEUM TRUST

England & Wales - Charity number 504481

Accounts

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

The Black Country Living Museum Trust

Annual Report & Accounts

for the year ended 31 December 2020

www.bclm.com

Black Country Living Museum Trust

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Black Country Living Museum Trust

Trustees' Report for the Year Ended 31 December 2020

Reference & Administrative Information

The Trustees present their Annual Report & Accounts for the year ended 31 December 2020, 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):	Christopher Ansell Jonathan Badyal (Deputy Chair) Katy Baker Duncan Bedhall Dr Paul Belford (Chair) Sally Bourner Andrew Comyn Parminder Dosanjh Cllr. Matt Follows[1] Nicola Harding Victoria Jessop (Deputy Chair) Ruth Levesley Catherine Murphy
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 4SQ
Independent Auditors:	Crowe U.K. LLP Black Country House Oldbury West Midlands B69 2DG

[1] Nominated by the Association of Black Country Authorities (ABCA)

Principal Bankers:	Barclays Bank plc (Barclays Corporate) 1st Floor Queen Square Wolverhampton West Midlands WV1 1DS
Principal Solicitors:	Gowling WLG (UK) LLP 2 Snow Hill Birmingham West Midlands B4 6WR
Other Advisors:	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham West Midlands B3 2ES
Company Secretary:	Craig Edmondson
Telephone:	+44 (0) 121 557 9643
Email:	info@bclm.com
Website:	www.bclm.com
Facebook:	facebook.com/bclivingmuseum
Social Media:	@bclivingmuseum @bclmdirector
TikTok:	@blackcountrymuseum

Chair's Review of the Year

This has been an astonishing time to take up the reins as Chair of the Black Country Living Museum Board. For more than a year we have been grappling with the physical and emotional consequences of COVID-19, which has had particular impacts on arts, culture and heritage organisations throughout this country and around the world. Within the Museum we have just embarked on our major new Forging Ahead project to diversify our stories and audiences, and the Board of Trustees also finds itself in a period of transition.

Looking Back with Thanks

It was an honour to accept the trust and confidence of my Board colleagues who elected me Chair in December 2020. It was also a daunting prospect to step into the shoes of Lowell Williams, who retired after five successful years as Chair and seven years as a Trustee. I am very pleased to express my grateful thanks – both personally and on behalf of the Board and the Museum more widely – to Lowell for everything he achieved.

Trustees Dr Malcolm Dick, Mike Williams and Christine Perks also retired during 2020, and I am delighted to have this opportunity to thank them all for their service to the Museum. It has been a pleasure to work alongside them on the Board, and I have learned a lot from their many and varied contributions both around the Board table and elsewhere in service to the Museum. Mike Williams in particular gave long and skilful service as a Trustee from 2009, and during this time chaired the Audit and Finance Committees, and the subsidiary trading company. We also saw the retirement of Fiona Toye as Deputy Chair, who was an extremely supportive and effective colleague, and a particular anchor of strength during the transition of Chairs.

In my first few months as Chair I have been enormously grateful to my fellow Trustees, 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.

The Board also elected two Deputy Chairs during the first quarter of 2021, to support me and the Museum. I am delighted to have Jonathan Badyal and Vikki Jessop in this role – we all have very different backgrounds and experiences, and this diversity will be a strength to the Museum as we work together to shape our future.

Priorities for the Year to Come

This year we have also welcomed a number of new Trustees to the Board, seeking to maintain its strength, and recognising the vital role the Board plays in the success of the Museum. The composition of the Board has changed dramatically during my time as a Trustee: improved gender balance and a much-reduced average age being perhaps the most noticeable developments. However, we need to do more. A key priority during my leadership is to make sure that the Board genuinely reflects the diversity of the communities that the Museum serves. Our beneficiaries deserve nothing less, and we will be a better and more effective organisation for ensuring that is the case. Action by the Board sends clear messages to staff, volunteers and visitors – and in the same way action by this Museum will help influence much-needed change in the wider sector. I am deeply committed to progressing and embedding our commitment to equality, diversity and inclusion.

This period has been unlike anything we could have imagined 18 months ago, with remote meetings and few opportunities to develop the social bonds which are central to good working relationships in any Board. Nevertheless it is to everyone's credit that we have been able to get off to such a good start. However, as Chair I have a responsibility to develop a group of talented and passionate Trustees into an effective team. In the same way that a single wrought iron bar is forged from several different cast iron ingots, so the talents of the Board are melted together and drawn out by the furnaces and rolling mills of governance. Therefore another of my priorities is to develop and sustain a Trustee team with a shared sense of commitment to, and pride in, the Museum's cause – and who can support each other in working together with wisdom, judgement and insight. Moreover, the Board and the senior staff also need to work as a team. Getting this balance right means that the Board will sustain an exemplary reputation among beneficiaries and stakeholders.

This review is written as we prepare to reopen already quite a long way into the 2021 season, and having been open for only three months since 18 March 2020. Our success in surviving the awful impacts of COVID-19 will be measured on our ability to resume activity as a thriving, much-loved and valued Museum, and largely financially independent. My priority is to support the Chief Executive and his team during this process. Everyone is excited and enthusiastic about reopening, but inevitably also nervous about the challenges ahead for staff and visitors alike. This won't be easy. However, we can be reassured by reminding ourselves of the strength of the Museum's market position before the pandemic. I am also conscious of wanting to repay the faith put in us by the Government and public agencies, and ultimately UK tax-payers, by reopening with some Black Country élan.

This pandemic has thrown into sharp relief the way that we all lean on a whole range of networks for support in different ways. An important priority for me as Chair will be to add value by helping to strengthen the many partnerships the Museum currently enjoys. These include links close to home – with Wolverhampton University and other providers of further and higher education and training, and with colleagues in the arts, culture and heritage scene in the Black Country and the West Midlands. Further afield we have good connections with like-minded museums in the UK – such as Beamish and Ironbridge – and internationally. I believe there is great potential to work closer with these museums and other institutions to add value beyond the sum of the individual organisations.

Looking Forward with Hope

I am extremely proud of everyone's achievements during this extraordinary year. The Board's first meeting during the initial national lockdown on 26 March 2020 took place under the looming shadow of 'an immediate and near-total collapse of trading revenues with concomitant impact on the Museum's financial sustainability in the short and medium term'. We have come a very long way since then.

We have been extremely fortunate in seeking to avoid compulsory redundancies, as we adapted in the face of the crisis. As well as bringing personal hardship and worry to individuals, redundancies would reduce the Museum's capacity and skill to care for our collections and tell our stories in the future. I am conscious that this isn't the case for many organisations in our sector. I know that the Museum Board and staff want to extend their sympathies and support to colleagues in other arts, culture and heritage organisations who may take longer to recover and deliver everything they want to for their audiences and stakeholders.

I am also relieved that we haven't seen widespread health issues amongst staff or volunteers, although I am aware of deaths and illness in extended families and amongst friends. The priority given to COVID-19 has also created indirect impacts, such as delayed treatments for pre-existing health issues. I am pleased that we have been able to contribute to the national effort by hosting the vaccination centre here at the Museum. Nevertheless, recovery will be slow and at times difficult.

I want to pay tribute to the Museum's staff, especially those few who continued to work smart and hard to keep things secure and well-maintained on site, administratively well-oiled, raise significant external funds, create alternative ways of engaging with visitors, especially of school age, and who skilfully kept us in the public eye. Thank you.

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, we came through 2020 to a position of stability from which we can relaunch in mid-2021. That is an amazing achievement. It is not an outcome which could be taken for granted, and it is one which the Board and staff team can certainly be very proud.

Dr Paul Belford Chair

Chief Executive's Review of the Year

It is a pleasure to welcome Dr Paul Belford as the Museum's new Chair, after his unanimous election by the Board at the end of 2020. Speaking personally, I do believe it demonstrates thoughtful succession planning when this is achieved, and I encourage all museum boards to see this as the preferred option. In the words of Adrian Babbidge, "Effective governance… requires care, trouble and application. Good Trustees and Boards are not a given." I was also delighted to see the Board elect Jonathan Badyal and Vikki Jessop as Deputy Chairs. It was a smart move and shows real strength in depth.

Dr Paul Belford has expressed respect for outgoing Chair, Lowell Williams, and I add here my own thanks. In life and career, I am conscious – sometimes long after the event – of how much I have gained and learnt from people I have been lucky enough to know and work alongside. Lowell Williams is one of those people, and his affirmative and intelligent influence will endure.

