

Company Registration No. 03026731
(England & Wales)

BLACK COUNTRY LIVING MUSEUM

Black Country Living Museum Enterprises Limited

Annual Report & Accounts

For the year ended 31 December 2022



www.bclm.com

Black Country Living Museum Enterprises Limited

Directors' Report for the year ended 31 December 2022

The Directors present their Annual Report & Accounts for the year ended 31 December 2022.

The Annual Report & Accounts have been prepared in accordance with the accounting policies set out at Note 2 of the Financial Statements and comply with the governing document and applicable law.

Reference & Administrative Information

Directors:

Katy Baker
Duncan Bedhall
Richard N Fletcher
Louise Jones
Lisa Simpson

Company Registration Number:

03026731

VAT Registration Number (Group):

765321138

Principal Address & Registered Office:

Black Country Living Museum
Tipton Road
Dudley
West Midlands
DY1 4SQ

Independent Auditors:

Crowe UK LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers:

Barclays Bank plc (Barclays Corporate)
1st Floor
Queen Square
Wolverhampton
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Website:

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Black Country Living Museum Enterprises Limited

Directors' Report for the year ended 31 December 2022

Structure, Governance and Principal Activities

Black Country Living Museum Enterprises Limited (referred to in this Annual Report as 'the Company'), incorporated on 27 February 1995, is a wholly-owned subsidiary of the Black Country Living Museum Trust (Company Reg. No. 1226321) – its immediate and ultimate parent undertaking and controlling party. The Museum Trust (established on 15 September 1975) is the sole member of the Company and represented at General Meetings of the Company by Museum Trustee, Duncan Bedhall.

The Museum is a fully accredited museum (ref. no. 761) and a registered educational charity (Charity Reg. No. 504481) and has been *designated* by Arts Council England for the quality and national significance of its collections.

The Company undertakes and manages non-primary purpose trading activities on the Museum's 26 acre open-air site near Dudley in the West Midlands, including retailing and catering for visitors on behalf of the Museum Trust. This also includes business sponsorship, car parking and location filming. This protects the charitable status of the Museum Trust, as well as having in place the most tax-efficient arrangements, whilst allowing the Museum Trust to benefit from the proceeds of commercial enterprise through an annual donation of profits from the Company to the Museum. A licence agreement exists between the Company and the Museum Trust which sets out the terms of the relationship between the parties. The Board of Directors of the Company met four times during the period of this review, and comprises Directors who are also Trustees of the Museum and two independent Directors.

As a registered charity, the Museum's Objects are:

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

The Museum's vision and mission is:-

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

This vision makes real our mission to: Inspire Your Discovery of the Black Country.

Black Country Living Museum Enterprises Limited

Directors' Report for the year ended 31 December 2022

For 2022 the Museum's focus, alongside the priority of working towards the successful completion the BCLM: Forging Ahead project, continued to be concentrated towards following five objectives:

2022 Objectives	Benefits
1. To develop and diversify our team.	<ul style="list-style-type: none">• We represent and are valued by our community.• Our team is more motivated, creative and innovative.• The team feel valued and morale is strong.• We benefit from a broader diversity of opinion.
2. Develop, maintain and use our collection, in its broadest sense, to support inclusive storytelling.	<ul style="list-style-type: none">• Our visitor experience is increasingly relevant.• Black Country heritage is protected and shared.• The collection connects the Museum and our community to our unique stories.
3. Build engagement with audiences to increase representation and enable active participation.	<ul style="list-style-type: none">• Understand and grow our audiences.• Increased sense of ownership and belonging in our local communities.• Our audiences are included and represented.
4. Innovate to ensure the Museum is strategically aligned for our sustainable future.	<ul style="list-style-type: none">• Our revenue is grown and diversified.• The Museum is valued and relevant to our audiences.• The Museum has efficient and effective operations.
5. Use our influence and strengthened reputation to effect positive change for our communities.	<ul style="list-style-type: none">• Allows us to positively impact individuals and organisations.• Ensure our work is amplified and reputation strengthened.• Close collaboration to be part of a joined-up approach to tackle issues and challenges.

Full details of the Black Country Living Museum, its charitable activities, financial results, future plans (including the Museum's major development, BCLM: Forging Ahead) and priorities can be found in its latest Annual Report & Accounts for the year ending 31 December 2022, available at www.bclm.com, or the websites of the Charity Commission (www.charity-commission.gov.uk) and Companies House (www.companieshouse.gov.uk).

Black Country Living Museum Enterprises Limited

Directors' Report for the year ended 31 December 2022

Directors

The Directors who served during the year were:

Katy Baker
Duncan Bedhall
Richard N Fletcher
Louise Jones (appointed 30 June 2022)
Lisa Simpson

The Directors of the Company benefit from professional liability insurance of £1million taken out through the Museum Trust (Parent) using AXA Insurance UK plc.

