

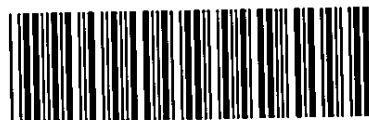
**NATIONAL MINING MUSEUM SCOTLAND TRUST**

**Trustees' Annual Report and Financial Statements  
For the Year Ended 31 March 2013**

**Registered Company Number SC088361**

**Registered Charity Number SC003227**

SATURDAY



SCT      \*S2JBANK9\*      #594  
19/10/2013  
COMPANIES HOUSE

**NATIONAL MINING MUSEUM SCOTLAND TRUST**

**Trustees' Annual Report and Financial Statements**

**For the year ended 31 March 2013**

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**NATIONAL MINING MUSEUM SCOTLAND TRUST**

**Members of the Board and Professional Advisers**

**For the year ended 31 March 2013**

**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  
A W Bennett (resigned 26/6/12)

**Company Secretary**

A A Boyd

**Registered Office**

Lady Victoria Colliery  
Newtongrange  
Midlothian  
EH22 4QN

**Principal Office**

Lady Victoria Colliery  
Newtongrange  
Midlothian  
EH22 4QN

**Auditors**

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

**Bankers**

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

**Solicitors**

Pagan Osborne  
Clarendon House  
116 George Street  
Edinburgh  
EH2 4LH

## NATIONAL MINING MUSEUM SCOTLAND TRUST

### Museum Staff

For the year ended 31 March 2013

|                                     |   |
|-------------------------------------|---|
| Director:                           | Rowan Brown                                     |
| <b>Marketing</b>                    |   |
| Marketing Manager:                  | Gillian Rankin                                  |
| <b>Education</b>                    |   |
| P/T Education Officer:              | Alison Shepherd                                 |
| <b>Curatorial</b>                   |   |
| Keeper:                             | Ellie Swinbank                                  |
| Assistant Curator:                  | Eve Haddow (left 6/3/13)                        |
| Assistant Curator:                  | Lynsey Archibald (started 17/6/13)              |
| <b>Administration</b>               |   |
| Office Manager:                     | Maureen Hardiker                                |
| P/T Finance Officer:                | Joyce Harrison                                  |
| P/T Admin Assistant:                | Audrey Salton                                   |
| <b>Visitor Services</b>             |   |
| P/T Visitor Services Manager:       | Robin Robertson                                 |
| Museum Assistant/Snr Receptionist:  | Linda Lawrence                                  |
| P/T Museum Assistant/Receptionist : | Maureen Haughton (left 10/8/12)                 |
| P/T Museum Assistant/Receptionist : | Irene Russell (left 10/8/12)                    |
| W/E Museum Assistant/Rec/Intern :   | Natalie Rowan (left 12/8/12)                    |
| P/T Museum Assistant/Receptionist : | Emma Lean (started 23/7/12)                     |
| P/T Museum Assistant/Receptionist : | Stacy Hardie (started 23/7/12 – left 15/2/13)   |
| P/T Museum Assistant/Receptionist : | Alison Hope (started 6/8/12 – 9/3/13)           |
| P/T Museum Assistant/Receptionist : | Laura Power (started 30/7/12)                   |
| P/T Museum Assistant/Receptionist : | Elizabeth Barn (started 30/7/12 – left 25/8/12) |
| P/T Museum Assistant/Receptionist : | Patricia Kerr (started 6/8/12)                  |
| P/T Museum Assistant/Receptionist : | Irene Stirling (started 18/9/12)                |
| P/T Museum Assistant/Receptionist : | Mark Wahlberg (started 25/3/13)                 |
| P/T Museum Assistant/Receptionist : | Kerry-Lee Godfrey (started 30/3/13)             |
| P/T Museum Assistant/Senior Guide:  | Walter Porteous (left 3/5/12)                   |
| 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 (left 31/10/12)                      |
| P/T Museum Assistant/Guide:         | Jim Kelly (left 18/3/13)                        |
| P/T Museum Assistant/Guide:         | Tom Young                                       |
| P/T Museum Assistant/Guide:         | A E Watson (started 18/7/12)                    |
| P/T Museum Assistant/Guide:         | Andrew Horne (started 27/3/13)                  |
| P/T Museum Assistant/Guide:         | Sinclair Sutherland (started 3/4/13)            |
| <b>Technical Services</b>           |   |
| 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**

**For the year ended 31 March 2013**

### **ACKNOWLEDGEMENTS**

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

Scottish Government

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

AIM Biffa

Tyne-Esk LEADER

Cairn Energy

Creative Scotland

# **NATIONAL MINING MUSEUM SCOTLAND TRUST**

## **Trustees' Annual Report**

**For the year ended 31 March 2013**

### **Organisational structure**

Under the terms of the Articles of Association the Board may have up to twenty members, there are currently twelve Trustees. The Director 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 Director 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 Scotland; Creative Scotland; The Royal Commission on the Ancient and Historical Monuments of Scotland; the Museums Association; the 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 over 4000 hours of work annually. This does not include the work of the Board, who are the Directors of the company, and are all volunteers apart from the Director. 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

### Trustees' Annual Report - continued

For the year ended 31 March 2013

#### Achievements and Performance

##### Review of developments, activities and achievements

In the financial year 2012/13, the National Mining Museum Scotland Trust has faced exceptional challenges. The bleak economic context, and the problems it precipitated - declining footfall, increased costs, heightened risk of criminal and fraudulent activity - have impacted significantly on performance but, fortunately, the Board, Staff and Volunteers of NMMST have successfully risen to the challenges presented. The ASVA Visitor Trend Report of February 2013 cites a national decline in footfall of 6%, with the Museums and Galleries sector being particularly hard hit, resultantly reporting a loss of 15.2%. The Moffat Centre for Travel & Tourism Business Development suggests a national decline of 4.4% at Scottish visitor attractions and cites a similar decline in Museum and Gallery attendance (15.6%) and a decline of 17.6% in Edinburgh and Lothian attractions. In sharp contrast, NMMS recorded a 42% rise in visitor footfall for 2012/13, receiving 61,345 visitors - the highest number reached since opening - and generating an 18% increase in income. Nonetheless, financial sustainability continues to elude us, with the Board recording a £47k deficit on last year's budget and predicting a £50k deficit for this financial year. Four of our tenants have gone into liquidation this year, and many, including Midlothian Council, have failed to renew their tenancies. The Trust is also facing a diminishing public grant and now receives less in public subsidy than it has for the six preceding years, even before inflationary rises are considered.

