

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Trustees' Annual Report and Financial Statements
For the Year Ended 31 March 2012

Registered Company Number SC088361

Registered Charity Number SC003227

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NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Trustees' Annual Report and Financial Statements

For the year ended 31 March 2012

Contents	Pages
Members of the Board and Professional Advisers	2
Museum Staff	3
Acknowledgements	4
Trustees' Annual Report	5 - 13
Independent Auditors' Report	14 - 15
Statement of Financial Activities	16
Balance Sheet	17
Notes to the Financial Statements	18 - 31

The following pages do not form part of the financial statements

Detailed Statement of Financial Activities	32 - 35
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NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Members of the Board and Professional Advisers

For the year ended 31 March 2012

Directors/Trustees

Rt Hon H B McLeish
E L Clarke
J W Allan
K G Aitken
R Y Anderson
C Beattie
R J Brown
D A Canavan
R Dodds
D Seath
N Wilson
P L Wilson

Company Secretary

A A Boyd

Registered Office

55 Queen Street
Edinburgh
EH2 3PA

Principal Office

Lady Victoria Colliery
Newtongrange
Midlothian
EH22 4QN

Auditors

Scott-Moncrieff
Exchange Place 3
Sempie Street
Edinburgh
EH3 8BL

Bankers

The Royal Bank of Scotland plc
36 St Andrew Square
Edinburgh
EH2 2YE

Solicitors

Pagan Osborne
55-56 Queen Street
Edinburgh
EH2 3PA

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Museum Staff

For the year ended 31 March 2012

Director: Rowan Brown

Marketing

Marketing Manager: Gillian Rankin

Education

P/T Education Officer: Alison Shepherd

Curatorial

Keeper: Ellie Swinbank

Assistant Curator: Eve Haddow

Administration

Office Manager: Maureen Hardiker

P/T Finance Officer: Eleanor Park (resigned 22 September 2011)

P/T Finance Officer: Joyce Harrison (appointed 14 November 2011)

P/T Admin Assistant: Audrey Salton

Visitor Services

P/T Visitor Services Manager: Robin Robertson

Museum Assistant/Snr Receptionist: Linda Lawrence

P/T Museum Assistant/Receptionist: Maureen Haughton

P/T Museum Assistant/Receptionist: Irene Russell

P/T Museum Assistant/Receptionist: Rebecca Brown (resigned 8 December 2011)

W/E Museum Assistant/Rec/Intern: Natalie Rowan

P/T Museum Assistant/Snr. Guide: Walter Porteous

P/T Museum Assistant/Guide: John Kane

P/T Museum Assistant/Guide: John Anderson

P/T Museum Assistant/Guide: Jim Cornwall

P/T Museum Assistant/Guide: Tom Gibson

P/T Museum Assistant/Guide: Jim Kelly

P/T Museum Assistant/Guide: Tom Young

Seasonal Bouncy Castle Supervisor: Carol Hunter

Technical Services

Technical Services Manager: David Newton

Technical Assistant: Richard Thomson

Gardener: Alex Burnett

Cleaner: Linda Millar

Cleaner: Wendy Barnett

W/End Cleaner: Danni Barnett

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

For the year ended 31 March 2012

ACKNOWLEDGEMENTS

The following organisations and individuals supported or assisted the Trust during the year, and we are pleased to acknowledge them here.

Scottish Government

Cairn Energy PLC

Professor Stephen Salter

Dr. Win Rampen,

Artemis Intelligent Power Ltd.

Mitsubishi Power Systems Europe

Museums Association

Museums Galleries Scotland

The Peoples' Postcode Lottery

Scottish Coal Industry Special Welfare Fund

The Mining Institute of Scotland Trust

The Friends of the Scottish Mining Museum

The Royal Academy of Engineering

The Scottish Mining Museum Collection Trust

The Volunteers of the Scottish Mining Museum

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Trustees' Annual Report

For the year ended 31 March 2012

The Trustees, who are also Directors for the purposes of the Companies Act, have pleasure in presenting their annual report and the financial statements of the Trust for the year ended 31 March 2012.

Structure, Governance and Management

Governing document

The Trust is a charitable private limited company, limited by guarantee, formed in 1984 for the purposes of advancing the public awareness of the history and heritage of the Scottish coal industry. The Trust was established under a Memorandum of Association stating the objects and powers of the charitable company and is governed under the Articles of Association. In the event of the company being wound up the Trustees liabilities are restricted to £1 each.

Recruitment and appointment of Trustees

The Trustees are Directors of the company deciding the policy and objectives of the company as a Board of Directors ("the Board"). Trustees are elected to serve for a period of three years after which they may be re-elected for a further term at the next Annual General Meeting.

The Board endeavours to recruit Trustees with a wide range of skills and interests to provide a broad mix of skills appropriate to the Trust's needs. The present Board has representatives of senior professional people from business, financial, marketing, media, engineering and scientific sectors; it also includes local and national politicians.

Trustee induction and training

New Trustees are given a briefing on the Trust's objectives, funding and business activities by the Chairman and the Chief Executive. A tour of the museum with the Chief Executive is also offered. The new Trustee is encouraged to undertake specific functions and to make informal visits to the museum.

Training sessions dealing with governance matters have been held at intervals. Trustees are also encouraged to take advantage of external courses on governance and Trustee responsibilities.

Risk statement

The Board manage the risks identified through a number of processes and policies. The Trustees hold an Annual General Meeting to consider the audited accounts and approve the annual report, to elect members and appoint Trustees, to elect the company's Auditors, to review the business of the company, approve policies and any other competent business.

The Trust meets no less than four times a year to set budgets and targets, agree a forward plan and priorities, review financial performance and oversee the management of the company, receive reports and agree actions to progress the business of the company and consider any other relevant business.

Policies are reviewed and updated on a bi-annual basis and as required.

The Trust has prepared a long term strategic plan for the development of the museum, assessed the level of funding required and the feasibility of the Trust implementing the plan.

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Trustees' Annual Report - continued

For the year ended 31 March 2012

Organisational structure

Under the terms of the Articles of Association the Board may have up to twenty members, there are currently twelve Trustees. The Chief Executive is a Trustee. The Company Secretary attends all Board meetings but has no voting rights. The Board meets at quarterly intervals.

The Board is responsible for the policy and funding of the company. The Chief Executive is responsible for the management and performance of the company.

