

Charity Registration No. 504481

Company Registration No. 1226321  
(England & Wales)



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**Black Country Living Museum Trust**

**Annual Report & Accounts**

**for the year ended 31 December 2013**

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# Black Country Living Museum Trust

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# Black Country Living Museum Trust

## Trustees' Report for the year ended 31 December 2013

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The Trustees present their Annual Report & Accounts for the year ended 31 December 2013, and including their Strategic Report, 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', March 2005.

### Reference & Administrative Information

<b>Patron:</b>	HRH The Duke of Gloucester KG GCVO
<b>Directors &amp; Trustees:</b>	A David Owen OBE Fiona Toye Jane A Lodge John H Hughes (Chairman) Lowell Williams Mahboob Hussain <sup>1</sup> Margaret Corneby Dr Malcolm Dick Matthew Tanner MBE Melvyn Mottram <sup>2</sup> Mike Williams Paul Belford Timothy Wright <sup>2</sup>
<b>Chief Executive (Museum Director):</b>	Andrew Lovett
<b>Hon. Company Secretary:</b>	John Polychronakis LLB
<b>Charity Registration Number:</b>	504481
<b>Company Registration Number:</b>	1226321
<b>Principal Address &amp; Registered Office:</b>	Black Country Living Museum Tipton Road Dudley West Midlands DY1 4SQ
<b>Statutory Auditors:</b>	CK Audit No 4 Castle Court 2 Castlegate Way Dudley DY1 4RH

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<sup>1</sup>nominated by Sandwell Metropolitan Borough Council; <sup>2</sup>nominated by Dudley Metropolitan Borough Council;

# **Black Country Living Museum Trust**

## **Trustees' Report for the year ended 31 December 2013 (continued)**

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**Principal Bankers:**

Barclays Bank plc (Barclays Corporate)  
1<sup>st</sup> Floor  
Queens Square  
Wolverhampton  
WV1 1DS

**Principal Solicitor:**

Wragge Lawrence Graham & Co  
55 Colmore Row  
Birmingham  
B3 2AS  
West Midlands

**Telephone:**

+44 (0) 121 557 9643

**Email:**

info@bclm.com

**Website:**

www.bclm.com

**Facebook:**

facebook.com/bclivingmuseum

**Twitter:**

@bclivingmuseum

# Black Country Living Museum Trust

## Trustees' Report for the year ended 31 December 2013 (continued)

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### Chairman's Review

The Designated collections of the open air Black Country Living Museum represent the single largest record of material in Britain which exemplifies the particular contribution of the Black Country to the Industrial Revolution. Together coal, steam power and canals helped create the Black Country and established it as the greatest iron producing district in Britain and one of the greatest in the world. We still take inspiration from Elihu Burritt's famous description of the area, when, as the American Consul to Birmingham in 1868, he said, "The Black Country, black by day and red by night, cannot be matched for vast and varied production, by any other space of equal radius on the surface of the globe." It is this 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 this museum – 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 make people, our visitors, think about something they perhaps haven't thought about before. Seen in these terms, being involved with the leadership of a large museum is incredibly rewarding.

I would like to think that all our visitors feel special, but when Linda Connor from East Sussex walked into the Museum on 3 October 2013, the welcome was especially fulsome, and perhaps a little overwhelming! Unwittingly, Linda had become the 8 millionth visitor to the Museum since we opened our doors 35 years ago, in 1978. It was a significant milestone for the Museum and reflected the more optimistic feeling that began to emerge in 2013. So, although 2013 with 240,088 visitors did not see a reversal of recent falls in visitor attendance (since the high point of 2009) we were within 4% of 2012 and so the position looks to be more durable. I am also pleased to say that the profits from secondary sales on the Museum site achieved record levels. The early months of 2014 look even more promising for visitor attendance and revenues.

This steadyin in the level of visitor attendance at the Museum, together with the positive impact of cost savings made during the latter part of 2012, as well as the very strong performance of the trading outlets, meant the Museum achieved a trading loss before depreciation and movements in restricted funds of just £15k, compared to a trading loss of £285k in 2012. This represents a very considerable turnaround in the financial results of the Museum, and provides a more secure position from which to build a resilient future, generate the funds that we need to maintain our historic buildings and collections and crucially, to be able to invest in its further development for the benefit of our visitors. However, we remain mindful that the economic climate continues to be uncertain and we shall continue to monitor trends closely and maintain tight financial control.

The year in review was also hugely important because of the progress we made with strengthening the Board of Trustees, with the appointment of four new trustees and a further two in 2014; all with clearly successful careers and expertise in such diverse disciplines as Further and Higher Education, business, industrial archaeology and the museums sector, at a national level. These six new trustees have already made a positive impact on our discussions at the Board and an Away Day in December, and are a fundamental part of the Museum's future. It was the first time we had undertaken an open recruitment process to appoint new trustees, and I was delighted that the now greater recognition of the Museum enabled us to attract such a high level of experience and expertise.

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# Black Country Living Museum Trust

## Trustees' Report for the year ended 31 December 2013 (continued)

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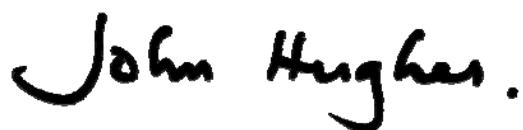
The Museum had its origins in Dudley Council as early as 1950 and more substantially in the late 1960s. During this year's on-going work to consider how best to develop the open air site and studying some of the original sketches of it drawn by Keith Hodgkins in c1972, I have been reminded about the Council's decisive early involvement and foresight, not least to secure the 26 acre site, on the edge of Dudley town centre, and which the Museum continues to occupy today. During these very early days, the name of the late Richard Traves, latterly Keeper of Science and Industrial Archaeology at the Borough Council of Dudley from 1972, is often overlooked, but who, nevertheless, played a fundamental role in planning the site and leading the way for those that followed. Today, Dudley Metropolitan Borough Council remains an important supporter of the Museum, for which we are very grateful, and I am delighted that the Museum has a central place in the Council's current plans to enhance the town centre and its hinterland, and in doing so, help to change perceptions of Dudley to improve its future prosperity.

The coming year will be important to the Museum as we review our strategic plan, consolidate the changes we have made in the last five years, and further develop a reputation for being the most dynamic, enjoyable and visitor-involved open air museum in the country.

For all museums, Arts Council England (ACE) has become an important part of life since it took on a strategic role for museums in 2011, and this museum has benefitted greatly from its investment of over £600,000 in a wide range of projects including collections management, professional leadership in the region and improving our retail and visitor reception facilities. The latest award (available from April 2014) from ACE's Strategic Support Fund of £263,600, will allow us to finish master planning the site, greatly increase the number of volunteers that help us, introduce audio-visual interpretation, as well as making a crucial investment in wider market research. We look forward to continuing our positive relationship with ACE in 2014 and beyond.

As ever, I am indebted to my fellow Trustees and those who serve as directors of our subsidiary trading company, and the Museum Director and his team, for their continued support, commitment and foresight to deliver the ambitions we all share. I have a particular word of thanks for Graham Dean, who retired as a Museum Trustee in November 2013 after more than thirty years and Tony George, who retired in May 2014 after eighteen years as a Trustee including eight years as Chairman between 1998 and 2006, both having made an enormous contribution to the development of the Museum. I also want to mention the 4<sup>th</sup> Earl of Dudley; a past honorary President of the Museum, a great supporter, especially in the early years, who died, aged 93, in November 2013.

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 for our visitors whilst securing ongoing sustainability.



John H Hughes Chairman

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# Black Country Living Museum Trust

## Trustees' Report for the year ended 31 December 2013 (continued)

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### Chief Executive's (Museum Director) Review

This museum is about taking inspiration from a special time in Britain's national story, a unique place – the Black Country, and exceptional people. The great challenge, as ever, is to make that story resonate in the modern world, not just provide a retreat from it. Recently I was asked to comment on a debate in the press about the phrase, Greater Birmingham. My response was to say, *the current debate about the use of the phrase Greater Birmingham is an interesting one, but I don't think it is one that should make people feel threatened or upset. For people less familiar with the subtleties of regional and sub-regional identities, such as the Black Country, I don't think anyone should be surprised that the phrase is gathering traction, especially amongst those that are promoting the region to the wider world. I don't see this as any kind of threat to retaining the special sense of place or identity of the Black Country, for example. Here, at the Museum, we will continue to show how, for 200 years, the people of the Black Country created a turning point in Britain's national story. But, on the 25<sup>th</sup> anniversary of the World Wide Web, we need to remind ourselves that everything is connected.*

2013 has been a time of considerable change and development in both the Museum's Learning Team and the programme on offer. Following the restructure at the end of 2012, 37 Learning Assistants started their new roles in January. Their proactive visitor engagement and enthusiastic delivery of a range of new activities and learning programmes has been a credit to the Museum and they have greatly enriched the visitor experience for both formal and informal visitors. Our learning programme continues to build on the uniqueness and significance of our buildings and collections, with a strong focus on "real lives, real stories". This is exemplified in the new History Detectives offer for students aged 7-11 years, introduced at the beginning of the year. Despite a few teething problems, this is now gaining excellent evaluations and is actively encouraging historical enquiry skills as well as offering a deeper level of engagement with our collections.

Other new offers have included a hands-on "Wash Day" activity for Key Stage 1 students (ages 5-7 years) to provide the experiential learning required for this age group. This has had the added benefit of increasing the general visitor offer, by making the backyard brew'us and kitchen of Gregory's General Store more accessible.

The following feedback is typical, *"A wonderful trip. Students were engaged and inspired throughout the day. I like how the trip is now put into the context of a Victorian child - I think that this particularly helped to keep the children excited and engaged as we moved around the museum. It was also a very good way of helping them to develop their historical enquiry skills."* (Oratory RC Primary School, Birmingham).

Listening to our users, and providing easy systems for gathering feedback, has also been a priority. New on-line evaluation forms have been introduced for teachers, and a "History Ambassadors" scheme has been developed in collaboration with Thorn's Community College, Dudley, to give young people a voice in future developments. Our partnership with Winterbourne House & Gardens, Birmingham has continued to flourish, and has informed the creation of a new "physic" garden at the back of Doo's Chemist. Not only does this enhance the space, but it also provides us with new stories to tell and new activities with which to engage visitors.

The Museum's adult learning programme has also continued to develop. The Heritage Skills courses proved very popular and were extended to include an additional winter programme of traditional arts & crafts. The Museum held its second annual poetry competition, publishing an anthology of the best poems from both the 2012 and 2013 competitions.

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# Black Country Living Museum Trust

## Trustees' Report for the year ended 31 December 2013 (continued)

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The high quality of the entries and the interest aroused, led to the introduction of a monthly poetry evening - "The Works' Canteen" – with guest poets, live music and an open mike session. Performers have included: songwriter and historian Brian Deakin (Billy Spakeman); Michael W. Thomas, Black Country born but now the Poet at Large to the Conch Republic, Florida; Roy Mcfarlane, Birmingham Poet Laureate 2010/11; and Rohit Ballal, Birmingham performance poet *Rohit the Poet*.