##### Governance

The Board has introduced a new governance structure to strengthen our organisation's leadership and to capitalise on our recent success. This comprises four groups: the Governance and Strategy Committee; the Audit and Finance Committee; the Stakeholder Committee and the Fundraising and Sponsorship Committee. Each is chaired by a member of the Board and supported by a member of the Management Team to ensure that our mission to be **'a world class museum service that promotes the care and enjoyment of Scotland's Mining Heritage'** is fulfilled to the best of our capabilities.

##### Capital Projects

The rise in footfall may be attributed, in part, to the ambitious programme of capital projects undertaken by the Trust in 2012/13, none of which would have been possible without the generous support of our funders. Our principal sponsors, the Scottish Government, have maintained their annual grant of £370k and generously provided an additional sum of £240k in support of capital projects and emergency repairs. Further capital funds expended have been forthcoming from the Royal Academy of Engineers; the Robertson Trust; Artemis Intelligent Power; Mitsubishi Power Systems Europe; Cairn Energy Plc; the People's Postcode Lottery; Tyne-Esk Leader; Creative Scotland; Museums Galleries Scotland and the Friends of the National Mining Museum Scotland as well as individual donors. These funds underpinned four significant capital projects: *Learning through Play* (an interactive zone and softplay centre created in a previously derelict Grade 'A' listed building); *Engineering Scotland's Energy Future* (the acquisition of Scotland's first renewable energy lab and its conversion into a schools' education centre); *Seams and Embers/Community Curators* (two complementary projects which facilitated the introduction of the Museum's first temporary exhibition space and the creation of several short films through an artist-in-residence project) and *Achieving Accreditation* (a project to consolidate the Collection, strip it of hazards and redisplay key items). These projects have encouraged new audiences to engage with NMMST's services, meeting our strategic objectives and contributing to the following Scottish Government national outcomes:

**Our young people are successful learners, confident individuals, effective contributors and responsible citizens.**

**We realise our full economic potential with more and better employment opportunities for our people.**

**Our public services are high quality, continually improving, efficient and responsive to local people's needs.**

**We value and enjoy our built and natural environment and protect it and enhance it for future generations.**

**We take pride in a strong, fair and inclusive national identity.**

## **NATIONAL MINING MUSEUM SCOTLAND TRUST**

### **Trustees' Annual Report - continued**

**For the year ended 31 March 2013**

#### **Our National Role**

In order to fulfill our stated international strategic objectives, National Mining Museum Scotland continued our successful partnership with the China National Film Museum, and became the first museum to realise the ambitions of the Scottish Government and Chinese Ministry for Culture's Memorandum of Understanding on Culture by participating in the British Council's UK Now Festival in Beijing. The Festival included a seven-day cultural tour (attended by the Museum's Education Officer and Director as well as project partners, Theatre Workshop Scotland); the Chinese premiere of the TWS film, *Happy Lands*, (supported by NMMST), and the NMMST stop-motion animation, *Seams and Embers* (supported by Creative Scotland and Museums Galleries Scotland), plus the delivery of papers at the China National Film Museum in a conference entitled *The Scotland China Film Exchange*. The next phase of this partnership will involve a return visit of a delegation from CNFM accompanied by the Municipal Party Committee Propaganda Department and the Deputy and General Managers of the Beijing Yingbo Yingxiang Culture Development Company in autumn 2013. The UK National Mining Museum Partnership continues to flourish, with the Keeper and Director attending a summit at National Museum Wales' Big Pit in March 2013 and National Coal Mining Museum England sending a delegation to share the learning from our Learning through Play and Engineering Scotland's Energy Future projects. Industrial Museums Scotland, the federation of independent industrial museums established by the Scottish Government Think Tank) has now delivered the IT project, improving the software and hardware resources across the sector and vastly improving NMMST's ability to care for collections.

#### **Visitor Experience**

The NMMST Education Team (comprising our Mining Institute Scotland Trust sponsored part-time Education Officer, supported, in turn, by a part-time Assistant), have delivered well against the measure of their key performance objectives. The new Outreach Service, funded by the Scottish Coal Industry Special Welfare Fund and created in partnership with Alzheimer Scotland, continues to exceed expectations reaching an audience of 1,083 individuals in hospitals, schools and residential homes in 2012/13. Alison Shepherd (Education Officer) was instrumental in facilitating the partnership in China through key contacts with both TWS and the British Council (China), and the Team's work on the Engineering Scotland's Energy Future and Learning through Play projects, in conjunction with the Curatorial and Technical Services Teams, has attracted enquiries from national museums and educational charities, and welcomed an audience of 13,206 in its first 8 months. Educational resources and interpretive media have been updated to aid the delivery of the Government's Curriculum for Excellence and a schools' mobile industrial archaeology resource was co-produced with Archaeology Scotland. The Team also jointly managed three HLF and Leicester University internships with the Collections Team and supported a further University of Edinburgh Geology student placement. Each internship had a particular focus on developing new interpretive media for the site and all have contributed to the delivery of new interpretive panels, interactives and educational resources.

#### **Our Collections**

Collections care, overseen by the Scottish Mining Museum Collections Trust and managed by the Keeper and part-time Curatorial Assistant, has improved significantly throughout 2012/13. The Museum was amongst the first in Scotland to receive Accreditation under the new standard, largely through the Keeper's work on updating collections' policies and procedures; the delivery of the Achieving Accreditation project (mentioned above); and as a direct result of the Government sponsored IMS IT project. The new temporary exhibition space has transformed NMMST's exhibition and interpretive resources, and the first exhibition hosted in the space, *Seams and Embers*, opened to both public and critical acclaim and prompted requests from other national agencies to consider the co-production of future exhibitions. In addition to making a significant contribution to the 2012/13 capital projects, the Collections Staff and Volunteers have maintained an excellent advisory and enquiry service and contributed to the stewardship of Scotland's distributed National Collection by undertaking significant roles on the boards of the Scottish Museums Federation, the Scottish Transport and Industry Collections and Knowledge Network; the Coal Collections Network and the Social History Curators Group. In addition, the Technical Services Team have worked tirelessly over the last twelve months to combat the degradation of the estate and to improve its aesthetics. They have also adeptly supported the Collections Team in improving the standards of collections care by facilitating collection moves and disposals. David Newton, Technical Services Manager, was instrumental in the development of both the Learning through Play and Engineering Scotland's Energy Future projects, preparing both sites for the

## **NATIONAL MINING MUSEUM SCOTLAND TRUST**

### **Trustees' Annual Report - continued**

**For the year ended 31 March 2013**

development, as well as liaising with contractors and to ensure that NMMS was fully equipped to manage the ongoing maintenance requirements. The most testing incident of 2012/13 was undoubtedly the organised criminal attack on the Museum's historic transformers. The damage incurred by the theft resulted in 406 gallons of potentially contaminated oil polluting an area of the site and the permanent loss of the transformers' copper windings. David Newton managed the situation effectively, acting on advice from SEPA, the Scottish Government and the Environmental Officer at Midlothian Council. Following expert guidance, NMMST commissioned KN Oil Spill Services to undertake a ground survey, collect and assess a number of samples and proceed with the decontamination of the site. NMMST also invited the Lothian and Borders' Crime Prevention Team to carry out an assessment of NMMST's security provision. They issued a report which highlighted the need for improvements to the Museum's CCTV cameras and server and, thanks to emergency support from the Scottish Government; these recommendations are now being implemented on site.