Related parties

The Trust continues to have a working relationship with a wide range of partner organisations including the Scottish Mining Museum Collection Trust who own the national coal mining collections. The Trust works with agencies and organisations in the heritage, tourism, education and economic development sectors on projects that assist the museum in achieving its objectives. The organisations include Historic Scotland, National Museums of Scotland, Museums Galleries Scotland, The Royal Commission on the Ancient and Historical Monuments of Scotland, the Education and Strategic Services Department (developments) of Midlothian Council, Midlothian Tourism Forum and many others. The Trust has been awarded grants from a number of sources towards the museum's work and these are listed elsewhere in the report.

The Scottish Government provide revenue grants for funding the core activities of the museum.

Volunteers

Volunteers continue to support the work of the museum contributing 3192 hours of work. This does not include the work of the Board, who are the Directors of the company, and are all volunteers apart from the Chief Executive. Volunteers support the day to day work of the museum through work in the library, collections cataloguing, gardening, technical services, expertise and advice. A total of 25 volunteers (excluding Trustees) have worked in the museum during the current year and the Trustees would like to thank them for their invaluable contribution.

Objectives and activities

The Trust's mission is to: ***preserve and promote Scotland's Mining Heritage for current and future generations through, events, exhibitions, collections management, research and outreach activity.***

The Trust's Strategic Aims are:

- i. To preserve and effectively manage our national collection to ensure benefit to current and future generations.
- ii. To focus on a large and diverse audience.
- iii. To provide enjoyment and inspiration through the highest-quality formal and informal learning opportunities.
- iv. To develop and promote access to an excellent customer experience for all, both actual and virtual.
- v. Fulfill our national and international roles.
- vi. To maximise financial resilience and organisational efficiencies.
- vii. To encourage and develop our staff and volunteers.

The Annual Forward Plan is agreed in April and submitted to the Scottish Government in accordance with the Trust's grant obligations.

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Trustees' Annual Report - continued

For the year ended 31 March 2012

Achievements and Performance

Review of developments, activities and achievements

Over the last financial year, the National Mining Museum Scotland has been vigorously involved in a range of activities to improve the public offer, develop strategic relations across the sector, improve the care of our collections and increase the volume of grants received. It has also changed its name in order to make it known more as a national organisation.

Capital Projects

In 2009, the Museum embarked on an ambitious Scottish Government-funded conservation project to preserve the Tippler Floor, Picking Tables, Elevator Shed and brick-vaulted Undercroft, which form an integral part of our Grade 'A' listed site. Each space had a vital role in the processing of coal and its preparation for delivery and use and, prior to the work undertaken, most were in a derelict state.

The conservation project was carried out by a dedicated team of architects, structural engineers, project managers and builders, which included LDN Architects; Elliott & Company Consulting Engineers; Doig and Smith Ltd; and John Dennis and Company. Their primary objective was to stabilise the structures - rendering them safe for future access - and to make them windproof and watertight, under an initial budget grant of £1.32m. However, an additional sum of £130k was secured in October 2010 in order to facilitate the stabilization of the Dredger (the only extant timber Dredger in Europe).

The project was completed in April 2011, on time and within the extended budget, and the stabilized structures have attracted both local and national press coverage. Visitors may now access a greater portion of the site and our guided tour has been adjusted and extended accordingly.

Sponsorship has been forthcoming from the Scottish Government to facilitate a further capital development: *Learning through Play*. This new project will convert a publicly inaccessible building - our Cement Store - into a new visitor resource, concomitantly reducing our building repair liability by a further £70k. The £200k Scottish Government grant has been augmented by a further £10k from the Peoples' Postcode Lottery and £10k from the Robertson Trust and the Museum has also contributed £7.5k from reserves towards the project. The development will include a new 100m² softplay facility and the relocated and refurbished interactives currently in the Operations Centre. Additional toilets and seating have also been included in the outline plan. This, in turn, will facilitate the transformation of the existing Operations Centre into a new dedicated temporary exhibition space. This development has been guided by Gillian Rankin's extensive visitor evaluation research (Appendix 3), which highlighted the need for additional resources for younger audiences with proximity to refreshment and toilet facilities. The project will enable us to have a dedicated space for younger visitors and to generate much-needed revenue income. It will also allow us to explore the option of creating a 'family pass' to boost admissions income on an annual basis. The Museum's Community Advisory Panel will help to steer the project.

Visitor Experience

In response to the visitor feedback received in 2011, and in accordance with our Key Performance Objectives, National Mining Museum Scotland has prioritised interpretive projects which improve resources for family and schools audiences. Some of these projects have been modest in scale - such as the £10k Peoples' Postcode Lottery Playground, which opened in July 2011 - whereas others, noted below, have been more ambitious and have attracted critical acclaim.

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Trustees' Annual Report - continued

For the year ended 31 March 2012

The Night-time National Landmark Project was unveiled by the Cabinet Secretary for Culture & External Affairs, Fiona Hyslop, on the 14th October. The project germinated from a partnership with Lothian Buses PLC who redesigned the livery of the No.3 bus using an iconic image of the Lady Victoria Colliery Headframe to highlight Midlothian's mining heritage. The c. £26k of in-kind contribution from Lothian Buses helped NMMS to lever a further £40k from Museums Galleries Scotland to create a lighting installation to accentuate the headframe and the gantry – structures from the pre- and post-nationalisation era – and to create a re-vamped website in line with the new National Mining Museum Scotland Brand. The new website contains online exhibitions, comments and photographs submitted by visitors, in addition to a dedicated 'Kids' Zone.' The project generated a deluge of positive visitor comments and was noted as an exemplar of best practice in the National Strategy for Scotland's Museums and Galleries (published in March 2012).

National Mining Museum Scotland also achieved sponsorship from Museums Galleries Scotland's Recognition Scheme which permitted us to devise a new multimedia guide featuring our digital collections. The guide was developed with our Community Advisory Panel and replaced the existing (somewhat dated) audio guide, which had become impossible to maintain. Available to all visitors free of charge, the guide is based on Apple iPod touch hardware and features the voice of friend of the museum & celebrated novelist, Ian Rankin, as well as oral histories and archival film. The device is currently also available in French and German, and we are intent on providing further translations in line with our KPIs. The App was launched on iTunes in February and the Android version has just been released and feedback from the public and museums sector alike has been overwhelmingly positive, with reviews coming from as far afield as Berlin. The Ian Rankin radio advert - which promoted the device - aired in February and, likewise, attracted considerable attention. As a result, project leaders Robin Robertson and Eve Haddow have been inundated with requests from the sector for guidance on improving museums' digital output.