As reported elsewhere in this review, this year hasn't seen visitor attendance growing again. As an independent museum, with paid admission to the open air site accounting for 79% of total revenue income, this is critical to our financial resilience. Nonetheless, 2013 was a much more stable year, financially; with the overall results very close to what we hoped to achieve. The control of costs was particularly effective during the year, being almost £90k or 3% lower than budget. I was also especially pleased with the results of our trading company which, through these efforts, was able to contribute 14% of the Museum's total revenue income for the year, and 12% higher than budget. And although the quality of the visitor experience remained high, there is still room to improve.

In February, the Museum, along with many other social and industrial museums, was deeply concerned by the Government's proposals for changing the National Curriculum; more especially the History Curriculum for Key Stages 2-3 students (aged 7-14 years). The proposals put a new emphasis on a chronological framework which required a tight order of progression from the Stone Age through to English Revolution of 1688 for KS2 students (aged 7-11 years), and continuing up to the end of the Cold War and fall of the Berlin Wall for KS3 students (aged 11-14 years). Because this museum covers the development of the Newcomen atmospheric engine in 1712 and the period 1850-1950, the Museum found itself facing being excluded from the primary history curriculum for KS2 students, or more than 28,000 (45%) formal learning visits to the Museum, and impacting on c£250k of revenue. We were also very concerned that the proposals would impact on informal visits (ie the general public, especially families) as KS2 students actively promote the Museum to their parents and immediate family, following a school trip to the Museum. Sadly, but not surprisingly, students at secondary school do not tend to communicate their enjoyment and enthusiasm in quite the same way!

Given this threat to the Museum, we joined a national effort, during the Government's consultation period, to adjust the curriculum proposals; supporting the efforts of the Association of Independent Museums, Museums Association, Group for Education in Museums and the National Museum Directors' Council, as well as making our own representations to the Department for Education. Responding in July to the representations made, the Government published revised versions of the national curriculum programmes of study, and whilst the changes still introduced a chronological framework it was a lot less prescriptive and the potential negative impact on the Museum and many others was greatly diminished. It was an important success for museums and championing the important role they play in out-of-the-classroom learning.

In March, the Museum was awarded funds from Arts Council England, to support a cohort of 14 aspiring leaders, drawn from museums across the West Midlands. Undertaking this significant project was seen as an important contribution to the museums sector, and an outward indication of the leadership role the Museum wishes to have. We were especially keen to share and use the Black Country Living Museum as an example of how independent museums in receipt of little or no public revenue, have to manage their affairs, in good times and bad, as well as drawing on a wide network of our contacts to deliver learning sessions and experiences to remember. We called the programme, Museums & Resilient Leadership.

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# Black Country Living Museum Trust

## Trustees' Report for the year ended 31 December 2013 (continued)

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When devising this programme, with Stephen Feber and Nick Winterbotham, we were acutely aware of the changing environment for many public-sector museums; with reduced subsidies and even more challenging, the dash to establish local authority museum services as independent charitable trusts, and the hugely different leadership requirements this creates. The programme has had the cohort enter the Dragon's Den on the main stage at last year's Museums Association Conference in Liverpool, travel overseas to draw on the very best of what the USA and Europe's museums have to offer, run the fish&chip shop at this museum, talk with a property developer, had insights into the surprising way artist Antony Gormley runs his studio in London, interrogated Gisela Stuart MP at her Westminster offices, tackled the tricky need to network with Louise Teboul of Common Purpose, unpicked revealing case studies when things went wrong, led by Michael Day of Historic Royal Palaces, disentangled management and statutory accounts, and been challenged by the extraordinary integrity and breadth of experience of Elaine Heuman Gurian, international consultant and advisor to museums around the world. Two other important aspects of the programme have been mentoring, and the need for regular, personal reflection, to help the participants better understand their handling of leadership issues they have faced at work. We have also encouraged the sharing of these very personal reflections within the group, and are aware that this has been one of the most important learning tools, as well as developing a camaraderie that has been a joy and inspiration to witness.

As I conclude my introduction to this review of 2013, it is a pleasure to thank the staff teams across the Museum and to express my gratitude for their hard work, as well as to the Trustees, directors of the trading company and all volunteers, for what they have achieved and contributed. I also want to add my own thanks to those of our Chairman, to the many individuals as well as organisations, trusts and foundations who have contributed to our funding this year. As always, it provides a tremendous boost to what we can achieve for our visitors and is a source of encouragement and validation for everyone at the Museum. Thank you.

In 2014 we look forward to welcoming the annual conference of the Association of Independent Museums and the 200 or so delegates who will be joining us at the Museum on 19 and 20 June, from all over the UK. The AIM conference is always a lively and thought-provoking event and provides exceptional support to those running independent museums. We will want the Museum to look at its very best, as we prepare for a run of national and international conferences, with the Society of Folk Life here in 2015 and the Association of European Open Air Museums conference in 2017.

To end, my efforts continue to be on creating the kind of museum I would like to visit, especially with my three children.

A handwritten signature in black ink that reads "Andrew Lovett". The signature is fluid and cursive, with "Andrew" on the top line and "Lovett" on the bottom line.

**Andrew Lovett** Chief Executive (Museum Director)

# Black Country Living Museum Trust

## Trustees' Report for the year ended 31 December 2013 (continued)

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### Structure, Governance, Management and Partnerships

#### Governing Document

Black Country Living Museum Trust is a company limited by guarantee, 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 and 30 May 2013. The company registered a change of name on 10 December 2009. The company was registered as a charity with the Charity Commission on 10 October 1975. The Museum is fully Accredited (ref. no. 761) by Arts Council England, as well as being Designated for the quality and national significance of its collections. Throughout this Annual Report the charitable company is referred to as "the Museum or Museum Trust".

#### Directors & Trustees

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

A David Owen OBE	
A Graham Dean	(Retired 26 September 2013)
Anthony F George MBE TD DL	(Retired 29 May 2014)
Anthony Harris	(Resigned 27 March 2014)
Elias Mattu	(Resigned 15 May 2013)
Fiona Toye	(Appointed 26 September 2013)
Jane A Lodge	
John H Hughes	
John Rowley	(Appointed 15 May 2013, resigned 27 March 2014)
Linda Horton	(Resigned 21 May 2013)
Lowell Williams	(Appointed 26 September 2013)
Mahboob Hussain	(Appointed 21 May 2013)
Matthew Tanner MBE	(Appointed 26 September 2013)
Dr Malcolm Dick	(Appointed 26 September 2013)
Melvyn Mottram	
Mike Williams	
Timothy Wright	

#### Recruitment and Appointment of Trustees

The governing document allows for two classes of trustees: ordinary and nominated. Ordinary trustees are appointed on the basis of their experience, skills and empathy with the Museum's vision, including an appreciation for social and industrial history. The appointment of ordinary trustees is undertaken following an open, public recruitment process, to give the best chance of attracting a broad range of skills, as well as signalling that appointments to the Board are transparent and open to all eligible applicants. Prospective trustees are invited to apply, explaining how they fulfil the requirements of the role, and are interviewed by a panel of existing Trustees who make recommendations to the Board. The Board recognises and accepts the need to refresh and develop the Board on a regular basis as an integral part of good governance, including succession planning, and has made a number of new appointments during the period of this review.

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# Black Country Living Museum Trust

## Trustees' Report for the year ended 31 December 2013 (continued)

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Nominated trustees are appointed by, but not representatives of, the metropolitan borough councils of the Black Country: Dudley, Walsall, Sandwell and Wolverhampton City Council. Apart from Dudley Council, which may nominate two trustees, each of the councils may nominate one trustee. At the time of finalising this report, the Museum was considering a proposal which would see this arrangement replaced by a new relationship with the Association of Black Country Authorities which would nominate a single trustee on behalf of the four local authorities of the Black Country.

### Trustee Induction and Training

New trustees are provided with a wide range of information, including the Charity Commission's publication, *The Essential Trustee* and have an induction meeting with the Chairman and Museum Director. New trustees are also provided with a copy of the Museum's *Becoming a Trustee of the Museum*, which sets out the duties and responsibilities of being a trustee and the contribution they are expected to make during their term of office. The Museum also has in place a Trustee Development Programme which addresses a wide range of general topics relevant to being a trustee, eg. governance and charity law, as well as topics covering more specialist subjects such as the Museum's Code of Ethics, and collections management. Trustees are kept up to date about relevant issues and developments affecting the museums and cultural sectors through bi-monthly reports to the Board. The Board has agreed a framework to assess and address, on an annual basis, its effectiveness as the Museum's governing body. An annual self-assessment programme has also been developed, to inform an individual review of each Trustee by the Chair of the Board. The attendance of Trustees at Board and Committee meetings is reported in the Annual Report.

### Organisational Structure

The Museum is governed by a board (with a maximum of 16 members and a minimum of 5) which has powers to conduct all the affairs of the charity. The Board met six times (on a bi-monthly timetable) during the year to consider and monitor the progress and performance of the Museum, to authorise and control expenditure plans and consider policy and significant developments. The Board has put in place committee structures to effectively govern and regulate the affairs of the Museum, including an Audit Committee and a Project & Capital Expenditure Approval Committee.

The Museum Director, who is also its Chief Executive, manages and develops the Museum with his senior staff and is accountable and reports to the Board and its Chair.

The Museum's Director & Chief Executive is supported by a senior management team comprising the posts of: Director of Collections, Learning & Research; Director of Development; Director of Communications & Marketing; Head of Finance, Human Resources Manager; General Manager (Food&Drink); and Retail & Admissions Manager. The Director & Chief Executive is also supported by an Executive Assistant.

The Museum is owned and operated by the charitable company (including the Locksmith's House, a small satellite museum (Accreditation ref. no. 829) at Willenhall, seven miles from the main site) including the employment of all staff. Non-charitable activities, including retailing and catering for visitors, are undertaken on behalf of the Museum by Black Country Living Museum Enterprises Limited (Company Registration No. 03026731). The Enterprise Company is a wholly-owned subsidiary of the Black Country Living Museum Trust – its immediate and ultimate parent undertaking and controlling party. The Trust therefore, is the sole member of the Enterprise Company.

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# Black Country Living Museum Trust

## Trustees' Report for the year ended 31 December 2013 (continued)

The Enterprise 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, whilst allowing the Museum to benefit from the proceeds of commercial enterprise through an annual donation of profits from the Enterprise Company to the Museum. The directors of the Enterprise Company, who met six times during the year, are drawn from the Museum Trust and from outside the Museum. There are currently three directors of the Board of the Enterprise Company, including two independent directors, Richard Fletcher and Dominic Lewis-Barclay. The Museum Trust, as the sole member of the Company, is represented at General Meetings by Museum Trustee, Mike Williams. The Museum Director is also the Chief Executive of the Enterprise Company.

