



**Scott-Moncrieff**  
business advisers and accountants

**NATIONAL MINING MUSEUM SCOTLAND TRUST**

**Trustees' Annual Report and Financial Statements  
For the Year Ended 31 March 2019**

**Registered Company Number SC088361**

**Registered Charity Number SC003227**

**COMPANIES HOUSE  
EDINBURGH**

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**NATIONAL MINING MUSEUM SCOTLAND TRUST**  
**Trustees' Annual Report and Financial Statements**  
**For the year ended 31 March 2019**

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# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Trustees' Annual Report

For the year ended 31 March 2019

### Objectives and activities

The mission of the National Mining Museum Scotland Trust (NMMST, "the Trust") 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. To 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 Role**

As owner and operator of the National Mining Museum Scotland (NMMS or "the museum"), based at the grade 'A' listed Lady Victoria Colliery and as one of the three leading independent industrial museums in Scotland, the Trust has continued to take a major part in the governance and ongoing development of Industrial Museums Scotland (IMS).

At its Annual General Meeting in March 2018, David Mann from the Scottish Maritime Museum, Irvine, was appointed as Chair of IMS for the following year, in succession to Mhairi Cross, the Chief Executive of NMMS, who had held that position since the previous AGM in 2017, and Bob Clark from Auchindrain Folk Museum, Argyll was appointed as Vice Chair. During the year under review IMS progressed a Scottish Government funded project focussing on conservation work across the industrial collections held by IMS member museums. One of the planned outcomes of the project is the holding of a national exhibition in the next few years. In addition to this project-based work, IMS continue to raise the profile of industrial heritage at national events and meetings. To this end IMS is represented at the Museums Galleries Scotland quarterly stakeholder meetings. The federation of IMS museums also participates each year in GOINDUSTRIAL day. The 2018 event was held on 21<sup>st</sup> July and was marked at 12 noon by a collective celebration across all the museums.

In 2018 the Keeper of NMMS took an active role in STICK (Scottish Transport and Industrial Collections Knowledge Network), in particular by assisting with the organisation of its annual conference. The Keeper was also invited to join the Board of 'Live Borders' to assist with curatorial developments in relation to the museums in this area. The Marketing and Events Manager of NMMS continued to work with Midlothian Tourism Forum and with Midlothian and Borders Tourism Action Group (MBTAG) in the promotion of Midlothian as a tourist destination, while the Education Manager participated in a range of education networks promoting STEM learning and Heritage Learning, such as the Heritage Education Forum, IMS Learning Group and the Group for Education in Museums (GEM).

## **NATIONAL MINING MUSEUM SCOTLAND TRUST**

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

**For the year ended 31 March 2019**

#### **Objectives and activities (continued)**

The Chief Executive continued to serve as a member of the Board of the Association of Independent Museums (AIM) and contributed to the organisation of their annual conference. Museum Galleries Scotland (MGS) has continued to support the museum sector and provides advice and support to NMMS when required. As an accredited museum holding a collection recognised by the Scottish Government as being of national significance, NMMS has the opportunity to apply to MGS for ring fenced funding towards the development, care and display of the collections.

#### **Related parties**

The Trust maintains a good working relationship with a wide range of partner organisations, including the Scottish Mining Museum Collection Trust ("SMMCT") as owner of most of the museum's collections. The Trust also works with other agencies and organisations in the heritage, tourism, education and economic development sectors on projects that assist the museum in achieving its objectives, including Historic Environment Scotland, National Museums Scotland, and Visit Scotland.

The Scottish Government provides revenue grants for funding the core activities of the museum and has provided capital grants for the maintenance and improvement of buildings on the Colliery site.

#### **Volunteers**

Apart from the Chief Executive, none of the trustees are remunerated. The trustees contribute their time and individual expertise voluntarily without payment. In addition to the work of the trustees the Trust is also dependent on a loyal team of volunteers who support the work of the museum by contributing significant hours of work annually to various aspects of the museum's activities including the library, collections cataloguing, gardening and technical services and in the course of which they provide considerable expertise and advice. The trustees place on record their grateful thanks to all of the volunteers for their invaluable contribution to the work and success of the museum.

#### **Achievements and Performance**

Museum visitor figures have continued to grow. There were 47,997 recorded visitors to the actual museum in the financial year 2018-19, representing an increase of almost 2% on the corresponding figure for the previous year, and the number of visitors who paid an admission fee (for the guided tour, events and exhibitions) also showed a slight increase, in particular prior to the start of the peak season. These figures take no account of "virtual" and online visitors.

After going through an extensive tendering process, the Trust appointed a new firm of contractors in June 2018 to take over the operation of the café and catering for functions held in the museum. This followed the termination of the contract held by the previous caterers and an interim period during which Midlothian Council managed the facility. The Trust is grateful to the Council for the considerable assistance that they provided. The immediate results of the new appointment were encouraging, reflected in the fact that in August and September 2018 visitor numbers were almost double those in the corresponding period in the previous year.

The promotion of the museum was boosted by the re-design of the general advertising leaflet in March 2018 for the new season. Sixty thousand leaflets were distributed to sites within a ninety-minute drive of Newtongrange, accompanied by the launch of an advertisement campaign across a range of publications including the Midlothian Advertiser, Esk Valley View, and Tie the Knot magazine, while an advertorial feature was placed in East Lothian Life magazine to promote NMMS as a tourist destination.