#### **Our People**

NMMST has faced a number of staffing challenges in the course of this financial year. As a direct outcome of the Learning through Play project, four additional Reception Posts have been facilitated and the entire Front of House Team has been restructured, with Gillian Rankin (Marketing and Events Officer) taking over the management of the Guiding Team and Robin Robertson (Visitor Services Manager) retaining management of the Reception Team. A new pension scheme has been introduced and our programme of formal and informal staff training events has ensured that NMMST retained its VisitScotland Five Star rating for another successive year.

#### **Financial Sustainability**

Over the last financial year, the Trust has worked hard to maximise its financial capabilities. Gillian Rankin, has introduced a host of new events to the annual programme in order to capitalise on the new audiences drawn by the softplay facility and NMMST has experimented with screening contemporary cinema as a means to boosting income. In addition, the Front of House Teams have undertaken an extensive programme of visitor and non-visitor evaluation, working in partnership with our Community Advisory Panel to ensure that new projects and events meet the needs of our local and national audiences. NMMST has also reviewed its contractual commitments and employed a new catering firm, Saltire Hospitality, to improve the quality of the visitor offer and increase the income generated through catering on external events. The procedures for film and photography fee revenues on site have also been revised to guarantee that NMMST receives a reasonable return.

#### **Conclusion**

It is difficult to predict how the Trust will fare over the next financial year. There are significant capital projects on the horizon - with the UK's first Mining Memorial Centre set to open on site in autumn 2013 - as well as the introduction of new toddler-focused interpretation to capitalise on our Softplay family audience. The pressing issue of the stability of our historical estate remains a problem and must be addressed through a better resourced maintenance programme. Though the performance of the NMMS Team has been exemplary over the last financial year, staffing levels must be reviewed to ensure that we are working effectively and maximising our Team's capabilities without overburdening individuals. The issue of securing a stable financial position continues to elude us, with the Trust now in receipt of less public subsidy than it received prior to the Scottish Government's 'Think Tank' review in 2010. NMMST's Staff, Volunteers and Supporters will continue to work towards the common goal of achieving our strategic objectives with vigorous determination, but further funds must be secured to guarantee the charity's future.

## **NATIONAL MINING MUSEUM SCOTLAND TRUST**

### **Trustees' Annual Report - continued**

**For the year ended 31 March 2013**

#### **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 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 £870,056 (2012: £953,471). The unrestricted core operating deficit for the year is £32,244. Total core unrestricted funds carried forward are a deficit of £208,103.

#### **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  
K G Aitken  
R Dodds  
N Wilson  
D Seath  
C Beattie  
P L Wilson  
D A Canavan  
R Y Anderson  
A W Bennett (resigned on 26 June 2012)  
R J Brown

# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Trustees' Annual Report - continued

For the year ended 31 March 2013

### 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 27 September 2013



A A Boyd  
Company Secretary

Registered Office:  
Lady Victoria Colliery  
Newtongrange  
Midlothian  
EH22 4QN

## **NATIONAL MINING MUSEUM SCOTLAND TRUST**

### **Independent Auditor's Report to the Members and Trustees**

**For the year ended 31 March 2013**

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 2013 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 auditor**

As explained more fully in the Statement of Trustees' responsibilities set out on page 13 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 2013 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**

**Independent Auditor's Report to the Members and Trustees - continued**

**For the year ended 31 March 2013**

**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  
Sempie Street  
Edinburgh  
EH3 8BL**

27 September 2013

# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Statement of Financial Activities (incorporating the Income and Expenditure Account)

For the year ended 31 March 2013

|   | Notes | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2013<br>£ | Total<br>2012<br>£ |
|---|-------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Incoming resources</b>   |       |                            |                          |                    |                    |
| Incoming resources from generated funds:  |       |                            |                          |                    |                    |
| Voluntary income:   |       |                            |                          |                    |                    |
| Donations   |       | 47,240                     | -                        | 47,240             | 22,889             |
| Grants receivable   | 2     | 370,000                    | 235,240                  | 605,240            | 733,914            |
| Investment income   | 3     | 4,209                      | -                        | 4,209              | 7,512              |
| Activities for generating funds:  |       |                            |                          |                    |                    |
| Shop sales  |       | 24,419                     | -                        | 24,419             | 25,147             |
| Incoming resources from charitable activities:                                  |       |                            |                          |                    |                    |
| Admissions  |       | 68,774                     | -                        | 68,774             | 50,796             |
| Rental and hospitality income   |       | 109,300                    | -                        | 109,300            | 112,966            |
| Other incoming resources  |       | 10,874                     | -                        | 10,874             | 247                |
| <b>Total incoming resources</b>   |       | <u>634,816</u>             | <u>235,240</u>           | <u>870,056</u>     | <u>953,471</u>     |
| <b>Resources expended</b>   |       |                            |                          |                    |                    |
| Costs of generating funds   | 4     | 144,800                    | -                        | 144,800            | 119,736            |
| Charitable activities   | 5     | 494,900                    | 331,991                  | 826,891            | 693,456            |
| Governance costs  | 6     | 27,360                     | -                        | 27,360             | 26,367             |
| <b>Total resources expended</b>   |       | <u>667,060</u>             | <u>331,991</u>           | <u>999,051</u>     | <u>839,559</u>     |
| <b>(Deficit)/surplus for the year (net incoming resources before transfers)</b> |       | (32,244)                   | (96,751)                 | (128,995)          | 113,912            |
| Transfers between funds   |       | (5,820)                    | 5,820                    | -                  | -                  |
| Actuarial (loss)/gain on defined benefit pension schemes                        | 14    | (17,000)                   | -                        | (17,000)           | 2,000              |
| Net movement in funds   |       | (55,064)                   | (90,931)                 | (145,995)          | 115,912            |
| Total funds brought forward   |       | (153,039)                  | 268,578                  | 115,539            | (373)              |
| <b>Total funds carried forward</b>  |       | <u>(208,103)</u>           | <u>177,647</u>           | <u>(30,456)</u>    | <u>115,539</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 15 to 30 form part of these financial statements