The Black Country (Living) Museum Development Trust (Charity No. 1109345) was established in 1975 as an unincorporated trust – at the same time, but as a separate body to the Museum Trust, and successfully led the fundraising in support of the first phases of the building programme. However, as the Museum has grown in size and complexity and fundraising necessarily became integrated into the governance and management of the Museum, the role of the Development Trust has gradually diminished over time and now supports it in an informal way, rather than leading the Museum's fundraising. The Development Trust currently has five Trustees, four of whom are also Trustees of the Museum. The Development Trust is chaired by Anthony F George, met twice during 2013 and prepares its own accounts.

The table below sets out the record of attendance of the Trustees at Board meetings during 2013.

	Date of Board Meetings						No of Meetings	Attendance %
	31/1	28/3	30/5	25/7	26/9	28/11		
A David Owen	✓	✓	✓	✓	✓	✓	6/6	100%
A Graham Dean (Retired 26/09/13)	✓	✓	X	X	✓	n/a	3/5	60%
Anthony F George	✓	✓	✓	X	✓	✓	5/6	83%
Fiona Toye (Appointed 26/09/13)	n/a	n/a	n/a	n/a	✓	X	1/2	50%
Jane A Lodge	✓	✓	✓	✓	✓	✓	6/6	100%
John H Hughes	✓	✓	✓	✓	✓	✓	6/6	100%
Lowell Williams (Appointed 26/09/13)	n/a	n/a	n/a	n/a	✓	✓	2/2	100%
Matthew Tanner (Appointed 26/09/13)	n/a	n/a	n/a	n/a	✓	✓	2/2	100%
Dr Malcolm Dick (Appointed 26/09/13)	n/a	n/a	n/a	n/a	✓	✓	2/2	100%
Mike Williams	✓	✓	X	X	✓	✓	4/6	67%
Elias Mattu (Resigned 15/05/13)	✓	✓	n/a	n/a	n/a	n/a	2/2	100%
John Rowley (Appointed 15/03/13)	n/a	n/a	✓	✓	✓	✓	4/4	100%

# Black Country Living Museum Trust

## Trustees' Report for the year ended 31 December 2013 (continued)

	Date of Board Meetings						No of Meetings	Attendance %
	31/1	28/3	30/5	25/7	26/9	28/11		
Anthony Harris	X	X	✓	X	✓	X	2/6	33%
Linda Horton (Resigned 21/05/13)	X	X	n/a	n/a	n/a	n/a	0/2	0%
Mahboob Hussain (Appointed 21/05/13)	n/a	n/a	X	X	X	X	0/4	0%
Melvyn Mottram	X	X	X	✓	X	X	1/6	17%
Timothy Wright	X	✓	X	✓	X	X	2/6	33%
John Polychronakis (Hon Company Secretary)	✓	X	✓	✓	✓	X	4/6	67%
Andrew Lovett (Director & Chief Executive)	✓	✓	✓	✓	✓	✓	6/6	100%

In addition to meetings of the Museum Board, Jane A Lodge also chaired two meetings of the Museum's Audit Committee, also attended by Anthony F George and Mike Williams, and Mike Williams also chaired six meetings of the Board of the Museum's Enterprise Company.

### Partnerships and Stakeholders

The Museum works with a number of partners and stakeholders to achieve its objectives, including volunteer groups. The principal volunteer groups being: Friends of the Museum, Transport Group, Collections & Archive Group, Wikipedia Group, Motor Vehicle Volunteers, 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 "Green Team", who do much to keep our gardens and open spaces in good order and free of litter. The Museum also works closely with Dudley Canal Trust (Trips) Ltd, who operate their boat services adjacent to the Museum, and Marston Wolverhampton Heritage Trust, who maintain their archives at the Museum.

A representative from The Black Country Society and the Friends of the Museum are invited to observe meetings of the Board of the Museum; reflecting their long-standing links with the Museum, especially during the campaigning of the late 1960s that helped bring the Museum into existence. The Museum also maintains membership of a number of organisations; the major ones being: International Council of Museums, Museums Association, Association of Independent Museums, Association of European Open Air Museums, Newcomen Society, Inland Waterways Association, Association of Industrial Archaeology and the Midlands Federation of Museums. The Museum is also a member of Heart of England Attractions – a group which represents the interests of fifteen of the region's leading independent visitor destinations, as well as the Chambers of Commerce of the Black Country and Birmingham.

Since 2011, the Museum has been delighted to develop an increasingly important relationship with Arts Council England (ACE), through the exchange of ideas and discussion about policy and because of the funding ACE has invested in the Museum. The Museum will continue to invest in and value its relationship with ACE.

# Black Country Living Museum Trust

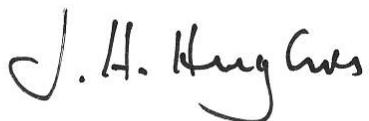
## Trustees' Report for the year ended 31 December 2013 (continued)

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The Museum maintains an important and close relationship with Dudley Metropolitan Borough Council. The Council provided grant funding to the Museum until 2012. The Council now provides alternative financial support. The Council owns the majority of the freehold of the Museum site, leased to the Museum Trust until 2075.

The Museum is also a partner, together with Dudley Council, New Heritage Regeneration Ltd (NHRL), Dudley Zoological Gardens and Dudley Canal Trust, in the regeneration of Castle Hill, a 200 hectare, brown-field site adjoining the Museum. Led by NHRL, private sector investment is also being sought to fulfil the development ambitions, which aim to offer new visitor facilities, attract more visitors and support the development of Dudley's tourism offer, and more generally, help to change perceptions of the area. During 2013, the *Castle Hill Vision* made significant progress with the completion of the new Dudley Archive & Local History Centre, access roads into the site from Tipton Road and developed plans for a new car/coach park, Zoo entrance and recreational route, providing a link between the Zoo, Museum and Dudley Canal. The scheme is being supported with funds from the European Regional Development Fund, Dudley Council, Heritage Lottery Fund, Dudley Zoo, the Black Country Local Enterprise Partnership, as well as the Museum.

On behalf of the Trustees



John H Hughes Chairman

Dated: 29 May 2014

# Black Country Living Museum Trust

## Strategic Report for the year ended 31 December 2013

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### Vision, Mission and Strategic Aims

As a registered charity, the Museum's legally-stated Objects (revised 30 May 2013) 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 18<sup>th</sup> 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 18<sup>th</sup> Century to the development of the modern industrialised world, for the benefit and enjoyment of the public.

The Museum expresses these legal objects in more everyday speech as, *to be nationally recognised and admired as a pre-eminent open-air museum in the United Kingdom*. To make this vision real the Museum has developed its mission, *to engage hearts and minds through the best use of its collections to inspire the widest possible audience about the story of the Black Country – the world's first industrial landscape*.

The Museum's strategic aims are to:

- develop the Museum as a visitor destination of the highest quality – of the highest historical authenticity – creating experiences for a large and diverse audience, supported by customer service that always exceeds expectations;
- develop the Museum as an admired centre of excellence for enjoyable formal and informal learning;
- maintain and strengthen the Museum's sustainability and financial independence;
- establish accomplished management practices and develop and reward the best people.

By way of background, the Museum grew out of community pressure 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 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 Museum's entire collections are *Designated* by Arts Council England, 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.

For people today, living in the age of globalisation, the internet, 'smart' phones with multiple 'apps' and 'twitter', the Museum can be shown to have considerable value as a resource for learning of all kinds. This is of fundamental importance to the Museum as an educational charity.

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# Black Country Living Museum Trust

## Strategic Report for the year ended 31 December 2013 (continued)

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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, and in this context, the Museum is proud of its prominent and effective regional role.

### Reserves Policy

It is the policy of the Museum that ideally, at least 10% of the average of the last three years' turnover should be maintained as reserves in unrestricted funds. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Museum's current activities while consideration is given to ways in which additional funds may be raised and planned activities reviewed. However, this level of reserves has not been maintained throughout the period of this review, and additional loan resources have been secured against certain Museum freehold property to prevent cash balances falling to an unacceptable level. Building a far stronger level of reserves is a priority for the Museum over the course of the next three years.

### 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 Trustees. It is not the policy of the Museum to delegate investment management to an agent of the charity. In making any investment decisions, including those related to permanent endowment, a Treasury Management Committee, acting on behalf of the Board, has due regard to Charity Commission guidance, *Investment of Charitable Funds: Basic Principles*, the Charities Act 2011 and the Trustee Act 2000.

### Reporting on the Achievement of Public Benefit

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

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.

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# Black Country Living Museum Trust

## Strategic Report for the year ended 31 December 2013 (continued)

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

In summary, the Museum identifies the benefits to the public that arise from its objects, as:

- providing opportunities for enjoyable and stimulating learning for the general public (currently 240,000 people each year and over 8m 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 learning programmes and resources for 58,153 (2012: 62,038) region-wide school and college-age children and students, supported by 8,037 teachers (2012: 7,287), from 978 separate educational institutions undertaking 1,184 visits; with 5,399 students from overseas schools and colleges;
- caring for and developing its collections of over 80,000 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 some 6,000 books, 7,600 photographs and at least 1,500 other important items of archive ephemera, and in so doing, adding to the collective knowledge, understanding and appreciation of the Black Country;
- publishing and widely disseminating to the public, information about the Black Country; via the Museum's website, which received 549,279 hits in 2013 (2012: 442,745), and by responding to 685 (2012: 739) public enquiries to our curatorial enquiry service;
- maintaining all-year-round public access to its facilities and services for the equivalent of 44 weeks in the review year;
- providing diverse opportunities for volunteering (currently over 160 active volunteers);
- supporting and strengthening the Black Country's identity and sense of place;
- providing a venue for community lectures, serving over 1,000 people each year;
- providing access to the Locksmith's House and its collections, numbering some 6,000 items, for booked schools, as well as the general public with occasional 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.

# Black Country Living Museum Trust

## Strategic Report for the year ended 31 December 2013 (continued)

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In contrast to many museums, this Museum can be applauded for successfully breaking down some of the barriers that so often act as a deterrent to attracting a broad socio-demographic audience to museums; with the Museum's visitors (excluding school groups) split between ABC1 (63%) and C2DE (37%); according to the Market Research Society classifications. Source: Association of Large Visitor Attractions Benchmarking Report, autumn 2013.

It is acknowledged that more needs to be done to attract larger audiences from black and ethnic minorities, which currently account for 5% of the Museum's total audience, despite some notably high minority ethnic group densities within close proximity to the Museum.

Providing loans of objects to other museums is an important part of any museum's public benefit. During the period of this review, the Museum was delighted to make the following significant loan from its permanent accessioned collection:

August – September: Sunbeam motor cycle AE 504, dating to 1913, was loaned to Wolverhampton Archives in support of their exhibition on the Wolverhampton motor industry, with the Museum's Clyno motorcar, dating from 1927 also loaned, for the opening event.