The Museum also secured funding totalling £46,250 from the Royal Academy of Engineering; Mitsubishi Power Ltd.; Artemis Intelligent Power Ltd.; Professor Stephen Salter and Dr. Win Rampen to run a project entitled, *Engineering Scotland's Energy Future*. The Museum acquired the Wave and Tidal Energy Portacabin earlier this year from the University of Edinburgh with the intention of developing it as a classroom resource. The Portacabin has been used by many of Scotland's engineering elite and several companies at the forefront of transforming the nation's energy portfolio began operations there, including Pelamis, Aquamarine Power and Artemis Intelligent Power Ltd. This project will create a new and unique space at the National Mining Museum Scotland dedicated to engaging primary school children with innovative engineering solutions for Scotland's energy future. Primary school pupils, guided by the interpretation and interactives, will investigate their own energy solutions in exactly the same space as their illustrious predecessors, Professor Salter and his students. The activities will be designed by active learning specialists working directly with engineers from industry and academia. The project will determine a model for ongoing participation by working engineers in the schools' experiences provided in the new workshop. The space, interaction experience with engineers and the supporting schools materials will be built around the creativity inherent in engineering and the four capacities of the Curriculum for Excellence: to enable each child or young person to be a successful learner, a confident individual, a responsible citizen and an effective contributor.

The exhibition programme for 2011/12 has featured artistic responses to the subject of mining in several mediums. Our spring/summer exhibition *Life in the Mines: the Art of Gordon Cockburn* featured the work of a former Ayrshire miner. Visitor feedback from the exhibition was extremely positive:

'The paintings have your stamp through and through. Glad we came.'

'Wow! Amazing, very interesting, I would recommend it; also I would love to come again.'

The artist also generously donated a painting and a collection of small social history items to our permanent collection.

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Trustees' Annual Report - continued

For the year ended 31 March 2012

Life in the Mines was followed by the internationally renowned photographic exhibition, *Mineros, Bolivia*, which explored mining in the heart of South America. The exhibition featured the work of the award-winning Swiss photographer Jean-Claude Wicky, who spent thirty years in Bolivia documenting the lives of the mineworkers. National Mining Museum Scotland was the only Scottish host for the exhibition which subsequently travelled to Cornwall and London.

The spring 2012 exhibition, *Time and Place*, featured mixed media artwork by the erstwhile Newtongrange resident, Jan Nowak. Jan, a former civil servant, recently changed career paths and created the show for his Masters' course at Edinburgh College of Art. As a descendant of mineworkers, Jan chose the Lady Victoria Colliery as his muse and the exhibition comprised examples of oils, photography, sketches and film featuring the colliery complex.

Our Collections

The Collections have benefitted greatly from the strategic review necessitated by the *Memories in your Hands* Project and a further project instigated by our Keeper, Ellie Swinbank, entitled *Achieving Accreditation*.

Memories in your Hands was an imaginative project designed to create the Museum's first outreach resource. In partnership with Alzheimer Scotland, NMMS assessed its collections and identified objects suitable for use in palliative care programmes. The Museum Staff involved underwent formal and informal training on working with Alzheimer Sufferers; conducting outreach; undertaking collections appraisals; disposing of museum items ethically, and creating displays and workshops for Care Homes to use with their residents. The project outputs included cased displays in residential homes, downloadable guidelines for working with Alzheimer sufferers and, as a by product, a better documented and rationalised collection. This extremely worthy initiative was sponsored by the Museums Association and has been selected from over thirty projects as a case study for the museums sector. The Museums Association also funded the production of a short film chronicling our project which will be screened at the Museum Association Conference in November 2012 to an audience of over six hundred delegates. The film will subsequently be distributed to potential funders, including the Esmée Fairbairn Trust, the Heritage Lottery Fund, Arts Council England and Museums Galleries Scotland.

Achieving Accreditation was devised to improve the current large object storage provision, strip the collection of hazardous materials (where required) and gather together the remaining collection items still located at the Museum's original site at Prestongrange. The project attracted a Museums Galleries Scotland grant of £26k and, though not due for completion until November 2012, it has already succeeded in many of its aims

Representatives from the Public Catalogue Foundation have now recorded the paintings in our collection for inclusion in their own project, the aim of which is to catalogue all oil paintings in public ownership in the UK, publishing volumes of their catalogue for each region, and also including paintings on the BBC's 'Your Paintings' website, <http://www.bbc.co.uk/arts/yourpaintings/>.

In another initiative, and working in partnership with Falkirk Community Trust, the Museum acquired items salvaged from the surface buildings at Birkhill Fireclay Mine. We obtained a hutch that clearly demonstrated the unique coupling mechanism used at Birkhill, and also a hutch turntable that we hope will prove useful for display. Although the surface buildings have since been demolished, we are actively supporting the Trust in their ongoing efforts to re-open the historically significant Fireclay Mine.

Meantime, the collections team has made excellent progress in addressing our documentation backlog and in improving the standards of collection care. A number of new volunteers have been recruited and work is underway to revise collections policies and procedures in advance of our 2012 Accreditation return.

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Trustees' Annual Report - continued

For the year ended 31 March 2012

Our National Role

The Museum is determined to develop its national and international role which is broadly defined and includes networks, partnerships, outreach and education. Staff and Volunteers at NMMS participate in a wide range of sector networks and partnerships. The Director is a Board Member of the Museum Association, the UK's only professional sectoral body; a panel member of the Scottish Archaeology Research Framework (ScARF); a member of the implementation group for the National Strategy for Business Archives Scotland (NSBAS); a member of the International Committee for the Conservation of the Industrial Heritage (TICCIH); and a member of the Association of Independent Museums (AIM). The Keeper has recently been appointed to the Scottish Transport & Industry Collections and Knowledge Network Steering Group (STICK) and remains a Board Member for the Social History Curators' Group (SHCG). The Marketing & Events Officer is a steering group member of the Midlothian Tourism Forum and the Creative Learning Officer is a member of the Group for Education in Museums (GEM).

The Museum is a lead partner in Industrial Museums Scotland, the federation established as a result of the Scottish Government Museums Think Tank, which has a remit to develop effective and efficient joint operations with the Recognised Accredited Industrial Independent Museums. Two new partners have been recruited to join the network and IMS has succeeded in securing funds for both the HLF-sponsored Museums Galleries Scotland Internship Scheme and a new collections database project.