# NATIONAL MINING MUSEUM SCOTLAND TRUST

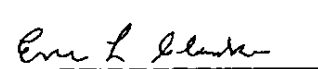
## Balance Sheet

As at 31 March 2013

|  | Notes | 2013<br>£              | 2012<br>£             |
|--|-------|------------------------|-----------------------|
| <b>Fixed assets</b>  |       |                        |                       |
| Tangible assets  | 9     | 939,943                | 936,906               |
| <b>Current assets</b>  |       |                        |                       |
| Stocks   | 10    | 15,428                 | 13,682                |
| Debtors  | 11    | 198,397                | 142,909               |
| Cash at bank and in hand                                     |       | 253,229                | 435,820               |
|  |       | <u>467,054</u>         | <u>592,411</u>        |
| <b>Creditors:</b> amounts falling due within one year        | 12    | <u>(78,915)</u>        | <u>(65,240)</u>       |
| <b>Net current assets</b>                                    |       | <u>388,139</u>         | <u>527,171</u>        |
| <b>Net assets excluding pension liability and provisions</b> |       | <u>1,328,082</u>       | <u>1,464,077</u>      |
| Provisions for liabilities                                   | 13    | <u>(1,338,538)</u>     | <u>(1,338,538)</u>    |
| <b>Net (liabilities)/assets excluding pension liability</b>  |       | <u>(10,456)</u>        | <u>125,539</u>        |
| <b>Defined benefit pension scheme liability</b>              | 14    | <u>(20,000)</u>        | <u>(10,000)</u>       |
| <b>Net (liabilities)/assets including pension liability</b>  |       | <u><u>(30,456)</u></u> | <u><u>115,539</u></u> |
| <b>Funds</b>   |       |                        |                       |
| Restricted   | 15    | 177,647                | 268,578               |
| Unrestricted   | 16    | (208,103)              | (153,039)             |
| <b>Total Funds</b>   |       | <u><u>(30,456)</u></u> | <u><u>115,539</u></u> |

These financial statements were approved and authorised for issue by the Trustees on 27 September 2013 and are signed on their behalf by:

  
Rt. Hon H B McLeish

  
E L Clarke

Registered Company Number: SC088361

The notes on pages 15 to 30 form part of these financial statements

# **NATIONAL MINING MUSEUM SCOTLAND TRUST**

## **Notes to the Financial Statements**

**For the year ended 31 March 2013**

### **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.

Employees may now opt to join the Trust stakeholder pension scheme operated by AVIVA. Employees join the stakeholder pension contract directly with AVIVA; contracts are funded by contributions from employees and the Trust as an employer.

#### **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**

## **Notes to the Financial Statements – continued**

**For the year ended 31 March 2013**

### **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.

#### **Donations and gifts**

Donations and gifts are credited in the year in which they are received. Donated assets are included at an appropriate market value. Donations given are charged in the year in which they are made.

#### **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**

## **Notes to the Financial Statements – continued**

**For the year ended 31 March 2013**

### **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

## Notes to the Financial Statements – continued

For the year ended 31 March 2013

### 2. Grants receivable

|   | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2013<br>£ | Total<br>2012<br>£ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| Scottish Government                         | 370,000                    | 40,000                   | 410,000            | 540,000            |
| Museums Galleries Scotland                  | -                          | 2,587                    | 2,587              | 103,814            |
| AIM Biffa                                   | -                          | 120,000                  | 120,000            | -                  |
| Leader Tyne Esk                             | -                          | 38,708                   | 38,708             | -                  |
| Postcode Lottery                            | -                          | -                        | -                  | 20,000             |
| Royal Academy of Engineering                | -                          | -                        | -                  | 29,450             |
| The Robertson Trust                         | -                          | 10,000                   | 10,000             | -                  |
| Scottish Mining Museum<br>Collections Trust | -                          | 15,000                   | 15,000             | 15,000             |
| Mining Institute of Scotland Trust          | -                          | -                        | -                  | 13,000             |
| SCISWF                                      | -                          | 10,000                   | 10,000             | -                  |
| Other grants                                | -                          | 4,119                    | 4,119              | 12,650             |
|   | <u>370,000</u>             | <u>235,240</u>           | <u>605,240</u>     | <u>733,914</u>     |

### 3. Investment income

|                             | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2013<br>£ | Total<br>2012<br>£ |
|-----------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Bank interest receivable    | 209                        | -                        | 209                | 2,512              |
| Net finance income (FRS 17) | 4,000                      | -                        | 4,000              | 5,000              |
|                             | <u>4,209</u>               | <u>-</u>                 | <u>4,209</u>       | <u>7,512</u>       |

### 4. Cost of generating funds

|                               | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2013<br>£ | Total<br>2012<br>£ |
|-------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Wages and salaries            | 129,219                    | -                        | 129,219            | 102,071            |
| Visitor manager's expenses    | 742                        | -                        | 742                | 417                |
| Stock movements and purchases | 14,839                     | -                        | 14,839             | 17,248             |
|                               | <u>144,800</u>             | <u>-</u>                 | <u>144,800</u>     | <u>119,736</u>     |

# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Notes to the Financial Statements – continued

For the year ended 31 March 2013

### 5. Charitable activities

|  | Staff costs<br>£ | Other costs<br>£ | Total<br>2013<br>£ | Total<br>2012<br>£ |
|--|------------------|------------------|--------------------|--------------------|
| Education                              | 17,902           | 9,979            | 27,881             | 25,566             |
| Collections                            | 37,263           | 331,370          | 368,633            | 155,868            |
| Visitor services                       | 79,176           | 7,131            | 86,307             | 62,528             |
| Property                               | 26,773           | 146,771          | 173,544            | 269,083            |
| Technical services                     | 39,857           | 1,258            | 41,115             | 36,113             |
| Marketing                              | 7,288            | 33,753           | 41,041             | 60,137             |
| Support costs                          | 60,784           | 30,586           | 91,370             | 86,161             |
| FRS 17: Defined benefit pension scheme | (3,000)          | -                | (3,000)            | (2,000)            |
|  | <u>266,043</u>   | <u>560,848</u>   | <u>826,891</u>     | <u>693,456</u>     |

### 6. Governance costs

|                             | 2013<br>£     | 2012<br>£     |
|-----------------------------|---------------|---------------|
| Audit and accountancy       | 4,009         | 3,934         |
| Legal and professional fees | 18,111        | 18,004        |
| Staff costs                 | 5,240         | 4,429         |
|                             | <u>27,360</u> | <u>26,367</u> |

### 7. Staff costs

The aggregate payroll costs were:

|  | 2013<br>£      | 2012<br>£      |
|--|----------------|----------------|
| Wages and salaries                                 | 365,362        | 337,705        |
| Social security costs                              | 23,842         | 22,636         |
| Pension costs                                      | 14,298         | 5,924          |
| FRS 17: Defined benefit pension scheme adjustments | (3,000)        | (9,000)        |
|  | <u>400,502</u> | <u>357,265</u> |

No employee earned more than £60,000 (2012 - none). Pension contributions of £2,103 (2012: £586) were outstanding at the year end.