The Museum has an increasingly diverse Board of Trustees, with a correspondingly diverse range of opinions and views. This is important to sustain objectivity and the ability to add an impartial, dispassionate view and challenge, through different lived experiences to better inform decisions and strategies. I look forward to working with Paul and the Board to find solutions to our challenges, as well as making the most of opportunities we create and are presented with.

Financial Impact of COVID-19 & Compensatory Support

From a trading point of view, this year's results make grim reading. In a recent magazine article, I started by saying, *"What a deep, unsettling and cataclysmic difference a few months can make".* Forced closure from 18 March 2020 and only three months of being open to visitors because of the pandemic took its toll. Visitor attendance collapsed. Even when open, the necessary downward pressure on capacity because of social distancing also severely impacted attendance. By the year-end we welcomed just 25% (89,338) of what we regard as a normal level of attendance. This was made all the worse because it came on the back of six successive years of growth. It's not, of course, but it did feel like we had gone back to square one. Obviously, this also impacted visitor-driven revenues to the same dire level, with admission revenue of just over £1m, compared to last year's total of c£4.4m. The trend continued in retail sales on site, with profits at only 5% (£31k) of the 2019 level (c£618k), and ancillary income similarly impacted.

However, the UK Government responded to the peril many museums and cultural organisations faced, and together with Arts Council England (ACE), National Lottery Heritage Fund and Historic England, brought forward emergency funding. The Museum initially supported its urgent cash flow problems by accessing early its annual grant from ACE – an efficient, welcome and rapid answer from ACE across their portfolio. This was followed-up by ACE deciding to use its reserves and repurpose existing funds to meet what turned into a critical period during the second quarter of 2020. Specifically, the Museum applied for and successfully received emergency funds of £1.175m. In other public channels I have praised ACE for their brisk and well-organised response to the pandemic, and I am delighted to reinforce that applause in this review of 2020.

Other emergency funding was forthcoming, with the Museum applying for and receiving £2.559m from the Government's Culture Recovery Fund; £1.904m of which is recognised in this review period, and including a significant amount to replenish our free reserves. Running alongside these specific funds, the Museum also accessed the Government's Job Retention Scheme (Furlough).

However, thankfully the Museum has not burdened itself with debt to emerge in a stable position by the end of 2020. The funds I have mentioned in this review are in the form of non-repayable grants. That was a strategic decision for the Museum, and one carefully considered by the Board.

I also want to pay tribute to certain trusts and foundations, notably Wolfson Foundation, who very quickly contacted us to say repurpose any unspent capital grant to survive. In the end we didn't need to do that, but it was typical of their pragmatism and awareness under the leadership of Paul Ramsbottom. On a similar theme, as the crisis hit we were aware that the Museum had quite sizeable designated funds of its own, set aside to support our capital project, Forging Ahead. For a time we thought it was inevitable we would have to use these funds to help our survival. We didn't, and in part that is because the emergency funding agencies recognised the importance of the capital development to our future, and awarded the Museum an additional £5.95m, comprising £3.74m from the Government's Capital Kickstart Fund, and £2.21m from the National Lottery Heritage Fund. I'm also pleased this was recognised with other major developments in progress for other organisations across the UK.

I want to pay tribute to the Museum's Leadership Team for their tireless and skilful work to turn our urgent financial need into successful funding applications. We were on top of our numbers and that intelligence shone through. The circumstances were exceptional and the team's response was exceptional. I hope it is a career experience they won't go through again. If they do, they will again be bold and erudite.

Alongside securing significant external funds to ensure our survival, every member of staff at the Museum agreed to reduce their hours with concomitant impact on levels of pay. That wasn't an easy ask, but I'm proud of the collective response. It was a shared effort to save jobs and ensure the future viability of the Museum.

Emerging from COVID-19

As I write this review we are preparing to reopen the Museum, after another closed period lasting just shy of 150 days. We are in good shape and our enthusiasm to welcome back visitors is as energetic as ever. On occasions like this, I am a proud Chief Executive. However, the impact of COVID-19 has not disappeared and we will be watching carefully whether social distancing measures can, finally, be suspended, as per the Government's Roadmap, from 21 June 2021. If they are, our prospects are healthy and a viable future is possible. Although all such thoughts are only conceivable because of the trust placed in us by the Government and the UK tax-payer.

Association of Independent Museums

Since mid-2019 I have been chairing the Association's Board of Trustees. From February 2020 the Board elected me to take on this role on a longer-term basis. I was honoured and delighted to do so. It happened at the Tower of London, which I took extra strength from! AIM is one of the largest museum membership organisations in the UK; representing in excess of 1,000 museums. It has the pulse of its members. It is a trusted and dependable voice amongst policy makers and those in positions of power and taking strategic decisions. I mention this because it afforded me a public platform from which to directly make the case to Government ministers and officials for the urgent needs of museums, especially financially independent museums. It was also a privilege to be side-by-side, at this dangerous time, with the likes of Sir Ian Blatchford, Chair of the National Museums Directors' Council (and CEO of the Science Museum Group), Emma Chaplin, Director of AIM, and on occasion, Hilary McGrady, Director General at the National Trust, and Maggie

Appleton, President of the Museums Association. I was also pleased to cheer-on Bernard Donoghue, from the Association of Leading Visitor Attractions, for his tireless and highly effective campaigning.

The references already made to tax-payer support is obviously hugely important, and whilst the measures haven't saved every job, it has had a very positive impact on museums of all sizes right across the United Kingdom. The UK Government, Arts Council England, National Lottery Heritage Fund, Historic England, Scottish and Welsh Governments, and the Northern Ireland Executive deserve much credit for recognising the financial need and quickly putting in place efficient grant-making arrangements. Together with the Job Retention Scheme, and the small business support grants administered by local authorities, the combined force was impressive and vital. As my Chair has already reflected in his review of the year, avoiding job losses is not only important at a personal level, but means organisations are in a far stronger position from which to bounce back.

Recently I recorded a video thanking officials at the UK Government's Culture Department for everything they had done during the pandemic. One of the things I said was, *"I can imagine that you often feel there is quite a disconnect from the organisations that you have an impact on. That the policy levers that you enact are in slow motion or even broken. Not so on this occasion… "*

The UK Government's £1.56bn Culture Recovery Fund has perhaps been the most prominent financial support, and I was pleased that AIM was one of the clear voices heard by Government during its conception. AIM characterised the alternative – at this point of crisis – a messy fire-sale of assets, peoples' lives and their communities. The words cut through.

Equality & Diversity

There is a moral, as well as a plain correct reason to make sure, as an organisation, we are doing everything we can, not just to ensure we aren't being racist, but to actually be anti-racist. This isn't about being vain, pious or virtue-signalling. We are all-too-aware of the negative impact of unconscious bias and a lack of understanding, and at worst, a lack of respect for difference from ourselves can have on others.

Despite the pandemic we continued to make progress towards being reflective and representative of the world we live in. The society all around us. Programming (story-telling) is broader, slowly our staff is changing and certainly the Board is transforming. It is a trajectory which is important to me and the Museum, and we will take pleasure in continuing to make change.

Our Environmental Responsibilities

We have successfully cut our CO2 emissions. But to keep that trajectory going tougher work will be required and our behaviours will have to change. We are very aware, for example, of the negative impact on the environment that 95% of visitors arriving at the Museum in fossil-fuelled cars has. And that travelling to work by car by most of our staff is a difficult and let's face it, inconvenient behaviour to change. It is one of the reasons we supported the Metro extension into Dudley, from the main Birmingham-Wolverhampton line; offering for the first time the utility of public transport to travel to the Museum.

As a "steam-powered" museum, with many open coal fires and steam engines, there is a challenge for us to maintain that essential character, while being environmentally responsible. There is also great opportunity to reflect on the juxtaposition of the Black Country's major role in creating dangerous climate change, and how we are doing our bit to tackle the crisis.

My Thanks & Final Thoughts

I end my review of 2020 by offering huge thanks to everyone who supported the Museum during the pandemic, especially during the months and months of closed doors. Social media can be wicked (in all modern senses of the word) but we saw it at its best as a channel for thousands of heartening comments. It meant a lot to us. If you posted a message, thank you, and visit us soon.

Although not open until late January 2021, I can't let this opportunity pass without mentioning our partnership with the NHS to open a major regional Vaccination Centre. We felt it fitted beautifully with our vision of being 'more than a museum'. Thank you NHS for working with us. Like many thousands, I had my first vaccination at the Museum – where else would I go?

As ever, it has been a great privilege to lead the Museum, and I am always delighted to have this opportunity to express my gratitude and respect to staff and volunteers, as well as the Board of Trustees and those who serve as independent members of our committees. Without their commitment, expertise and positive approach, the Museum would not, despite the pandemic, be in such a positive position.