NMMS has also developed strategic relationships outwith the museums sector. We are working in partnership with the Industrial Injuries Advisory Council, whereby our collections are utilized to facilitate a better understanding of industrial injuries incurred within the mining profession. We have also signed new partnership agreements with RUTS (the Rural and Urban Training Scheme Ltd.) which have resulted in a joint exhibition and an additional £30k grant for site repairs, and we are working in close collaboration with the homeless support charity, Streetwork.

The Museum has also become a partner in the HLF sponsored South Lanarkshire Cross-generational Community project. The project is intended to bridge generational divides through focussed research and interpretation of Mining Heritage. The Museum has also partnered with Archaeology Scotland to develop schools' handling resources exploring the topic of industrial archaeology. The final resources will be deposited with the Museum in time for National Archaeology Week.

Alison Shepherd's work on the Cairn Energy PLC sponsored education project has been commendable and the project has received critical acclaim, most notably from the Scottish Government's Science and Engineering Education Advisory Group (SEEAG), chaired by the Chief Scientific Advisor, who mentioned it in their publication, *Improving public knowledge, understanding and perception of Science*, as a good example of partnership working between the educational sector, a local museum and local communities. A request for joint working has since been received from the Scottish Schools Education Research Centre, which is keen to explore an online legacy for the new resources.

The Museum has partnered with Theatre Workshop Scotland on a Creative Scotland project to create a feature film – *Happy Lands* – about the impact of 1926 Miners' Strike in Fife. The Museum supported the project as a critical friend, historical adviser and location and contributed to the final post production edit. Broadcast rights have been purchased by the BBC, and a premiere of *Happy Lands* will take place in late 2012.

The Museum was pleased to host the China-UK 'Connections through Culture' Visit on the 26th November. The Chinese delegation included directors from Hubei Provincial Museum; Hunan Provincial Museum; Shanxi Museum, Shaanxi History Museum; the China National Film Museum; the Inner Mongolia Museum; the Xinjiang Uighur Museum and Shandong Provincial Museum. The visit was arranged by Jane Weeks, Museums & Heritage Advisor to the British Council, and was a tremendous success. NMMS were invited to contribute to the China National Film Museum's Annual Film Festival, and Chinese Networks Manager - Mr. Haining Zhu - has since translated the NMMS website home page into Mandarin.

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Trustees' Annual Report - continued

For the year ended 31 March 2012

NMMS is keen to support our wider coalfield communities and accordingly hosted a delegation from Fife Council who visited to assess some of the material in the Compound with the intent of obtaining objects to create mining memorials around the Levenmouth area. They selected several pieces already identified for disposal by NMMS, including hutches, girders and a length of rail. Fife Council will collect the items later in March and erect the monuments in late spring. NMMS will receive full acknowledgement on the accompanying interpretation panels.

Our People

In the last financial year, all staff contracts, terms and conditions have been reviewed. A new Staff Handbook has been published, with revised contracts and conditions in keeping with current legislation, and a new appraisals system has been introduced. The intention of the Appraisals Scheme is to focus on what needs to be achieved, identify any support or training required and give feedback and encouragement. It is hoped this will lead to easier mechanisms for measuring progress against our strategic objectives, a more expedient use of our training budget and a happier, better supported Staff.

NMMS is continuing to work effectively with our Community Advisory Panel and has made a commitment to hosting a minimum of four meetings annually. The panel will be involved in guiding the 2012 project developments and will be invited to all NMMS events and openings. Although, encouragingly, our visitor figures for 2011/12 have increased by 12% in comparison with 2010/11, the Visitor Evaluation Research conducted by Gillian Rankin demonstrates that there remains room for growth in attaining greater footfall from Lothian and Borders audiences. To this end, we are embarking on a series of Community Coffee Mornings which will highlight recent activity on site, offer object handling and guided tours and feature Q&A sessions with the Management Team. The specific programme of activity will be informed by our Community Advisory Panel.

Over the plan period, the Museum intends to take a number of measures to improve its governance structure. The governance review will assess the Trust's Articles of Association in line with best practice and establish working groups to undertake particular tasks. The review is intended to facilitate effective decision making, clearly delineate Trustees' responsibilities and improve the business capabilities of the organisation.

Conclusion

In 2011/12, trustees, staff and volunteers at National Mining Museum Scotland vastly improved the Museum's standing within the sector, our international reputation, our public offer and the quality of care afforded to our historic structures and collections. Audience needs have been prioritised and a series of projects has dramatically improved resources for a diverse range of visitors. All of this has been achieved by a team comprising seven full time staff, twenty part time staff and fifty volunteers. As the Forward Plan and Key Performance Indicators testify, targets for the plan period are no less ambitious than those of 2011/12. National Mining Museum Scotland acknowledges the debt of gratitude owed to our enthusiastic, talented and committed team who have been instrumental in realising our ambitious Strategic Objectives and delivering a service befitting of a national museum.

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Trustees' Annual Report - continued

For the year ended 31 March 2012

Reserves policy

Reserves represent that part of the Trust's income funds that is freely available for general purposes. Recognising the risks associated with the Trust's income and expenditure, the Trustees are aware of the benefits of establishing free reserves to help cover income shortfalls and meet unplanned expenditure. The level of reserves is reviewed by the Trustees annually in relation to the accounts for the previous financial year and consideration given to the adequacy of free reserves. It is acknowledged that general funds, to the extent supported by fixed assets, do not represent free reserves. The nature of the Trust's income and expenditure has required available reserves to cover known obligations. The position is being kept under review by the Trustees.

Grants policy

The Trust draws revenue income for the general purpose of operating the Museum and capital income for specific Museum capital projects.

The Trust incurs revenue expenditure in operating the Museum and capital expenditure in completing the Museum's capital projects.

The National Mining Museum Scotland Trust (formerly The Scottish Mining Museum Trust) does not normally award grants other than for purposes relating to its own collections or those collections under its care or management.

Financial review

The audited financial statements show total incoming resources of £953,471 (2011: £1,996,168). The unrestricted core operating deficit for the year is £19,905. Total core unrestricted funds carried forward are a deficit of £153,039.

The Trustees

The Trustees (who were also directors for the purposes of company law) who served the charity during the year were as follows:

Rt Hon H B McLeish
E L Clarke
J W Allan
Dr L S D Glasser (resigned on 9 December 2011)
K G Aitken
W Chalmers (resigned on 20 March 2012)
R Dodds
N Wilson
D Seath
C Beattie
P L Wilson
D A Canavan
D Hamilton MP (resigned on 9 December 2011)
R Y Anderson
A W Bennett (resigned on 26 June 2012)
J I Hume (resigned on 9 December 2011)
R J Brown

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Trustees' Annual Report - continued

For the year ended 31 March 2012

Statement of Trustees' responsibilities

The Trustees (who are also directors of the National Mining Museum Scotland Trust for the purposes of company law) are responsible for preparing the Trustees' 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 which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources, including the income and expenditure, of the Trust for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the Trust's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information, and to establish that the Trust's auditor is aware of the information.