# **NATIONAL MINING MUSEUM SCOTLAND TRUST**

## **Notes to the Financial Statements – continued**

**For the year ended 31 March 2013**

### **7. Staff costs – continued**

#### **Particulars of employees:**

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

|  | <b>2013<br/>No</b> | <b>2012<br/>No</b> |
|--|--------------------|--------------------|
| Number of:                                   |                    |                    |
| Education staff                              | 1                  | 1                  |
| Collections staff                            | 2                  | 2                  |
| Visitor services staff                       | 14                 | 13                 |
| Marketing staff                              | 1                  | 1                  |
| Property, technical and<br>maintenance staff | 6                  | 7                  |
| Administration staff                         | 4                  | 3                  |
|  | <hr/>              | <hr/>              |
|  | <b>28</b>          | <b>27</b>          |
|  | <hr/>              | <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 resolves that such appointment is in the best interests of the Trust.

During the years ended 31 March 2013 and 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:

|                       | <b>2013<br/>£</b> | <b>2012<br/>£</b> |
|-----------------------|-------------------|-------------------|
| Remuneration          | 45,619            | 44,290            |
| Pension contributions | 1,521             | -                 |
|                       | <hr/>             | <hr/>             |
|                       | <b>47,140</b>     | <b>44,290</b>     |
|                       | <hr/>             | <hr/>             |

During the year £274 (2012: £464) was reimbursed to the trustees for meeting attendance.

# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Notes to the Financial Statements – continued

For the year ended 31 March 2013

### 9. Fixed assets

|                          | Land and<br>Buildings<br>£ | Computer<br>Equipment<br>£ | Total<br>£ |
|--------------------------|----------------------------|----------------------------|------------|
| <b>Cost or valuation</b> |                            |                            |            |
| At 1 April 2012          | 955,806                    | 5,241                      | 961,047    |
| Additions                | -                          | 29,249                     | 29,249     |
| At 31 March 2013         | 955,806                    | 34,490                     | 990,296    |
| <b>Depreciation</b>      |                            |                            |            |
| At 1 April 2012          | 18,900                     | 5,241                      | 24,141     |
| Charge for year          | 18,900                     | 7,312                      | 26,212     |
| At 31 March 2013         | 37,800                     | 12,553                     | 50,353     |
| <b>Net Book Value</b>    |                            |                            |            |
| As at 31 March 2013      | 918,006                    | 21,937                     | 939,943    |
| As at 31 March 2012      | 936,906                    | -                          | 936,906    |

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 2013 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

## Notes to the Financial Statements – continued

For the year ended 31 March 2013

### 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

|                  | 2013<br>£ | 2012<br>£ |
|------------------|-----------|-----------|
| Goods for resale | 15,428    | 13,682    |

### 11. Debtors

|                | 2013<br>£      | 2012<br>£      |
|----------------|----------------|----------------|
| Trade debtors  | 7,516          | 12,509         |
| Other debtors  | 1,119          | 5,155          |
| Accrued income | 158,577        | 95,798         |
| Prepayments    | 31,185         | 29,447         |
|                | <u>198,397</u> | <u>142,909</u> |

### 12. Creditors: Amounts falling due within one year

|                                       | 2013<br>£     | 2012<br>£     |
|---------------------------------------|---------------|---------------|
| Trade creditors                       | 62,747        | 46,623        |
| Other taxes and social security costs | 9,907         | 7,850         |
| Accruals and deferred income          | 6,261         | 10,767        |
|                                       | <u>78,915</u> | <u>65,240</u> |

# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Notes to the Financial Statements – continued

For the year ended 31 March 2013

### 13. Provisions for liabilities

|                                   | 2013<br>£        | 2012<br>£        |
|-----------------------------------|------------------|------------------|
| At 1 April 2012 and 31 March 2013 | <u>1,338,538</u> | <u>1,338,538</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 2013 financial statements.

# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Notes to the Financial Statements – continued

For the year ended 31 March 2013

### 14. Pensions

#### Composition of the defined benefit scheme

| Assumptions as at                          | 31 Mar 2013       |               | 31 Mar 2012       |               | 31 Mar 2011       |               |
|--|-------------------|---------------|-------------------|---------------|-------------------|---------------|
|  | % pa              |               | %pa               |               | % pa              |               |
| Price increases                            | 2.8%              |               | 2.5%              |               | 2.8%              |               |
| Salary increases                           | 5.1%              |               | 4.8%              |               | 5.1%              |               |
| Pension increases                          | 5.3%              |               | 5.8%              |               | 7.0%              |               |
| Discount rate                              | 4.5%              |               | 4.8%              |               | 5.5%              |               |
| Assets - Expected long term returns        | Long term returns | Assets £(000) | Long term returns | Assets £(000) | Long term returns | Assets £(000) |
| Equities                                   | 5.7%              | 363           | 6.2%              | 309           | 7.5%              | 314           |
| Bonds                                      | 3.5%              | 37            | 4.0%              | 31            | 4.9%              | 32            |
| Property                                   | 3.9%              | 41            | 4.4%              | 43            | 5.5%              | 40            |
| Cash                                       | 3.0%              | 18            | 3.5%              | 8             | 4.6%              | 11            |
| <b>Total</b>                               |                   | <b>459</b>    |                   | <b>391</b>    |                   | <b>397</b>    |
| Net pension asset as at                    | 31 Mar 2013       |               | 31 Mar 2012       |               | 31 Mar 2011       |               |
|  | £(000)            |               | £(000)            |               | £(000)            |               |
| Estimated employer assets (A)              | 459               |               | 391               |               | 397               |               |
| Present value of scheme liabilities        | (479)             |               | (401)             |               | (416)             |               |
| Present value of unfunded liabilities      |                   |               |                   |               | -                 |               |
| <b>Total value of liabilities (B)</b>      | <b>(479)</b>      |               | <b>(401)</b>      |               | <b>(416)</b>      |               |
| <b>Net Pension (Liability)/Asset (A-B)</b> | <b>(20)</b>       |               | <b>(10)</b>       |               | <b>(19)</b>       |               |

