

Annual Review

for the year ending 31 December 2018



BLACK COUNTRY
LIVING MUSEUM

“It is our objective of being self-reliant and independent, of seeing ourselves as a heritage enterprise, rather than a heritage service that sets this Museum apart from many others, and which is central to our philosophy and success.”

Andrew Lovett, Chief Executive (Museum Director)



This page – 1940s Weekend, 2018

Front cover – our public call outs for objects and stories relating to buildings being recreated as part of BCLM: Forging Ahead

Welcome

Success for the Museum is measured in two ways. Firstly the achievement of our charitable objects as a museum, and secondly by our long-term sustainability without recourse to high levels of public sector funding to meet our everyday costs. These two measurable are inseparable.

For the year in review, the Museum achieved its fifth year-on-year rise in visitor attendance, trading revenues and surplus, free cash reserves, positive cash flow and net current assets. With over 355,000 visitors in 2018, attendance is now 48% above the low point of recent years, when attendance stood at 240,088 in 2013.

An intense eighteen month development phase of our major capital development project BCLM: Forging Ahead ended in December 2018, during which time we developed a strong Round Two application to the National Lottery Heritage Fund (NLHF) and secured the majority of all other funds required for the project. The NLHF's decision provided a cause for celebration when it was announced on 27 March 2019, that the Museum had been awarded £9.4m.

“ BCLM: Forging Ahead will create a jewel in Dudley which, coupled with the other ongoing projects on Castle Hill and in the town centre, will drive the regeneration of the area. ”

Andy Street, Mayor of the West Midlands

In reaching this critical stage, we cannot overstate the Black Country Local Enterprise Partnership's (BCLEP) commitment to the project and investment of £9m without which we may not have gained the confidence of NLHF.

Thanks go to our major funders and the other trusts and foundations which have supported BCLM: Forging Ahead and brought us one step closer to realising our vision. Thanks also to the civic leaders of the Black Country and the West Midlands, not least Ian Austin and Mike Wood, our local MPs, Andy Street CBE, Mayor of the West Midlands, Professor Geoff Layer, Vice Chancellor, University of Wolverhampton, and Sarah Norman, outgoing Chief Executive, Dudley Council. Without their continued support, enthusiasm and faith in the Museum and the project, it could have been a different story.

Thanks also to everyone who engaged with us in some way in 2018. Whether you visited, donated an item to our collection, or simply liked us on Facebook, your support is hugely appreciated and has added to our confidence that we are doing the right thing.

There are a huge range of positive outcomes which will come from BCLM: Forging Ahead but perhaps the most exciting is the opportunity it brings for supporting community cohesion in the Black Country. Expanding the Museum's story and time period (up to the 1960s) will, for the first time, allow the exploration and interpretation of stories of the migration of people into the Black Country during the post-war period, and act as a catalyst to bring people of different cultures together.

Equally exciting is that ours is just one of a number of projects in Dudley that is nearing maturity. The £449m Wednesbury to Brierley Hill extension to the Midland Metro, Very Light Railway Innovation Centre, and town centre development at Porters Field are all due to begin in 2019 or 2020 and just recently the new Government-backed Institute of Technology, led by Dudley College has been given the green light.



Burgin's Newsagents, Dudley.

To be recreated at the Museum as part of BCLM: Forging Ahead

These developments represent years of hard work, persistence and civic leadership and are crucially important to the successful future of Dudley, the Black Country and the West Midlands. The Museum is delighted to be working alongside these partners over the next three years as it makes real BCLM: Forging Ahead and will play its part to maximise the potential of them all.

Achievements & Opportunities



Newly developed first-person character, 'The Pawnbroker'

Across all visitor categories, the Museum saw growth in 2018 compared to the prior year. General admissions rose by 7.7% to 242,672; educational group visits rose by 1.6% to 58,547; other groups rose by 1.7% to 15,033, and attendance at ticketed events rose by 10.7% to 38,802. Taken together this generated an overall increase in attendance, of 6.7% to 355,054.

