

THE SCOTTISH MINING MUSEUM TRUST

**Trustees' Annual Report and Financial Statements
For the Year Ended 31 March 2009**

Registered Company Number SC088361

Registered Charity Number SC003227

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THE SCOTTISH MINING MUSEUM TRUST
Trustees' Annual Report and Financial Statements
For the Year Ended 31 March 2009

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THE SCOTTISH MINING MUSEUM TRUST

Members of the Board and Professional Advisers

For the year ended 31 March 2009

Directors/Trustees	Rt Hon H B McLeish (appointed 1 September 2008) D J Mockett (resigned 1 September 2008) E L Clarke J W Allan D Walker Dr L S D Glasser K G Aitken W Chalmers R Dodds F Waters N Wilson D Seath I L Young C Beattie P L Wilson D A Canavan D Hamilton M.P. R Y Anderson (appointed 1 September 2008) A W Bennett (appointed 2 June 2008)
Company Secretary	A A Boyd
Registered Office	55 Queen Street Edinburgh EH2 3PA
Auditors	Scott-Moncrieff 17 Melville Street Edinburgh EH3 7PH
Bankers	The Royal Bank of Scotland plc 36 St Andrew Square Edinburgh EH2 2YE
Solicitors	Pagan Osborne 55-56 Queen Street Edinburgh EH2 3PA

STAFF 2008/9

Chief Executive	Fergus Waters
Keeper	Julia Stephen
Technical Services Manager	David Newton
Secretary	Maureen Hardiker
Visitor Services Manager	Robin Robertson
Marketing Manager	Gillian Rankin
Technical Assistant	Richard Thomson
Finance Officer	Eleanor Park
Development Officer	Elaine Reid
Education Support Officer	Alison Shepherd
Assistant Curator	Katherine Prentice
Collections Assistant	Brigid Bradley/Lynsey Haworth
Clerical Assistant	Audrey Salton
Digitisation Assistants	Edward Johnson
	Judith Savage
Senior Guide	Walter Porteous
Guides	John Anderson
	Jim Cornwall
	Tom Gibson
	John Kane
	Jim Kelly
	Tom Young
Head Receptionist/Retail Assistant	Linda Lawrence
Receptionists/Retail Assistants	Irene Russell
	Maureen Haughton
	Maxine Collins/Natalie Rowan
Gardener	Alex Burnett
Cleaners	Wendy Barnett
	Linda Millar
	Anne Gerstenberger

ACKNOWLEDGEMENTS

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

Scottish Executive
Midlothian Council

Historic Scotland
National Museums Scotland
Museums Galleries Scotland

Coal Industry Social Welfare Organisation
East of Scotland Museums Partnership
Events Scotland
Esmee Fairbairn Foundation
Forresters Trust
Midlothian Tourism Forum
National Union of Mineworkers
Newtongrange Community Council
Pilgrim Trust
RCAHMS
Scottish Coal Industry Special Welfare Fund
The Coalfield Regeneration Trust
The Foyle Foundation
The Friends of the Scottish Mining Museum
The Mining Institute of Scotland Trust
The Scottish Mining Museum Collection Trust
The Volunteers of the Scottish Mining Museum
Visit Scotland

Borthwick Pipe Band
St. David's High School Band
John Dennis & Co.
Elliott & Co.
LDN Architects
Newtongrange Silver Band
Pagan Osborne
Scott Moncrieff, CA

THE SCOTTISH MINING MUSEUM TRUST

Trustees' Annual Report

For the year ended 31 March 2009

The Trustees, who are also Directors for the purposes of the Companies Act, have pleasure in presenting their annual report and the financial statements of the Trust for the year ended 31 March 2009.

Structure, Governance and Management

Governing document

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

Recruitment and appointment of Trustees

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

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

Trustee induction and training

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

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

Risk statement

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

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

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

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

Organisational structure

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

THE SCOTTISH MINING MUSEUM TRUST

Trustees' Annual Report - continued

For the year ended 31 March 2009

Organisational structure - continued

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

Related parties

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

The Scottish Executive and Midlothian Council provide revenue grants for funding the core activities of the museum. Historic Scotland provides support funding for the repair of buildings.

Volunteers

The museum is supported by a number of volunteers. The Board, who are the Directors of the company, are all volunteers, apart from the Chief Executive of the company. Volunteers also support the day to day work of the museum through work in the library, documentation, cataloguing, gardening, technical services and advice. The Trust is indebted to the volunteers for the knowledge and expertise they bring to the museum. The Trust is actively seeking to recruit new volunteers with specific skills. A total of 28 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 aims in 2008/09 were to continue the work of the Trust towards the three principle objectives of preserving the "A" listed Lady Victoria Colliery, caring for the national coal mining collections and telling the story of the Scottish coal mining industry and the coalfield communities.