Things have undoubtedly changed in the world, but I do not subscribe to what some see as a choice between continuing growth in organisations versus a need to suppress growth because of an ecological ceiling and the limits of the social fabric. I have faith in our ability to adapt, and to retain incremental growth as an essential part of business strategy.

On 21 August 2020, Sir Ken Robinson died after a short time with cancer. His work in education was free-thinking and an inspiration for me. I was always struck by his promotion of 'creativity' and developing 'curiosity' as essential for the human mind to flourish, and qualities which help museums, like BCLM, fulfil their potential.

Finally, I want to thank our Patron, HRH The Duke of Gloucester, for his continued support, especially during the pandemic. It was an honour to speak on the telephone with HRH on two occasions. Each time HRH was deeply concerned to hear about the challenges the Museum was facing, and provided precious encouragement and understanding. Afterwards HRH was kind enough to send heartfelt letters of support and thanks to the staff and retiring Chair, Lowell Williams.

It has been a hectic, often scary time for all of us, but with a successful vaccination rollout, there does now seem to be an end in sight, including seeing a viable future for the Museum and cultural organisations across the UK.

See you on TikTok.

Andrew Lovett Chief Executive

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	
Katy Baker	(appointed 18 June 2020)
Duncan Bedhall	
Dr Paul Belford	
Dr Malcolm Dick OBE	(retired 30 July 2020)
Parminder Dosanjh	
Cllr. Matt Follows	
Nicola Harding	
Victoria Jessop	(appointed 30 January 2020)
Ruth Levesley	(appointed 30 January 2020)
Nick Loveland	(resigned 29 April 2021)
Catherine Murphy	(appointed 18 June 2020)
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)

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. Trustees can serve for two terms of three years, unless the Board agrees a third consecutive term of up to three years.

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 Chair 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, through social media channels, briefings and sector newsletters about relevant issues, best practice and developments impacting 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.

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 usually meets 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. During 2020, due to the COVID-19 pandemic, the Board met, virtually, an extra six times during the first national lockdown whilst the Museum was closed. 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, which was chaired by Trustee, Mike Williams during the year.

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.

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 seven times during the year, are drawn from the Museum Trust and from outside the Museum. There are currently five 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, was represented at General Meetings by Museum Trustee, Nick Loveland, who, during the year, was 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. Following the retirement of Nick Loveland and Mike Williams, Trustees Duncan Bedhall and Andy Comyn were appointed to the Board of the Enterprises Company on 29 April 2021, with Duncan also taking-on representation of the Museum Trust at its General Meeting(s).

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. At the end of 2019, 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 considers 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, when appropriate, 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 2020, when comparing mean hourly rates, men earn £1.01 for every £1 that women 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, while offering the flexibility to the Museum and the individual.

Trustee Indemnity

Professional liability insurance of £1m is in place through AXA Insurance UK plc at a cost of £747 (2019: £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 2020, which includes six additional meetings in the year.

	30 Jan	26 Mar	09 Apr	23 Apr	07 May	21 May	18 Jun	09 Jul	30 Jul	20 Aug	24 Sep	17 Dec	No. of Meetings	%
Jonathan Badyal	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	11/12	92%
Katy Baker	-	-	-	-	-	-	✓	X	✓	✓	✓	✓	5/6	83%
Duncan Bedhall	✓	✓	✓	✓	✓	✓	✓	X	✓	X	✓	✓	10/12	83%
Dr Paul Belford	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	10/12	83%
Dr Malcolm Dick OBE	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-	-	9/9	100%
Parminder Dosanjh*	X	X	X	X	X	X	X	X	X	X	X	X	-	-
Cllr Matthew Follows	✓	✓	X	✓	✓	X	✓	✓	✓	X	✓	✓	9/12	75%
Nicola Harding	X	✓	✓	✓	X	X	✓	X	✓	✓	✓	✓	8/12	67%
Victoria Jessop	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11	100%
Ruth Levesley	-	✓	✓	✓	✓	X	✓	✓	✓	✓	X	✓	9/11	82%
Nick Loveland	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	X	10/12	83%
Catherine Murphy	-	-	-	-	-	-	✓	✓	X	✓	✓	✓	5/6	83%
Cllr Christine Perks	✓	X	X	X	✓	✓	X	✓	✓	X	✓	X	6/12	50%
Fiona Toye (Deputy Chair)	✓	✓	✓	✓	✓	✓	✓	X	✓	-	-	-	8/9	89%
Lowell Williams (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12/12	100%
Mike Williams	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	11/12	92%
Andrew Lovett (Chief Executive)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12/12	100%

*maternity leave

Partnerships & Stakeholders

The Museum works with a number of partners and stakeholders to achieve its objectives, including some volunteer groups. The principal volunteer groups being: 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 Transport Group was disbanded in 2020; reflecting the changed operation of the Museum. 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.

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 the West Midlands Growth Company, Chamber of Commerce of the Black Country and Greater Birmingham Chambers of Commerce, 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 and Chaired 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's Chef Executive is the Chair of the Dudley Towns Fund Board, a group of local civic, political, public and private sectors leaders assembled to secure Government funds to further develop Dudley.

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 employed by the Museum and 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. All active fundraisers within the Development Team are members of the Chartered Institute of Fundraising and adhere to its Code of Conduct, which includes carrying out their duties in-line with the Code of Fundraising Practice.

Monitoring of team members and fundraising activities undertaken is carried out via regular one-to-one meetings with the Director of Development (job share) and monthly team meetings where current and future fundraising activity and plans are discussed fully. Individual team members also participate in the Museum's annual Performance & Development reviews. Updates on fundraising activity are regularly provided to the Board of Trustees. No complaints regarding fundraising activity were received during the year.

2020 initially saw the fundraising team continue activity in pursuit of its target in support of BCLM: Forging Ahead (£2.2m of £2.75m has been raised at the time of writing). However, with the closure of the Museum due to COVID-19 and as the first national lockdown took hold in March 2020, fundraising for Forging Ahead was put on hold in order to address the more immediate revenue need, given that more than 90% of income is generated by visitor attendance. A JustGiving campaign was launched and a number of Forging Ahead funders indicated that their capital support could be repurposed to support the Museum's revenue needs if required. During this time, 95% of Museum staff were furloughed, including all but one member of the Development team.

However, as external support schemes and packages were announced, including the Government's Job Retention Scheme, the focus in subsequent months included substantial, and successful, applications to the Arts Council England Emergency Response Fund (£1.175m) and the Government's Culture Recovery Fund (£2.56m). As a result, the utilisation of selected Forging Ahead funds for revenue purposes, as permitted above, was not necessary. Further COVID-19 response funding was secured from Art Fund's Respond & Reimagine programme and the public campaign continued as the Museum re-opened its doors from August. With the Culture Recovery Fund supporting the Museum through until March 2021, fundraising activity reverted to Forging Ahead in autumn 2020 given that the project is needed now more than ever to support the Museum's and the Black Country's recovery post COVID-19.

Whilst the majority of fundraised income consists 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 that they have opted in to receiving fundraising information 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	Art Fund
Black Country Local Enterprise Partnership	The Bostock Foundation
Braunston Marina	C B & H H Taylor 1984 Charitable Trust
Department for Digital, Media, Culture & Sport (UK Government)	DCMS/Wolfson Museums & Galleries Improvement Fund
Dudley Metropolitan Borough Council	Garfield Weston Foundation
The Headley Trust	National Grid Community Grants
National Lottery Heritage Fund	Oakley Charitable Trust
The Owen Family Trust	The P C Hickinbotham Charitable Trust
The Patrick Foundation	W E Dunn Charitable Trust
Wellcome Trust	The Wolfson Foundation
Mr J Dunn in memory of Helen Dunn	Mr A F & Dr J George
Mr J H Hughes	Ms J Ramsay
Mr & Mrs J Smith	Mr D Stott

Environmental Impact & Responsibilities

As an Arts Council England Major Partner Museum between 2015 and 2018, the Museum was introduced to Julie's Bicycle, an organisation specialising in environmental sustainability within the arts and cultural sector. Following an initial environmental review by Julie's Bicycle in 2016, more in-depth and regular monitoring and measurement of energy, water, waste, fuel and business travel was established and the Museum has reported on its carbon emissions (CO_2e) annually since 2017/18. Between 2015 and 2018 the Museum achieved a substantial 46% decrease from 1,091 tonnes of CO_2e in 2015 to 503 tonnes of CO_2e in March 2018, exceeding the 10% reduction target set as part of the Major Partner Museum programme.