This was a terrific result especially considering the continued increase in competition for consumers' leisure time and pounds which in recent years has expanded beyond the obvious to include shopping centres, soft play, theme parks, music and video streaming services, online shopping and online gaming.

In response to such competition, during 2018 we continued to develop our brand as an experience, creating absorbing, relevant, inclusive and engaging content that is meaningful to our audiences. We encouraged interaction with our new visitors, while deepening relationships with our existing audiences. Part of this work has involved developing first-person interpretation and short performance pieces with our historic street characters under the banner 'History With Character', to achieve a more immersive experience for our visitors. We have been supported in this by Black Country Touring – a leading light in local community theatre, dance and film.





“ I continue to be thoroughly impressed by BCLM’s commitment to its local people and communities and we’re delighted to be investing in BCLM: Forging Ahead ”

Peter Knott, Midlands Area Director, Arts Council England

We also took the time to identify and understand the most significant factors impacting performance and visitor attendance. We shortlisted to the following six, acknowledging that these factors influence concurrently to generate an aggregate impact on our results: 1) Extremes of weather; 2) Time of year (especially school holidays; 3) Marketing and promotion; 4) Exposure to high impact TV and/or film; 5) Our events programme; and 6) Reputation.

In 2018 these factors all worked in the Museum's favour, not least the warm weather during the summer, the broadcast of two BBC Antiques Roadshow programmes filmed at the Museum, the positive aftershocks of the airing of the 4th series of Peaky Blinders, and the enormous interest and publicity which surrounded announcements of our major development plans. Our marketing activities also worked ever-more effectively, under the theme Reach & Retain.

The Museum continued to pursue strategic partnership working in 2018 including a new formal partnership with the University of Wolverhampton in the creation of the Black Countries Studies Centre (BCSC). Launched in November 2018 at the Museum, the BCSC brings together all the exciting and valued work the Museum and University have been doing and allows us to introduce new initiatives to new audiences, as well as undertaking joint research programmes.

We also took our place as a National Portfolio Organisation in April 2018, securing annual investment from Arts Council England (ACE) of £550,000 and £2.2m

over the current investment round, 2018/19-2021/22. This develops the Museum's relationship with ACE after first becoming a Major Partner Museum in April 2015, alongside our partner, Culture Coventry.

This partnership with ACE and the investment it brings will continue to support our Museums & Resilient Leadership Programme (MRL), now entering its fifth successful year and benefiting a cohort drawn from across England. MRL is a unique year-long continuous professional development programme designed to help a cohort become the cultural leaders of the 21st Century; resilient and entrepreneurial.

During this investment round, we are also aligning £1.2m of our ACE investment to support the new activity being developed as part of BCLM: Forging Ahead. It's a great, strategic tie-up between two of the UK's most important funders, Arts Council England and National Lottery Heritage Fund.

In November 2018, the Board of Trustees discussed and approved some important changes to the structure of the Museum's Leadership Team. Amongst a number of strategic adjustments, the most important sought to create new opportunities for valued existing colleagues, maximise collaboration by bringing more functions together, and improve the visitor experience, whilst continuing to be cost-effective and proportionate to the scale and ambitions of the Museum.

The changes will take effect in the first half of 2019 to best position the Museum to be able to deliver BCLM: Forging Ahead as it becomes a reality from summer 2019.