# **NATIONAL MINING MUSEUM SCOTLAND TRUST**

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

**For the year ended 31 March 2019**

### **Achievements and Performance (continued)**

The Trustees have been aware of the need to review the museum's strategic plans and of the continuing need to address the condition of the buildings and how they may be used or interpreted in the future. To this end NMMS successfully applied for a grant from the National Heritage Lottery Resilience Fund and the Borders Blueprint Fund towards the cost of commissioning the preparation of key strategic documents including a new Strategic Plan, Business Plan, Asset Strategy and Maintenance Plan and it is expected that consultants for this project will be appointed in late 2019.

### **The Building Estate**

The repair and maintenance of the Colliery estate and its care and protection for the future remain a priority for the Trust. In the summer of 2018, the Chief Executive worked with the Royal Bank of Scotland (RBS) MENTOR team in the carrying out of a comprehensive health and safety audit of the museum's entire estate, to ensure compliance with statutory standards. The work included a review of the Fire Risk Assessment, broken down into six areas across the estate, with financial support from the Scottish Government for the improvement of fire safety standards.

The Scottish Government also awarded a grant of £40,000 towards the cost of refurbishing the Power House, which serves as the museum's main function space. The work that was carried out included installation of a new wooden floor, painting and conservation of the Beam Engine. These improvements should enable the museum to attract more bookings for weddings and other functions.

### **Visitor Experience**

The tour guides continue to be a positive feature of the visitor attraction and the museum receives good positive feedback from visitors following their tours. The guides play a key role in the visitor experience by bringing an element of living history to the museum that visitors can engage with. Building on such experiences the museum created an excellent, award winning education project entitled 'Apprentice Guides' which enabled young people from the local area and school groups to experience a guided tour, led by their own peer group. This project was supported by the National Lottery Awards for All fund and tours were delivered to over 200 school children.

In order to promote the museum in the local area as a preferred venue for weddings and other functions, the museum held its first wedding fair in April 2018 which was attended by about 100 potential customers and a number of bookings were taken on the day. The museum's events programme continued to be a success and to attract new audiences, with seasonal events being particularly attractive. The museum continues to support local initiatives such as the Gala Day in June and Doors Open Day in September. These events help the museum to promote its own marketing material and to attract further visitors. The Doors Open Day brought approximately 600 visitors, with some participating in unique tours of the undercroft area of the Colliery.

The Trust welcomes the support of the Friends of the National Mining Museum Scotland and recognises the value of the "Friends" programme of Friday morning talks and other initiatives. The talks attract good audiences, usually of between 30 and 50 people, and cover an interesting range of historical and heritage related topics.

## **NATIONAL MINING MUSEUM SCOTLAND TRUST**

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

**For the year ended 31 March 2018**

#### **Collections and Curatorial Care**

As already mentioned, the ownership of most of the museum's collections is vested in the Scottish Mining Museum Collection Trust (SMMCT) which is a separately constituted charitable trust, the purpose of which is to safeguard the collections and maintain an overview of collections care. Its collections are managed and cared for by the museum pursuant to the terms of a long-term management agreement between SMMCT and NMMST which also provides for the display by the museum of items in the collections. The day to day management and care of the collections is undertaken by the museum's curatorial staff, assisted by a team of collections volunteers. A member of the curatorial staff attends meetings of the SMMCT's Trustees.

At the end of October 2018, the then Keeper left the museum to take up a new position with National Museums Scotland. The vacant post was reviewed and the job title was changed to 'Curator' to reflect the museum's aspirations in relation to the promotion of exhibitions in the museum and the development of more partnership working with other museums, curators and academics.

During the year under review the curatorial team worked closely with Strathclyde University, Glasgow University and Stirling University, to support research projects relating to the history of the mining industry.

Work has continued on accessioning items to the museum's collections, which include artefacts, photographs and books; on improving collections' documentation through the addition of photographs of individual items; on the care and storage of the collections; and on the rationalisation of the museum's collection of maps and plans. Work on the conservation, and refurbishment of two colliery 'pug' locomotives was progressed by the Scottish Railway Preservation Society (SRPS) at Bo'ness under the partnership agreement between NMMST and SRPS, funded by MGS, and upon completion in the course of 2019 the two locomotives will be put on display at the museum within the Colliery complex.

The considerable contribution made by volunteers to the work of the Curatorial department is recognised and greatly valued by the Trustees and by the museum's staff. During the year under review the Curatorial department had an average of 19 volunteers assisting with projects and database management. The museum continues to attract a new and diverse range of volunteers.

Although it is recognised that the collections themselves as well as the colliery buildings still require a considerable investment of resources, the museum's commitment to best practice industry standards and partnership working makes a contribution towards the following Scottish Government National Outcomes:

- 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 and enhance it for future generations.
- We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.

## NATIONAL MINING MUSEUM SCOTLAND TRUST

### Trustees' Annual Report - continued

For the year ended 31 March 2019

#### Achievements and Performance (continued)

##### **Staff**

The Education Manager post was created to strategically support the education provision in the museum, with a particular focus on STEM subjects, the curriculum for excellence, outreach, lifelong learning and creating new resources for Scottish communities that have a mining heritage. These priorities are in keeping with the National Outcomes set out by the Scottish Government that include:

- We value and enjoy our built and natural environment and protect and enhance it for future generations.
- Our young people are successful learners, confident individuals, effective contributors and responsible citizens.
- We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others. Our public services are high-quality, continually improving, efficient and responsive to local people's needs.