As an Arts Council National Portfolio Organisation since April 2018, the Museum is working to continue to reduce the Museum's carbon emissions by a further 10% from the 2018 level by 2022. The year to March 2020 saw an increase in emissions to 544 tonnes of CO_2e (2019: 497 tonnes); this increase is directly attributed to extrapolated audience travel data (selected for a 'museums' audience) being made available in the reporting process for the first time which accounts for 143 tonnes of CO_2e, or 26% of the Museum's total emissions.

2021 will see the Museum reassess its position in relation to environmental responsibility and the update of its Environmental Sustainability Policy and Action Plan to achieve greater impact on this urgent issue.

Reserves Policy

The Museum 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. When considering what would be an adequate level of reserves, the Board, taking account of organisational risks, considers the level of unrestricted free cash which would be required, to allow the Museum 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. As a result of COVID-19 the Board's consideration now also includes taking account of the increased risk of the Museum having to close its doors as a result of a non-insured event. Encapsulating all these criteria, during 2020, the Board reviewed its Reserves Policy and increased the recommended level of unrestricted free cash balances up to £1.25m. The Board will continue to keep under review the appropriate level of reserves including the circumstances when it might be appropriate to use these reserves to protect the purpose and beneficiaries of the Museum.

At the balance sheet date the Group had a General Fund balance of £2.47m (2019: £1.34m) which equated to an unrestricted cash balance of £1.47m (2019: £1.55m). The Trustees have designated £848,000 of this for future developments and so the unrestricted free cash balance at the year-end equated to £622,000.

In normal circumstances, the Museum is a cash business with low amounts owing from debtors and the cash position usually closely tracking the General Fund balance. However, due to COVID-19 and the loss of visitor-driven income, the Museum has been supported through a Culture Recovery Fund (CRF) grant, alongside other emergency funds. £1.90m of the CRF grant has been recognised as income in these financial statements, but with only £1.28m of the grant having been received at the year end. This has caused a significant short-term cash timing difference at 31 December 2020. Taking account of the £620,000 timing difference, as the next tranche of the fund was received at the start of January 2021, it effectively takes the equivalent unrestricted free cash balance to £1.24m, which is in line with the Reserves Policy.

Going Concern

The COVID-19 pandemic has had a significant effect on the Museum's admissions and trading income. However, through a combination of cost reduction measures and successfully accessing various strands of funding, including the Government's Job Retention Scheme and Culture Recovery Fund, the Museum has been able to mitigate the loss of the majority of its budgeted income and ended the year in a financially secure position.

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 visitor attendance does 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 during 2021, 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 attendance, the Trustees are satisfied that the Museum is able to manage these uncertainties over the next 12 months and they do not create a material uncertainty that casts significant doubt on 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 Financial Statements are drawn up on the Going Concern basis.

On behalf of the Trustees

Dr Paul Belford Chair Dated: 24 June 2021

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 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.

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 10m 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 worlds first – by museum pioneer, Arthur Hazelius. 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 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.

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.

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 (before the impact of COVID-19 this was c350,000 people in a normal year and well over 10m 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, including from 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 (COVID-19 restricted excepted);

- 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.

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 we continue to offer a Museum Access Map which has been 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 2020, the Museum charged a price for adults of £19.95 (2019: £18.45). 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 for free. All groups (of 15+) received discounted rates. Since 2015 the Museum has operated an annual pass scheme, 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, although this was not possible during the pandemic.

Performance Against Objectives & Achievements During the Year

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 year started with the positive accolade of being shortlisted and ultimately coming runner-up for the Large Visitor Attraction of the Year award at the inaugural West Midlands Tourism Awards 2020. Shortly after, on 18 March 2020, the Museum, sadly, closed to visitors based on Government advice, 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.

At the height of the national lockdown, 95% of the Museum's staff were furloughed, except for a small essential group who continued to work to secure and maintain the Museum, safeguard the collection, respond to ticketing and other visitor enquiries and care for the animals. Support from Arts Council England's Emergency Response Fund was critical throughout this period. We also considered it important to continue to engage with our audience and so a child-friendly, interactive learning hub was created on the Museum's website under the name 'History at Home' and interaction continued through our social media channels.

The summer months, with the lifting of the full lockdown, saw the Museum open again to the public on 1 August. However, the Government restrictions that remained in place meant that the Museum had to be inventive with its programming, including greater use of 'first-person', new costumed characters, working in partnership with others (including Black Country Touring) and bringing more life to our streets and outdoor spaces. The adapted visitor offer, providing a fun and COVID-safe experience, received incredibly positive feedback from visitors and the Museum team, with 92% of TripAdvisor reviews scoring 5/5. Co-creation work with our partners was also able to recommence and continued through the autumn, with activities including 'Black History Month: A Celebration of Creativity, Culture & Community in the Black Country' and 'Hush Now' a new piece of digital theatre giving voice and visibility to unmarried mothers who were stigmatised, silenced and hidden away in Mother and Baby homes for release in early 2021. Despite the restrictions, we also continued to enhance our reputation as a unique filming and photography location, attracting a number of TV documentaries and a significant fashion photo shoot during the year, as permitted activity.

Unfortunately, on 1 November the Museum had to close to the public again, as the second lockdown was implemented. However, as a result of financial support through the Government's Culture Recovery Fund and increased flexibility of the Job Retention Scheme, the Museum was able to keep a greater number of staff working and more activity could continue. This included work on phase two of the replacement Newcomen Steam Engine boiler and development of a new range of learning packages that combine digital resources for schools with an on-site visit, or in conjunction with an outreach session. In this context, the pandemic acted as a catalyst for greater experimentation in developing a hybrid learning approach. We also saw an explosion of engagement with people after the launch of the Museum on TikTok. It turned out to be a natural showcase for the Museum's buildings, characters and stories, with our short eye-catching international films going viral. The Museum made the official UK TikTok 100 list and received national recognition for its success with articles featured in newspapers including The Times, and interviews across all news channels and BBC's The One Show. Currently over 860k people follow the Museum, with user data revealing that 80% of our TikTok followers are below the age of 30, and 82% had not interacted with a museum on social media before they engaged with us.

During December, the COVID-19 tier restrictions meant that we had to cancel our Christmas programme. However, to support the wellbeing of the local community, we were delighted to open our outdoor spaces in the seven days leading up to Christmas.

The Museum's major capital project, BCLM: Forging Ahead, was significantly impacted by COVID-19, with delays to the programme timeline and increased cost. The conversion of the former Canalside Café into new office accommodation was completed just before the national lockdown in March, which meant that when staff returned in August we had greater office capacity to ensure that appropriate social distancing could be maintained. Work to create a much-needed new Collections Centre, by refurbishing an ancillary building on the edge of the 26 acre site was also completed in early 2020.

Amidst the day-to-day challenges of managing the Museum during COVID-19, the team continued to support finalising design work and costings by our contractors. Additional financial support of £5.95m was secured from the National Lottery Heritage Fund and the Government's Capital Kickstart Fund in December 2020 to largely meet the increased costs and enabling the Museum to sign a contract with Balfour Beatty Ltd at the start of 2021.

Financial Review

The financial performance of the Museum for the year under review and the financial position at the Balance Sheet date are set out in this report. 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 Museum was severely impacted by COVID-19 and the national restrictions. As a result, visitor attendance was only 25% of the level recorded in the previous two years and consequently income from admissions and retail sales were 75% lower than in 2019, equivalent to over £5.2m. However, the Museum made use of the Government's Job Retention Scheme and was successful in accessing various strands of funding including the Culture Recovery Fund and Arts Council England emergency funds. In total, COVID-19 support funding amounted to £4.3m which helped to minimise the net trading deficit to £20k. However, this was a significant downturn compared to the like-for-like net trading surpluses of £652k and £980k in 2019 and 2018 respectively.

The financial support from the Culture Recovery Fund included £1.25m to support the Museum, so that by 31 March 2021, the end of the period covered by the Culture Recovery Fund, the Museum's reserves were in-line with our reserves policy. Under the requirements of accounting standards all of this income has been recognised in these financial statements and this has contributed to a net unrestricted surplus after taxation of £932k. Analysis by the Pension Actuaries (West Midlands Pension Scheme) estimated a loss of £1.3m, resulting in net reduction in unrestricted funds of £345k.

The Group net worth at 31 December 2020 stands at £14.04m (2019: £10.50m); the sharp increase being as a result of restricted funds received for BCLM: Forging Ahead. Over the next two financial years, the restricted fund balance will continue to increase, reflecting the income received for the project with the matching expenditure being mostly capitalised in the form of the newly constructed buildings and features.