None of the Directors (or any persons connected with them) received any remuneration, benefits or were reimbursed for any expenses during the year (2020: £nil).

Financial Review

The financial performance of the Company for the year under review and the financial position at the balance sheet date are set out in the financial statements.

The financial statements show that turnover for the year was £2.88m, another improvement on the prior year (£2.13m) and back to pre-pandemic levels. This delivered a gross profit of £801k (2021: £696k) with the cost of living crisis and increasing levels of inflation having an impact on the margins and performance of the Company.

After other costs (including internal charges of £152k), but with the addition of other operating income, the total net profit was £524k (2021: £722k).

Future Plans

The Enterprises Company will continue to be focused on the prospects the completion of the Museum's major capital development, BCLM: Forging Ahead will bring and is fully engaged with the scaling-up required of its retail and catering operations to maximise the opportunities.

On behalf of the Board



Duncan Bedhall

Dated: 26 May 2023

Black Country Living Museum Enterprises Limited

Statement of Directors' Responsibilities in respect of the Accounts for the year ended 31 December 2022

The Directors are responsible for preparing the Directors' Report and the Accounts in accordance with applicable law and regulations.

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

In preparing these accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 accounts; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and, in addition
- the Directors have taken all necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board



Duncan Bedhall

Dated: 26 May 2023

Black Country Living Museum Enterprises Limited

Independent Auditors' Report to the Members of Black Country Living Museum Enterprises Limited for the year ended 31 December 2022

Opinion

We have audited the financial statements of Black Country Living Museum Enterprises Limited for the year ended 31 December 2022, which comprise the Statement of income and retained earnings, the Balance sheet and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Black Country Living Museum Enterprises Limited

Independent Auditors' Report to the Members of Black Country Living Museum Enterprises Limited for the year ended 31 December 2022

Other information

The Directors are responsible for the other information contained within the Annual Report. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

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

Black Country Living Museum Enterprises Limited

Independent Auditors' Report to the Members of Black Country Living Museum Enterprises Limited for the year ended 31 December 2022

- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Black Country Living Museum Enterprises Limited

Independent Auditors' Report to the Members of Black Country Living Museum Enterprises Limited for the year ended 31 December 2022

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

This report is made solely to the 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 Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 12 July 2023

Black Country Living Museum Enterprises Limited

Statement of Comprehensive Income and Retained Earnings for the year ended 31 December 2022

		2022	2021
	Notes	£	£
Turnover		2,875,253	2,131,837
Cost of sales, including staffing		(2,073,801)	(1,435,505)
Gross Profit		801,452	696,332
Administrative expenses		(356,337)	(192,587)
Other operating income	3	95,903	237,806
Costs relating to other operating income		(16,568)	(19,623)
Operating Profit and Total Comprehensive Income for the Year		524,450	721,928
Taxation**			
Profit for the Period after Taxation		524,450	721,928
Retained Earnings at the Start of the Year		724,878	19,034
Gift Aid donation to the Museum Trust		(721,683)	(16,084)
Retained Earnings at the End of the Year		527,645	724,878

** No taxation is provided on the basis that the subsidiary was committed to pay its Gift Aid donations to the Museum Trust within nine months of each year end, and that the Company implemented early FRS102, paragraph 29.14A.

Black Country Living Museum Enterprises Limited

Balance Sheet for the year ended 31 December 2022

			2022	2021
	Notes	£	£	£
Current Assets				
Stocks		101,015		98,283
Debtors	5	356,430		559,949
Cash at bank and in hand	6	217,424		157,194
Total Current Assets		674,869		815,426
Creditors: amount falling due within 1 year	7	(146,224)		(89,548)
Net Current Assets Liabilities			528,645	725,878
Net Assets			528,645	725,878
Capital and Reserves:				
Called-up share capital			1,000	1,000
Profit & Loss account			527,645	724,878
Total shareholders' funds			528,645	725,878

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The accounts were approved and authorised for issue by the Board on 26 May 2023.

On behalf of the Board



Duncan Bedhall

Dated: 26 May 2023

Black Country Living Museum Enterprises Limited

Notes to the Accounts for the year ended 31 December 2022

1 General Information

The Company is a private company, limited by shares (Registered Number 03026731), which is incorporated and registered in the UK. The Company's principal address and registered office are provided elsewhere in this report.

2 Accounting Policies

2.1 Basis of Preparation

These accounts have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS102), and with the Companies Act 2006. The accounts have been prepared on the historical cost convention.