During the previous financial year, the Education Manager successfully applied to Event Scotland for a grant of £20,000 towards the cost of delivering and supporting a programme of activities for and by young people focussed on 'Scotland's Year of Young People 2018.' Advance planning started in the previous financial year and the project was developed largely through the creation of a youth panel. The programme of activities included a Youth Brass Band event with over 400 participants, enabling young people from across Scotland to showcase their musical skills. In July 2018 Scotland's First Minister, Nicola Sturgeon, opened the exhibition 'Coal Generation, Queens, Teens and life outside the Mines.' As an indication of the success and impact of the programme of events, the museum's Year of Young People youth panel were the recipient of the Midlothian 'Year of Young People' award.

The Education Manager also developed a new outreach programme to widen access to the museum's activities and events. Activity partners include Newbattle Abbey College, Mavisbank Development Trust and Y2K. During the year under review the museum continued to participate in the 'Powering Up' partnership project with National Museums of Scotland (NMS), focussed on renewable energy, which was delivered to 10 schools in the area and produced excellent feedback from those who took part. The museum intends to continue to deliver this project in the future.

The Commercial and Audience Development Manager conducted a series of audience surveys during the year in order to gain a better understanding of the profile of the museum's visitors. This established that a significant proportion of visitors have a family connection to the mining industry or have a specific interest in history. The Commercial and Audience Development Manager also made significant improvements to the stocking of the museum shop to ensure that a choice of good quality items are available to purchase. In particular, the reproduction miners' lamps are popular with both local and overseas visitors.

In 2018 the Scottish Government agreed to fund for one year the creation of the temporary post of Fundraising and Sponsorship Officer to assist the museum to develop funding applications and other opportunities. This enabled the museum to pursue applications to Museum Galleries Scotland, the Scottish Government, and Midlothian and Borders Tourism Action Group and also to conduct research into legacy funding by museums. The Trust intends to build on this work for the future.

Across the whole of its staff, the museum's policy and practice is to contribute to the following Scottish Government National Outcomes:

- Our public services are high-quality, continually improving, efficient and responsive to local people's needs.
- Our young people are successful learners, confident individuals, effective contributors and responsible citizens.
- We are better educated, more skilled and more successful, renowned for our research and innovation.

## **NATIONAL MINING MUSEUM SCOTLAND TRUST**

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

**For the year ended 31 March 2019**

#### **Financial review**

The audited financial statements for the year to 31 March 2019 show total incoming resources of £831,518. The equivalent figure in 2018 was £846,820.

The core operating surplus on unrestricted funds for the year to 31 March 2019, before applying a charge of £4,147 in relation to the unwinding of the Lothian Pension Fund (LPF) discount, is £44,583 (2018: deficit of £45,096). Total core unrestricted funds carried forward are £867,623 (2018: £827,187).

#### **Reserves policy**

Free reserves represent that part of the Trust's income funds that are 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.

The unrestricted funds held as net current assets at 31 March 2019 were £228,902 (2018: £176,941) as shown at note 21 to the financial statements.

As explained in note 19, the Trust has ceased to be an employing authority in the Lothian Pension Fund (LPF). The Trust's pension deficit liability is £179,840 (2018: £188,488).

#### **Risk management**

The key risks facing the Trust include financial stability, given the museum's dependence on public sector funding, and the maintenance and upkeep of its estate, including the grade 'A' listed Colliery and its other buildings. The commissioning of the Asset Strategy and Maintenance Plan already mentioned should assist the Trust in address issues regarding its estate. The Board has prepared cash flow forecasts to 31 March 2020 and has continued to make instalment repayments to Lothian Pension Fund in terms of the repayment agreement previously negotiated with respect to the pension deficit liability. The Trust plans to seek external funding towards the repair and maintenance of the buildings comprised in the Colliery estate. The Trust continues to pursue initiatives to raise the profile of the museum, promote its facilities, and exploit opportunities.

#### **Plans for future periods**

##### **Strategic Developments for the Museum**

The Chief Executive keeps abreast of developments in the museum sector through her contacts with Museum Galleries Scotland and her participation in the affairs of the Association of Independent Museums and of Industrial Museums Scotland. She also continues to keep the Scottish Government informed of the development of the museum and its future plans. As already mentioned the suite of strategic documents to be commissioned will include a new Strategic Plan.



# **NATIONAL MINING MUSEUM SCOTLAND TRUST**

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

**For the year ended 31 March 2019**

### **Plans for future periods (continued)**

#### **Financial Sustainability**

As already referred to, guided tours are one of the key attractions of the museum. Admission charges constitute the majority of the income generated from the operation of the museum and are kept under regular review having regard to various factors including the rate of inflation. Rents received from those parts of the museum estate let to occupational tenants, which include most of the former NCB workshop buildings, also provide significant income.

As referred to earlier in this report, the retail offer in the museum shop has been improved during the year under review, by re-focussing the selection and presentation of stock to better reflect the visitor profile. The shop has received excellent feedback throughout the year.

The appointment of the new caterers also referred to earlier followed a review of the museum's catering operation including catering for wedding and other functions. The contract that was negotiated provides for payment of a fixed amount of rent for the use of the museum's facilities together with a percentage of gross sales.

### **Structure, governance and management**

#### **Organisational structure**

National Mining Museum Scotland Trust ("the Trust") is constituted as a charitable company limited by guarantee registered in Scotland and is subject to the provisions of the Companies Act 2006 and of the Charities and Trustee Investment (Scotland) Act 2005.