The strategies for achieving these objectives were to undertake the repair and improvement of property; progress a collections management plan; and operate effective visitor facilities in the museum.

Achievements and Performance

Review of developments, activities and achievements

The condition of the buildings on the colliery site was a major concern and the Trust prepared an updated capital investment plan for the repair of the buildings based on the Building Maintenance and Repair Report 2005. The Minister, Mike Russell, announced a £1.32 million capital fund for the project over the next two years (2009 – 2011). The project will stabilise the derelict parts of the buildings and allow access for further care and limited access for the public. The Trust continued with minor repairs supported by Historic Scotland and was able to undertake the repair of the retaining wall alongside the A7 road as a result of a grant from the Scottish Executive during the year.

The care of collections continues to improve with staffing levels being maintained and the increased use of volunteers. The museum achieved National Accreditation from the Museums and Libraries Council during the year. The Trust was successful in meeting the targets of the collection management plan in regard to documentation and digitisation of the photographic collection.

THE SCOTTISH MINING MUSEUM TRUST

Trustees' Annual Report - continued

For the year ended 31 March 2009

Review of developments, activities and achievements – continued

Improvements in the delivery of visitor services have been made within the limitations of the funding available. The museum continued to benefit from the publicity of winning the Royal Commission "Treasured Places" competition. For the sixth successive year the museum received the Visit Scotland "Five Star" award as a visitor attraction alongside the Investors in People Award. A substantial amount of publicity was generated by press interest in the museum on the run up to the capital grants announcement by the Minister.

During the year a number of small exhibitions covering a range of interests were provided in the entrance hall to the museum. The museum also staged an expanding range of events throughout the year including the Doors Open Day, Show Scotland and other programmes.

Volunteers have continued to carry out a range of work, contributing more than 3135 hours of work, in connection with the collections, particularly in the library, with technical services, gardening and many other ways. The knowledge and expertise provided by the volunteers is of great value to the Trust and the recruitment of new volunteers with specific skills is being actively pursued. Trustees have contributed to the work of the museum as well as carrying out their responsibilities as Trustees.

The science education programme was fully used by primary schools and other activities in art, theatre, music and dance are being taken up by a range of schools. The support of the Midlothian Education Department and the Mining Institute of Scotland Trust has allowed the education programme to continue.

Visitor numbers showed a modest increase of 6% compared with the previous year, income from admission decreased by 1% to £47,373. School visits improved by 23% over the previous year to 3,019 while visitors from the rest of UK and Europe have shown an improving trend. The demand for use of the museum for functions, weddings, funerals, birthday parties, seminars, conferences, arts and music activities has continued. Retail income softened by 5% to £29,801. The audited accounts show the turnover £841,383 for the year (£632,497 in 2007/08). The unrestricted core operating surplus for the year of £34,588, and after taking account of the actuarial view on the pension fund and transfers between funds, there was an overall core surplus of £55,588. Total core unrestricted funds to carry forward are £83,797. Additional funding from the Recognition Scheme and unexpected income from activities such as filming fees have improved the end of year position.

Investment powers and restrictions

The Trust resources are all used for the benefit of the museum. The Trust has no commercial investments, a small cash reserve is held in a bank deposit account.

Reserves policy

Purpose: to ensure that The Scottish Mining Museum Trust has funds to meet unexpected calls on its revenue income.

Background

The SORP definition of reserves is "that part of a charity's income funds that is freely available for its general purposes. "Reserves" are therefore the resources that the charity has or can make available to spend on any or all of the charity's purposes once it has met its commitments and covered its other planned expenditure".

By definition, the reserves are monies that have not been committed, designated or spent for the charity's purposes at the Trustees' discretion. Reserves exclude fixed assets.

THE SCOTTISH MINING MUSEUM TRUST

Trustees' Annual Report - continued

For the year ended 31 March 2009

Reasons for holding reserves:

The Museum aims to create a reserve to:

- Protect itself against declines or interruptions in income. Protect itself against unexpected capital expenditure.
- Ensure continuity of operations.
- Provide for new projects.