Restricted Funds stand at £11.72m (2019: £7.81m) and Unrestricted Funds at £2.32m (2019: £2.69m) comprised of Designated Funds of £2.63m (2019: £2.77m), General Funds of £2.47m (2019: £1.33m) and Pension Reserve (deficit) of £2.78m (2019: deficit of £1.41m).

	2020	2019
	£	£
Net Trading Surplus	(20,739)	652,461
Accounting Adjustments and Non-recurring Costs included in Expenditure:		
Culture Recovery Fund investment into cash reserves	1,250,000	-
Surplus/income arising from land exchange with Dudley Council	-	396,058
Income directly designated for BCLM: Forging Ahead	65,734	940
One-off Investments	(13,164)	(34,551)
Depreciation charge on Unrestricted Funds	(74,722)	(83,667)
Contribution to BCLM: Forging Ahead	(209,509)	(391,387)
Actuarial adjustment (pensions)	(65,000)	(56,000)
Net Income/(Expenditure) after taxation (as shown in SOFA)	932,600	483,854

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 the 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.

Due to its size and the extent of its potential risks, BCLM: Forging Ahead has its own risk register which is monitored by the BCLM: Forging Ahead Project Board.

The Museum, as reported at Note 31, has a potential defined benefit pension liability of £2.777m (2019: £1.414m). This will not crystallise in the short or medium term, and if the Museum wound-up, any pension liability would be 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

The Museum's work for 2021 will be focused around the following objectives. 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.

2021 Objectives	Benefits
1. To develop and diversify our team.	• 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.	• 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.	• 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.	• 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.	• 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.

In addition to these objectives, the Museum's priority is to relaunch itself following the severe impacts of COVID-19. Time will also be dedicated to mobilisation plans as an enlarged and more complex Museum takes a step forward. The Museum's current Strategic Plan is due for review and renewal, and this will be an important part of our longer term planning during 2021.

On behalf of the Trustees

Dr Paul Belford Chair Dated: 24 June 2021

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 financial statements, 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; and
- 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

Dr Paul Belford Chair Dated: 24 June 2021

Independent Auditors' Report to the Members of Black Country Living Museum Trust for the Year Ended 31 December 2020

Opinion

We have audited the financial statements of Black Country Living Museum Trust ('the charitable company') and its subsidiary ('the group') for the year ended 31 December 2020 which comprise the statement of financial activities, the group and charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including 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 2020 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2011.

Basis For Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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

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

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

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

Other Information

The trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 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 2011 requires us to report to you if, in our opinion:

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

Responsibilities Of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 29, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the Members of Black Country Living Museum Trust for the Year Ended 31 December 2020

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent To Which The Audit Was Considered Capable Of Detecting Irregularities, Including Fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR) Health and safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have

detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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: 2 July 2021

Black Country Living Museum Trust

Consolidated Statement of Financial Activities including Income and Expenditure Account for the Year Ended 31 December 2020

	Notes	Unrestricted Funds £	Restricted Funds £	**Total 2020 £**	**Total 2019 £**
Income					
Donations and Legacies:					
Charitable donations	3	58,670	5,129,851	**5,188,521**	840,052
Charitable Activities:					
Admission to the Museum	4	1,072,941	-	**1,072,941**	4,391,719
COVID-19 support funding	5	4,318,748	-	**4,318,748**	-
Grants (Arts Council England)	6	560,120	-	**560,120**	550,000
Other Trading Activities:					
Retail income (subsidiary trading company)	7	669,645	-	**669,645**	2,587,283
Ancillary enterprises	8	133,179	-	**133,179**	316,210
Investment Income	9	3,071	-	**3,071**	1,220
Other Income	10	49,336	-	**49,336**	311,190
Total Income		6,865,710	5,129,851	**11,995,561**	8,997,674
Expenditure					
Raising Funds:					
Retail (subsidiary trading company)		1,074,671	-	**1,074,671**	2,189,826
Development and fundraising costs		185,558	-	**185,558**	192,896
Charitable Activities:					
Opening and operating the Museum		4,013,915	213,880	**4,227,795**	4,773,214
Developing the Museum		628,267	1,006,198	**1,634,465**	803,447
National Leadership Programme		30,699	-	**30,699**	150,418
Total Expenditure	11	5,933,110	1,220,078	**7,153,188**	8,109,801
Net Income/(Expenditure) before taxation		932,600	3,909,773	**4,842,373**	887,873
Tax receivable		-	-	**-**	-
Net Income/(Expenditure) after taxation		932,600	3,909,773	**4,842,373**	887,873
Other Recognised Gains and Losses:					
Actuarial gain/(loss) on defined benefit pension		(1,298,000)	-	**(1,298,000)**	-
Net Movement in Funds		(365,400)	3,909,773	**3,544,373**	887,873
Reconciliation of Funds:					
Total Funds brought forward 1 January 2020		2,691,896	7,807,556	**10,499,452**	9,611,579
Total Funds carried forward at 31 December 2020		**2,326,496**	**11,717,329**	**14,043,825**	10,499,452

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 2020

	Notes	£	2020 £	£	2019 £
Fixed Assets:					
Tangible assets	17		6,787,468		5,355,364
Heritage assets	18		4,972,593		5,091,619
Total Fixed Assets			11,760,061		10,446,983
Current Assets:					
Stocks of goods for resale	20	88,451		132,685	
Debtors	21	1,789,663		431,292	
Cash at bank and in hand	30	3,705,317		2,033,912	
Total Current Assets		5,583,431		2,597,889	
Creditors: amount falling due within 1 year	22	(388,186)		(951,850)	
Net Current Assets			5,195,245		1,646,039
Total Assets less Current Liabilities			16,955,306		12,093,022
Creditors: amount falling due after 1 year	23		(134,481)		(179,570)
Net Assets (excluding pension liability)			16,820,825		11,913,452
Defined benefit pension liability	31		(2,777,000)		(1,414,000)
Total Net Assets			14,043,825		10,499,452
The Funds of the Charity:					
Restricted funds	26		11,717,329		7,807,556
Unrestricted funds:					
Designated funds	27	2,634,997		2,768,075	
General funds		2,468,499		1,337,821	
Pension reserve	31	(2,777,000)		(1,414,000)	
			2,326,496		2,691,896
			14,043,825		10,499,452

The Annual Report & Accounts were approved and authorised for issue by the Board of Trustees of the Museum on 24 June 2021 and signed on behalf of the Board of Trustees:

Dr Paul Belford Chair Dated: 24 June 2021

Black Country Living Museum Trust

Parent (Museum) Balance Sheet as at 31 December 2020

	Notes	£	2020 £	£	2019 £
Fixed Assets:					
Tangible assets	17		6,787,468		5,353,178
Heritage assets	18		4,972,593		5,091,619
Investments	19		1,000		1,000
Total Fixed Assets			11,761,061		10,445,797
Current Assets:					
Debtors	21	1,959,175		446,920	
Cash at bank and in hand	30	3,568,776		1,791,690	
Total Current Assets		5,527,951		2,238,610	
Creditors: amount falling due within 1 year	22	(352,740)		(1,203,494)	
Net Current Assets			5,175,211		1,035,116
Total Assets less Current Liabilities			16,936,272		11,480,913
Creditors: amount falling due after 1 year	23		(134,481)		(179,570)
Net Assets (excluding pension liability)			16,801,791		
Defined benefit pension liability	31		(2,777,000)		(1,414,000)
Total Net Assets			14,024,791		9,887,343
The Funds of the Charity:					
Restricted funds	26		11,717,329		7,807,556
Unrestricted funds:					
Designated funds	27	2,634,997		2,768,075	
General funds		2,449,465		725,712	
Pension reserve	31	(2,777,000)		(1,414,000)	
			2,307,462		2,079,787
			14,024,791		9,887,343

The net gain reported in the Statement of Financial Activities of the parent charity for the year was £4,137,448 (2019: £991,806).

The Annual Report & Accounts were approved and authorised for issue by the Board of Trustees of the Museum on 24 June 2021 and signed on behalf of the Board of Trustees:

Dr Paul Belford Chair Dated: 24 June 2021

Black Country Living Museum Trust

Consolidated Cash Flow Statement for the Year Ended 31 December 2020

	Notes	£	2020 £	£	2019 £
Cash Flow from Operating Activities:					
Net cash flow from operating activities	29		3,288,177		941,073
Cash Flows from Investing Activities:					
Interest from investments		3,071		1,220	
Proceeds from the sale of tangible fixed assets		-		-	
Purchase of tangible fixed assets		(1,577,156)		(535,685)	
Net Cash Used in Investing Activities			(1,574,085)		(534,465)
Cash Flows from Financing Activities:					
Repayment of borrowing		(42,687)		(40,270)	
Net Cash Used in Financing Activities			(42,687)		(40,270)
Change in Cash and Cash Equivalents in the year			1,671,405		366,338
Cash and cash equivalents at start of the year			2,033,912		1,667,574
Cash and Cash Equivalents at end of the year			3,705,317		2,033,912

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 impact on the Museum's admissions and trading income. However, through a combination of cost reduction measures and successfully accessing various strands of funding, including the Government's 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 visitor attendance does 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 attendance, the Trustees are satisfied that the Museum is able to manage these uncertainties over the next 12 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 these financial statements are drawn up on the going concern basis.