Its charitable purposes as set out in its Memorandum of Association are to establish and promote the museum and to preserve, conserve and maintain the buildings of historical or architectural importance comprised in the Lady Victoria Colliery, Newtongrange, Midlothian, as part of the museum. The direction of the Trust's affairs is vested in a Board of Trustees who act both as charity trustees and as company directors. In terms of its Articles of Association the Board consists of not more than sixteen elected or appointed trustees and in addition the Chief Executive, who is a paid employee, is a trustee ex officio. As at 31 March 2019 ten trustees, in addition to the Chief Executive, had been elected or appointed and remained in office at that date.

During the year ended 31 March 2019, three trustees resigned, namely Ian Johnson on 31 October 2018, Ann Southwood on 27 November 2018 and James Glen Waddell on 31 January 2019. No additional trustees were appointed during the year. The Board of Trustees defines the Trust's Mission, Vision Statement and Strategic Aims; determines and directs the strategy and policy of the Trust; seeks to ensure the fulfillment of the Trust's mission, stated vision and aims; promotes and develops the Trust's relationship with the Scottish Government, Midlothian Council and other governmental bodies; reviews the Trust's funding and financial performance; and seeks to ensure compliance with the Trust's statutory and other obligations. The Board meets at quarterly intervals. A representative of the Company Secretaries normally attends all meetings of the Board to provide guidance on legal and governance matters but has no voting rights.

The Chief Executive heads the museum's management team and is responsible to the Board for the management and performance of the museum and its staff.

# **NATIONAL MINING MUSEUM SCOTLAND TRUST**

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

**For the year ended 31 March 2019**

### **Governance**

Subject to the terms of the Articles of Association of the Trust, the Board has power to delegate certain matters to committees of the Board.

As at 31 March 2019 the Board had one standing committee in place, namely the Audit and Finance Committee. This is charged with particular responsibility for overseeing the annual audit process and preparation of the Trust's Annual Report and Accounts, overseeing the preparation of annual budgets, overseeing the Risk Management process, reviewing on a regular basis the Trust's financial performance against budgets, and undertaking such other tasks as are delegated to it by the Board. This committee consists of a number of trustees, chaired by a senior member of the Board, and meets on a regular basis, generally at intervals of approximately two to three months. The Chief Executive and a representative of the Company Secretaries normally attend all of its meetings and it reports to meetings of the full Board.

Ad hoc committees of the Board are set up from time to time, as required, in order to consider specific matters, such as where immediate action may have to be taken or where detailed consideration may be needed out-with the scope of regular Board meetings. The Board takes responsibility for determining the process of assessing potential recruits to the Board before a decision is taken to appoint or co-opt a new trustee. The Company Secretaries are directed to provide any newly recruited trustee with copies of relevant documentation including the Memorandum and Articles of Association, recent Annual Reports and Accounts, and an explanatory note on the legal and regulatory status of the Trust.

The Board previously took advice from external consultants on the procedure for appraisal of the performance of the Chief Executive and the review of her pay and remuneration. The matter was subsequently delegated by the Board to the Audit and Finance Committee. The chair of that committee and another senior trustee were appointed to undertake the appraisal, for signing off by the Board chairman on behalf of the Board.

### **Conclusion**

As already referred to elsewhere in this report, the Trust is commissioning the preparation of a new Strategic Plan and other key plans for the museum. These will be expected to inform the Board's determination of the future direction of the museum including the management and development of its estate and of the role of the museum in the context of climate change, fossil fuels and renewable energy.

# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Trustees' Annual Report - continued

For the year ended 31 March 2019

### Reference and administrative details

<b>Company registration number</b>	SC088361
<b>Charity registration number</b>	SC003227
<b>Directors/Trustees</b>	Rt Hon H B McLeish E L Clarke J W Allan R Y Anderson C Beattie D A Canavan R Dodds D Seath J G Waddell (resigned 31 January 2019) I Johnson (resigned 31 October 2018) M J Cross (ex officio) H M Goffin (resigned 30 September 2019) D Hamilton A Southwood (resigned 27 November 2018) T Craggs (appointed 15 April 2019) A Boyd (appointed 30 September 2019) C Brien (appointed 30 September 2019)
<b>Chief Executive</b>	M J Cross
<b>Company secretary</b>	Thorntons Law LLP
<b>Registered and Principal Office</b>	National Mining Museum Scotland Lady Victoria Colliery Newtongrange Midlothian EH22 4QN
<b>Auditor</b>	Scott-Moncrieff Exchange Place 3 Sempie Street Edinburgh EH3 8BL
<b>Bankers</b>	The Royal Bank of Scotland plc 36 St Andrew Square Edinburgh EH2 2YE
<b>Solicitors</b>	Thorntons Law LLP Citypoint, 65 Haymarket Terrace Edinburgh EH12 5HD

## **NATIONAL MINING MUSEUM SCOTLAND TRUST**

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

**For the year ended 31 March 2019**

#### **Acknowledgements**

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

Scottish Government

Museums Galleries Scotland

The Mining Institute of Scotland Trust

The Friends of the National Mining Museum Scotland Trust

The Scottish Mining Museum Collection Trust

The Volunteers of the National Mining Museum Scotland Trust

Heritage Lottery Fund

Midlothian and Borders Tourism Action Group

Events Scotland

National Lottery Heritage Fund

Midlothian Council

STICK

AIM

Visit Scotland

IMS

# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Trustees' Annual Report - continued

For the year ended 31 March 2019

### 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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.

### Small company exemptions

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

### Auditor

A resolution to re-appoint Scott-Moncrieff as auditor 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 9 DECEMBER 2019 by: IAN KARLHEINZ FRASER, Partner