“Something different after many, many visits... loved it! ”

Visitor feedback following newly developed first person scenarios



The Year in Numbers



45,498
volunteer hours



355,054
visitors welcomed



20
locations visited on our first
Community Roadshow

1.44m
hits to bclm.com

21
active Business
Partners





1,362

students participating in STEM related workshops



£1.04m

trading surplus to support future investment in the Museum



36

oral histories collected for BCLM: Forging Ahead



Over

10m

people tuned in to see Antiques Roadshow at BCLM



1,319

public enquiries to our collections enquiry service



Support

Thank you to all the organisations which have provided generous financial support to the Museum during the year. In particular:

Arts Connect
Arts Council England
Birmingham Common Good Trust
Black Country Local Enterprise Partnership
Dudley Metropolitan Borough Council
Dumbreck Charity
Edward Cadbury Charitable Trust
Edward & Dorothy Cadbury Charitable Trust
Esmée Fairbairn Foundation
Friends of the Black Country Living Museum
Mr M F Hessey
Holbeck Charitable Trust
Mr J H Hughes
Lord Austin Trust
National Lottery Heritage Fund
Owen Family Trust
The Patrick Foundation
William A Cadbury Charitable Trust
Mr A F George MBE TD DL
Mr I Dillamore

TD Thomas Dudley Ltd.
Manufacturing in the UK since 1920

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Enhancing the Museum's Collections

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 years 1800-1950.

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.

During 2018, the Museum continued to develop its collection by acquiring a number of significant objects, including:

- Homemade jig doll manufactured in Dudley
- Stanton's Record shop bag and record Sleeve
- Maypole Dairy sales leaflet
- Butchery equipment from Marsh & Baxter's Butchers
- Running kit and medal from Dudley Harriers
- World War Two helmet manufactured by Joseph Sankey
- Toy Xylophone manufactured by Keylo, Dudley





- Cardboard Christmas village church, as displayed in Laurie Thomas' Hairdressers
- Palethorpe's poster
- Collection of photographs from F.H. Lloyd Steel Manufacturers

Many of these new additions to the Museum's collection support the individual shops and buildings we will be developing as part of BCLM: Forging Ahead.



Future Plans

For the year ahead and in support of the Museum's Strategic Plan (2015–2020), the Museum has identified the following major objectives and priorities:

Strategic Aim One – Develop Our Distinctiveness and Brand

- ① Complete the Leadership & Management restructuring, and recruitment to all posts by the end of August 2019.
- ② Continue to develop a more strategic approach to the development of our people, their well-being and our working culture.

Strategic Aim Two – Safeguard, Enrich and Use Our Collections

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

Strategic Aim Three - Transform the Visitor Journey

- ④ In line with the programme and cost plans, commence the delivery of BCLM: Forging Ahead, the Museum's major 3-year capital development, from July 2019.
- ⑤ Secure all remaining funds required to complete BCLM: Forging Ahead, by September 2019.
- ⑥ Achieve all year one plans set out in the BCLM: Forging Ahead Activity Plan, including the unique opportunities that will exist to fully engage our communities in the construction of the Museum's new historic developments, as part of the visitor experience.

Strategic Aim Four - Increase Visitor Attendance

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

Strategic Aim Five – Achieve National and International Impact

- ⑧ Achieve all year two planned activity set out in the Business Plan and associated with Arts Council England, National Portfolio Funding (2018-2022).
- ⑨ Successfully advance the aims of the Black Country Studies Centre, in partnership with the University of Wolverhampton.

Strategic Aim Six – Grow and Diversify Our Income

- ⑩ Continue to strengthen the Museum's financial position by achieving visitor attendance of at least 328,348, a trading surplus, before depreciation and one-off investments of at least £30,000, and free cash reserves of at least £650,000, in-line with our reserves policy, for the year to 31 December 2019.
- ⑪ Review the Museum's fundraising strategy by December 2019, including the Museum's relationship with the business community.

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

Financial Review

The summary financial statements set out in this review may not contain sufficient information to allow for a full understanding of the financial affairs of the Museum. The financial statements are a consolidation of the financial statements of the Museum and its subsidiary trading company. For further information, the full annual accounts, the auditors' report on those accounts and the Trustees' report should be consulted; copies of these can be obtained from the Museum or downloaded from www.bclm.com or the Charity Commission.

The full financial statements, together with the report of the Trustees of the Museum, for the year ended 31 December 2018, were approved by the Board of Trustees and signed on its behalf by the Chair on 30 May 2019.