Reasons for holding reserves: continued

The Trust recognises the risks to its income streams:

- The support grants from the Scottish Executive and Midlothian Council are outwith the control of the Trustees.
- The rental incomes rely on the economic well being of the tenants of the buildings and their continued occupation.
- The admissions, shop and other trading income are dependant on the tourist markets, which are volatile.
- The Trust has no investments that generate income.

The Trust recognises the risks from unexpected expenditure:

- The buildings require urgent repairs.
- The repair programme to the buildings falls below the minimum requirement and the buildings are at risk.
- The rented properties require upgrading to retain or attract occupiers.
- The Trust is faced with unexpected legal costs or claims.
- The Trust wishes to take advantage of an offer of grants towards a project.

Funding for the Scottish Mining Museum Trust

The funding for the Trust comes in three main forms:

1. Revenue grants

The revenue grants received are for the general running purposes of the Museum. However, the revenue grant from the Scottish Executive is based on caring for the national collections.

2. Trading revenue

The trading incomes of the Trust are generated from the rental of property, retail and admissions incomes and other commercial activities undertaken in line with the charitable purposes of the Trust.

3. Capital grants

Capital grants are drawn from the outside funding agencies, or through appeals, in support of specific projects, and, as such, cannot be used for purposes other than that for which they have been raised.

THE SCOTTISH MINING MUSEUM TRUST

Trustees' Annual Report - continued

For the year ended 31 March 2009

Calculation of "free" reserves

"Free" reserves can be calculated by adding the revenue grants and surpluses from the trading incomes from which the committed operating costs are removed. The capital grants cannot be viewed as reserves.

Reserves policy

The level of reserves will be set by the Trustees on an annual basis at the meeting of the Board at which the draft financial statements are to be presented. The level will be set with regard to the past operations of the Museum and the consideration of the probability and impact of the risks facing the Museum.

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

Results

The results for the year and the Trust's financial position at the end of the year are shown in the attached financial statements.

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 –appointed 1 September 2008

D J Mockett – resigned 1 September 2008

E L Clarke

J W Allan

D Walker

Dr L S D Glasser

K G Aitken

W Chalmers

R Dodds

F Waters

N Wilson

D Seath

I L Young

C Beattie

P L Wilson

D A Canavan

D Hamilton MP

R Y Anderson – appointed 1 September 2008

A W Bennett – appointed 2 June 2008

THE SCOTTISH MINING MUSEUM TRUST

Trustees' Annual Report - continued

For the year ended 31 March 2009

Statement of Trustees' responsibilities

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Trust at the end of the year and of the incoming resources and application of resources, including income and expenditure, for the year then ended.

In preparing those financial statements, the Trustees are required to select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent. The Trustees must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue its activities.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Companies Act 1985. The Trustees 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 accordance with company law, as the company's trustees, we certify that:

- So far as we are aware, there is no relevant information of which the company's auditors are unaware; and
- As the Trustees of the company we have taken all steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Trust's auditors are 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 385 of the Companies Act 1985.

Signed by order of the Trustees on 18th September 2009



A A Boyd
Company Secretary

Registered Office:
55 Queen Street
Edinburgh
EH2 3PA

THE SCOTTISH MINING MUSEUM TRUST

Independent Auditors' Report to the Members and Trustees

For the year ended 31 March 2009

This report is issued in respect of an audit carried out under section 235 of the Companies Act 1985 and section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005.

We have audited the financial statements of The Scottish Mining Museum Trust for the year ended 31 March 2009 as set out on pages 13 to 24. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made exclusively to the trustees, as a body, in accordance with Section 235 of the Companies Act 1985 and to the charity'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. Our audit work has been undertaken so that we might state to the 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the Trustees (who are also the directors of The Scottish Mining Museum Trust for the purposes of company law) for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether the information given in the Trustees' Report is consistent with the financial statements, if the charity has not kept proper accounting records, if information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed, or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 18 to the financial statements.

THE SCOTTISH MINING MUSEUM TRUST

Independent Auditors' Report to the Trustees - continued

For the year ended 31 March 2009

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 March 2009 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 the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Trustees' Report is consistent with the financial statements.