Thorntons Law LLP  
Company Secretary

Registered Office:  
Lady Victoria Colliery  
Newtongrange  
EH22 4QN

## **NATIONAL MINING MUSEUM SCOTLAND TRUST**

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

**For the year ended 31 March 2019**

#### **Opinion**

We have audited the financial statements of National Mining Museum Scotland Trust for the year ended 31 March 2019 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2019 and of 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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and the provisions applicable for small entities, in the circumstances set out in note 25 to the financial statements, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **NATIONAL MINING MUSEUM SCOTLAND TRUST**

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

**For the year ended 31 March 2019**

#### **Other information**

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

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- The Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

## NATIONAL MINING MUSEUM SCOTLAND TRUST

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

For the year ended 31 March 2019

#### Responsibilities of the trustees

As explained more fully in the Trustees' responsibilities statement set out on page 11, the Trustees (who are the directors for the purposes of company law and trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditor's responsibilities for the audit of the financial statements

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 the Acts and relevant regulations made or having effect thereunder.

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

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

#### Use of our report

This report is made solely to the Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the Trust's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the Trust's members, as a body, and the Trust's Trustees, as a body, 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 Trust, the Trust's members, as a body, and the Trust's Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

*Michael Harkness*

**Michael Harkness, Senior Statutory Auditor**

**For and on behalf of**

**Scott-Moncrieff, Statutory Auditor**

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Chartered Accountants

Exchange Place 3

Seemple Street

Edinburgh

EH3 8BL

9/12/19



# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Statement of Financial Activities

(incorporating the Income and Expenditure Account)

For the year ended 31 March 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
<b>Income and endowments from:</b>					
Donations and legacies	4	455,466	117,744	573,210	630,219
Charitable activities	5	62,694	-	62,694	53,032
Income from other trading activities	6	195,578	-	195,578	163,562
Investments		36	-	36	7
<b>Total</b>		<u>713,774</u>	<u>117,744</u>	<u>831,518</u>	<u>846,820</u>
<b>Expenditure on:</b>					
Raising funds	7	166,953	-	166,953	178,969
Charitable activities:	8	502,238	85,872	588,110	634,602
		<u>669,191</u>	<u>85,872</u>	<u>755,063</u>	<u>813,571</u>
Other expenditure					
- Unwinding of LPF deficit	19	4,147	-	4,147	4,184
<b>Total</b>		<u>673,338</u>	<u>85,872</u>	<u>759,210</u>	<u>817,755</u>
<b>Net income</b>	12	40,436	31,872	72,308	29,065
<b>Reconciliation of funds:</b>					
Total funds brought forward		827,187	122,032	949,219	920,154
<b>Total funds carried forward</b>	20	<u>867,623</u>	<u>153,904</u>	<u>1,021,527</u>	<u>949,219</u>

The Trust has no recognised gains or losses other than the results for the year as set out above.  
All of the activities of the Trust are classed as continuing.

The notes on pages 18 to 33 form part of these financial statements

# NATIONAL MINING MUSEUM SCOTLAND TRUST

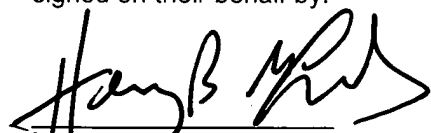
## Balance Sheet

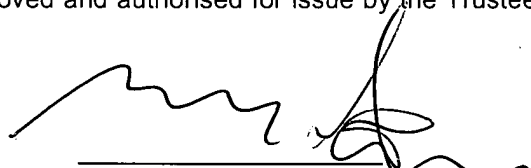
As at 31 March 2019

	Notes	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Tangible assets	13		806,041		826,214
<b>Current assets</b>					
Stocks	14	16,700		8,965	
Debtors	15	61,211		144,585	
Cash at bank and in hand		400,683		240,135	
			<u>478,594</u>	<u>393,685</u>	
<b>Creditors:</b> amounts falling due within one year	16	(95,788)		(94,712)	
<b>Net current assets</b>			<u>382,806</u>	<u>298,973</u>	
<b>Net assets less current liabilities</b>			<u>1,188,847</u>	<u>1,125,187</u>	
<b>Pension scheme liability:</b> falling due in more than one year	19	(167,320)		(175,968)	
<b>Total net assets</b>	21		<u><u>1,021,527</u></u>	<u><u>949,219</u></u>	
<b>The funds of the charity:</b>					
Restricted	20		153,904	122,032	
Unrestricted			867,623	827,187	
<b>Total charity funds</b>			<u><u>1,021,527</u></u>	<u><u>949,219</u></u>	

These accounts have been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

These financial statements were approved and authorised for issue by the Trustees on **9 DECEMBER 2019** and are signed on their behalf by:

  
Rt Hon W B McLeish

  
R Y Anderson

Registered Company Number: SC088361

The notes on pages 18 to 33 form part of these financial statements

**NATIONAL MINING MUSEUM SCOTLAND TRUST**

**Statement of Cash Flows**

**For the year ended 31 March 2019**

	<b>Notes</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	<b>27</b>	160,512	(26,119)
<b>Cash flows from investing activities</b>			
Interest received		36	7
<b>Net cash provided by investing activities</b>		<u>36</u>	<u>7</u>
<b>Change in cash and cash equivalents in the year</b>		<b>160,548</b>	<b>(26,112)</b>
Cash and cash equivalents at beginning of the year		240,135	266,247
Cash and cash equivalents at end of the year		<u><u>400,683</u></u>	<u><u>240,135</u></u>
<b>Analysis of cash and cash equivalents</b>			
Cash at bank		<u><u>400,683</u></u>	<u><u>240,135</u></u>
<b>Being:</b>			
Unrestricted		253,529	107,672
Restricted		147,154	132,463
		<u><u>400,683</u></u>	<u><u>240,135</u></u>

The notes on pages 18 to 33 form part of these financial statements

# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Notes to the Financial Statements

For the year ended 31 March 2019

### 1. Accounting Policies

#### General Information

National Mining Museum Scotland Trust (SC088361) is a company limited by guarantee and not having share capital. The registered address is Lady Victoria Colliery, Newtongrange, EH22 4QN. The principal activity of the Trust is the preservation and promotion of Scotland's Mining Heritage for current and future generations.

#### Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard 102, as issued by the Financial Reporting Council, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)", the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

National Mining Museum Scotland Trust meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transition value unless otherwise stated in the relevant accounting policy.

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the Trust's transactions are denominated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

#### Going concern

The Trustees are of the opinion that the charitable company can meet its obligations as they fall due for the foreseeable future. The Trustees are aware of the Trust's cash flow position and forecasts and are satisfied that these are reasonable. On this basis the Trustees consider it appropriate to prepare the financial statements on the going concern basis.

#### Recognition and allocation of income

Income is recognised when the Trust has legal entitlement to the funds, the receipt is probable and the amount can be measured reliably. Where practicable, income is related to the operating activities of the Trust.

#### *Voluntary income*

Donations are included in the Statement of Financial Activities in the year in which the Trust has entitlement to the funds, any performance conditions attached have been met, it is probable that the income will be received and the amount can be measured reliably.

#### *Grants received*

Income from grants, including capital grants, is included in incoming resources when the Trust has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. The exception to this is where the Trust has to fulfil conditions before becoming entitled to the grant or where the donor has specified that income is to be expended in a future period. In these circumstances income is deferred until those periods.

# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Notes to the Financial Statements – continued

For the year ended 31 March 2019

### 1. Accounting Policies (continued)

#### Recognition and allocation of income (continued)

##### *Interest received*

Interest is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the Bank.

##### *Income from Trading Activities*

Retail income is recognised from the point of sale. Hospitality income is recognised at the date of the event. Rental income is recognised in line with the rental agreement.

#### Resources expended

Resources expended are recognised when a legal or constructive obligation arises. Where possible, expenditure has been charged directly 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:

- Raising 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.

#### Fixed assets and depreciation

Fixed assets are stated at cost, less any provision for impairment.

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 the assets are not held on the balance sheet as cost information is not readily available and the Trustees believe the benefits of obtaining valuations for these items would not justify the cost and would not be sufficiently reliable to provide a meaningful indication of value.

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 13 to these financial statements.

#### Stocks

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

# **NATIONAL MINING MUSEUM SCOTLAND TRUST**

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

**For the year ended 31 March 2019**

### **1. Accounting Policies (continued)**

#### **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. The final member of this scheme has now retired, and the cessation deficit is being repaid over the next 17 years.

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.

#### **Debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally invoice price, less any allowances for doubtful debts.

#### **Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and balance with banks.

#### **Creditors**

Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

#### **Funds**

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

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.

#### **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.

#### **Financial assets and financial liabilities**

Financial instruments are recognised in the balance sheet when the Trust becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price. Subsequent to initial recognition, they are accounted for as set out below.

# **NATIONAL MINING MUSEUM SCOTLAND TRUST**

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

**For the year ended 31 March 2019**

### **1. Accounting Policies – continued**

#### **Financial assets and financial liabilities (continued)**

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS102. The Trust only enters into basic financial instruments.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest rate method.

Financial assets are derecognised when the contractual rights to the cash flows from the asset to expire, or when the Trust has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

### **2. Critical judgements and estimates**

In preparing the financial statements trustees make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The recognition of the provision for maintenance liabilities has been considered against the criteria set out in section 21 of FRS 102, and the Trustees' have determined that a provision is not required.

# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Notes to the Financial Statements – continued

For the year ended 31 March 2019

### 3. Comparative statement of financial activities for the year ended 31 March 2018

	Unrestricted Funds £	Restricted Funds £	Total 2018 £
<b>Income and endowments from:</b>			
Donations and legacies	487,827	142,392	630,219
Charitable activities	53,032	-	53,032
Income from other trading activities	163,562	-	163,562
Investments	7	-	7
<b>Total</b>	<u>704,428</u>	<u>142,392</u>	<u>846,820</u>
<b>Expenditure on:</b>			
Raising funds	178,969	-	178,969
Charitable activities:			
- Education	49,114	24,644	73,758
- Visitors services	302,285	-	302,285
- Collections	219,156	39,403	258,559
Other expenditure			
- - Unwinding of LPF deficit	4,184	-	4,184
<b>Total</b>	<u>753,708</u>	<u>64,047</u>	<u>817,755</u>
<b>Net (expenditure)/income</b>	<u>(49,280)</u>	<u>78,345</u>	<u>29,065</u>
Net movement in funds	<u><u>827,187</u></u>	<u><u>122,032</u></u>	<u><u>949,219</u></u>



# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Notes to the Financial Statements – continued