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.

Culture Recovery Fund

During the year the Museum was awarded a non-repayable grant through the Government's Culture Recovery Fund. The grant included an amount to support deficits incurred by the Museum between 1 September 2020 and 31 March 2021. The amount awarded relating to the period 1 September 2020 to 31 December 2020 has been recognised as receivable in these financial statements and the amount awarded relating to 1 January 2021 to 31 March 2021 will be accounted for as receivable in the next financial year.

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 engagement with visitors and collections care to retailing and finance. With one exception, people now volunteer as individuals, as opposed to as part of a volunteer group. One such group also provides restricted funds to support particular projects or collection purchases. Because of the pandemic, volunteer activity was severely restricted, with a much reduced level of hours (7,399) recorded. The Museum uses the standard National Lottery Heritage Fund multiplier of £50 per day for unskilled, £150 per day for skilled and £350 per day for professional volunteer roles this equates to a value of £112,395 (2019: £408,690).

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

(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 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.

1.8 Remuneration Policy

The Museum has a well-established pay and grading structure and median pay policy. 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 determines the remuneration of the Chief Executive outside this protocol.

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 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 2019 which 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 provided 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.

(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 party 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 2020	**Restricted Funds 2020**	Unrestricted Funds 2019	Restricted Funds 2019
	£	**£**	£	£
Grants	-	5,076,528	3,000	637,132
Donations	48,670	53,323	155,940	43,980
Legacies	10,000	-	-	-
	58,670	5,129,851	158,940	681,112

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 17 of the Annual Report. Details on how the restricted income has been applied can be found in Note 26.

4 Visitor Admission to the Museum

	2020	2019
	£	£
Admission (Museum & Locksmith's House)	900,743	3,213,620
Gift Aid from donated admission charges*	130,068	364,338
	1,030,811	3,577,958
Events Programme	-	696,789
Membership	40,031	75,039
Learning Programmes & Courses	2,099	41,933
	1,072,941	4,391,719
Visitor Attendance (number)	89,338	358,871

* 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 COVID-19 Support Funding

	2020	2019
	£	£
Culture Recovery Fund	1,904,805	-
Emergency Response Fund (Arts Council England)	1,175,000	-
Job Retention Scheme Grant (Furlough)	1,222,541	-
Other Grants	16,402	-
	4,318,748	-

6 Arts Council England (National Portfolio Organisation Funding)

	2020	2019
	£	£
Arts Council England	**560,120**	550,000

From 1 April 2018, the Museum became a National Portfolio Organisation. A four-year funding agreement is in place until 31 March 2022. This was extended in 2020 for a further year to 31 March 2023, due to COVID-19.

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.

	2020	2019
Profit & Loss Account	**£**	£
Retail Sales income	766,221	2,677,467
Cost of sales, including staffing	(878,274)	(1,842,068)
Gross profit	(112,053)	835,399
Administrative expenses (inc. Group charges)	(119,606)	(264,723)
Operating profit	(231,659)	570,676
Other operating income	262,910	46,910
Profit for year before and after taxation	31,251	617,586

8 Ancillary Enterprises

	2020	2019
	£	£
Parking charges	55,982	164,198
Business sponsorship	12,194	26,234
Hire & Hospitality	40,594	90,197
Dudley Canal Trips commission	2,032	14,905
Licensed on-site concessions	3,276	14,148
Filming rights and charges	19,101	6,528
	133,179	316,210

9 Investment Income

	2020	2019
	£	£
Interest received	3,071	1,220
	3,071	1,220

10 Other Income

	2020	2019
	£	£
Rent from leased freehold property	45,000	45,000
Surplus from disposal of land	-	241,058
Other	4,336	25,132
	49,336	311,190

11 Analysis of Expenditure

	Staff Costs	Other Costs	Support Costs	Total 2020
	£	£	£	£
Raising Funds				
Subsidiary trading company	563,932	364,558	146,181	1,074,671
Fundraising costs	140,249	8,953	36,356	185,558
Total Cost	704,181	373,511	182,537	1,260,229
Charitable Activities				
Opening and operating the Museum	2,590,308	965,283	672,205	4,227,795
Developing the Museum	203,528	1,378,179	52,758	1,634,465
National Leadership Programme	-	30,699	-	30,699
Total Cost	2,793,836	2,374,160	724,963	5,892,959
Total All Costs	3,498,017	2,747,671	907,500	7,153,188

Support costs are allocated on the basis of direct expenditure.

12 Analysis of Support Costs

	Staff Costs	Other Costs	Total 2020	Total 2019
	£	£	£	£
Governance	-	9,852	9,852	8,426
Chief Exec office, Finance and HR	474,195	238,425	712,620	923,736
Information Technology	56,431	128,597	185,028	169,644
	530,626	376,874	907,500	1,101,806

13 Analysis of Governance Costs

	2020	2019
	£	£
Trustees expenses	132	143
Legal and professional fees	720	603
Audit and accountancy charges	9,000	7,680
	9,852	8,426

14 Net Income/Expenditure for the Year

	2020	2019
	£	£
This is stated after charging:		
Operating leases	30,075	29,088
Depreciation	264,078	272,185
Bank loan interest	5,178	7,251
Auditor's remuneration:		
Audit fee	12,250	11,850
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 £132 (2019: total £143).

16 Employees

The average monthly headcount of contracted employees during the year was 157 (2019: 156) and the average full-time equivalent (FTE) number of employees and casual workers during the year were as follows:

	2020	2019
	FTE	FTE
Direct (front-line) charitable activities	107	118
Management, specialists and administration	44	43
	151	161
Of which:		
Contracted employees	120	123
Casual workers	31	38
	151	161

Employment Costs:

	2020	2019
	£	£
Wages and salaries	3,642,897	3,753,840
National Insurance costs	243,845	247,048
Pension costs	141,901	199,599
	4,028,643	4,200,487

Employment costs include payments and payments in lieu of notice in relation to redundancy amounting to £27,615 (2019: £53,199) paid to two individuals (2019: seven).

16 Employees (cont.)

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

	2020	2019
	(number)	(number)
£60,000 - £70,000	1	1
£80,000 – £90,000	-	1
£100,000 - £110,000	1	-

There are five posts considered as paid executive Key Management Personnel of the Museum (as defined by FRS102), 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 £390,156 (2019: £342,207).

17 Tangible and Intangible Fixed Assets

(a) Operational Assets – Group

	Intangible Fixed Assets	**Tangible Fixed Assets**					
		Land and buildings freehold	Land and buildings leasehold	Fixtures, fittings and equipment	Motor vehicles	Under Construc-tion	Total
	£	£	£	£	£	£	£
Cost							
At 1 January 2020	23,064	1,521,227	5,512,605	1,359,335	84,864	213,797	8,691,828
Additions	-	-	-	-	-	1,577,156	1,577,156
Disposals	-	-	-	(56,824)	(6,789)	-	(63,613)
Transfers	-	-	502,964	-	-	(502,964)	-
At 31 December 2020	**23,064**	**1,521,227**	**6,015,569**	**1,302,511**	**78,075**	**1,287,989**	**10,205,371**
Depreciation							
At 1 January 2020	23,064	138,931	1,812,345	1,307,341	77,847	-	3,336,464
Charge for the period	-	21,752	111,933	9,613	1,754	-	145,052
On disposal	-	-	-	(56,824)	(6,789)	-	(63,613)
At 31 December 2020	**23,064**	**160,683**	**1,924,278**	**1,260,130**	**72,812**	**-**	**3,417,903**
Net book value							
At 31 December 2020	**-**	**1,360,544**	**4,091,291**	**42,381**	**5,263**	**1,287,989**	**6,787,468**
At 31 December 2019	-	1,382,296	3,700,260	51,994	7,017	213,797	5,355,364