Scott-Moncrieff

**Scott-Moncrieff
Registered Auditors
Chartered Accountants**

**Eligible to act as an auditor in terms of Section 25 of the Companies Act 1989
17 Melville Street
Edinburgh
EH3 7PH**

18 Sep

2009

THE SCOTTISH MINING MUSEUM TRUST

Statement of Financial Activities

(incorporating the Income and Expenditure Account)

For the year ended 31 March 2009

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2009 £	Total 2008 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income:					
Donations		2,506	-	2,506	2,183
Donated services		17,964	-	17,964	-
Grants receivable	2	358,459	240,446	598,905	439,208
Investment income	3	439	-	439	2,588
Activities for generating funds:					
Shop Sales		29,801	-	29,801	31,416
Incoming resources from charitable activities					
Admissions		47,373	-	47,373	48,069
Rental and hospitality income		126,173	-	126,173	102,164
Other incoming resources		18,222	-	18,222	6,869
Total incoming resources		600,937	240,446	841,383	632,497
Resources expended					
Costs of generating funds:	4	39,395	-	39,395	58,580
Charitable activities	5	498,549	151,033	649,582	591,416
Governance costs		28,405	-	28,405	17,655
Total resources expended		566,349	151,033	717,382	667,651
Surplus / (deficit) for the year		34,588	89,413	124,001	(35,154)
Gross transfers between funds	14	70,000	(70,000)	-	-
Actuarial (losses) / gains on defined benefit pension schemes	13	(49,000)	-	(49,000)	43,000
Net movement in funds		55,588	19,413	75,001	7,846
Total funds brought forward		28,209	7,479	35,688	27,842
Total funds carried forward		83,797	26,892	110,689	35,688

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 24 form part of these financial statements

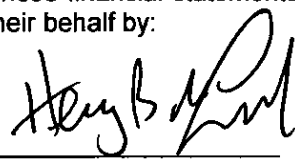
THE SCOTTISH MINING MUSEUM TRUST

Balance Sheet

As at 31 March 2009

	Notes	2009		2008	
		£	£	£	£
Fixed assets					
Tangible assets	8		2,140,111		2,164,221
Current assets					
Stocks	9	19,855		23,517	
Debtors	10	111,985		48,533	
Cash at bank and in hand		135,130		101,716	
		<u>266,970</u>		<u>173,766</u>	
Creditors: amounts falling due within one year	11	<u>(85,849)</u>		<u>(131,756)</u>	
Net current assets excluding pension (liability) / asset			<u>181,121</u>		<u>42,010</u>
Net current assets			2,321,232		2,206,231
Provisions for liabilities	12		<u>(2,209,543)</u>		<u>(2,209,543)</u>
Net assets / (liabilities) excluding pension (liability) / asset			111,689		(3,312)
Defined benefit pension scheme (liability) / asset	13		<u>(1,000)</u>		<u>39,000</u>
Net assets including pension asset			<u>110,689</u>		<u>35,688</u>
Funds					
Restricted	14		26,892		7,479
Unrestricted	15		83,797		28,209
Total Funds			<u>110,689</u>		<u>35,688</u>

These financial statements were authorised for issue by the Trustees on 18th September 2009 and are signed on their behalf by:


Rt. Hon H B McLeish


E L Clarke

The notes on pages 15 to 24 form part of these financial statements

THE SCOTTISH MINING MUSEUM TRUST

Notes to the Financial Statements

For the year ended 31 March 2009

1. Accounting Policies

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) and the Companies Act 1985.

Cash flow statement

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

Stocks

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

Pension costs

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

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

Incoming resources

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

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 charity in the delivery of its activities and services.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include costs linked to the strategic management of the charity.

THE SCOTTISH MINING MUSEUM TRUST

Notes to the Financial Statements - continued

For the year ended 31 March 2009

1. Accounting Policies - continued

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.

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

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.

THE SCOTTISH MINING MUSEUM TRUST

Notes to the Financial Statements - continued

For the year ended 31 March 2009

2. Grants receivable

	Unrestricted Funds £	Restricted Funds £	Total 2009 £	Total 2008 £
Scottish Executive	219,000	25,000	244,000	221,805
Museum Galleries Scotland	30,000	70,000	100,000	-
Midlothian Council	105,857	-	105,857	105,703
Historic Scotland	-	45,000	45,000	45,135
Visit Scotland	-	8,689	8,689	-
Collections Income	-	8,290	8,290	-
Homecoming Scotland	-	3,000	3,000	-
Scottish Museums Council	-	10,694	10,694	5,641
MT Forum	-	-	-	2,500
Scottish Mining Museums Collection Trust	-	15,000	15,000	15,626
Coalfields Regeneration Trust	-	-	-	9,379
Collections Grant	-	-	-	4,932
Mining Institute of Scotland Trust	-	13,500	13,500	12,000
NUM Scottish Area	-	1,665	1,665	26
Welfare Fund	-	-	-	4,000
AIMHS	-	-	-	6,515
Digitisation Project	-	39,608	39,608	818
Development Officer	-	-	-	1,000
Other grants	3,602	-	3,602	4,128
	<u>358,459</u>	<u>240,446</u>	<u>598,905</u>	<u>439,208</u>

3. Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2009 £	Total 2008 £
Bank interest receivable	439	-	439	2,588
	<u>439</u>	<u>-</u>	<u>439</u>	<u>2,588</u>

4. Cost of generating funds

	Unrestricted Funds £	Restricted Funds £	Total 2009 £	Total 2008 £
Marketing salaries	18,255	-	18,255	17,246
Marketing staff expenses	804	-	804	84
Advertising	4,163	-	4,163	11,498
Design and photography	1,425	-	1,425	1,992
Printing	3,043	-	3,043	5,627
Distribution and mailing	5,600	-	5,600	7,081
Events and promotion	2,286	-	2,286	15,052
Fun Day	986	-	986	-
Show Scotland 2008	2,833	-	2,833	-
	<u>39,395</u>	<u>-</u>	<u>39,395</u>	<u>58,580</u>

THE SCOTTISH MINING MUSEUM TRUST
Notes to the Financial Statements - continued
For the year ended 31 March 2009

5. Charitable activities

	Staff costs	Other costs	Total 2009	Total 2008
	£	£	£	£
Development	62,681	-	62,681	72,872
Education	8,679	-	8,679	23,114
Collections	77,965	41,582	119,547	79,655
Visitor services	98,976	38,088	137,064	136,126
Property	15,810	208,743	224,553	174,109
Technical Services	37,503	110	37,613	36,996
Maintenance	4,773	-	4,773	4,376
Support Costs	31,241	23,431	54,672	64,168
	<u>337,628</u>	<u>311,954</u>	<u>649,582</u>	<u>591,416</u>

6. Staff costs

The aggregate payroll costs were:

	2009 £	2008 £
Wages and salaries	324,470	317,824
Social security costs	20,476	19,636
Pension costs	15,188	14,746
	<u>360,134</u>	<u>352,206</u>

Particulars of employees:

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

	2009 No	2008 No
Number of:		
Development staff	2	3
Education staff	1	1
Collections staff	4	4
Visitor services staff	14	15
Marketing staff	1	1
Property staff	3	3
Technical services staff	2	2
Maintenance staff	1	1
Administration staff	3	3
	<u>31</u>	<u>33</u>

THE SCOTTISH MINING MUSEUM TRUST

Notes to the Financial Statements - continued

For the year ended 31 March 2009

7. Emoluments of the Trustees

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

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

During the year ended 31 March 2009, no Trustees held appointment to any salaried or remunerated position within the Trust, apart from the Chief Executive.

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

	2009 £	2008 £
Remuneration	47,743	46,353
Pension contributions	9,023	8,761
	<u>56,766</u>	<u>55,114</u>

During the year £3,390 (2008: £3,268) was reimbursed to one trustee (2008: one) for expenses.

8. Fixed assets

Cost or valuation	Land and Buildings £	Computer Equipment £	Total £
At 1 April 2008 and 31 March 2009	<u>2,230,000</u>	<u>5,241</u>	<u>2,235,241</u>
Depreciation	£	£	£
At 1 April 2008	68,400	2,620	71,020
Charge for year	22,800	1,310	24,110
At 31 March 2009	<u>91,200</u>	<u>3,930</u>	<u>95,130</u>
Net Book Value	£	£	£
As at 31 March 2009	<u>2,138,800</u>	<u>1,311</u>	<u>2,140,111</u>
As at 31 March 2008	<u>2,161,600</u>	<u>2,621</u>	<u>2,164,221</u>

Scottish Ministers hold a standard security over the land held by the charity to secure funding provided by Historic Scotland. Scottish Ministers also hold a constitutive deed creating a conservation burden over the same property, obliging the trust to maintain the buildings in good repair and condition. The trustees consider that the valuation of land and buildings is satisfactory at the year-end.