Auditors

A resolution to re-appoint Scott-Moncrieff as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

Signed by order of the Trustees on 24th September 2012


A.A. Boyd

Company Secretary

Registered Office:
55 Queen Street
Edinburgh
EH2 3PA

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Independent Auditors' Report to the Members and Trustees

For the year ended 31 March 2012

We have audited the financial statements of the National Mining Museum Scotland Trust (formerly The Scottish Mining Museum Trust) for the year ended 31 March 2012 which comprise the Statement of Financial Activities, Balance Sheet and 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 exclusively to the members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' responsibilities set out on page 11 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors, including "APB Ethical Standard – Provisions Available for Smaller Entities (Revised)", in the circumstances set out in note 20 to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 financial statements. 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Independent Auditors' Report to the Members and Trustees - continued

For the year ended 31 March 2012

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year 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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Scott - Moncrieff

Michael Harkness, Senior Statutory Auditor
For and on behalf of Scott-Moncrieff, Statutory Auditor
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Exchange Place 3
Sempole Street
Edinburgh
EH3 8BL

24 September 2012

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Statement of Financial Activities

(incorporating the Income and Expenditure Account)

For the year ended 31 March 2012

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income:					
Donations		22,889	-	22,889	24,782
Grants receivable	2	340,150	393,764	733,914	1,790,856
Investment income	3	7,512	-	7,512	2,084
Activities for generating funds:					
Shop sales		25,147	-	25,147	26,009
Incoming resources from charitable activities					
Admissions		50,796	-	50,796	36,525
Rental and hospitality income		112,966	-	112,966	115,643
Other incoming resources		247	-	247	269
Total incoming resources		<u>559,707</u>	<u>393,764</u>	<u>953,471</u>	<u>1,996,168</u>
Resources expended					
Costs of generating funds:	4	119,736	-	119,736	42,444
Charitable activities	5	433,509	259,947	693,456	2,169,048
Governance costs	6	26,367	-	26,367	19,241
Total resources expended		<u>579,612</u>	<u>259,947</u>	<u>839,559</u>	<u>2,230,733</u>
Surplus/(deficit) for the year (net incoming resources before transfers)		(19,905)	133,817	113,912	(234,565)
 Actuarial gain on defined benefit pension schemes	14	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>49,000</u>
Net movement in funds		(17,905)	133,817	115,912	(185,565)
Total funds brought forward		<u>(135,134)</u>	<u>134,761</u>	<u>(373)</u>	<u>185,192</u>
Total funds carried forward		<u>(153,039)</u>	<u>268,578</u>	<u>115,539</u>	<u>(373)</u>

The Trust has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the Trust are classed as continuing

The notes on pages 18 to 31 form part of these financial statements

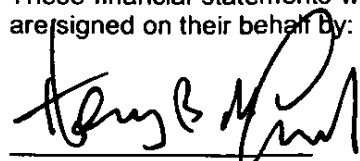
NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Balance Sheet

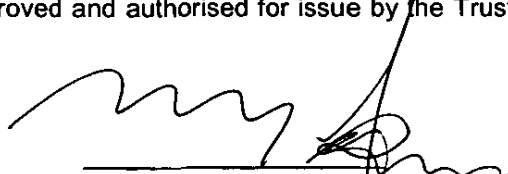
As at 31 March 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	9	936,906	945,000
Current assets			
Stocks	10	13,682	16,753
Debtors	11	142,909	226,071
Cash at bank and in hand		435,820	300,022
		<u>592,411</u>	<u>542,846</u>
Creditors: amounts falling due within one year	12	<u>(65,240)</u>	<u>(130,681)</u>
Net current assets/(liabilities) excluding pension liability		<u>527,171</u>	<u>412,165</u>
Net current assets		<u>1,464,077</u>	<u>1,357,165</u>
 Provisions for liabilities	13	 <u>(1,338,538)</u>	 <u>(1,338,538)</u>
Net assets excluding pension liability		<u>125,539</u>	<u>18,627</u>
Defined benefit pension scheme liability	14	<u>(10,000)</u>	<u>(19,000)</u>
Net assets/(liabilities) including pension liability		<u>115,539</u>	<u>(373)</u>
 Funds			
Restricted	15	268,578	134,761
Unrestricted	16	(153,039)	(135,134)
Total Funds		<u>115,539</u>	<u>(373)</u>

These financial statements were approved and authorised for issue by the Trustees on 24th September 2012 and are signed on their behalf by:



Rt. Hon H B McLeish



R Anderson

Registered Company Number: SC088361

The notes on pages 18 to 31 form part of these financial statements

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Notes to the Financial Statements

For the year ended 31 March 2012

1. Accounting Policies

Going concern

The directors are of the opinion that the charitable company can meet its obligations as they fall due for the foreseeable future. They are aware that unrestricted funds are in deficit at the year end. However, this arises due to the provision for maintenance liabilities as detailed in note 13, the costs for which will only be incurred once further funding has been secured. On this basis the directors consider it appropriate to prepare the financial statements on the going concern basis.

Basis of accounting

The financial statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006.

Cash flow statement

The Trustees have taken advantage of the exemption in FRS 1: 'Cash Flow Statements' from including a cash flow statement in the financial statements on the grounds that the Trust qualifies as a small company.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Pension costs

Employees of the Trust were entitled to join the Lothian Pension Fund, which is funded by contributions from employees and the Trust as an employer. The Trust has closed the scheme to new members. The assets of this scheme are held separately in a fund administered for the benefit of Local Authority employees and those other scheduled bodies and is managed in accordance with the Local Government Pension Scheme Regulations (Scotland) 1998.

Alternatively, employees may opt to join the Trust stakeholder pension scheme operated by AVIVA by employee only contributions. Employees join the stakeholder pension contract directly with AVIVA. The Trust makes no contribution to this pension scheme and only acts as an agent in collecting and paying over employee contributions.