The Museum is engaged with widespread promotional activity, although 76% of the Museum's visitors travel no more than two hours. 84% of visitors travel from home, and just 1% of visitors (excluding educational groups) are from overseas. 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. Discounted rates are provided for people over the age of 60, students, essential carers, families, young people and unwaged visitors. All groups (of 15+) receive significantly discounted rates. Although the Museum has created the conditions of the 19<sup>th</sup> and 20<sup>th</sup> 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 a comprehensive access guide is available via the Museum's website.

## Major Achievements, Performance and Activities

The Museum set itself a number of objectives for the period of this review and beyond:

- (1) To strengthen the Museum's financial position, including by achieving visitor attendance of at least 250,000 for the twelve months to 31 December 2013**

The Museum's financial position was significantly improved in 2013, with a manageable trading loss before interest and depreciation of just £15,491 (2012: £285,202), despite visitor attendance being 3.9% below the minimum target, at 240,088. Achieving higher levels of visitor attendance remains a priority for the Museum.

# Black Country Living Museum Trust

## Strategic Report for the year ended 31 December 2013 (continued)

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**(2) To have strengthened the Board of Trustees and planned for succession, with the appointment of three new Trustees**

The Board appointed six new trustees, with four taking up places on the Museum Board in September 2013, and two scheduled to join the Board during the first quarter of 2014.

**(3) To have identified the Museum's next major phase of 'historic' development, including the future use of the Museum's property holdings fronting Tipton Road**

A considerable amount of progress was made with achieving this aim, with two major studies being considered by the Board during the year. While this has helped shape ideas and prioritise the development of the Museum's open air site, decisions have yet to be taken and will be further informed by work to be undertaken during 2014, with the assistance of specific secured funding from Arts Council England.

**(4) To have identified funding for the development of a new Learning & Resource Centre**

The development of a new, dedicated Learning & Resource Centre remains a priority for the Museum, including the need to improve the quality of the facilities for school lunches. Funding has yet to be identified. However, the facilities for schools will be greatly improved by anticipated European funding for a new, dedicated reception building, as part of the development of Castle Hill, described elsewhere in this review.

**(5) To secure significant funding from Arts Council England in support of the Museum's strategic development**

On 21 February 2014, the Museum was awarded £263,600 by Arts Council England to support four strategic themes: (i) master planning the Museum site, (ii) investing in additional volunteers, (iii) introducing audio-visual interpretation, and (iv) undertaking major market research studies. This work will commence during the first quarter of 2014.

**(6) To have successfully launched a programme addressing leadership resilience across the West Midlands museums sector, with funds secured from Arts Council England**

On 25 March 2013, the Museum was awarded £157,000 by Arts Council England to support a programme of leadership training for a cohort of 14 aspiring museum professionals, drawn from across the West Midlands. The successful programme, entitled Museums & Resilient Leadership, is due to conclude in April 2014.

**(7) To adopt a new Communications & Marketing strategy**

Establishing a new communications and marketing strategy remains a priority for the Museum. A major step forward was achieved, however, with the appointment, in October 2013, of Laura Wakelin as the Museum's new Director of Communications & Marketing.

# Black Country Living Museum Trust

## Strategic Report for the year ended 31 December 2013 (continued)

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**(8) To continue to strengthen management and staff competencies**

Improvement during year have included developing management and supervisory skills by running in-house training in absence management, communication skills and dealing with bullying and harassment; strengthening strategic leadership with a number of key staff embarking on external leadership programmes, such as the Museum Leadership Resilience Programme and Strategic Leadership Management training; developing a comprehensive training needs analysis to identify key development areas for management and staff; and developing a set of behavioural competencies which define the Museum's core values and what is important for success.

**(9) To adopt a Human Resources strategy to ensure the recruitment, development, reward and retention of the best quality staff**

A number of actions during 2013 have contributed to this aim, including rolling out Performance Development Reviews for the Museum's management/specialist and supervisory tiers, with the strengthening of management structures in Visitor Engagement intended to address the need to undertake such reviews throughout the organisation. A new pay and grading structure was implemented, as was a new staff benefits scheme. Recruitment processes were kept under review, and selection methods continued to be refined and strengthened.

**(10) To maximise the benefits of the refurbishment of the Rolfe Street complex – the Museum visitor reception**

Funded by an award of £120,000 from Arts Council England, the Museum undertook a major refurbishment of its Rolfe Street visitor reception, including the shop, café and admissions area, with the works completed by April 2013. The improvements have contributed to better visitor flows and welcome and a 20% increase in shop profits. An increase in the sales performance of the café has yet to be established and management changes are being made.

Beyond the continuing successful operation of the Museum and the many amazing things that we do day-in day-out, other significant achievements during the period of this review include:

- Welcoming Linda Connor of Hailsham, East Sussex as the Museum's 8 millionth visitor on 3 October 2013;
- Strengthening our social media engagement with more than 14,000 "likes" on Facebook (2012: 10,000) and almost 4,300 followers on Twitter (2012: 3,000);
- Maintaining our position in the Top 10 charging cultural attractions in the West Midlands;
- In August 2013, the Museum was delighted that its bid to host the biennial conference of the Association of European Open Air Museums in 2017 had been successful;
- In June 2013, the Museum was delighted to secure the annual conference of the Association of Independent Museums, to be held at the Museum in June 2014;
- The continued success of our winter events programme;
- Seeing a 24% increase in hits to the Museum's web site [www.bclm.com](http://www.bclm.com), compared to 2012;

# Black Country Living Museum Trust

## Strategic Report for the year ended 31 December 2013 (continued)

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Awards during 2013 included:

- Finalist, Best Guided Tour, 2013 Group Leisure Awards
- TripAdvisor, Certificate of Excellence (for a second year)
- Retaining the accreditation of Quality Assured Visitor Attraction, from Visit England
- Continuing to enhance the Museum's reputation and profile as a film location for major costume dramas and documentaries.
- The continued success of the Museum's membership scheme, now with over 1,200 members.

### Future Plans and Objectives

For the period ahead, the Museum has identified the following major objectives and priorities:

- (1) To adopt a new strategic plan for implementation from January 2015.
- (2) To strengthen the Museum's financial performance, by achieving attendance of at least 254,000 for the year to 31 December 2014 and with the growth of profits in the Enterprise Company.
- (3) To submit a successful bid to Arts Council England's Major Partner Museums Programme, 2015-2018, in collaboration with at least one other leading museum in the West Midlands.
- (4) To adopt a new Communications & Marketing strategy.
- (5) To commence work on a new schools reception centre and the refurbishment of the tram way.
- (6) To consolidate the new Board of Trustees and undertake a review of Governance.
- (7) To have completed the programme of work funded by Arts Council England, including to finish master planning the Museum site, increased the number of volunteers, introduced selected audio-visual interpretation and undertaken major market research studies.
- (8) To have improved the visitor 'offer' including through an enhanced programme of public events and improved management, and to have achieved improved levels of visitor feedback.
- (9) To make a successful contribution to the nation's commemoration of World War One, including through the Museum's involvement with the AHRC-funded Engagement Centre, led by the University of Birmingham, and other partnership working.
- (10) To continue to strengthen management and staff competencies and visitor focus, at all levels in the organisation, as part of developing a new HR strategy.

# Black Country Living Museum Trust

## Strategic Report for the year ended 31 December 2013 (continued)

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### Significant Grants and Donations

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

Arts Council England	The W E D Trust
The Black Country Society	Chatwin Trust
Friends of the Black Country Living Museum	Baron Davenport's Charity
The William A Cadbury Charitable Trust	E J Thompson Memorial Fund
The Headley Trust	The G J W Turner Trust
The Dumbreck Charity	The George Cadbury Trust
The Rowlands Trust	Owen Family Trust
The Salamander Charitable Trust	Birmingham Common Good Trust
Geoff Hill Charitable Trust	BBC Your Paintings
The George Henry Collins Charity	Pertemps People Development Group
The Late Mr Royston Billingham	D'Oyly Carte Charitable Trust
The Steele Charitable Trust	Royal Society of Chemistry

Of the restricted grants and donations received the following major projects were supported during the period of this review: Conservation work to the narrowboat Birchills, refurbishment of Tram 5, development of a new Collections Management System, Refurbishment of the Rolfe Street Visitor Centre, BBC Your Paintings Project and refurbishment work to Gregory's Kitchen, and as further set out at Note 3 to the Accounts.

### Acquisitions to the Museum Collection

Collections lie at the core of any museum. It is the collection which defines the museum, and underpins its identity and purpose. The Museum develops its collections through purchases, gifts, bequests, or occasionally with time-limited loans, and when doing so takes into account a number of criteria, including an item's provenance, subject matter and date. In broad terms, the Museum develops its collection to reflect the distinctive industrial character of the region, principally during the period 1800-1950. During the period of this review, the Museum has developed its collection by acquiring a number of significant objects, including:

- A large family bible relating to 97 Station Road, Old Hill, Cradley Heath, with records of births, deaths and marriages of the Newton family, between 1868 and 1942.
- Items relating to chemical manufacturer Albright & Wilson, Oldbury, including sample chemicals and salesman's product sheets
- A collection of steel tableware manufactured by Old Hall of Walsall, the first company to produce stainless steel tableware.
- A collection of button sample cards and button dies from James Grove of Halesowen, manufacturer of button between 1857 and 2012.

# Black Country Living Museum Trust

## Strategic Report for the year ended 31 December 2013 (continued)

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- Further additions to the trade catalogue collection, including examples by Judge of Cradley Heath (1936), manufacturers of domestic enamelware and Danks of Netherton (1956), world renowned boiler makers.
- Further examples of domestic products manufactured in the Black Country, including a tea kitchen by T & C Clarke of Wolverhampton and a 6 gallon pot by Beech of West Bromwich.
- Photograph album relating to Hill Top Foundry, Wednesbury, tube and edge tool manufacturers from 1850, and surviving today as Newby Industries Ltd.
- A provenanced cast iron kitchen range and slate fire surround from Gornal, thanks to support from the Friends of the Black Country Museum
- A Victorian tin bath made by Henry Loveridge of Wolverhampton (1840-1927), transferred from the collection of Bristol Museums and Art Gallery

### Risk Management

*Risk* is defined as "*any action or event that may have an adverse impact on the achievement of business objectives or prevent making the most of opportunities.*" 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.

Although the Trustees have assessed the major risks to which the Museum is exposed and can confirm that systems are in place to enable regular reports to be produced in order that steps can be taken to reduce, transfer or eliminate risks, a process of review is on-going to ensure that more formal management systems are in place, appropriate to the needs of the Museum, and that a Risk Register is up dated and regularly reviewed and acted upon. The Museum's risk management processes are strengthened by a comprehensive set of Financial Regulations, and a Health&Safety Policy, as well as regular, well-informed meetings of the Board and the Museum's Management Team.