THE SCOTTISH MINING MUSEUM TRUST

Notes to the Financial Statements - continued

For the year ended 31 March 2009

9. Stocks

	2009 £	2008 £
Goods for resale	19,855	23,517

10. Debtors

	2009 £	2008 £
Trade debtors	16,183	17,899
Other debtors	3,300	2,099
Accrued income	70,000	4,465
Prepayments	22,502	24,070
	111,985	48,533

11. Creditors: Amounts falling due within one year

	2009 £	2008 £
Trade creditors	44,445	85,337
Other taxes and social security costs	8,937	8,211
Accruals and deferred income	32,467	38,208
	85,849	131,756

12. Provisions for liabilities

	2009 £	2008 £
Maintenance costs	2,209,543	2,209,543

This represents the Trust's liability to maintain the buildings in a reasonable condition. The Trust commissioned a report at the end of 2005 and the liabilities accrued are as estimated in that report, as updated for current rates, and are still anticipated to be required at least at that level. The Trustees recognise that there has been some deterioration in the buildings since the end of the previous year which would be expected to increase costs. However, current costs of repair are decreasing in a volatile market therefore the Trustees consider that these factors will have a negligible overall impact on the provision brought forward from the previous year.

The approximate costs are based on descriptions, marked up drawings and photographs provided by Elliot & Co, Structural Engineers and LDN, Architects. At the date of signing of the financial statements, the Trustees consider that the report still forms the best estimate of the maintenance liability to be recognised under the requirements of FRS12: Provisions, Contingent Liabilities and Contingent Assets.

The remedial works have commenced after the year-end following successful negotiation of a capital grant.

THE SCOTTISH MINING MUSEUM TRUST

Notes to the Financial Statements - continued

For the year ended 31 March 2009

13. Pensions

The company participates in the Lothian Pension Fund, a multi-employer defined benefit final salary scheme where the share of the assets and liabilities applicable to the Trust have been separately identified. The scheme is administered for the benefit of Local Authority employees and other bodies and is managed in accordance with the Local Government Pension Scheme Regulations (Scotland) 1998.

Composition of the defined benefit scheme

Assumptions as at	31 Mar 2009		31 Mar 2008		31 Mar 2007	
	% pa		%pa		% pa	
Price increases	3.1%		3.6%		3.2%	
Salary increases	4.6%		5.1%		4.7%	
Pension increases	3.1%		3.6%		3.2%	
Discount rate	6.9%		6.9%		5.4%	
Assets (employer)	Long term returns	Assets £(000)	Long term returns	Assets £(000)	Long term returns	Assets £(000)
Equities	7.0	202	7.7%	231	7.8%	229
Bonds	5.4	28	5.7%	27	4.9%	16
Property	4.9	26	5.7%	38	5.8%	37
Cash	4.0	-	4.8%	10	4.9%	17
Total		256		306		298
Net pension asset as at	31 Mar 2009 £(000)		31 Mar 2008 £(000)		31 Mar 2007 £(000)	
Estimated employer assets (A)	256		306		298	
Present value of scheme liabilities	257		267		306	
Present value of unfunded liabilities	-		-		-	
Total value of liabilities (B)	257		267		306	
Net Pension (Liability)/Asset (A-B)	(1)		39		8	

Mortality

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

	Males	Females
Current Pensioners	19.8 years	22.8 years
Future Pensioners	21.0 years	24.0 years

Historic Mortality

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

Year Ended	Prospective Pensioners	Pensioners
31 March 2009	Year of birth	Year of birth
31 March 2008	Calendar year 2030	Calendar year 2015
31 March 2007	Calendar year 2030	Calendar year 2015
31 March 2006	Calendar year 2030	Calendar year 2015
31 March 2005	Calendar year 2002	-

THE SCOTTISH MINING MUSEUM TRUST
Notes to the Financial Statements - continued
For the year ended 31 March 2009

13. Pensions - continued

Commutation

An allowance is included for 50% of future retirements to elect to take additional tax-free cash up to HMRC limits.

Analysis of amount charged to net incoming resources

Amount charged to net incoming resources	Year to 31 Mar 2009		Year to 31 Mar 2008	
	£(000)	% to pay	£(000)	% of pay
Service cost	9	13.0%	16	20.2%
Past service cost	-	-	-	-
Curtailment and settlements	-	-	-	-
Decrease in irrecoverable surplus	-	-	-	-
Total operating charge (A)	9	13.0%	16	20.2%
Amount credited to incoming resources	Year to 31 Mar 2009		Year to 31 Mar 2008	
	£(000)	% to pay	£(000)	% of pay
Expected return on employer assets	23	31.2%	22	28.4%
Interest on pension scheme liabilities	(19)	(26.4%)	(17)	(21.8%)
Net return (B)	4	5.5%	5	6.6%
Net revenue account cost (A) - (B)	5	7.5%	11	13.6%
Actual return on plan assets	(54)		(8)	