2.2 Going Concern

The Directors are satisfied that the Enterprises Company will be able to manage any trading uncertainties arising from the increased costs of living over the next 12 months and they do not create a material uncertainty that casts significant doubt on the Enterprises Company's ability to continue as a going concern. Therefore, based on this, the Directors have concluded that there are no material uncertainties about the company's ability to continue as a going concern and Financial Statements are drawn up on the going concern basis.

2.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discount.

2.4 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation and impairment charges. Depreciation is provided at rates calculated to write off the cost of each asset over their expected, useful lives, which are as follows:

Fixtures, fittings and equipment	25% reducing balance
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2.5 Stock

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

2.6 Debtors

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

Black Country Living Museum Enterprises Limited

Notes to the Accounts for the year ended 31 December 2022

2.7 Financial Instruments

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

2.8 Creditors

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

2.9 Pensions

The parent company (Black Country Living Museum Trust) is an admitted body as part of the West Midlands Pension Fund (WMPF). The WMPF (administered by Wolverhampton City Council under the Superannuation Act 1972) provides a defined benefit pension scheme for certain employees of the Museum. Contributions are charged to the Statement of Comprehensive Income so as to spread the cost of pensions over the average service lives of the employees. 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 lives of employees in proportion to their expected payroll costs. All staff are employed by the Museum Trust.

Due to the nature of this pension scheme, this Company cannot identify its share of the underlying assets and liabilities of the scheme, nor can it identify any surplus or deficit and the implications of that surplus or deficit on the Company. However, the Group's share of the scheme assets which can be recognised have been disclosed in the Group Accounts in accordance with Financial Reporting Standard 102. More information about the WMPF can be found at: www.wmpfonline.com. After 31 March 2011, the defined benefit scheme was closed to new entrants and a separate defined contribution scheme provided by Friends Life and Aegon was made available for both new staff and existing staff who do not have other pension provision.

2.10 Donations

Donations to the parent charity are recognised as an expense either when paid or at the date when the Company has a legal liability to make the donation payment if earlier.

2.11 Corporation Tax

No provision for corporation tax has been made on the Company's profit for the year due to its policy of donating all its tax adjusted profits available for distribution under gift aid to its ultimate charitable parent undertaking within nine months of each year-end date and because the Company early implemented FRS102 para 29.14A.

Black Country Living Museum Enterprises Limited

Notes to the Accounts for the year ended 31 December 2022

3 Other Operating Income

	2022	2021
	£	£
Business sponsorship	38,203	12,181
Licensed on-site concessions	8,609	6,381
Filming rights and charges	49,091	78,117
Government Job Retention Scheme Grant	-	141,727
	<u>95,903</u>	<u>237,806</u>

4 Operating Profit

	2022	2021
	£	£
This is stated after charging:		
Depreciation	-	-
Auditors' remuneration:		
Audit fee	3,950	3,950
Accountancy and tax services	850	850
	<u>850</u>	<u>850</u>

5 Debtors

	2022	2021
	£	£
Trade debtors	108,192	10,372
Amount owed by parent company	240,871	537,906
Other debtors	7,367	11,671
	<u>356,430</u>	<u>559,949</u>

6 Cash and Cash Equivalents

	2022	2021
	£	£
Cash in hand	850	850
Current account	216,574	156,344
Total Cash and Cash Equivalents	<u>217,424</u>	<u>157,194</u>

Black Country Living Museum Enterprises Limited

Notes to the Accounts for the year ended 31 December 2022

7 Creditors: Amounts Falling Due Within One Year

	2022	2021
	£	£
Trade creditors	26,433	8,140
Taxation and social security	53,273	39,004
Other creditors	66,518	42,404
	<u>146,224</u>	<u>89,548</u>

8 Pension Commitments

All staff undertaking activities on behalf of this Company are employed by the Museum Trust. Employer contributions totalling £14,176 (2021: £12,111) have been made during the year to employee pension schemes.

9 Related Party Disclosures and Relationships

The Company has taken advantage of the exemption available in accordance with Section 33 of Financial Reporting Standard 102 not to disclose transactions entered into between two or more members of a group, as the Company is a wholly owned subsidiary undertaking of the Group to which it is party to the transactions.

10 Contingent Liabilities

The Company has given an unlimited guarantee in support of long-term bank borrowings of the parent undertaking (Museum Trust) to purchase the freehold of a neighbouring property. The amount outstanding at the Balance Sheet date was £93,038 (2021: £ 131,044).

11 Controlling Party

The ultimate parent company is the Black Country Living Museum Trust, a private company registered in England & Wales, No. 1226321, and a registered educational charity, No. 504481, whose registered address is Tipton Road, Dudley, West Midlands, DY1 4SQ.