### Financial Review

The financial activities of the Museum for the year under review and the financial position at the Balance Sheet date are set out in the Accounts. As with most charities, the Museum looks to manage within at least a balanced budget – as has been set for 2014 at the trading level – whilst delivering its charitable objectives, and also to build and sustain an appropriate level of reserves. Despite falling short, by 3.8%, of the 2013 budgeted level of attendance, the Museum sustained only a small trading loss of before depreciation and movements in restricted funds of £15,491 (2012: £285,202), and reflected the measures taken in the latter part of 2012 to reduce costs, as well as the effective control of costs in 2013 and the strong performance of the subsidiary trading company, which saw its profits rise by 50%, compared to 2012. Overall, there were net adverse moments in funds (excluding other recognised gains and losses) of £237,893 (2012: £599,745) after depreciation charges of £275,543 (2012: £361,048) and before recognising an actuarial gain in the deferred benefit pension scheme of £168,000 (2012: loss £235,000).

# Black Country Living Museum Trust

## Strategic Report for the year ended 31 December 2013 (continued)

There was a small cash inflow from operating activities of £169 (2012: outflow £259,114) principally reflecting the better trading results. After capital expenditure of £76,940 (principally funded by grants received from ACE in 2012) and long term bank loan repayments of £15,639, there was a net decrease in cash of £92,409 resulting in cash at bank and in hand as at 31 December of £355,214 (2012: £447,623).

It remains a priority for the Museum to increase visitor attendance during 2014 and beyond to create a more resilient financial position, including the need to create adequate surpluses to maintain the open air site, develop it in the future, and to build an adequate level of cash reserves.

The Group Net Worth at 31 December 2013 stands at £8,260,598 (December 2012: £8,330,491). Restricted Funds stand at £7,499,319 (December 2012: £7,654,846) and Unrestricted Funds at £761,279 (December 2012: £675,645) comprised of Designated Funds of £2,055,882 (December 2012: £2,085,342), General Funds of £25,397 (December 2012: £99,303) and Pension Reserve (deficit) of (£1,320,000), (December 2012: deficit of £1,509,000). The Museum receives considerable support from many volunteers, whose time and value cannot be included in the Statement of Financial Activities as it cannot be quantified.

On behalf of the Trustees

**John H Hughes** Chairman



Dated: 29 May 2014.

# Black Country Living Museum Trust

## Statement of Trustees' Responsibilities in Respect of the Accounts for the year ended 31 December 2013

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

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

In preparing these accounts, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that these financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

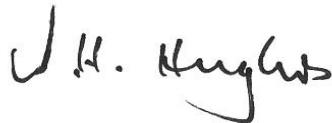
In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company'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

**John H Hughes** Chairman



Dated: 29 May 2014.

# **Black Country Living Museum Trust**

## **Independent Auditors' Report to the Members of Black Country Living Museum Trust for the year ended 31 December 2013**

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We have audited the accounts of Black Country Living Museum Trust for the period ended 31 December 2013 which comprises the Statement of Financial Activities, the Balance Sheets, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective Responsibilities of the Trustees and Auditors**

As described on page 24, the Trustees, who are also the directors of Black Country Living Museum Trust for the purpose of company law, are responsible for preparing the Annual Report & Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for satisfying themselves that the Museum's Accounts give a true and fair view.

We have been appointed under the Companies Act 2006 and report in accordance with this Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the Audit of the Accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on Accounts**

In our opinion:

- the accounts give a true and fair view of the state of the affairs of the Museum and the Group as at 31 December 2013 and the incoming resources and application of resources of the Group for the period then ended;

# Black Country Living Museum Trust

## Independent Auditors' Report to the Members of Black Country Living Museum Trust for the year ended 31 December 2013 (continued)

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- the accounts have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the accounts have been prepared in accordance with the Companies Act 2006.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the Trustees' Annual Report including the Strategic Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate or sufficient accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

*CK Audit*  
Wendy Davies (Senior Statutory Auditor)  
For and on behalf of CK Audit  
Chartered Accountants & Statutory Auditor  
No 4 Castle Court 2  
Castlegate Way  
Dudley  
DT1 4RH  
West Midlands

Dated: 29<sup>th</sup> May 2014

# Black Country Living Museum Trust

## Statement of Financial Activities including Income and Expenditure Account for the year ended 31 December 2013

	Notes	Unrestricted Funds	Restricted Funds	December 2013	December 2012
		£	£	£	£
<b><u>Incoming Resources</u></b>					
<b>Incoming resources from voluntary income:</b>					
Donated Admissions	2	1,096,266	-	<b>1,096,266</b>	1,109,580
Grants receivable	3	-	-	-	69,600
Charitable Donations	3	18,054	288,224	<b>306,278</b>	293,163
<b>Incoming resources from generated funds:</b>					
Income from subsidiary trading company	4	1,301,920	-	<b>1,301,920</b>	1,314,725
Parking, concessions and filming rights	5	129,442	-	<b>129,442</b>	130,589
Investment income	6	1	-	<b>1</b>	1
<b>Incoming resources from charitable activities:</b>					
Admission to the Museum	2	1,170,843	-	<b>1,170,843</b>	1,184,923
Other incoming resources	7	41,029	-	<b>41,029</b>	47,338
<b>Total Incoming Resources</b>		<b>3,757,555</b>	<b>288,224</b>	<b>4,045,779</b>	<b>4,149,919</b>
<b><u>Resources Expended</u></b>					
<b>Costs of generating voluntary income:</b>					
Fundraising and publicity costs	8	265,357	-	<b>265,357</b>	290,024
<b>Costs of generating funds:</b>					
Trading costs	8	930,335	-	<b>930,335</b>	1,033,405
Total cost of generating funds		<b>1,195,692</b>	-	<b>1,195,692</b>	1,323,429
<b>Net Incoming Resources</b>		<b>2,561,863</b>	<b>288,224</b>	<b>2,850,087</b>	<b>2,826,490</b>
<b>Charitable expenditure:</b>					
Charitable activities	8	2,472,172	418,751	<b>2,890,923</b>	3,225,125
Governance costs	8	172,057	25,000	<b>197,057</b>	201,110
Total charitable expenditure		<b>2,644,229</b>	<b>443,751</b>	<b>3,087,980</b>	3,426,235
<b>Total Resources Expended</b>		<b>3,839,921</b>	<b>443,751</b>	<b>4,283,672</b>	<b>4,749,664</b>
<b>Net movement in funds (excluding other recognised gains and losses)</b>		<b>(82,366)</b>	<b>(155,527)</b>	<b>(237,893)</b>	<b>(599,745)</b>
<b>Other recognised gains and losses:</b>					
Actuarial gain / (loss) on defined benefit pension	24	168,000	-	<b>168,000</b>	(235,000)
<b>Net Movement in Funds</b>		<b>85,634</b>	<b>(155,527)</b>	<b>(69,893)</b>	<b>(834,745)</b>
<b>Fund Balances at 1 January 2013</b>					
As previously reported		675,645	7,230,017	<b>7,905,662</b>	8,740,407
Prior year adjustment	9	-	424,829	<b>424,829</b>	424,829
As restated		<b>675,645</b>	<b>7,654,846</b>	<b>8,330,491</b>	<b>9,165,236</b>
<b>Fund Balances at 31 December 2013</b>		<b>761,279</b>	<b>7,499,319</b>	<b>8,260,598</b>	<b>8,330,491</b>

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

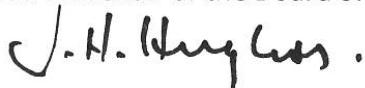
# Black Country Living Museum Trust

## Group (Consolidated) Balance Sheet as at 31 December 2013

	Notes	December 2013	As restated December 2012
		£	£
<b>Fixed Assets</b>			
Tangible assets	12	4,622,995	4,858,059
Heritage assets	13	5,186,772	5,150,310
		<u>9,809,767</u>	<u>10,008,369</u>
<b>Current Assets</b>			
Stocks of goods for resale		87,264	100,502
Debtors	15	99,470	143,393
Cash at bank and in hand		355,214	447,623
		<u>541,948</u>	<u>691,518</u>
Creditors: amounts falling due within one year	16	(395,546)	(456,186)
Net current assets		<u>146,402</u>	<u>235,332</u>
Total assets less current liabilities		9,956,169	10,243,701
Creditors: amounts falling due after more than one year	17	(375,571)	(404,210)
Net Assets (excluding pension liability)		<u>9,580,598</u>	<u>9,839,491</u>
Defined benefit pension liability	24	(1,320,000)	(1,509,000)
Net Assets	20	<u>8,260,598</u>	<u>8,330,491</u>
<b>Represented By:</b>			
Restricted funds	18	7,499,319	7,654,846
Unrestricted funds:			
Designated funds	19	2,055,882	2,085,342
General funds		25,397	99,303
Pension reserve	24	(1,320,000)	(1,509,000)
		<u>761,279</u>	<u>675,645</u>
		<u>8,260,598</u>	<u>8,330,491</u>

These financial statements were approved and authorised for issue by the Board of Trustees of the Museum on 29 May 2014.

Signed on behalf of the Board of Trustees



John H Hughes Chairman

# Black Country Living Museum Trust

## Parent (Museum) Balance Sheet as at 31 December 2013

	Notes	December 2013	As restated December 2012
		£	£
<b>Fixed Assets</b>			
Tangible assets	12	4,604,422	4,832,815
Heritage assets	13	5,186,772	5,150,310
Investments	14	1,000	1,000
		<u>9,792,194</u>	<u>9,984,125</u>
<b>Current Assets</b>			
Debtors	15	233,783	270,737
Cash at bank and in hand		<u>240,240</u>	<u>349,875</u>
		<u>474,023</u>	<u>620,612</u>
Creditors: amounts falling due within one year	16	(310,753)	(361,741)
Net current assets		<u>163,270</u>	<u>258,871</u>
Total assets less current liabilities		<b>9,955,464</b>	<b>10,242,996</b>
Creditors: amounts falling due after more than one year	17	(375,571)	(404,210)
Defined benefit pension liability	24	(1,320,000)	(1,509,000)
Net Assets		<u>8,259,893</u>	<u>8,329,786</u>
<b>Represented By:</b>			
Restricted funds	18	7,499,319	7,654,846
Unrestricted funds:			
Designated funds	19	2,055,882	2,085,342
General funds		24,692	98,598
Pension reserve	24	(1,320,000)	(1,509,000)
		<u>760,574</u>	<u>674,940</u>
		<u>8,259,893</u>	<u>8,329,786</u>

These financial statements were approved and authorised for issue by the Board of Trustees of the Museum on 29 May 2014.