Movements in surplus/(deficit) during the year

	Year to 31 Mar 2009 £(000)	Year to 31 Mar 2008 £(000)
Opening defined benefit obligation	267	306
Current service cost	9	16
Interest cost	19	17
Contributions by members	4	5
Actuarial losses / (gains)	(39)	(74)
Estimated benefits paid	(3)	(3)
Closing defined benefit obligation	257	267

Reconciliation of fair value of employer assets

	Year to 31 Mar 2009 £(000)	Year to 31 Mar 2008 £(000)
Opening fair value of employer assets	306	298
Expected return on assets	23	22
Contributions by members	4	5
Contributions by the employer	14	15
Actuarial gains / (losses)	(88)	(31)
Benefits paid	(3)	(3)
Closing fair value of employer assets	256	306

THE SCOTTISH MINING MUSEUM TRUST

Notes to the Financial Statements - continued

For the year ended 31 March 2009

13. Pensions - continued

Amounts for the current and previous accounting periods

		Year to 31 Mar 2009 £(000)	Year to 31 Mar 2008 £(000)
Fair Value of Employer Assets		256	306
Present Value of Defined Benefit Obligation		(257)	(267)
Surplus / (Deficit)		(1)	39
Experience Gains / (Losses) on Assets		(88)	(30)
Experience Gains / (Losses) on Liabilities		7	-

Amounts for the current and previous accounting periods

	Year to 31 Mar 2009 £(000)	Year to 31 Mar 2008 £(000)	Year to 31 Mar 2008 £(000)
Fair Value of Employer Assets	298	-	-
Present Value of Defined Benefit Obligation	(306)	-	-
Surplus / (Deficit)	(8)	-	-
Experience Gains / (Losses) on Assets	2	-	-
Experience Gains / (Losses) on Liabilities	-	-	-

Analysis of amount recognised in statement of financial activities

	Year to 31 Mar 2009 £(000)	Year to 31 Mar 2008 £(000)
Actuarial Gains/(losses)	(49)	43
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	-	-
Actuarial gain/(loss) recognised in SOFA	(49)	43

	Year to 31 Mar 2007 £(000)
Actuarial Gains/(losses)	30
Increase/(Decrease) in Irrecoverable Surplus Membership Fall and Other Factors	-
Actuarial Gain / (Loss) Recognised in SOFA	30

Analysis of projected amount to be charged to net incoming resources for the year to 31 March 2010

	Year to 31 Mar 2010	
	£(000)	% of pay
Projected Current Service Cost	9	10.6%
Interest on Obligation	18	22.5%
Expected Return on Plan Assets	(17)	(21.3%)
Past Service Cost	3	3.8%
Losses / (Gains) on Curtailments and Settlements	-	-
Closing Defined Benefit Obligation	13	15.6%

THE SCOTTISH MINING MUSEUM TRUST

Notes to the Financial Statements - continued

For the year ended 31 March 2009

14. Restricted funds

	Balance at 31 March 2008 £	Incoming £	Movement in resources: Outgoing & Transfers £	Balance at 31 March 2009 £
Restricted funds	7,479	240,446	(221,033)	26,892
	<u>7,479</u>	<u>240,446</u>	<u>(221,033)</u>	<u>26,892</u>

As shown on the face of the Statement of Financial Activities on page 13, a transfer between unrestricted and restricted funds was made at the year end. This was in order to reallocate costs charged against unrestricted funds in 2008 before additional specific restricted capital funding was obtained in 2008/09. This funding is restricted in nature and the grant of £70,000 receivable has been recognised in restricted income and debtors at the year end. The capital grant will be received and banked in the 2009/10 financial year once the works are completed.

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

	Fixed assets £	Other net assets £	Total £
Restricted funds	-	26,892	26,892
Unrestricted funds	2,140,111	(2,056,314)	83,797
	<u>2,140,111</u>	<u>(2,029,422)</u>	<u>110,689</u>

16. 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.

17. 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.

18. Non-audit services

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

THE SCOTTISH MINING MUSEUM TRUST

Management Information

For the year ended 31 March 2009

The following pages do not form part of the statutory financial statements which are the subject of the Independent Auditors' Report on pages 11 to 12.