Incoming resources

Incoming resources are recognised in the Statement of Financial Activities (SoFA) in the period in which the Trust is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the Trust has to fulfill conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Notes to the Financial Statements – continued

For the year ended 31 March 2012

1. Accounting Policies – continued

Resources expended

Resources expended are recognised when a legal or constructive obligation arises. Where possible, expenditure has been charged direct to cost of generating funds, charitable expenditure or governance costs. Where this is not possible, the expenditure has been allocated on the basis of time spent by staff on each activity:

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs for trading purposes in the charity shop.
- Charitable expenditure comprises costs incurred by the Trust in the delivery of its activities and services.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Trust and include costs linked to the strategic management of the Trust.

Volunteers' services

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the Trustees' Annual Report.

Lease income

Income derived from leasing property is credited to the financial statements in the period receivable.

Fixed assets and depreciation

Fixed assets are stated at cost, other than land and buildings, which are at Trustees' valuation.

Depreciation is provided on fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life as follows;

Land	Nil
Buildings	50 years
Computer equipment	4 years

Heritage assets

The Trust owns a number of heritage assets and these are held for their contribution to knowledge and culture.

Where the assets have a cost price, they are capitalised in the balance sheet. Where no cost price is available and the Trustees are unable to provide a valuation due to the nature of the asset, and therefore the Trust is unable to satisfy the measurement criteria as detailed in FRS 30: 'Heritage Assets', such assets are not capitalised but full disclosure is provided in the notes to the financial statements.

In the opinion of the Trustees, heritage assets not capitalised are of an insignificant monetary value and relate primarily to museum pieces, as discussed in note 9 to these financial statements.

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Notes to the Financial Statements – continued

For the year ended 31 March 2012

Funds

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds – these funds are set aside by the Trustees out of unrestricted general funds for specific purposes or projects.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when the funds are raised for particular purposes.

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Notes to the Financial Statements – continued

For the year ended 31 March 2012

2. Grants receivable

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Scottish Government	340,000	200,000	540,000	460,000
Museums Galleries Scotland	-	103,814	103,814	1,263,396
Museum Association	-	-	-	10,000
Event Scotland	-	-	-	7,654
Postcode Lottery	-	20,000	20,000	-
Royal Academy of Engineering	-	29,450	29,450	-
Digitisation project	-	-	-	380
Scottish Mining Museum Collections Trust	-	15,000	15,000	15,000
Mining Institute of Scotland Trust	-	13,000	13,000	25,750
NUM Scottish Area	-	-	-	650
Other grants	150	12,500	12,650	8,026
	<u>340,150</u>	<u>393,764</u>	<u>733,914</u>	<u>1,790,856</u>

3. Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Bank interest receivable	2,512	-	2,512	84
Net finance income (FRS 17)	5,000	-	5,000	2,000
	<u>7,512</u>	<u>-</u>	<u>7,512</u>	<u>2,084</u>

4. Cost of generating funds

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Wages and salaries	102,071	-	102,071	25,588
Visitor manager's expenses	417	-	417	487
Stock movements and purchases	17,248	-	17,248	16,369
	<u>119,736</u>	<u>-</u>	<u>119,736</u>	<u>42,444</u>

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Notes to the Financial Statements – continued

For the year ended 31 March 2012

5. Charitable activities

	Staff costs £	Other costs £	Total 2012 £	Total 2011 £
Education	17,487	8,079	25,566	12,747
Collections	35,145	120,723	155,868	63,093
Visitor services	58,448	4,080	62,528	86,895
Property	27,427	241,656	269,083	1,806,097
Technical services	35,311	794	36,113	46,927
Marketing	29,423	30,714	60,137	71,073
Support costs	62,566	23,295	86,161	127,216
FRS 17: Defined benefit pension scheme	(2,000)	-	(2,000)	(45,000)
	<u>264,115</u>	<u>429,341</u>	<u>693,456</u>	<u>2,169,048</u>

6. Governance costs

	2012 £	2011 £
Audit and accountancy	3,934	5,527
Legal and professional fees	18,004	8,522
Staff costs	4,429	5,192
	<u>26,367</u>	<u>19,241</u>

7. Staff costs

The aggregate payroll costs were:

	2012 £	2011 £
Wages and salaries	337,705	318,563
Social security costs	22,636	21,755
Pension costs	5,924	7,497
FRS 17: Defined benefit pension scheme adjustments	(9,000)	(45,000)
	<u>357,265</u>	<u>302,815</u>

No employee earned more than £60,000 (2011 - none). Pension contributions of £586 (2011: £501) were outstanding at the year end.

Included within the FRS 17 adjustments above is a £nil (2011 - £44,000) adjustment reflecting the change in the assumption for future benefit increases within the defined benefit scheme. These benefits will increase by CPI in future rather than RPI therefore realising an exceptional credit within the current financial statements.

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Notes to the Financial Statements – continued

For the year ended 31 March 2012

7. Staff costs – continued

Particulars of employees:

The average number of staff employed by the Trust during the financial year amounted to:

	2012 No	2011 No
Number of:		
Education staff	1	1
Collections staff	2	4
Visitor services staff	13	13
Marketing staff	1	1
Property, technical and maintenance staff	7	8
Administration staff	3	3
	<hr/> 27 <hr/>	<hr/> 30 <hr/>

8. Emoluments of the Trustees

The Memorandum and Articles of Association of the Trust prohibit the remuneration of Trustees (other than reimbursement of out of pocket expenses), subject to two provisos –

- (a) the Chief Executive of the Museum, who is a salaried employee of the Trust, is ex officio a Trustee during his or her period of appointment.
- (b) a Trustee may be appointed to a remunerated position within the Trust if the Board of Trustees resolve that such appointment is in the best interests of the Trust.

During the year ended 31 March 2012, no Trustees held appointment to any salaried or remunerated position within the Trust, other than the Chief Executive.

In accordance with these provisions, the emoluments of the Chief Executive including pension contributions were:

	2012 £	2011 £
Remuneration	44,290	45,152
Pension contributions	-	2,125
	<hr/> 44,290 <hr/>	<hr/> 47,277 <hr/>

During the year £464 (2011: £306) was reimbursed to one trustee (2011: one) for expenses.

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Notes to the Financial Statements – continued

For the year ended 31 March 2012

9. Fixed assets

Cost or valuation	Land and Buildings £	Computer Equipment £	Total £
At 1 April 2011	945,000	5,241	950,241
Additions	10,806	-	10,806
At 31 March 2012	955,806	5,241	961,047
Depreciation	£	£	£
At 1 April 2011	-	5,241	5,241
Charge for year	18,900	-	18,900
At 31 March 2012	18,900	5,241	24,141
Net Book Value	£	£	£
As at 31 March 2012	936,906	-	936,906
As at 31 March 2011	945,000	-	945,000

The Trust owns a number of heritage assets, which consist of the colliery buildings and relative land and also items of equipment formerly used in the mining industry.