John H Hughes Chairman

*J. H. Hughes.*

# Black Country Living Museum Trust

## Consolidated Cash Flow Statement for the year ended 31 December 2013

	Notes	Year ended December 2013	Year ended December 2012
		£	£
<b>Net cash (outflow) / inflow from operating activities</b>	21	169	(259,114)
Investment income		1	1
<b>Net cash inflow from returns on investments and servicing of finance</b>		1	1
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(76,940)	(73,250)
<b>Net cash (outflow) / inflow from capital expenditure</b>		(76,940)	(73,250)
<b>Net cash outflow before financing</b>		(76,770)	(332,363)
<b>Financing</b>			
Long term bank loan		(15,639)	(9,418)
<b>Net cash (outflow) from financing</b>		(15,639)	(9,418)
<b>Decrease in cash</b>	22	(92,409)	(341,781)

The notes on pages 31 to 54 form part of these accounts

# **Black Country Living Museum Trust**

## **Notes to the Accounts for the year ended 31 December 2013 (continued)**

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### **1 Accounting Policies**

#### **1.1 Basis of Preparation**

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Museum and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Museum has availed itself of paragraph 4(1) of Schedule 1 of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the Museum's activities. No separate SOFA has been presented for the Museum alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the Statement of Recommended Practice (SORP).

#### **1.2 Incoming Resources**

All grants and voluntary income are accounted for gross when receivable if they are capable of financial measurement. This includes gifts in kind, included at estimated valuation.

Grants in respect of capital expenditure are credited to restricted funds and released to the funds in the Statement of Financial Activities over the expected useful lives of their relevant assets.

Grants of a revenue nature receivable by the Museum are accounted for in the period to which they relate.

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.

Investment income is recognised on a receivable basis.

#### **1.3 Resources Expended**

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

Support costs comprise service costs incurred centrally in support of projects undertaken.

Governance costs are all costs incurred in the governance of the Museum and include audit fees and costs related to the strategic management of the Museum.

# Black Country Living Museum Trust

## Notes to the Accounts for the year ended 31 December 2013 (continued)

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

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out centrally. Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

### **1.4 Tangible Fixed Assets and Depreciation**

#### **(a) Operational**

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, 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) Site Development**

Site development activities and restoration of exhibits do not have a useful life extending beyond the period in which they are undertaken and the costs are therefore, written off as incurred. Any grants relating to these activities are shown within incoming resources.

#### **(c) Heritage Assets (Financial Reporting Standard 30)**

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 80,000 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 few identified items, expenditure on these assets (maintained principally for their contribution to 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.

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# Black Country Living Museum Trust

## Notes to the Accounts for the year ended 31 December 2013 (continued)

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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 many aspects of 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. A major programme of works (funded by the Arts Council) is well advanced to allow public access to the collections on-line via the Museum's website. This work is expected to be concluded by mid-2015.

A Collections Management Plan (approved by Arts Council England), incorporating a collections care and conservation plan, governs all aspects of stewardship of the collections. The Museum further manages its collections in accordance with its Acquisitions & Disposals Policy.

### **1.5 Stock and Work in Progress**

Work in progress is valued at the lower of cost and net realisable value.

### **1.6 Pensions**

The Museum is an admitted body as part of the West Midlands Pension Fund (WMPF). The WMPF was set up under the Superannuation Act 1972 for UK-wide local government employees. The permanent staff of the Museum (although not local government employees) became eligible for membership, under the auspices of Dudley Metropolitan Borough Council (who act as guarantor), when the Museum was first established in September 1975. The WMPF provides a pension scheme for certain employees of the Museum, based on final pensionable pay. It is constituted as a trust fund whose assets are held and managed separately from those of the Museum. Contributions are determined by a qualified actuary and are charged to the Statement of Financial Activities so as to spread the cost of the pensions provided over the average service lives of the employees.

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# Black Country Living Museum Trust

## Notes to the Accounts for the year ended 31 December 2013 (continued)

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The regular cost is attributed to the individual years using the projected unit credit method. Variations in cost, which are identified as a result of actuarial valuations, are amortised over the average expected remaining service lives of employees in proportion to expected payroll costs.

The cost of providing benefits under the defined benefit scheme is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligation) and is based on actuarial advice. Past service costs are recognised in the Statement of Financial Activities on a straight-line basis over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in the statement of financial activities during the period in which the settlement or curtailment occurs.

The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time, and it is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the period.

The expected return on pension plan assets is based on an assessment made at the beginning of the period of long-term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the period. The difference between the expected return on plan assets and the interest cost is recognised in the Statement of Financial Activities as other finance income or expense.

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 way of refunds from the plan or reductions in future contributions.

In line with the requirements of Financial Reporting Standard 17 'Retirement Benefits' the Museum's defined benefit pension scheme liability and related costs are included in these financial statements. Further information is contained in Note 24.

After 31 March 2011, the Museum closed the defined benefit pension scheme to new entrants and instead has now made available a separate defined contribution pension scheme provided by Friends Provident for existing staff who do not have other pension provision, as well as for new employees.

# **Black Country Living Museum Trust**

## **Notes to the Accounts for the year ended 31 December 2013 (continued)**

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### **1.7 Funds and Reserves Accounting**

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

- (i) Restricted funds include grants from local authorities and similar bodies in connection with the cost of the Museum's original operational fixed 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 obligations associated with the Museum's defined benefit pension scheme (ref. Note 24).

### **1.8 Recognition of Liabilities**

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

### **1.9 Related Party Transactions**

Black Country Living Museum Trust is the 'parent company' within a group that prepares consolidated financial statements. The Museum has taken advantage of the exemption from disclosing transactions with group entities under the terms of Financial Reporting Standard 8 'Related Party Disclosures'.

# Black Country Living Museum Trust

## Notes to the Accounts for the year ended 31 December 2013 (continued)

### 2 Admission to the Museum

Admissions (excluding trading sales) are stated net of value added tax and discounts.

	December 2013	December 2012
	£	£
Admission fees donated to the Museum	<b>877,448</b>	887,690
Gift Aid from donated admission fees <sup>1</sup>	<b>218,818</b>	221,890
	<hr/> <b>1,096,266</b>	<hr/> 1,109,580
Admission to the Museum	<b>1,170,843</b>	1,184,923
	<hr/> <b>2,267,109</b>	<hr/> 2,294,503
Visitor attendance (number)	<b>240,088</b>	249,574

<sup>1</sup> Gift Aid is a well established scheme run by the Government that allows charities like the Museum to benefit from the tax already paid by visitors. The Museum receives 25p from the Government for every pound donated in support of the Museum.

### 3 Grants Receivable and Charitable Donations

	December 2013	December 2012
	£	£
Grants Receivable (from Dudley Council):	<hr/> -	<hr/> 69,600
<u>Restricted Funds:</u>		
Arts Council England	203,185	122,790
The Headley Trust	22,750	-
BBC Your Paintings	12,000	-
The William A Cadbury Charitable Trust	10,000	-
Friends of the Black Country Living Museum	9,000	6,489
The Late Mr Royston Billingham	5,000	-
The G J W Turner Trust	3,000	-
Baron Davenport's Charity	3,000	-
D'Oyly Carte Charitable Trust	3,000	-
The Steele Charitable Trust	3,000	-
Royal Society of Chemistry	2,600	1,800
E J Thompson Memorial Fund	2,200	-
The Rowlands Trust	2,000	-
West Midlands Museums Development Office	1,800	-

# Black Country Living Museum Trust

## Notes to the Accounts for the year ended 31 December 2013 (continued)

	December 2013	December 2012
The W E Dunn Charitable Trust	1,000	-
The George Cadbury Trust	1,000	-
George Henry Collins Charitable Trust	500	-
The Chatwin Trust	500	-
The Patrick Trust	-	29,452
Staffordshire County Council	-	27,000
Black Country Living Museum Development Trust	-	17,000
Connie and Albert Taylor Charitable Trust	-	15,000
Royal Academy of Engineering	-	10,560
Audiences Central	-	6,650
Douglas Turner Trust	-	5,000
The Newcomen Society	-	5,000
Mr and Mrs J H Hughes	-	4,000
Mr A F George MBE TD DL	-	3,250
Aurelius Charitable Trust	-	3,000
Clive Richards Charity	-	2,500
North One Television	-	2,000
Grimmitt Trust	-	2,000
Michael Marsh Charitable Trust	-	1,424
Grantham Yorke Trust	-	1,000
John Feeney Charitable Trust	-	1,000
Bernard Piggott Trust	-	1,000
Mr M F Hessey	-	750
Birmingham Common Good Trust	-	500
Mr and Mrs D Higgs	-	500
Other restricted donations	2,689	7,439
	<hr/> 288,224	<hr/> 277,104

### Unrestricted Funds (Other Donations):

Owen Family Trust	5,000	5,000
Association of Independent Museums	4,950	-
The Black Country Society	1,150	1,000
Mr A F George MBE TD DL	1,000	-
The Dumbreck Charity	1,000	-
Mr M F Hessey	500	1,916
Salamander Charitable Trust	500	500
Birmingham Common Good Trust	500	-
Other Unrestricted Donations	3,454	7,643
	<hr/> 18,054	<hr/> 16,059
<b>Total Charitable Donations</b>	<b><hr/>306,278</b>	<b><hr/>293,163</b>

# **Black Country Living Museum Trust**

## **Notes to the Accounts for the year ended 31 December 2013 (continued)**

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During the period of this review Restricted Funds were provided for the following projects:

Birchills Restoration:	The William A Cadbury Charitable Trust The Headley Trust The Rowlands Trust Arts Council England (PRISM Fund)
Museum Visitor Centre, Museums Leadership Programme and Collections Management System:	Arts Council England
Gregory's Kitchen:	The G J W Turner Trust
Keith Gale Archive:	Birmingham Common Good Trust The George Cadbury Trust
World War II Resources:	George Henry Collins Charitable Trust The W E Dunn Charitable Trust
Tram 5 Restoration:	Friends of the Black Country Living Museum
Heritage Skills Programme:	The D'Oyly Carte Charitable Trust The Steele Charitable Trust

#### 4 Net Income from the Museum's Subsidiary Trading Company

The Museum (Parent) controls a trading subsidiary which is incorporated in the UK. 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. A summary of the results is set out below. Separate audited accounts have been filed with the Registrar of Companies.