THE SCOTTISH MINING MUSEUM TRUST

Detailed statement of financial activities

For the year ended 31 March 2009

	2009 £	2008 £
Income		
Donations	2,506	2,183
Donated services - volunteers	17,964	-
Scottish Executive	244,000	221,805
Museum Galleries Scotland	100,000	-
Midlothian Council	105,897	105,703
Historic Scotland	45,000	45,135
Homecoming Scotland	3,000	-
Collections Income	8,290	-
Visit Scotland	8,689	-
Coalfields Regeneration Trust	-	9,379
Scottish Museums Council	10,694	5,641
Scottish Mining Museum Collections Trust	15,000	15,626
Mining Institute of Scotland Trust	13,500	12,000
NUM Scottish Area	1,665	26
Scottish Coal Industry Special Welfare Fund	-	4,000
Digitisation Project	39,608	818
Development Officer	-	1,000
Other grants	3,602	4,128
Bank interest receivable	439	2,588
Shop sales	29,801	31,416
Admissions	47,373	48,069
Education income	6,480	2,640
Rental and hospitality income	123,508	91,218
AIMHS	-	6,515
Room hire	2,665	10,946
Beechgrove Garden income	-	50
MT Forum	-	2,500
Collections Grant	-	4,932
Other income	11,742	4,179
Total Income	841,383	632,497

THE SCOTTISH MINING MUSEUM TRUST
Detailed statement of financial activities - continued
For the year ended 31 March 2009

	2009 £	2008 £
COSTS OF GENERATING FUNDS:		
Marketing		
Wages and salaries	18,255	17,246
Marketing staff expenses	804	84
Advertising	4,163	11,498
Design and photography	1,425	1,992
Printing	3,043	5,627
Distribution and mailing	5,600	7,081
Events and promotion	6,105	15,052
	<hr/> 39,395	<hr/> 58,580
CHARITABLE EXPENDITURE:		
Opening stocks	23,517	18,941
Purchases	14,524	24,527
Closing stocks	(19,855)	(23,517)
	<hr/> 18,186	<hr/> 19,951
Wages, salaries and pension costs	337,628	330,960
Property		
Rates and water	4,945	4,776
Electricity	26,592	16,775
Gas	4,841	9,771
Insurance	26,961	22,599
Repairs and maintenance	75,461	57,888
Security	21,981	21,061
Cleaning materials	1,348	1,695
Beechgrove Garden expenditure	364	318
Hospitality and catering	22,140	-
Depreciation	24,110	24,110
	<hr/> 208,743	<hr/> 158,993
Development		
Development staff expenses	-	23
	<hr/> -	<hr/> 23
Collections		
Cultural Champions project	2,462	5,080
Education expenditure	744	1,610
Equipment maintenance	2,895	3,343
Collections Trust	10,000	10,000
Documentation	2,406	3,300
Storage	4,046	5,670
Conservation	3,018	3,149
Photographic documentation project	2,737	926
Miscellaneous	(4,193)	1,078
Significance Scheme	-	1,875
AIMHS expenditure	-	7,631
MT Forum expenditure	-	1,535
Homecoming Scotland	7,236	-
Visit Scotland	1,505	-
Coal Collections Survey	8,726	-
	<hr/> 41,582	<hr/> 45,197

THE SCOTTISH MINING MUSEUM TRUST

Detailed statement of financial activities - continued

For the year ended 31 March 2009

	2009 £	2008 £
Visitor services		
Visitor Services staff expenses	1,224	1,837
Visitor services sundry costs	716	1,890
Volunteer services	17,964	-
	<u>19,904</u>	<u>3,727</u>
Technical services		
Technical services staff expenses	110	259
Technical equipment	-	316
	<u>110</u>	<u>575</u>
Office equipment repairs and maintenance	8,274	8,532
Recruitment	2,620	2,656
Staff development	249	460
Telephone	3,473	4,443
Postage	1,694	1,267
Printing and stationery	2,645	2,458
Directors expenses	3,390	3,268
Subscriptions	803	2,598
Health and safety	200	110
Hospitality	1,802	1,879
Miscellaneous	(3,496)	1,651
Bank charges	764	1,604
Credit card commissions	1,013	1,064
	<u>23,431</u>	<u>31,990</u>
Governance Costs		
Legal and professional fees	17,839	13,705
Audit	5,792	3,950
Staff costs	4,774	-
	<u>28,405</u>	<u>17,655</u>
TOTAL EXPENDITURE	<u>717,382</u>	<u>667,651</u>
Actuarial losses / (gains) on defined benefit pension schemes	49,000	(43,000)
NET INCOMING RESOURCES FOR THE YEAR	<u>75,001</u>	<u>7,846</u>
Allocation between funds:		
Unrestricted	55,588	7,374
Restricted	19,413	472
	<u>75,001</u>	<u>7,846</u>