#### 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 |
|---------------------------|-------|---------|
| <b>Current Pensioners</b> | 20.4  | 22.8    |
| <b>Future Pensioners</b>  | 22.6  | 25.4    |

#### 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

## Notes to the Financial Statements – continued

For the year ended 31 March 2013

### 14. Pensions – continued

| Year Ended             | Prospective Pensioners  | Pensioners  |
|------------------------|---|---|
| 31 March 2013          | Year of birth, medium cohort and 1% p.a. minimum improvements from 2008 | Year of birth, medium cohort and 1% p.a. minimum improvements from 2008 |
| 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  |

#### 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 2013 |                | Year to 31 Mar 2012 |                |
|---|---------------------|----------------|---------------------|----------------|
|   | £(000)              | % of pay       | £(000)              | % of pay       |
| Service cost                              | 6                   | 22.9%          | 4                   | 18.3%          |
| Past service cost                         | -                   | 0%             | -                   | 0%             |
| <b>Total operating charge (A)</b>         | <b>6</b>            | <b>22.9%</b>   | <b>4</b>            | <b>18.3%</b>   |
| Amount credited to incoming resources     | Year to 31 Mar 2013 |                | Year to 31 Mar 2012 |                |
|   | £(000)              | % of pay       | £(000)              | % of pay       |
| Expected return on employer assets        | (23)                | (95.8%)        | (28)                | (116.7%)       |
| Interest on pension scheme liabilities    | 19                  | 79.2%          | 23                  | 95.8%          |
| <b>Net return (B)</b>                     | <b>(4)</b>          | <b>(16.6%)</b> | <b>(5)</b>          | <b>(20.9%)</b> |
| <b>Net revenue account cost (A) – (B)</b> | <b>2</b>            | <b>6.3%</b>    | <b>(1)</b>          | <b>(2.6%)</b>  |
| Actual return on plan assets              | 61                  | -              | 8                   | -              |

#### Movements in surplus/(deficit) during the year

|   | Year to 31 Mar 2013<br>£(000) | Year to 31 Mar 2012<br>£(000) |
|---|-------------------------------|-------------------------------|
| <b>Opening defined benefit obligation</b> | <b>401</b>                    | <b>416</b>                    |
| Current service cost                      | 6                             | 4                             |
| Interest cost                             | 19                            | 23                            |
| Contributions by members                  | 1                             | 1                             |
| Actuarial losses/(gains)                  | 57                            | (39)                          |
| Past service costs/(gains)                | -                             | -                             |
| Estimated benefits paid                   | (5)                           | (4)                           |
| <b>Closing defined benefit obligation</b> | <b>479</b>                    | <b>401</b>                    |

# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Notes to the Financial Statements – continued

For the year ended 31 March 2013

### 14. Pensions – continued

#### Reconciliation of fair value of employer assets

|  | Year to<br>31 Mar 2013<br>£(000) | Year to<br>31 Mar 2012<br>£(000) |
|--|----------------------------------|----------------------------------|
| <b>Opening fair value of employer assets</b> | <b>391</b>                       | <b>397</b>                       |
| Expected return on assets                    | 23                               | 28                               |
| Contributions by members                     | 1                                | 1                                |
| Contributions by the employer                | 9                                | 6                                |
| Actuarial gains/(losses)                     | 40                               | (37)                             |
| Benefits paid                                | (5)                              | (4)                              |
| <b>Closing fair value of employer assets</b> | <b>459</b>                       | <b>391</b>                       |

#### Amounts for the current and previous accounting periods

|   | Year to<br>31 Mar 2013<br>£(000) | Year to<br>31 Mar 2012<br>£(000) | Year to<br>31 Mar 2011<br>£(000) | Year to<br>31 Mar 2010<br>£(000) |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <b>Fair Value of Employer Assets</b>        | <b>459</b>                       | <b>391</b>                       | <b>397</b>                       | <b>367</b>                       |
| Present Value of Defined Benefit Obligation | (479)                            | (402)                            | (416)                            | (482)                            |
| Surplus/(Deficit)                           | (20)                             | (11)                             | (19)                             | (115)                            |
| Experience gains/(losses) on assets         | 40                               | (37)                             | (6)                              | 73                               |
| Experience gains/(losses) on liabilities    | -                                | 44                               | -                                | -                                |

|   | Year to<br>31 Mar 2009<br>£(000) |
|---|----------------------------------|
| <b>Fair Value of Employer Assets</b>        | <b>256</b>                       |
| Present Value of Defined Benefit Obligation | (257)                            |
| Surplus/(Deficit)                           | 1                                |
| Experience gains/(losses) on assets         | (88)                             |
| Experience gains/(losses) on liabilities    | 7                                |

#### Analysis of amount recognised in statement of financial activities

|   | Year to<br>31 Mar 2013<br>£(000) | Year to<br>31 Mar 2012<br>£(000) |
|---|----------------------------------|----------------------------------|
| Actuarial gains/(losses)  | (17)                             | 2                                |
| Increase/(decrease) in irrecoverable surplus from membership fall and other factors | -                                | -                                |
| <b>Actuarial gain/(loss) recognised in SOFA</b>                                     | <b>(17)</b>                      | <b>2</b>                         |
| <b>Cumulative actuarial gain/(loss) recognised in SOFA</b>                          | <b>(61)</b>                      | <b>(44)</b>                      |

**NATIONAL MINING MUSEUM SCOTLAND TRUST**

**Notes to the Financial Statements – continued**

**For the year ended 31 March 2013**

**14. Pensions – continued**

|   | <b>Year to<br/>31 Mar 2011<br/>£(000)</b> | <b>Year to<br/>31 Mar 2010<br/>£(000)</b> |
|---|---|---|
| Actuarial gains/(losses)  | 49  | (119)                                     |
| Increase/(decrease) in irrecoverable surplus from membership fall and other factors | -   | -   |
| <b>Actuarial gain/(loss) recognised in SOFA</b>                                     | <b>49</b>                                 | <b>(119)</b>                              |
| <b>Cumulative actuarial gain/(loss) recognised in SOFA</b>                          | <b>(46)</b>                               | <b>(95)</b>                               |

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

**Analysis of projected amount to be charged to net incoming resources for the year to 31 March 2014**

|  | <b>Year to<br/>31 Mar 2014</b> |                 |
|--|--------------------------------|-----------------|
|  | <b>£(000)</b>                  | <b>% of pay</b> |
| Projected current service cost                 | 7                              | 27.7%           |
| Interest on obligation                         | 22                             | 88.0%           |
| Expected return on plan assets                 | (24)                           | (96.0%)         |
| Past service cost                              | -                              | -               |
| Losses/(gains) on curtailments and settlements | -                              | -               |
| <b>Closing defined benefit obligation</b>      | <b>5</b>                       | <b>19.7%</b>    |

The Trust expects to contribute £9,000 to the pension scheme in the year to 31 March 2014.

# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Notes to the Financial Statements – continued

For the year ended 31 March 2013

### 15. Restricted funds

|                               | Balance at<br>31 March<br>2012<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>and<br>transfers<br>£ | Balance at<br>31 March<br>2013<br>£ |
|-------------------------------|-------------------------------------|----------------------------|--|-------------------------------------|
| Learning through play         | 203,475                             | 10,000                     | (213,475)                                      | -                                   |
| Security and clean-up         | -                                   | 40,000                     | -  | 40,000                              |
| Phase V                       | -                                   | -                          | -  | -                                   |
| Effective collections         | 4,003                               | -                          | (859)  | 3,144                               |
| Achieving accreditation       | 9,645                               | (4,697)                    | (4,948)  | -                                   |
| Cultural creations            | 1,002                               | (458)                      | (544)  | -                                   |
| Library conservation          | 1,360                               | 20                         | (828)  | 552                                 |
| Iconic Artists                | -                                   | 11,763                     | (12,196)                                       | (433)                               |
| Mining Media                  | 3,794                               | (9,189)                    | 8,786  | 3,391                               |
| Homecoming Scotland           | 1,318                               | -                          | (1,318)  | -                                   |
| Digitalisation                | -                                   | 456                        | -  | 456                                 |
| Education                     | 8,388                               | 700                        | (8,388)  | 700                                 |
| Curatorial                    | 2,797                               | 15,000                     | (17,797)                                       | -                                   |
| ESEF                          | 32,796                              | 1,250                      | (34,046)                                       | -                                   |
| Library Fund                  | -                                   | 90                         | -  | 90                                  |
| Memories in Your Hands        | -                                   | 1,193                      | -  | 1,193                               |
| Friends                       | -                                   | 200                        | (157)  | 43                                  |
| Exhibition Area               | -                                   | 38,708                     | (37,900)                                       | 808                                 |
| Memorial Room                 | -                                   | 130,204                    | (2,501)  | 127,703                             |
| <b>Total restricted funds</b> | <b>268,578</b>                      | <b>235,240</b>             | <b>(326,171)</b>                               | <b>177,647</b>                      |

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.

## **NATIONAL MINING MUSEUM SCOTLAND TRUST**

### **Notes to the Financial Statements – continued**

**For the year ended 31 March 2013**

Learning through Play – Addresses Strategic Aims i, ii, iii and iv

Security and clean-up – Addresses Strategic Aims I, vi

Phase V – Addresses Strategic Aims i,v, iv

Effective collections – Addresses Strategic Aims i, iv, v,

Achieving accreditation – Addresses Strategic Aims i, v,vii

Cultural creations – Addresses Strategic Aims ii, iii, iv

Library conservation – Addresses Strategic Aim i

Iconic Artists – Addresses Strategic Aims ii, iii, iv, v, vii

Mining Media - Addresses Strategic Aims ii,iii,iv

Homecoming Scotland - Addresses Strategic Aims ii, v

Digitalisation - Addresses Strategic Aims i, iv

Education - Addresses Strategic Aims ii, iii

Curatorial - Addresses Strategic Aims i, vi

ESEF- Addresses Strategic Aims i, ii, iii, iv, v, vii

Library Fund - Addresses Strategic Aim i

Memories in Your Hands - Addresses Strategic Aims i, ii, iv, v

Friends - Addresses Strategic Aim iii

Exhibition Area – Addresses Stragic Aims ii, iii, iv, v, vii, vi

Memorial Room - Addresses Strategic Aims i,ii, iii, iv, v

# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Notes to the Financial Statements – continued

For the year ended 31 March 2013

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

|                                    | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>£      |
|------------------------------------|----------------------------|--------------------------|-----------------|
| Fixed assets                       | 939,943                    | -                        | 939,943         |
| Net current assets                 | 210,492                    | 177,647                  | 388,139         |
| Long term liabilities – provisions | (1,338,538)                | -                        | (1,338,538)     |
| Long term liabilities - pensions   | (20,000)                   | -                        | (20,000)        |
|                                    | <u>(208,103)</u>           | <u>177,647</u>           | <u>(30,456)</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:

|                               | 2013<br>Equipment<br>£ | 2012<br>Equipment<br>£ |
|-------------------------------|------------------------|------------------------|
| Expiring within 2 to 5 years: | <u>2,622</u>           | <u>2,622</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 £nil (2012 - £8,950) from the Museums Association, of which Ms Rowan Brown is a director. The company received £1,500 (2012: £nil) of services from the Museums Association during the year. The company owes £nil (2012: £nil) at the year end.

The company received a grant of £nil (2012 - £13,000) from The Mining Institute of Scotland, of which Mr David Seath is a director.

**NATIONAL MINING MUSEUM SCOTLAND TRUST**

**Management Information**

**For the year ended 31 March 2013**

**The following pages do not form part of the statutory financial statements  
which are the subject of the Independent Auditor's Report on pages 11 and 12.**

# **NATIONAL MINING MUSEUM SCOTLAND TRUST**

## **Detailed statement of financial activities**

**For the year ended 31 March 2013**

|  | <b>2013</b>    | <b>2012</b>    |
|--|----------------|----------------|
|  | <b>£</b>       | <b>£</b>       |
| <b>Income</b>                            |                |                |
| Donations                                | 5,491          | 7,889          |
| Donated assets – Scottish Government     | 29,249         | -              |
| Services in kind - EAE                   | 12,500         | -              |
| Scottish Government                      | 410,000        | 540,000        |
| Museums Galleries Scotland               | (2,587)        | 54,555         |
| Museums Galleries Scotland – Phase Five  | -              | 45,452         |
| AIM Biffa                                | 120,000        | -              |
| Tyne-Esk LEADER                          | 38,708         | -              |
| Postcode Lottery                         | -              | 20,000         |
| Royal Academy of Engineering             | -              | 29,450         |
| Mitsubishi Power Systems                 | -              | 7,500          |
| Scottish Mining Museum Collections Trust | 15,000         | 15,000         |
| Mining Institute of Scotland Trust       | -              | 13,000         |
| The Robertson Trust                      | 10,000         | -              |
| SCISWF                                   | 10,000         | -              |
| Other grants                             | 4,119          | 8,957          |
| Bank interest receivable                 | 209            | 2,512          |
| Net finance income (FRS 17)              | 4,000          | 5,000          |
| Shop sales                               | 24,419         | 25,147         |
| Admissions                               | 68,774         | 50,796         |
| Cairn Energy                             | -              | 15,000         |
| Rental and hospitality income            | 109,300        | 112,966        |
| Sale of scrap materials                  | 10,784         | -              |
| Other income                             | 90             | 247            |
| <b>Total Income</b>                      | <b>870,056</b> | <b>953,471</b> |