The colliery buildings and land were acquired at a nominal price and no book price is attributed to them. By their nature they are believed to have no market value. No cost price is available for the items of equipment and again it is believed that there is no market for them and that they have no re-sale value. As such neither the colliery buildings and land nor the items of equipment owned by the Trust are capitalised in the Trust's balance sheet but they are historically and culturally relevant to the museum.

A full review of the carrying value of the land and buildings was carried out in the financial year to 31 March 2011. As part of that process, the Trustees obtained a report from a firm of surveyors on the likely disposal terms that the Trust could achieve in the current market if the relevant individual properties were to be brought to the market for sale.

Having considered that report the Trustees made their own assessment of the current market value of the land and buildings (excluding the heritage assets) and in so doing they considered the indicative range of figures contained in the report. They also paid regard to the terms of purchase of one of the properties as proposed by a prospective developer. The result of this process was a significant write down in asset valuations. The Trustees have considered the carrying value of the land and buildings as at 31 March 2012 and are of the opinion that the carrying value continues to be an accurate reflection of the Trust's asset base.

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Notes to the Financial Statements – continued

For the year ended 31 March 2012

9. Fixed assets - continued

A considerable number of heritage assets displayed or cared for by the Trust including museum artefacts and collections are not owned by the Trust. These items are owned by The Scottish Mining Museum Collections Trust. This body is a separately constituted charitable trust, whose collections are managed on its behalf by the Trust and displayed by its agreement. A significant number of items are in store. Access to stored artefacts is limited but the museum does display a number of these during the year. The museum maintains an inventory of the artefacts and collections in its care.

No heritage assets of a monetary value were acquired or disposed of during the year.

10. Stocks

	2012	2011
	£	£
Goods for resale	13,682	16,753
	<u>13,682</u>	<u>16,753</u>

11. Debtors

	2012	2011
	£	£
Trade debtors	12,509	17,807
Other debtors	5,155	33,544
Accrued income	95,798	149,461
Prepayments	29,447	25,259
	<u>142,909</u>	<u>226,071</u>

12. Creditors: Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	46,623	118,197
Other taxes and social security costs	7,850	7,560
Accruals and deferred income	10,767	4,924
	<u>65,240</u>	<u>130,681</u>

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Notes to the Financial Statements – continued

For the year ended 31 March 2012

13. Provisions for liabilities

	2012 £	2011 £
At 1 April 2011 and 31 March 2012	<u>1,338,538</u>	<u>1,335,538</u>

Scottish Ministers hold a standard security and a constitutive deed over the site of the Lady Victoria Colliery including the colliery buildings (but excluding the former archives building), in terms of which the Trust is required to keep the colliery buildings in good repair and condition to the reasonable satisfaction of Scottish Ministers. The colliery buildings together with the former coal company office on the opposite side of the A7 road are grade A listed.

Following the completion of the Phase V conservation works in April 2011, the Trustees reviewed the continuing provision to be made in the financial statements to reflect the Trust's liabilities to repair and maintain these buildings.

The Jura Report which the Scottish Government commissioned in 2010 during the course of the carrying out of Phase V referred to the cost of the works which were then considered necessary to address these liabilities. This report was informed by detailed costs which were specified at that time by LDN Architects. LDN Architects have a detailed knowledge of the history of the buildings and have actively participated not only in Phase V but also in earlier phases of conservation work on the colliery buildings. The Trustees therefore place reliance on their figures.

Following the completion of Phase V, the figures provided by LDN Architects were re-evaluated in 2011 by the Trustees to exclude the works carried out in Phase V. At the date of signing of the 2011 financial statements, the Trustees considered that the figure of £1,338,538 which they had derived from that re-evaluation exercise is the best estimate of the Trust's maintenance liability in respect of these buildings for the purpose of FRS12: "Provisions, Contingent Liabilities and Contingent Assets." The position has not changed as at the date of signing of the 2012 financial statements.

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Notes to the Financial Statements – continued

For the year ended 31 March 2012

14. Pensions

Composition of the defined benefit scheme

Assumptions as at	31 Mar 2012		31 Mar 2011		31 Mar 2010	
	% pa		%pa		% pa	
Price increases	2.5%		2.8%		3.8%	
Salary increases	4.8%		5.1%		5.3%	
Pension increases	5.8%		7.0%		7.3%	
Discount rate	4.8%		5.5%		5.5%	
Assets - Expected long term returns	Long term returns	Assets £(000)	Long term returns	Assets £(000)	Long term returns	Assets £(000)
Equities	6.2%	309	7.5%	314	7.8%	290
Bonds	4.0%	31	4.9%	32	5.0%	29
Property	4.4%	43	5.5%	40	5.8%	33
Cash	3.5%	8	4.6%	11	4.8%	15
Total		391		397		367
Net pension asset as at	31 Mar 2012		31 Mar 2011		31 Mar 2010	
	£(000)		£(000)		£(000)	
Estimated employer assets (A)	391		397		367	
Present value of scheme liabilities	(401)		(416)		(482)	
Present value of unfunded liabilities			-		-	
Total value of liabilities (B)	(401)		(416)		(482)	
Net Pension (Liability)/Asset (A-B)	(10)		(19)		(115)	

Assets – expected long-term return

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. They are calculated using the 5,000 simulation of the Hymans Robertson Asset Model (HRAM), calibrated using market data at a recent date. Expected return on bond assets is derived from yields applicable at the accounting date on suitable bond indices.

Mortality

Life expectancy is based on PFA92 and PMA92 'year of birth' tables. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	20.8 years	24.1 years
Future Pensioners	22.3 years	25.7 years

Historic Mortality

Life expectancy for all of the below year ends is based on the PFA92 and PMA92 tables. Age ratings are applied to the above tables based on membership profile. The allowances for future life expectancy are shown in the following table:

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Notes to the Financial Statements – continued

For the year ended 31 March 2012

14. Pensions – continued

Year Ended	Prospective Pensioners	Pensioners
31 March 2012	Year of birth, medium cohort and 1% p.a. minimum improvements from 2007	Year of birth, medium cohort and 1% p.a. minimum improvements from 2007
31 March 2010 and 2011	Year of birth, medium cohort and 1% p.a. minimum improvements from 2007	Year of birth, medium cohort and 1% p.a. minimum improvements from 2007
31 March 2009	Year of birth	Year of birth
31 March 2008	Calendar year 2030	Calendar year 2015
31 March 2007	Calendar year 2030	Calendar year 2015
31 March 2006	Calendar year 2030	Calendar year 2015

Commutation

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum tax-free cash for post-April 2009 service.