Profit and Loss Account	December 2013	December 2012
	£	£
Turnover	<b>1,301,920</b>	1,314,725
Cost of sales	(914,385)	(1,014,185)
 Gross profit	 <b>387,535</b>	 300,540
Administrative expenses excluding recharges from Parent	(18,680)	(21,090)
 Operating profit	 <b>368,855</b>	 279,450
Investment income	-	-
Other operating income	<b>17,484</b>	18,662
 Profit before Group charge and donation to Parent	 <b>386,339</b>	 298,112
Recharge from Parent (rent and services)	(120,004)	(120,034)
Donation of profit to Parent	(266,335)	(178,078)
 Profit for year before and after taxation	 -	 -

#### 5 Parking Charges, Filming Rights and Licensed Concessions

	December 2013	December 2012
	£	£
Parking charges	<b>78,791</b>	66,734
Licensed concessions	<b>35,532</b>	37,470
Filming rights	<b>15,119</b>	26,385
 <b>129,442</b>	 <b>130,589</b>	

## 6 Investment Income

	December 2013 £	December 2012 £
Interest received	1	1
	<u>1</u>	<u>1</u>

## 7 Other Incoming Resources

	December 2012 £	December 2012 £
Commercial rent	42,364	43,466
Other	(1,335)	3,872
	<u>41,029</u>	<u>47,338</u>

## 8 Total Resources Expended

	Staff costs £	Depreciation and Impairment £	Other costs £	Total December 2013 £	Total December 2012 £
<b>Cost of generating funds</b>					
Trading costs	405,676	6,667	517,992	930,335	1,033,405
Fundraising and publicity	130,661	-	134,696	265,357	290,024
Total cost of generating funds	<u>536,337</u>	<u>6,667</u>	<u>652,688</u>	<u>1,195,692</u>	<u>1,323,429</u>
<b>Charitable expenditure</b>					
Charitable activities	1,660,443	268,876	961,604	2,890,923	3,225,125
Governance costs <sup>1</sup>	139,054	-	58,003	197,057	201,110
<b>Total charitable expenditure</b>	<u>1,799,497</u>	<u>268,876</u>	<u>1,019,607</u>	<u>3,087,980</u>	<u>3,426,235</u>
<b>Total resources expended</b>	<u>2,335,834</u>	<u>275,543</u>	<u>1,672,295</u>	<u>4,283,672</u>	<u>4,749,664</u>

<sup>1</sup> Governance costs include payments to the auditors of £8,050 (December 2012: £7,000) for audit fees. CK Chartered Accountants received payments of £5,167 (December 2012: (£6,491) for other services, including payroll processing charges.

## 9 Prior Year Adjustment

Expenditure on the Marston Collection of vehicles, REO Speedwagon and President narrowboat totalling £436,226 that was previously written off before 31 December 2002 and further expenditure of £23,557 on President narrowboat incurred in the year ended 31 December 2012 has now been capitalised as Heritage Assets. A full analysis of Heritage Assets is shown in note 13.

## 10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Museum during the period of this review. Expenses totalling £nil were paid to the Trustees (December 2012: £nil).

## 11 Employees

The average monthly number of full-time equivalent employees during the period was:

	December 2013 (number)	December 2012 (number)
Direct (front-line) charitable activities	86	102
Leadership, Management and Specialists	33	33
	<b>119</b>	<b>135</b>

Employment costs	December 2013 £	December 2012 £
Wages and salaries	2,085,378	2,376,671
National Insurance costs	116,685	130,418
Pension costs	133,771	149,000
	<b>2,335,834</b>	<b>2,656,089</b>

The number of employees with annual emoluments of £80,000 or more (being the Chief Executive) were:

	December 2013 (number)	December 2012 (number)
£80,000 – £90,000	1	1
	<b>1</b>	<b>1</b>

Details of the Museum's defined benefit pension scheme are provided at Note 24.

## 12 Tangible Fixed Assets

### (a) Operational Assets - Group

	Land and buildings Freehold	Land and buildings Leasehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2013	937,597	5,066,023	1,008,471	67,839	7,079,930
Transfer to Heritage Assets	(150,000)	-	-	-	(150,000)
Additions	-	-	75,746	-	75,746
<b>At 31 December 2013</b>	<b>787,597</b>	<b>5,066,023</b>	<b>1,084,217</b>	<b>67,839</b>	<b>7,005,676</b>
 <b>Depreciation</b>					
At 1 January 2013	58,240	1,183,087	919,360	61,184	2,221,871
Transfer to Heritage Assets	(19,500)	-	-	-	(19,500)
Charge for the period	14,088	84,576	75,632	6,014	180,310
<b>At 31 December 2013</b>	<b>52,828</b>	<b>1,267,663</b>	<b>994,992</b>	<b>67,198</b>	<b>2,382,681</b>
 <b>Net book value</b>					
<b>At 31 December 2013</b>	<b>734,769</b>	<b>3,798,360</b>	<b>89,225</b>	<b>641</b>	<b>4,622,995</b>
<b>At 31 December 2012</b>	<b>879,357</b>	<b>3,882,936</b>	<b>89,111</b>	<b>6,655</b>	<b>4,858,059</b>

Fixed Assets include fixtures and fittings and motor vehicles with a cost of £65,227 (2012: £65,228) and a net book value of £18,573 (2012: £25,244) owned by the subsidiary undertaking, Black Country Living Museum Enterprises Limited.

Freehold land and buildings include land (being the Museum's overflow car park fronting Tipton Road) with a net book value of £83,258 that is not depreciated.

The Locksmith's House, Willenhall, with a net book value of £128,500, has been transferred from freehold land and buildings and is now classified as a Heritage Asset.

**(b) Operational Assets - Parent**

	Land and buildings Freehold £	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2013	937,597	5,066,023	948,539	62,544	7,014,703
Transfer to Heritage Assets	(150,000)	-	-	-	(150,000)
Additions	-	-	75,746	-	75,746
<b>At 31 December 2013</b>	<b>787,597</b>	<b>5,066,023</b>	<b>1,024,285</b>	<b>62,544</b>	<b>6,940,449</b>
 <b>Depreciation</b>					
At 1 January 2013	58,240	1,183,087	884,098	56,463	2,181,888
Transfer	(19,500)	-	-	-	(19,500)
Charge for the period	14,088	84,576	69,106	5,870	173,643
<b>At 31 December 2013</b>	<b>52,828</b>	<b>1,267,663</b>	<b>953,204</b>	<b>62,332</b>	<b>2,336,027</b>
 <b>Net book value</b>					
<b>At 31 December 2013</b>	<b>734,769</b>	<b>3,798,360</b>	<b>71,081</b>	<b>212</b>	<b>4,604,422</b>
<b>At 31 December 2012</b>	<b>879,357</b>	<b>3,882,936</b>	<b>64,441</b>	<b>6,081</b>	<b>4,832,815</b>

Freehold land and buildings include land (being the Museum's overflow car park fronting Tipton Road) with a net book value of £83,258 that is not depreciated.

The Locksmith's House, Willenhall, with a net book value of £128,500, has been transferred from freehold land and buildings and is now classified as a heritage asset.

**(c) Site Development**

<b>Cost</b>	<b>£</b>
At 1 January 2013	5,407,855
Additions	-
<b>At 31 December 2013</b>	<b>5,407,855</b>
<b>Grant contributions towards cost</b>	
At 1 January 2013	(4,598,022)
Received in the period	-
<b>At 31 December 2013</b>	<b>(4,598,022)</b>
<b>Balance funded from Museum resources</b>	
At 1 January 2013	(809,833)
Funded in the period	-
<b>At 31 December 2013</b>	<b>(809,833)</b>
<b>Net book value</b>	
	<b>-</b>

**13 Heritage Assets**

<b>Cost</b>	<b>£</b>
At 1 January 2013 as restated	5,570,410
Transfer from Operational Assets	150,000
Additions at cost	1,194
<b>At 31 December 2013</b>	<b>5,721,604</b>
<b>Depreciation</b>	
At 1 January 2013	420,100
Transfer from Operational Assets	19,500
Charge for the period	95,233
<b>At 31 December 2013</b>	<b>534,832</b>
<b>Net book value</b>	
<b>At 31 December 2013</b>	<b>5,186,772</b>
<b>At 31 December 2012</b>	<b>5,150,310</b>

Heritage Assets include land at the Locksmith's House, Willenhall, with a net book value of £50,000 that is not depreciated. See also Note 1.4 (c).

### Heritage Asset Transactions

	2013	2012	9 months to 31-12-11	Year to 31-3-11	Year to 31-3-10	Year to 31-3-09	Pre 1-4-08	Total
<b>Purchases and additions</b>								
Marston Collection							341,865	341,865
REO Speedwagon							15,500	15,500
Locksmith's House							150,000	150,000
President Narrowboat	1,194	23,557					78,861	103,612
Workers' Institute				11,635	580,216	1,951,562	2,543,413	
Oldbury Buildings			168,300	440,846	199,995	242,574	1,051,715	
Hobbs Fish Shop					1,069,356	85,759	1,155,115	
Folkes's Park			10,955	16,139	160,242	7,228	194,564	
The Conway Garage					57,141	14,062	71,203	
Bradburn & Wedge						2,120	2,120	
Newcomen Engine	71,350	21,147					92,497	
	<b>1,194</b>	<b>94,907</b>	<b>21,147</b>	<b>179,255</b>	<b>468,620</b>	<b>2,066,950</b>	<b>2,889,531</b>	<b>5,721,604</b>

### Heritage Asset Transactions

#### Depreciation

Marston Collection	5,698	5,698	4,273	5,698	5,698	5,698		32,763
REO Speedwagon	258	258	194	258	258	258		1,484
Locksmith's House	2,000	2,000	1,500	2,000	2,000	2,000	10,000	21,500
President Narrowboat	1,757	1,735	986	1,314	1,314	1,314		8,420
Workers' Institute	42,393	42,393	31,795	42,393	42,393	42,197		243,564
Oldbury Buildings	17,750	17,750	13,312	17,750	14,848	7,376		88,786
Hobbs Fish Shop	19,252	19,252	14,439	19,252	19,252	19,252		110,699
Folkes's Park	3,254	3,254	2,440	3,254	3,065	2,791		18,058
Conway Garage	1,187	1,187	890	1,187	1,187	1,187		6,825
Bradburn & Wedge	35	35	27	35	35	35		202
Newcomen Engine	1,649	882						2,531
	<b>95,233</b>	<b>94,444</b>	<b>69,856</b>	<b>93,141</b>	<b>90,050</b>	<b>82,108</b>	<b>10,000</b>	<b>534,832</b>

**Net Book Value 31-12-13** 5,186,772

**14 Fixed Asset Investments**

	£
Market value at 1 January 2013 and at 31 December 2013	<b>1,000</b>
Historical cost at 31 December 2012 and at 31 December 2013	<b><u>1,000</u></b>

The Companies Act 2006 requires 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.