**NATIONAL MINING MUSEUM SCOTLAND TRUST**  
**Detailed statement of financial activities – continued**  
**For the year ended 31 March 2013**

|                                      | 2013<br>£      | 2012<br>£      |
|--------------------------------------|----------------|----------------|
| <b>COSTS OF GENERATING FUNDS:</b>    |                |                |
| Wages and salaries                   | 129,219        | 102,071        |
| Visitor Centre's management expenses | 742            | 417            |
| Opening stocks                       | 13,682         | 16,753         |
| Purchases                            | 16,585         | 14,177         |
| Closing stocks                       | (15,428)       | (13,682)       |
|                                      | <u>144,800</u> | <u>119,736</u> |
| <b>CHARITABLE EXPENDITURE:</b>       |                |                |
| Wages, salaries and pension costs    | 269,043        | 266,115        |
| FRS 17 pension scheme adjustments    | (3,000)        | (2,000)        |
| Total                                | <u>266,043</u> | <u>264,115</u> |
| <b>Marketing</b>                     |                |                |
| Marketing staff expenses             | 303            | 586            |
| Advertising                          | 16,373         | 3,182          |
| Design and photography               | 2,182          | 2,201          |
| Printing                             | 3,405          | 3,365          |
| Distribution and mailing             | 1,974          | 4,959          |
| Events and promotion                 | 9,516          | 16,421         |
|                                      | <u>33,753</u>  | <u>30,714</u>  |
| <b>Property</b>                      |                |                |
| Rates and water                      | 7,397          | 8,576          |
| Electricity                          | 37,241         | 26,014         |
| Gas                                  | 7,729          | 13,562         |
| Insurance                            | 25,475         | 27,284         |
| Repairs and maintenance              | 34,870         | 33,836         |
| Signage costs                        | 2,779          | -              |
| Security                             | 1,463          | 779            |
| Cleaning materials                   | 2,380          | 1,746          |
| Phase V additional repairs           | 1,225          | 110,959        |
| Depreciation                         | 26,212         | 18,900         |
|                                      | <u>146,771</u> | <u>241,656</u> |
| <b>Collections</b>                   |                |                |
| Education expenditure                | 813            | 1,565          |
| Equipment maintenance                | 1,379          | 2,430          |
| Collections Trust                    | 10,000         | 10,000         |
| Storage                              | 111            | 449            |
| Conservation                         | 828            | 2,203          |
| Casual staff                         | 218            | 13             |
| Mining Media project                 | 403            | 23,986         |
| Playground project                   | -              | 10,000         |
| Lighting project                     | -              | 30,000         |
| Achieving Accreditation project      | 1,558          | 16,355         |
| Learning through Play project        | 213,475        | 6,525          |
| ESEF project                         | 33,966         | 9,154          |
| Project Matched Funding              | 5,773          | 6,683          |
| Iconic Artists project               | 12,233         | -              |
| Exhibition Area project              | 37,900         | -              |
| Memorial Room project                | 157            | -              |
| Friends project                      | 2,501          | -              |
| Miscellaneous                        | 6,664          | 1,360          |
| Contingency spending                 | 3,391          | -              |
|                                      | <u>331,370</u> | <u>120,723</u> |

# **NATIONAL MINING MUSEUM SCOTLAND TRUST**

## **Detailed statement of financial activities - continued**

**For the year ended 31 March 2013**

|  | <b>2013</b>      | <b>2012</b>    |
|--|------------------|----------------|
|  | <b>£</b>         | <b>£</b>       |
| <b>Education</b>   |                  |                |
| Effective Collections                                    | 1,847            | 4,282          |
| Cairn Energy costs                                       | 8,082            | 3,833          |
|  | <u>9,979</u>     | <u>8,079</u>   |
| <b>Visitor services</b>                                  |                  |                |
| Visitor services sundry costs                            | 7,131            | 4,080          |
|  | <u>7,131</u>     | <u>4,080</u>   |
| <b>Technical services</b>                                |                  |                |
| Technical services staff expenses and equipment          | 1,258            | 794            |
|  | <u>1,258</u>     | <u>794</u>     |
| <b>Director</b>  |                  |                |
| Director's expenses                                      | 6,146            | 2,620          |
|  | <u>6,146</u>     | <u>2,620</u>   |
| <b>Administration</b>                                    |                  |                |
| Office equipment repairs and maintenance                 | 8,533            | 9,385          |
| Recruitment  | 969              | -              |
| Staff development  | 1,751            | 1,109          |
| Telephone  | 3,960            | 3,102          |
| Postage  | 1,492            | 1,188          |
| Printing and stationery                                  | 1,785            | 1,681          |
| Subscriptions  | 2,156            | 2,328          |
| Health and safety  | 191              | 137            |
| Hospitality  | 1,098            | 779            |
| Miscellaneous  | (147)            | (1,284)        |
| Bank charges   | 2,588            | 2,027          |
| Credit card commissions                                  | 64               | 223            |
|  | <u>24,440</u>    | <u>20,675</u>  |
| <b>Governance Costs</b>                                  |                  |                |
| Legal and professional fees                              | 18,111           | 18,004         |
| Audit  | 4,009            | 3,934          |
| Staff costs  | 5,240            | 4,429          |
|  | <u>27,360</u>    | <u>26,367</u>  |
| <b>TOTAL EXPENDITURE</b>                                 | <u>999,051</u>   | <u>839,559</u> |
| Actuarial loss/(gain) on defined benefit pension schemes | 17,000           | (2,000)        |
| <b>NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR</b>    | <u>(145,995)</u> | <u>115,912</u> |
| <b>Allocation between funds:</b>                         |                  |                |
| Unrestricted   | (58,720)         | (17,905)       |
| Restricted   | (87,275)         | 133,817        |
|  | <u>(145,995)</u> | <u>115,912</u> |