For the year ended 31 March 2019

### 4. Donations and legacies

2019	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Donations and legacies	466	861	1,327
<b>Grants:</b>			
Scottish Government	455,000	33,000	488,000
Museums Galleries Scotland	-	13,569	13,569
Visit Scotland	-	3,501	3,501
Mining Institute of Scotland Trust	-	33,500	26,750
Heritage Lottery Fund	-	31,150	31,150
Other grants	-	2,163	2,163
	<u>455,466</u>	<u>117,744</u>	<u>566,460</u>
<b>2018</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2018 £</b>
Donations and legacies	2,827	115	2,942
<b>Grants:</b>			
Scottish Government	485,000	73,000	558,000
Museums Galleries Scotland	-	5,749	5,749
Visit Scotland	-	21,578	21,578
Mining Institute of Scotland Trust	-	23,500	23,500
Collections Trust	-	15,500	15,500
Other grants	-	2,950	2,950
	<u>487,827</u>	<u>142,392</u>	<u>630,219</u>

# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Notes to the Financial Statements – continued

For the year ended 31 March 2019

### 5. Income from charitable activities

#### Visitor services 2019

	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Admissions	47,889	-	47,889
Other income	14,805	-	14,805
	<u>62,694</u>	<u>-</u>	<u>62,694</u>

#### 2018

	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Admissions	46,630	-	46,630
Other income	6,402	-	6,402
	<u>53,032</u>	<u>-</u>	<u>53,032</u>

### 6. Income from other trading activities

#### 2019

	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Shop sales	27,795	-	27,795
Rental and hospitality income	167,783	-	167,783
	<u>195,578</u>	<u>-</u>	<u>195,578</u>

#### 2018

	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Shop sales	24,251	-	24,251
Rental and hospitality income	139,311	-	139,311
	<u>163,562</u>	<u>-</u>	<u>163,562</u>

# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Notes to the Financial Statements – continued

For the year ended 31 March 2019

### 7. Raising funds

2019	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Wages and salaries	153,062	-	153,062
Stock movements and purchases	13,891	-	13,891
	<u>166,953</u>	<u>-</u>	<u>166,953</u>
2018	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Wages and salaries	152,318	-	152,318
Stock movements and purchases	26,651	-	26,651
	<u>178,969</u>	<u>-</u>	<u>178,969</u>

### 8. Charitable activities

2019	Education £	Collections £	Visitor services £	Total 2019 £
Property	16,480	54,982	70,610	142,072
Technical services	42	141	181	364
Marketing	4,435	14,795	19,001	38,231
Support costs	5,496	18,335	23,545	47,376
Governance costs (Note 9)	4,657	15,537	19,953	40,147
Project costs	-	54,117	12,858	66,975
Staff costs	41,860	73,193	137,892	252,945
	<u>72,970</u>	<u>231,100</u>	<u>284,040</u>	<u>588,110</u>
2018	Education £	Collections £	Visitor services £	Total 2018 £
Property	18,232	60,824	78,113	157,169
Technical services	110	368	472	950
Marketing	2,411	8,042	10,328	20,781
Support costs	4,522	15,088	19,377	38,987
Governance costs (Note 9)	3,488	11,637	14,945	30,070
Project costs	123	69,011	2,606	71,740
Staff costs	44,872	93,589	176,444	314,905
	<u>73,758</u>	<u>258,559</u>	<u>302,285</u>	<u>634,602</u>

Support costs relate to management and administration costs.

# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Notes to the Financial Statements – continued

For the year ended 31 March 2019

### 9. Governance costs

	2019 £	2018 £
Audit and accountancy	12,415	4,975
Legal and professional fees	20,252	18,143
Staff costs	7,480	6,952
	<u>40,147</u>	<u>30,070</u>

Governance costs include external audit fees of £3,770 (2018: £3,660).

### 10. Staff costs

The aggregate payroll costs were:

	2019 £	2018 £
Wages and salaries	380,914	431,047
Social security costs	17,693	27,075
Pension costs	14,880	16,054
	<u>413,487</u>	<u>474,176</u>

Defined contribution pension costs of £1,902 (2018: £1,926) were payable at the year-end.

During the year, the number of employees whose total remuneration exceeded £60,000 were as follows:

Band (£)	2019 £	2018 £
60,000 – 70,000	1	-

#### Particulars of employees:

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

	2019 No	2018 No
Number of:		
Education staff	1	1
Collections staff	1	1
Visitor services staff	15	15
Marketing staff	2	1
Property, technical and maintenance staff	5	7
Administration staff	2	3
	<u>26</u>	<u>28</u>

The trustees consider the Chief Executive of the Museum to be 'key management personnel.' The Chief Executive remuneration is disclosed within Note 11.

# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Notes to the Financial Statements – continued

For the year ended 31 March 2019

### 11. 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 2019 and 31 March 2018, 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 and social security contributions were:

	2019 £	2018 £
Remuneration	61,769	57,065
Pension contributions	5,966	5,707
Social Security contributions	7,068	6,748
	<u>74,803</u>	<u>69,520</u>

During the year a total of £2,454 (2018: £3,552) of expenses was reimbursed to the trustees for travel and meeting attendance.

### 12. Operating surplus

	2019 £	2018 £
<b>Net income is stated after charging:</b>		
Auditor's remuneration (including expenses) - audit	3,770	3,660
- non-audit	8,645	1,315
Depreciation of tangible fixed assets	20,173	20,173

# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Notes to the Financial Statements – continued

For the year ended 31 March 2019

### 13. Fixed assets

	Land and Buildings £	Computer Equipment £	Total £
<b>Cost</b>			
At 1 April 2018 and at 31 March 2019	955,806	39,580	995,386
<b>Depreciation</b>			
At 1 April 2018	132,300	36,872	169,172
Charge for year	18,900	1,273	20,173
At 31 March 2019	151,200	38,145	189,345
<b>Net Book Value</b>			
As at 31 March 2019	804,606	1,435	806,041
As at 31 March 2018	823,506	2,708	826,214

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 relative 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 relative 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 (excluding the heritage assets) 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. On transition to FRS 102, these valuations have been taken as deemed cost.