**15 Debtors**

	Group		Parent	
	December	December	December	December
	2013	2012	2013	2012
	£	£	£	£
Owed by Group undertakings	-	-	<b>149,528</b>	150,697
Other debtors	<b>61,067</b>	105,251	<b>54,337</b>	84,953
Prepayments and accrued income	<b>38,403</b>	38,142	<b>29,918</b>	35,087
	<b>99,470</b>	143,393	<b>233,783</b>	270,737

**16 Creditors: amounts falling due within one year**

	Group		Parent	
	December	December	December	December
	2013	2012	2013	2012
	£	£	£	£
Bank loan	<b>31,000</b>	18,000	<b>31,000</b>	18,000
Trade creditors	<b>153,577</b>	193,469	<b>98,184</b>	145,820
Owed to Group undertakings	-	-	-	-
Taxes and social security costs	<b>59,993</b>	73,176	<b>43,388</b>	47,584
Other creditors and accruals	<b>150,976</b>	171,541	<b>138,181</b>	150,337
	<b>395,546</b>	456,186	<b>310,753</b>	361,741

**17 Creditors: amounts falling due after more than one year**

	December 2013 £	December 2012 £
Bank Loan <sup>1</sup>	<u>375,571</u>	<u>404,210</u>
<b>Analysis of loan</b>		
Not wholly repayable within 5 years	406,571	422,210
Included in the current liabilities	(31,000)	(18,000)
	<u>375,571</u>	<u>404,210</u>
<b>Loan maturity analysis</b>		
Debt due in one year or less	31,000	18,000
In more than one year, but not more than 2 years	31,500	31,000
In more than 2 years, but not more than 5 years	100,000	98,000
In more than 5 years	244,071	275,210
	<u>406,571</u>	<u>422,210</u>

<sup>1</sup> The bank loan is secured by a legal charge over the Museum's freehold land at Tipton Road, Dudley (Title No: WM414023) and an unlimited guarantee from the Museum's subsidiary trading company, Black Country Living Museum Enterprises Limited.

## 18 Restricted Funds (Movement in Funds)

	As restated Balance at 1 January 2013	Incoming Funds	Resources Expended	Balance at 31 December 2013
Operational Fixed Assets	348,681	-	-	348,681
Exhibition (Hall Two)	22,379	-	(21,092)	1,287
Rolfe Street Development	2,728,744	60,000	(107,429)	2,681,315
Moving the Black Country <sup>1</sup>	742,048	-	(15,329)	726,719
	3,841,852	60,000	(143,850)	3,758,002
<b>Heritage Assets<sup>2</sup></b>				
The Workers' Institute	1,738,660	-	(31,478)	1,707,182
The Locksmith's House	146,341	-	(2,000)	144,341
The Conway Garage	51,207	-	(927)	50,280
Folkes Park	233,081	-	(3,085)	229,996
Old Birmingham Road	435,344	-	(10,367)	424,977
Hobbs Fish & Chip Shop	470,983	-	(8,529)	462,454
Newcomen Engine	91,280	-	(1,652)	89,628
President Narrow Boat	99,198	-	(1,757)	97,441
Marston Motorcycles	314,800	-	(5,698)	309,102
REO Speedwagon	14,274	-	(258)	14,016
	3,595,168	-	(65,751)	3,529,417
<b>Other Items</b>				
Purchase of Freehold Property	120,485	-	(2,552)	117,933
Improving Accessibility	22,933	-	(2,843)	20,090
Collections Management	60,913	28,743	(89,656)	-
Resilient Leadership Programme	-	105,975	(96,449)	9,526
Learning Projects	7,834	31,020	(11,609)	27,245
Birchills (boat) Restoration	2,426	44,850	(17,738)	29,538
Locomotive, Winston Churchill	500	(500)	-	-
Collections Projects	2,735	13,136	(13,303)	2,568
Buildings Maintenance Legacy	-	5,000	-	5,000
	217,826	228,224	(234,150)	211,900
	7,654,846	288,224	(443,751)	7,499,319

<sup>1</sup> The project name given to a series of transport-related developments at the Museum, the last of which was completed in 2010.

<sup>2</sup> See also Note 1.4(c).

**19 Designated Funds (Movement in Funds)**

	Balance at 1 January 2013	New Funds	Utilised Funds	Balance at 31 December 2013
	£	£	£	£
Refurbishment Programme	34,538	-	-	34,538
Future Developments	250,000	-	-	250,000
Heritage Assets	1,800,804	-	(29,460)	1,771,344
	2,085,342	-	(29,460)	2,055,882

**20 Analysis of Net Assets between Funds**

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 December 2013 are represented by:			
Tangible fixed assets	2,637,574	7,172,192	9,809,766
Current assets	207,763	330,127	537,890
Creditors: amounts falling due within one year	(388,487)	(3,000)	(391,487)
Creditors: amounts falling due after more than one year	(375,571)	-	(375,571)
Defined benefit pension liability	(1,320,000)	-	(1,320,000)
	761,279	7,499,319	8,260,598

**21 Net Cash Inflow from Operating Activities**

	December 2013	December 2012
	£	£
Reconciliation to changes in resources:		
Changes in resources before revaluations	(237,893)	(599,745)
Investment income	(1)	(1)
Depreciation of tangible fixed assets	275,543	361,048
Decrease/(increase) in stocks	13,238	(35,573)
Decrease/(increase) in debtors	43,923	27,869
(Decrease)/increase in creditors	(73,641)	4,288
Pension scheme non cash movements	(21,000)	(17,000)
	169	(259,114)

**22 Reconciliation of Net Cash Flow to Movement in Net Funds**

	December 2013 £	December 2012 £
Decrease in cash	(92,409)	(341,781)
Long term bank loan	15,639	9,418
<b>Movement in net funds</b>	<b>(76,770)</b>	<b>(332,363)</b>
Net funds at 1 January 2013	25,413	357,776
<b>Net funds at 31 December 2013</b>	<b>(51,357)</b>	<b>25,413</b>

**23 Analysis of Net Cash less Debt**

	At 1 January 2013 £	Cash flow £	Non-cash changes £	At 31 December 2013 £
Cash at bank and in hand	447,623	(92,409)	-	355,214
Debt due within one year	(18,000)	(13,000)	-	(31,000)
Debt due after one year	(404,210)	28,639	-	(375,571)
	25,413	(76,770)	-	(51,357)

**24 Pension Scheme and Other Post-Retirement Benefit Commitments**

**Defined Contribution Pension Scheme**

	December 2013 £	December 2012 £
Contributions payable by the Museum for the period	7,525	5,548

This pension scheme is provided by Friends Provident and was made available from 1 April 2011 to existing staff who do not have other pension provision, as well as for new employees.

### **Employee Benefit Obligations (Defined Benefit Pension)**

The Museum is one of 340 scheme employers (with over 260,000 members) that participate in the West Midlands Pension Fund (WMPF) providing benefits based on final pensionable pay to certain members of Museum staff. 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 and was replaced with a separate defined contribution scheme for new entrants with effect from 31 March 2011. This statutory scheme is administered by Wolverhampton City Council, on behalf of the participating organisations, in accordance with the Local Government Pension Scheme Regulations 1997. The assets of the fund are held and managed separately from those of the Museum.

An actuarial valuation of the WMPF was carried out in accordance with the Regulations as at 31 March 2013.

The key Financial Reporting Standard 17 assumptions used for the WMPF are set out below, along with the fair value of assets, the present value of the FRS17 liabilities and the deficit of assets below the FRS17 liabilities (which equals the gross pension liability). The liability at the period end was £1,320,000 (December 2012: £1,509,000). It is important to note that the liability represented by this value (being based on actuarial assumptions) will alter in response to changes to the future funding and structure of the pension scheme (as well as to economic and investment market conditions) and does not crystallize in the short or medium term.

The tables in this note to the accounts set out the key Financial Reporting Standard 17 assumptions used for the defined benefit pension scheme.

**The amounts recognised in the Balance Sheet are as follows:**

	December 2013	December 2012
	£	£
Present value of funded obligations	<b>4,917,000</b>	4,915,000
Fair value of plan assets	<b>(3,597,000)</b>	(3,406,000)
Defined Benefit Pension Liability	<b>1,320,000</b>	1,509,000

**The total pension costs recognised in the Statement of Financial Activities are as follows:**

	December 2013 £	December 2012 £
<b>Included in staff costs within total resources expended</b>		
Current service cost	<b>118,000</b>	115,000
Past service cost	-	-
	<b>118,000</b>	<b>115,000</b>
<b>Net pension finance costs included within total resources expended</b>		
Interest on obligation	212,000	209,000
Expected return on pension scheme assets	(202,000)	(181,000)
	<b>10,000</b>	<b>28,000</b>
<b>Total Pension Costs</b>	<b>128,000</b>	<b>143,000</b>
Actual return on plan assets	<b>346,000</b>	<b>265,000</b>
<b>Included with other recognised gains and losses:</b>		
	December 2013 £	December 2012 £
Actual return less expected return on pension scheme assets	(46,000)	84,000
Experience gains and losses arising on scheme liabilities	214,000	(319,000)
	<b>168,000</b>	<b>(235,000)</b>

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

	December 2013	December 2012
	£	£
Opening defined benefit obligation	<b>4,915,000</b>	4,392,000
Current service cost	<b>118,000</b>	115,000
Interest cost	<b>212,000</b>	209,000
Contributions by scheme participants	<b>32,000</b>	36,000
Past service cost	-	-
Actuarial losses (gains)	<b>(214,000)</b>	319,000
Benefits paid	<b>(146,000)</b>	(156,000)
	<hr/> <b>4,917,000</b> <hr/>	<hr/> 4,915,000 <hr/>

**Changes in fair value of plan assets are as follows:**

	December 2013	December 2012
	£	£
Opening fair value of plan assets	<b>3,406,000</b>	3,101,000
Expected return	<b>202,000</b>	181,000
Actuarial gains	<b>(46,000)</b>	84,000
Contributions by employer	<b>149,000</b>	160,000
Contributions from scheme participants	<b>32,000</b>	36,000
Benefits paid	<b>(146,000)</b>	(156,000)
	<hr/> <b>3,597,000</b> <hr/>	<hr/> 3,406,000 <hr/>

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

	December 2013	December 2012
Discount rate at 31 December 2013	<b>4.50%</b>	4.30%
Future salary increases	<b>4.15%</b>	4.15%
Future pension increases	<b>2.40%</b>	2.40%

**Amounts for the current and previous period are as follows:**

	<b>December 2013</b>	December 2012
	£	£
Defined benefit obligation	(4,917,000)	(4,915,000)
Plan assets	3,597,000	3,406,000
<b>Surplus/(deficit)</b>	<b>(1,320,000)</b>	<b>(1,509,000)</b>
Experience adjustments on plan liabilities	214,000	(319,000)
Experience adjustments on plan assets	(46,000)	84,000

**25 Related Party Disclosures (Financial Reporting Standard 8)**

Museum Trustee, A David Owen, is also a Trustee of The Owen Family Trust, which provided an unrestricted donation of £5,000 (December 2012: restricted donation £5,000) during the period of this review. Museum Trustees, Mr A F George and Mr J H Hughes provided unrestricted donations of £1,000 and £300 respectively. The Museum Director has a loan from the Museum with an outstanding balance of £2,055, as at 31 December 2013, and expiring on 30 April 2014.

**26 Capital Commitments**

	<b>December 2013</b>	December 2012
	£	£
At 31 December 2013 the Museum had no capital commitments.	-	-

This is the final page of the Museum's Annual Report & Accounts, 31 December 2013.



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