17 Tangible and Intangible Fixed Assets (cont.)

(b) Operational Assets – Parent

	Intangible Fixed Assets	Tangible Fixed Assets					
		Land and buildings freehold	Land and buildings leasehold	Fixtures, fittings and equipment	Motor vehicles	Under Construc-tion	Total
	£	£	£	£	£	£	£
Cost							
At 1 January 2020	23,064	1,521,227	5,512,605	1,302,511	79,569	213,797	8,629,709
Additions	-	-	-	-	-	1,577,156	1,577,156
Disposals	-	-	-	-	(6,789)	-	(6,789)
Transfers	-	-	502,964	-	-	(502,964)	-
At 31 December 2020	**23,064**	**1,521,227**	**6,015,569**	**1,302,511**	**72,780**	**1,287,989**	**10,200,076**
Depreciation							
At 1 January 2020	23,064	138,931	1,812,345	1,252,703	72,552	-	3,276,531
Charge for the period	-	21,752	111,933	7,427	1,754	-	142,866
On disposal	-	-	-	-	(6,789)	-	(6,789)
At 31 December 2020	**23,064**	**160,683**	**1,924,278**	**1,260,130**	**67,517**	**-**	**3,412,608**
Net book value							
At 31 December 2020	**-**	**1,360,544**	**4,091,291**	**42,381**	**5,263**	**1,287,989**	**6,787,468**
At 31 December 2019	-	1,382,296	3,700,260	49,808	7,017	213,797	5,353,178

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

18 Heritage Assets

Group and Company	£
Cost	
At 1 January 2020	**6,244,044**
Additions	-
Disposals	-
At 31 December 2020	**6,244,044**
Depreciation	
At 1 January 2020	1,152,425
Charge for the period	119,026
On disposal	-
At 31 December 2020	**1,271,451**
Net book value	
At 31 December 2020	**4,972,593**
At 31 December 2019	5,091,619

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

18 Heritage Assets (cont.)

	2020	2019	2018	2017	2016	Pre-2016	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	-	-	-	-	-	68,468	68,468
Kildare Narrow Boat	-	-	-	-	-	34,795	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)	5,930,360	6,244,044
Depreciation							
Marston Collection	5,698	5,698	5,698	5,698	5,698	44,159	72,649
Locksmith's House	1,454	1,454	1,454	1,454	1,454	24,408	31,678
President Narrow Boat	1,757	1,757	1,757	1,757	1,757	11,934	20,719
Workers' Institute	42,395	42,393	42,393	42,393	42,393	328,350	540,317
Oldbury Buildings	17,750	17,750	17,750	17,750	17,750	124,286	213,036
Hobbs Fish & Chip Shop	19,252	19,252	19,252	19,252	19,252	149,203	245,463
Folkes Park	3,254	3,254	3,254	3,254	3,254	24,566	40,836
Conway Garage	1,187	1,187	1,187	1,187	1,187	9,199	15,134
Bradburn & Wedge	35	35	35	35	35	272	447
Newcomen Engine	1,652	1,652	1,652	1,652	1,652	5,835	14,095
Birchill's Narrow Boat	1,264	1,264	1,264	1,264	1,264	2,716	9,036
Kildare Narrow Boat	653	653	653	653	653	838	4,103
Tram 5	1,836	1,836	1,836	1,836	1,580	1,086	10,010
Tramway	1,387	1,387	1,387	1,387	1,387	1,195	8,130
The Drift Mine (replica)	168	168	167	167	167	-	837
Racecourse Colliery	2,730	2,730	2,048	105	105	-	7,718
Anchor Forge/Steam Hammer	947	947	631	-	-	-	2,525
Hut 14	6,007	6,007	3,504	-	-	-	15,518
Patrick Collection Vehicles	9,600	9,600	-	-	-	-	19,200
	119,026	119,024	105,922	99,844	99,588	728,047	1,271,451

19 Fixed Asset Investments

Company	£
Market value at 1 January 2019 and at 31 December 2020	1,000
Historical cost at 31 December 2019 and at 31 December 2020	1,000

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 financial statements. The net asset and shareholder's funds value of Black Country Living Museum Enterprises Limited at 31 December 2020 was £20,034 (2019: £613,113).

20 Stock

	Group		Parent	
	2020	2019	**2020**	2019
	£	£	**£**	£
Stock	88,451	132,685	**-**	-

21 Debtors

	Group		Parent	
	2020	2019	**2020**	2019
	£	£	**£**	£
Trade debtors	2,518	48,710	1,037	32,862
Owed by subsidiary Trading Company	-		227,852	
Other debtors	87,511	30,508	90,059	63,499
Prepayments and accrued income	1,699,634	352,074	1,640,227	350,559
	1,789,663	431,292	1,959,175	446,920

22 Creditors: Amounts Falling Due Within One Year

	Group		Parent	
	2020	2019	**2020**	2019
	£	£	**£**	£
Bank loan	39,185	36,999	39,185	36,999
Obligations under finance leases and hire purchase contracts	5,070	4,854	5,070	4,854
Owed to subsidiary Trading Company	-	-	-	353,190
Trade creditors	43,838	419,983	39,733	367,801
Taxes and social security costs	59,741	70,452	59,741	62,122
Other creditors	930	14,651	930	14,651
Accruals	239,422	404,911	208,081	363,877
	388,186	951,850	352,740	1,203,494

23 Creditors: Amounts Falling Due After More Than One Year

Group and Company	**2020**	2019
	£	£
Bank Loan	130,459	170,478
Obligations under finance leases and hire purchase contracts	4,022	9,092
	134,481	179,570

Group and Company	**2020**	2019
Analysis of Bank Loan	**£**	£
Not wholly repayable within 5 years	169,644	207,477
Included in the current liabilities	(39,185)	(36,999)
	130,459	170,478

Group and Company	**2020**	2019
Loan Maturity Analysis	**£**	**£**
Debt due in 1 year or less	39,185	36,999
In more than 1 year, but not more than 2 years	40,185	38,183
In more than 2 years, but not more than 5 years	90,274	122,037
In more than 5 years	-	10,258
	169,644	207,477

The bank loan is repayable by March 2025 with interest charged at 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 leasee. Future minimum lease payments due under finance leases and hire purchase contracts:

Group and Company	**2020**	2019
Amounts payable	**£**	**£**
Within 1 year	5,444	5,444
In more than 1 years, but not more than 5 years	4,183	9,627
less: finance charges allocated to future periods	(535)	(1,125)
	9,092	13,946

24 Obligations Under Leases and Hire Purchase Contracts (cont.)

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

	2020	2019
	£	£
Less than 1 year	33,378	23,084
Between 2 and 5 years	69,864	18,112
Over 5 years	507,224	-
	610,466	41,196

25 Financial Instruments

	2020	2019
	£	£
Financial assets that are debt instruments measured at amortised cost	5,386,093	2,389,209
Financial liabilities measured at amortised cost	462,926	1,060,968

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)

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.

Group and Company	Balance at 1 January 2020	Incoming Funds	Resources Expended	Transfers	**Balance at 31 December 2020**
	£	£	£	£	£
Tangible Assets					
Operational Fixed Assets	464,544	-	(30,035)	289,167	723,676
Freehold Property	192,633	-	(2,550)	-	190,083
Rolfe Street Development	2,253,748	-	(57,348)	-	2,196,400
Moving the Black Country	694,333	-	(14,438)	-	679,895
Brook Entrance & Facilities	393,202	-	(7,149)	-	386,053
Folkes Park Play Equipment	24,427	-	(3,490)	-	20,937
Assets under Construction	-	-	-	1,287,989	1,287,989
	4,022,887	-	(115,010)	1,577,156	5,485,033

