

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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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 Bournier 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)

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Principal Bankers:	Barclays Bank plc (Barclays Corporate) 1 st 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

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Trustees' Report for the Year Ended 31 December 2020

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.

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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.

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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

Black Country Living Museum Trust

Trustees' Report for the Year Ended 31 December 2020

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).

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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

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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.

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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

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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.

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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.

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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

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Trustees' Report for the Year Ended 31 December 2020

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

Black Country Living Museum Trust

Trustees' Report for the Year Ended 31 December 2020

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 its Regional Tourism Board.

The Museum's Chief 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

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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.

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Trustees' Report for the Year Ended 31 December 2020

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 (CO₂e) annually since 2017/18. Between 2015 and 2018 the Museum achieved a substantial 46% decrease from 1,091 tonnes of CO₂e in 2015 to 503 tonnes of CO₂e in March 2018, exceeding the 10% reduction target set as part of the 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 CO₂e (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 CO₂e, 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.

Black Country Living Museum Trust

Trustees' Report for the Year Ended 31 December 2020

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

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Trustees' Report for the Year Ended 31 December 2020

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

Black Country Living Museum Trust

Strategic Report for the Year Ended 31 December 2020

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.

Black Country Living Museum Trust

Strategic Report for the Year Ended 31 December 2020

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 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

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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.

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Strategic Report for the Year Ended 31 December 2020

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

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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.

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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.

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Strategic Report for the Year Ended 31 December 2020

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

Black Country Living Museum Trust

Strategic Report for the Year Ended 31 December 2020

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.

Black Country Living Museum Trust

Strategic Report for the Year Ended 31 December 2020

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

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

Black Country Living Museum Trust

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.

Black Country Living Museum Trust

Independent Auditors' Report to the Members of Black Country Living Museum Trust for the Year Ended 31 December 2020

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.

Black Country Living Museum Trust

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

Black Country Living Museum Trust

Independent Auditors' Report to the Members of Black Country Living Museum Trust for the Year Ended 31 December 2020

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 £
<u>Income</u>					
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
<u>Expenditure</u>					
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

			2020	2019
	Notes	£	£	£
Fixed Assets:				
Tangible assets	17		6,787,468	5,355,364
Heritage assets	18		4,972,593	5,091,619
Total Fixed Assets			<u>11,760,061</u>	<u>10,446,983</u>
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		<u>5,583,431</u>		<u>2,597,889</u>
Creditors: amount falling due within 1 year	22	<u>(388,186)</u>		<u>(951,850)</u>
Net Current Assets			<u>5,195,245</u>	<u>1,646,039</u>
Total Assets less Current Liabilities			<u>16,955,306</u>	<u>12,093,022</u>
Creditors: amount falling due after 1 year	23		<u>(134,481)</u>	<u>(179,570)</u>
Net Assets (excluding pension liability)			<u>16,820,825</u>	<u>11,913,452</u>
Defined benefit pension liability	31		<u>(2,777,000)</u>	<u>(1,414,000)</u>
Total Net Assets			<u><u>14,043,825</u></u>	<u><u>10,499,452</u></u>
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	<u>(2,777,000)</u>		<u>(1,414,000)</u>
			<u>2,326,496</u>	<u>2,691,896</u>
			<u><u>14,043,825</u></u>	<u><u>10,499,452</u></u>

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

			2020	2019
	Notes	£	£	£
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			<u>11,761,061</u>	<u>10,445,797</u>
Current Assets:				
Debtors	21	1,959,175	446,920	
Cash at bank and in hand	30	<u>3,568,776</u>	<u>1,791,690</u>	
Total Current Assets		<u>5,527,951</u>	<u>2,238,610</u>	
Creditors: amount falling due within 1 year	22	<u>(352,740)</u>	<u>(1,203,494)</u>	
Net Current Assets			<u>5,175,211</u>	<u>1,035,116</u>
Total Assets less Current Liabilities			<u>16,936,272</u>	<u>11,480,913</u>
Creditors: amount falling due after 1 year	23	<u>(134,481)</u>	<u>(179,570)</u>	
Net Assets (excluding pension liability)			<u>16,801,791</u>	
Defined benefit pension liability	31	<u>(2,777,000)</u>	<u>(1,414,000)</u>	
Total Net Assets			<u><u>14,024,791</u></u>	<u><u>9,887,343</u></u>
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	<u>(2,777,000)</u>	<u>(1,414,000)</u>	
			<u>2,307,462</u>	<u>2,079,787</u>
			<u><u>14,024,791</u></u>	<u><u>9,887,343</u></u>

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

			2020	2019
	Notes	£	£	£
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			<u>3,705,317</u>	<u>2,033,912</u>

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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.

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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.

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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
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(c) Heritage Assets

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

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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.

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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
	<u>1,030,811</u>	<u>3,577,958</u>
Events Programme	-	696,789
Membership	40,031	75,039
Learning Programmes & Courses	2,099	41,933
	<u>1,072,941</u>	<u>4,391,719</u>
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	-
	<u>4,318,748</u>	<u>-</u>

6 Arts Council England (National Portfolio Organisation Funding)

	2020	2019
	£	£
Arts Council England	<u>560,120</u>	<u>550,000</u>

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.

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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
	<u>49,336</u>	<u>311,190</u>

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	<u>704,181</u>	<u>373,511</u>	<u>182,537</u>	<u>1,260,229</u>
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	<u>2,793,836</u>	<u>2,374,160</u>	<u>724,963</u>	<u>5,892,959</u>
Total All Costs	<u>3,498,017</u>	<u>2,747,671</u>	<u>907,500</u>	<u>7,153,188</u>

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
	<u>530,626</u>	<u>376,874</u>	<u>907,500</u>	<u>1,101,806</u>

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
	<u>9,852</u>	<u>8,426</u>

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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).

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

16 Employees (cont.)

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

	2020 (number)	2019 (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

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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.

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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
	<u>1,789,663</u>	<u>431,292</u>	<u>1,959,175</u>	<u>446,920</u>

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
	<u>388,186</u>	<u>951,850</u>	<u>352,740</u>	<u>1,203,494</u>

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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
	<u>134,481</u>	<u>179,570</u>

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)
	<u>130,459</u>	<u>170,478</u>

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
	<u>169,644</u>	<u>207,477</u>

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)
	<u>9,092</u>	<u>13,946</u>

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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	-
	<u>610,466</u>	<u>41,196</u>

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	<u>462,926</u>	<u>1,060,968</u>

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
	<u>4,022,887</u>	<u>-</u>	<u>(115,010)</u>	<u>1,577,156</u>	<u>5,485,033</u>

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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
	<u>2,768,075</u>	<u>65,734</u>	<u>(64,476)</u>	<u>(134,336)</u>	<u>2,634,997</u>

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)
	<u>2,326,497</u>	<u>11,717,328</u>	<u>14,043,825</u>
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)
	<u>2,307,462</u>	<u>11,717,328</u>	<u>14,024,790</u>

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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
	<u>3,288,177</u>	<u>941,073</u>

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	<u><u>3,705,317</u></u>	<u><u>2,033,912</u></u>

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.

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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)	-

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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)
	<u>9,100,000</u>	<u>7,372,000</u>

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)
	<u>6,323,000</u>	<u>5,958,000</u>

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%
	<u>6,323,000</u>	<u>100%</u>	<u>5,958,000</u>	<u>100%</u>

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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

	Unrestricted funds £	Restricted funds £	Total £
Group			
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

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

Black Country Living Museum Trust

Notes to the Accounts for the Year Ended 31 December 2020

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.



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