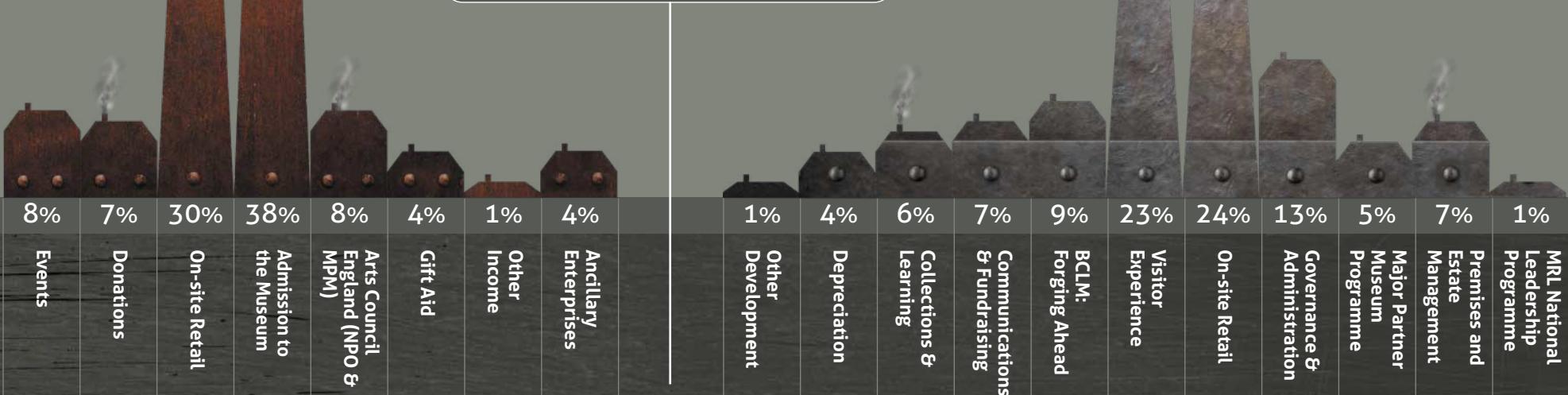
Statutory accounts for the year ended 31 December 2018 have been delivered to the Register of Companies and the Charity Commission. The Museum's auditor, Crowe UK LLP, has reported those accounts and their report was unqualified.



income
£8,028,574

spending
£7,814, 567

Within these overall numbers, the trading result for the Museum was a surplus £1,043,695; a significant accomplishment which allows us to re-invest in and develop our open-air site



Annual Accounts

	Unrestricted Funds £	Restricted Funds £	December 2018 £	December 2017 £
Group Statement of Financial Activities				
Income				
Donations and Legacies:				
Charitable Donations	107,054	427,143	534,197	570,845
Charitable Activities:				
Admission to the Museum	4,058,267	-	4,058,267	3,519,072
Major Partner Museum (Arts Council England)	-	225,848	225,848	886,000
Grants (Arts Council England)	412,500	-	412,500	-
Other Trading Activities:				
Retail income (Subsidiary trading company)	2,373,246	-	2,373,246	1,990,649
Ancillary enterprises	368,781	-	368,781	323,187
Investment Income	-	-	-	-
Other Income	55,735	-	55,735	48,073
Total Income	7,375,583	652,991	8,028,574	7,337,826
Expenditure				
Raising Funds:				
Retail (Subsidiary trading company)	1,906,444	188	1,906,632	1,728,676
Development and fundraising costs	184,007	18	184,025	132,896
Charitable Activities:				
Opening and operating the Museum	3,799,948	236,654	4,036,602	3,567,205
Developing the Museum	883,794	295,724	1,179,518	601,864
Major Partner Museum (Arts Council England)	43,569	359,780	403,349	941,955
National Leadership Programme	104,431	10	104,441	-
Total Expenditure	6,922,193	892,374	7,814,567	6,972,596
Net Income/(Expenditure) before taxation	453,390	(239,383)	214,007	365,230
Tax receivable	12,804	-	12,804	-
Net Income/(Expenditure) after taxation	466,194	(239,383)	226,811	365,230
Other recognised gains and losses:				
Actuarial gain / (loss) on defined benefit pension	390,000	-	390,000	(390,000)
Net Movement in Funds	856,194	(239,383)	616,811	(24,770)
Reconciliation of Funds:				
Total Funds brought forward 1 January 2018	1,351,848	7,642,920	8,994,768	9,019,538
Total Funds carried forward at 31 December 2018	2,208,042	7,403,537	9,611,579	8,994,768