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

Group and Company	Balance at 1 January 2020	Incoming Funds	Resources Expended	Transfers	**Balance at 31 December 2020**
	£	£	£	£	£
Heritage Assets					
The Workers' Institute	1,456,305	-	(31,478)	-	1,424,827
The Locksmith's House	119,776	-	(1,454)	-	118,322
Conway Garage	13,872	-	(287)	-	13,585
Folkes Park	156,984	-	(3,254)	-	153,730
Old Birmingham Road	392,676	-	(8,139)	-	384,537
Hobbs Fish & Chip Shop	411,504	-	(8,529)	-	402,975
Newcomen Engine	63,709	-	(1,322)	-	62,387
President Narrow Boat	84,650	-	(1,757)	-	82,893
Marston Motorcycles	274,914	-	(5,698)	-	269,216
Birchill's Narrow Boat	51,599	-	(1,074)	-	50,525
Kildare Narrow Boat	28,426	-	(592)	-	27,834
Tram 5	34,407	-	(717)	-	33,690
Anchor Forge/Steam Hammer	45,730	-	(947)	-	44,783
Racecourse Colliery	118,951	-	(2,465)	-	116,486
	3,253,503	-	(67,713)	-	3,185,790
Other Items					
Anchor Forge/Steam Hammer	796	-	-	-	796
Racecourse Colliery	22,296	-	-	-	22,296
The Locksmith's House	8,917	-	-	-	8,917
Folkes Park	11,072	-	-	-	11,072
Improving Accessibility	1,000	-	-	-	1,000
Learning Projects	6,386	1,600	(828)	-	7,158
Stour (boat) Restoration	13,130	-	-	-	13,130
President (boat) Restoration	5,083	25,374	-	-	30,457
Collections Projects	6,786	8,624	(1,100)	-	14,310
Staff Award (training)	2,460	1,500	(750)	-	3,210
St James's School	2,632	-	-	-	2,632
Visitor Benches	162	-	-	-	162
Maintaining the Collection	60,000	30,000	-	-	90,000
Unpacking the Past	-	32,500	-	-	32,500
Adventures Through Time	-	40,500	(28,479)	-	12,021
Forging Ahead	390,446	4,989,753	(1,006,198)	(1,577,156)	2,796,845
	531,166	5,129,851	(1,037,355)	(1,577,156)	3,046,506
	7,807,556	5,129,851	(1,220,078)	-	11,717,329

27 Designated Funds (Movement in Funds)

Group and Company	Balance at 1 January 2020	New Designations	Utilised funds	Transfers	**Balance at 31 December 2020**
	£	£	£	£	£
Future developments – FA	718,000	29,113		-	747,113
Future developments – other	147,500	-	(13,164)	(134,336)	-
Fundraised income designated to Forging Ahead	64,459	36,621	-	-	101,080
Heritage asset reserve	1,838,116	-	(51,312)	-	1,786,804
	2,768,075	65,734	(64,476)	(134,336)	2,634,997

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.

28 Analysis of Net Assets between Funds

	Unrestricted funds	Restricted funds	**Total**
Group	£	£	£
Fund balances at 31 December 2020 are represented by:			
Tangible fixed assets	3,089,238	8,670,823	11,760,061
Net current assets	2,148,740	3,046,505	5,195,245
Creditors: amounts falling due after more than one year	(134,481)	-	(134,481)
Defined benefit pension liability	(2,777,000)	-	(2,777,000)
	2,326,497	11,717,328	14,043,825

	Unrestricted funds	Restricted funds	**Total**
Company	£	£	£
Fund balances at 31 December 2020 are represented by:			
Tangible fixed assets	3,089,238	8,670,823	11,760,061
Net current assets	2,129,705	3,046,505	5,176,210
Creditors: amounts falling due after more than one year	(134,481)	-	(134,481)
Defined benefit pension liability	(2,777,000)	-	(2,777,000)
	2,307,462	11,717,328	14,024,790

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

	2020	2019
	£	£
Net income/(expenditure) for the year (as per the Statement of Financial Activities)	4,842,373	887,873
Adjustments for:		
Depreciation charges	264,078	272,185
Interest received	(3,071)	(1,220)
Non-cash donations	-	(155,000)
(Profit)/Loss of sale of assets	-	(256,742)
Decrease/(increase) in stocks	44,234	(30,912)
Decrease/(increase) in debtors	(1,358,371)	(132,655)
(Decrease)/increase in creditors	(566,066)	301,544
Pension scheme non cash movements	65,000	56,000
	3,288,177	941,073

30 Analysis of Cash and Cash Equivalents

	2020	2019
	£	£
Cash in hand	23,520	53,745
Current account	3,681,797	1,980,167
Total Cash and Cash Equivalents	3,705,317	2,033,912

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 over 700 active scheme employers and 330,000 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. 13 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.

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

Defined Contribution Pension Scheme

	2020	2019
Defined Contribution Pension Scheme	£	£
Contributions payable by the Museum	79,978	72,111

Defined Benefit Pension Scheme

An actuarial valuation of the WMPF was carried out in accordance with the Regulations as at 31 March 2019 and set contribution rates for the next four years until 31 March 2023. 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 £2,777,000 (2019: £1,414,000). 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 crystallise in the short or medium-term.

	2020	2019
	£	£
Present value of funded obligations	9,100,000	7,372,000
Fair value of plan assets	(6,323,000)	(5,958,000)
Defined Benefit Pension Liability	2,777,000	1,414,000

	2020	2019
	£	£
Included in staff costs within total expenditure:		
Service costs	100,000	144,000
Net interest cost	28,000	36,000
Administrative expenses	4,000	4,000
Total Pension Costs	132,000	184,000
Actual return on plan assets	437,000	594,000

	2020	2019
	£	£
Actual return less expected return on pension scheme assets	316,000	444,000
Other actuarial losses on assets	73,000	-
Change of financial assumptions	(1,335,000)	(805,000)
Change of demographics assumptions	(242,000)	361,000
Experience loss on defined benefit obligation	(110,000)	-
	(1,298,000)	-

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

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

	2020	2019
	£	£
Opening defined benefit obligation	7,372,000	6,717,000
Current service cost	100,000	108,000
Interest cost	149,000	186,000
Contributions by scheme participants	15,000	17,000
Change in demographic assumptions	242,000	(361,000)
Past service costs, including curtailments	-	36,000
Experience loss on defined benefit obligation	110,000	-
Change in financial assumptions	1,335,000	805,000
Benefits paid	(223,000)	(136,000)
	9,100,000	7,372,000

Changes in fair value of plan assets are as follows:

	2020	2019
	£	£
Opening fair value of plan assets	5,958,000	5,359,000
Interest on assets	121,000	150,000
Return on assets less interest	316,000	444,000
Other actuarial gains	73,000	-
Administration expenses	(4,000)	(4,000)
Contributions by employer	67,000	128,000
Contributions from scheme participants	15,000	17,000
Benefits paid	(223,000)	(136,000)
	6,323,000	5,958,000

Asset allocation:

	2020	2020	2019	2019
	£		£	
Equities	3,724,000	59%	3,515,000	59%
Gilts	630,000	10%	586,000	10%
Other bonds	243,000	4%	229,000	4%
Property	457,000	7%	469,000	8%
Cash	378,000	6%	306,000	5%
Other	891,000	14%	853,000	14%
	6,323,000	100%	5,958,000	100%

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

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

	2020	2019	2018	2017	2016
CPI increases	2.50%	2.35%	2.40%	2.60%	2.70%
Discount rate at 31 December	1.25%	2.05%	2.80%	2.50%	2.70%
Future salary increases	3.50%	3.85%	3.90%	4.10%	4.20%
Future pension increases	2.50%	2.35%	2.40%	2.60%	2.70%

Assumed life expectations from age 65:

	2020	2019	2018	2017	2016
Retiring today - Male	22.0	20.9	21.9	21.8	21.7
Retiring today - Female	24.2	23.2	24.4	24.3	24.2
Retiring in 20 years – Male	23.8	22.6	24.1	24.0	23.9
Retiring in 20 years – Female	26.0	25.1	26.7	26.6	26.5

GMP equalisation – the actuarial assumptions have been amended to take into account the ruling in 2018 that benefits between men and women need to be equalised. The actuaries are not yet clear whether the second ruling (November 2020) regarding transfer payments is applicable to the scheme. As such, no changes to the assumptions have been made in this respect.

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 £69,391 (2019: £216,546) for rents and services and the Company donated its profits, through Gift Aid, of £624,330 (2019: £721,515). At the year end the Museum was owed, by the Enterprises Company, £227,852 (2019: £353,190 creditor).

33 Comparative Funds Notes

Designated Funds

Group and Company	Balance at 1 January 2019	New Designations	Utilised funds	Transfers	**Balance at 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**

33 Comparative Funds Notes (cont.)

Restricted 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**
	3,826,391	90,000	(107,301)	213,797	**4,022,887**

Group and Company	Balance at 1 January 2019	Incoming Funds	Resources Expended	Transfers	Balance at 31 December 2019
	£	£	£	£	£
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**
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**
	3,321,216	-	(67,713)	-	**3,253,503**

33 Comparative Funds Notes (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	(3,835)	-	**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**

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)	-
	2,691,896	7,807,556	**10,499,452**

Company	Unrestricted funds	Restricted funds	**Total**
	£	£	£
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)	-
	2,079,787	7,807,556	**9,887,343**

34 Capital Commitments

At 31 December 2020 the Museum had capital commitments of £nil (2019:£256,965).

35 Post Balance Sheet Event

In January 2021, the Museum finalised and signed a JCT contract with Balfour Beatty Construction Limited to become the primary contractor for the construction of the Museum's major capital development, Forging Ahead.