Analysis of amount charged to net incoming resources

Amount charged to net incoming resources	Year to 31 Mar 2012		Year to 31 Mar 2011	
	£(000)	% of pay	£(000)	% of pay
Service cost	4	18.3%	8	21.1%
Past service cost	-	0%	(44)	(115.8%)
Total operating charge (A)	4	18.3%	(36)	(94.7%)
Amount credited to incoming resources	Year to 31 Mar 2012		Year to 31 Mar 2011	
	£(000)	% of pay	£(000)	% of pay
Expected return on employer assets	(28)	(116.7%)	(27)	(71.1%)
Interest on pension scheme liabilities	23	95.8%	25	65.8%
Net return (B)	(5)	(20.84%)	(2)	(5.3%)
Net revenue account cost (A) – (B)	(1)	(2.66)	(38)	(100.0%)
Actual return on plan assets	8	-	21	-

Movements in surplus/(deficit) during the year

	Year to 31 Mar 2012	Year to 31 Mar 2011
	£(000)	£(000)
Opening defined benefit obligation	416	482
Current service cost	4	8
Interest cost	23	25
Contributions by members	1	3
Actuarial losses/(gains)	(39)	(55)
Past service costs/(gains)	-	(44)
Estimated benefits paid	(4)	(3)
Closing defined benefit obligation	401	416

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Notes to the Financial Statements – continued

For the year ended 31 March 2012

14. Pensions – continued

Reconciliation of fair value of employer assets

	Year to 31 Mar 2012 £(000)	Year to 31 Mar 2011 £(000)
Opening fair value of employer assets	397	367
Expected return on assets	28	27
Contributions by members	1	3
Contributions by the employer	6	9
Actuarial gains/(losses)	(37)	(6)
Benefits paid	(4)	(3)
Closing fair value of employer assets	391	397

Amounts for the current and previous accounting periods

	Year to 31 Mar 2012 £(000)	Year to 31 Mar 2011 £(000)	Year to 31 Mar 2010 £(000)	Year to 31 Mar 2009 £(000)
Fair Value of Employer Assets	391	397	367	256
Present Value of Defined Benefit Obligation	(402)	(416)	(482)	(257)
Surplus/(Deficit)	(11)	(19)	(115)	(1)
Experience gains/(losses) on assets	(37)	(6)	73	(88)
Experience gains/(losses) on liabilities	44	-	-	7

	Year to 31 Mar 2008 £(000)
Fair Value of Employer Assets	306
Present Value of Defined Benefit Obligation	(267)
Surplus/(Deficit)	39
Experience gains/(losses) on assets	(30)
Experience gains/(losses) on liabilities	-

Analysis of amount recognised in statement of financial activities

	Year to 31 Mar 2012 £(000)	Year to 31 Mar 2011 £(000)
Actuarial gains/(losses)	2	49
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	-	-
Actuarial gain/(loss) recognised in SOFA	2	49
Cumulative actuarial gain/(loss) recognised in SOFA	(44)	(46)

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Notes to the Financial Statements – continued

For the year ended 31 March 2012

14. Pensions – continued

	Year to 31 Mar 2010 £(000)	Year to 31 Mar 2009 £(000)
Actuarial gains/(losses)	(119)	(49)
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	-	-
Actuarial gain/(loss) recognised in SOFA	(119)	(49)
Cumulative actuarial gain/(loss) recognised in SOFA	(95)	24

	Year to 31 Mar 2008 £(000)
Actuarial gains/(losses)	43
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	-
Actuarial gain/(loss) recognised in SOFA	43
Cumulative actuarial gain/(loss) recognised in SOFA	73

Analysis of projected amount to be charged to net incoming resources for the year to 31 March 2013

	Year to 31 Mar 2013	
	£(000)	% of pay
Projected current service cost	5	22.9%
Interest on obligation	19	79.2%
Expected return on plan assets	(23)	(95.8%)
Past service cost	-	-
Losses/(gains) on curtailments and settlements	-	-
Closing defined benefit obligation	1	6.3%

The Trust expects to contribute £9,000 to the pension scheme in the year to 31 March 2013.

15. Restricted funds

	Balance at 31 March 2011 £	Incoming resources £	Movement in resources: Outgoing & Transfers £	Balance at 31 March 2012 £
Restricted funds	134,761	393,764	(259,947)	268,578
	<u>134,761</u>	<u>393,764</u>	<u>(259,947)</u>	<u>268,578</u>

NATIONAL MINING MUSEUM SCOTLAND TRUST
(formerly The Scottish Mining Museum Trust)

Notes to the Financial Statements – continued

For the year ended 31 March 2012

16. Analysis of net assets (between restricted and unrestricted funds)

	Unrestricted Funds £	Restricted Funds £	Total £
Fixed assets	936,906	-	936,906
Net current assets	258,593	268,578	527,171
Long term liabilities – provisions	(1,338,538)	-	(1,338,538)
Long term liabilities – pensions	(10,000)	-	(10,000)
	<u>(153,039)</u>	<u>268,578</u>	<u>115,539</u>

17. Commitments

The company has entered into a number of operating leases which commit the company to pay the following rentals during the year in respect of:

	2012 Equipment £	2011 Equipment £
Expiring within 2 to 5 years:	<u>2,622</u>	<u>-</u>

18. Controlling interests and related party transactions

The company was under the control of the Board of Trustees throughout the current and previous year.

There are no transactions in the year which fall to be disclosed under the requirements of FRS 8: 'Related Party Disclosures'.

19. Company limited by guarantee

The Trust was incorporated as a company limited by guarantee and is therefore governed by the Memorandum and Articles of Association. The liability of the Members is restricted to a maximum of £1 each.

20. Non-audit services

In common with many other organisations of its size and nature, the Trust uses its auditors to assist with the preparation of the statutory financial statements.

21. Related party transactions

The company received a grant of £8,950 (2011 - £10,000) from the Museums Association, of which Ms Rowan Brown is a director.

The company received a grant of £13,000 (2011 - £25,750) from The Mining Institute of Scotland, of which Mr David Seath is a director.