	2018 £	2017 £
Group (Consolidated) Balance Sheet		
Fixed Assets		
Intangible assets	1,491	7,257
Tangible assets	4,559,607	4,723,452
Heritage assets	5,210,643	5,204,312
Total Fixed Assets	9,771,741	9,935,021
Current Assets		
Stocks of goods for resale	101,773	99,694
Debtors	298,637	386,806
Cash at bank and in hand	1,667,574	1,024,535
Total Current Assets	2,067,984	1,511,035
Creditors: amounts falling due within 1 year	(649,113)	(485,563)
Net Current Assets	1,418,871	1,025,472
Total assets less Current Liabilities	11,190,612	10,960,493
Creditors: amounts falling due after more than 1 year	(221,033)	(261,725)
Net Assets (excluding pension liability)	10,979,579	10,698,768
Defined benefit pension liability	(1,358,000)	(1,704,000)
Total Net Assets	9,611,579	8,994,768
The funds of the charity:		
Restricted funds	7,403,537	7,642,920
Unrestricted funds:		
Designated funds	2,552,946	2,265,544
General funds	1,013,096	790,304
Pension reserve	(1,358,000)	(1,704,000)
	2,208,042	1,351,848
	9,611,579	8,994,768

Accounts (continued)



	Year ended December 2018 £	Year ended December 2017 £
Consolidated Cash Flow Statement		
Cash flows from operating activities:		
Net cash inflow from operating activities	709,909	420,513
Cash flows from investing activities:		
Interest from investments	-	-
Proceeds from the sale of tangible fixed assets	7,083	9,018
Purchase of tangible fixed assets	(34,996)	(238,336)
Net cash used in investing activities	(27,913)	(229,318)
Cash flows from financing activities:		
Repayment of borrowing	(38,957)	(44,242)
Net cash used in financing activities	(38,957)	(44,242)
Change in cash and cash equivalents in the year	643,039	146,953
Cash and cash equivalents at the beginning of the year	1,024,535	877,582
Total cash and cash equivalents at the end of the year	1,667,574	1,024,535

Architectural drawing of Brick Kiln Lane – part of BCLM: Forging Ahead



Reference & Administrative Information

Museum Trust Established 15 September 1975

Patron HRH The Duke of Gloucester
KG GCVO

Trustees (Directors)
Jonathan Badyal
Duncan Bedhall
Dr Paul Belford
Dr Malcolm Dick OBE
Parminder Dosanjh
Nicola Harding
Nick Loveland
Cllr. Pete Lowe¹
Cllr. Christine Perks
Fiona Toye (Deputy Chair)
Lowell Williams (Chair)
Mike Williams

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

Charity Number 504481

Company Number 1226321

**Principal Address &
Registered Office**
Black Country Living Museum
Tipton Road
Dudley
West Midlands
DY1 4SQ

¹ Nominated by Association of Black Country Authorities

Independent Auditors **Crowe U.K. LLP**
Black Country House
Rounds Green Road
Oldbury
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B69 2DG

Principal Bankers **Barclays Bank plc**
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West Midlands
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Principal Solicitors **Gowling WLG (UK) LLP**
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Other Advisors **RSM UK Group LLP**
St Philips Row
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Company Secretary: **Craig Edmondson**



Black Country Living Museum

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The Museum is proud to be recognised and supported by



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