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.

# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Notes to the Financial Statements – continued

For the year ended 31 March 2019

### 14. Stocks

	2019 £	2018 £
Goods for resale	16,700	8,965

### 15. Debtors

	2019 £	2018 £
Trade debtors	20,740	13,470
Other debtors	9,600	107,135
Prepayments and accrued income	30,871	23,980
	<u>61,211</u>	<u>144,585</u>

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

	2019 £	2018 £
Trade creditors	56,145	23,362
Other taxes and social security costs	13,750	12,414
Accruals and deferred income	13,373	46,416
Defined benefit pension scheme liability (Note 19)	12,520	12,520
	<u>95,788</u>	<u>94,712</u>

### Deferred income

	2019 £
Opening balance at 1 April 2018	2,032
Released in the year	(2,032)
Closing balance at 31 March 2019	<u>-</u>

Deferred income relates to rental income and grant income received in advance.

### 17. Contingent liability

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 the Scottish Ministers.

In March 2016, the Trustees received a report from LDN architects detailing the capital and maintenance work to be undertaken over the next ten years. The probability of this maintenance being enforced is considered to be low by the Trustees but if it were to be enforced, the estimated value of work in relation to the site Lady Victoria Colliery and the colliery buildings amounts to £1.29m.

# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Notes to the Financial Statements – continued

For the year ended 31 March 2019

### 18. Financial assets and liabilities

	2019 £	2018 £
Financial assets at amortised cost	434,116	357,884
Financial liabilities at amortised cost	(254,233)	(260,119)

Financial assets at amortised cost comprise cash at bank, trade debtors, other debtors and accrued income, all due within one year.

Financial liabilities comprise trade creditors, accruals and defined benefit pension deficit, all due within one year and the defined benefit pension deficit due within more than one year.

### 19. Pensions

The National Mining Museum ("the Employer") ceased to be an employing authority in the Lothian Pension Fund ("the Fund") on 31 March 2016.

An agreement is in place with Lothian Pension Fund to repay the cessation deficit in equal instalments over the next 18 years. Discounting the cash flows at 2.20% to net present value, the amount payable is:

	2019 £	2018 £
Due within one year (note 16)	12,520	12,520
Due within 2-5 years	47,440	47,440
Due in more than 5 years	119,880	128,528
	<u>179,840</u>	<u>188,488</u>

Discounting to present value created a credit to the Statement of Financial Activities of £4,184 in 2018. This discount will be unwound over the duration of the repayment term, which led to a charge of £4,147 in 2019.



# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Notes to the Financial Statements – continued

For the year ended 31 March 2019

### 20. Restricted funds

2019	Balance at 1 April 2018 £	Income £	Expenditure £	Balance at 31 March 2019 £
Security and clean-up	28	-	-	28
Effective collections	6,702	-	-	6,702
Digitalisation	578	-	-	578
Education	4,777	33,500	(25,180)	13,097
Curatorial	500	-	-	500
Library Fund	90	-	-	90
Friends	(749)	-	(50)	(799)
Transformers Project	290	-	-	290
Boiler House Project	1,186	-	(22)	1,164
Crafting the Mine Project	(326)	-	-	(326)
Education and exhibition facilities	87,569	28,000	(28,560)	87,009
Fire safety	-	5,000	-	5,000
Under the Croft	2,329	861	-	3,190
Event Scotland	16,356	3,501	(18,163)	1,694
Heritage Lottery Fund	-	31,150	-	31,150
Redisplaying Locomotive	-	13,569	(13,647)	(78)
Other donations	2,702	2,163	(250)	4,615
<b>Total restricted funds</b>	<b>122,032</b>	<b>117,744</b>	<b>(85,872)</b>	<b>153,904</b>

2018	Balance at 1 April 2017 £	Income £	Expenditure £	Balance at 31 March 2018 £
Security and clean-up	28	-	-	28
Effective collections	1,123	5,749	(170)	6,702
Digitalisation	578	-	-	578
Education	5,921	23,500	(24,644)	4,777
Curatorial	-	15,500	(15,000)	500
Library Fund	90	-	-	90
Friends	19	65	(833)	(749)
Transformers Project	290	-	-	290
Boiler House Project	7,936	-	(6,750)	1,186
Crafting the Mine Project	203	-	(529)	(326)
Education and exhibition facilities	25,000	73,000	(10,431)	87,569
Under the Croft	2,329	-	-	2,329
Event Scotland	-	21,578	(5,222)	16,356
Other donations	170	3,000	(468)	2,702
<b>Total restricted funds</b>	<b>43,687</b>	<b>142,392</b>	<b>(64,047)</b>	<b>122,032</b>

# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Notes to the Financial Statements – continued

For the year ended 31 March 2019

### 20. Restricted funds (continued)

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.

Pension deficit – represents funding received towards the pension scheme deficit.

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

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

Digitalisation - Addresses Strategic Aims i, iv

Education - Addresses Strategic Aims ii, iii

Curatorial - Addresses Strategic Aims i, vi.

Library Fund - Addresses Strategic Aim i

Friends - Addresses Strategic Aim iii

Transformers Project - Addresses Strategic Aims iii, iv

Boiler House – Addresses Strategic Aims i

Education and exhibition facilities – Addresses Strategic Aims i, iv

Under the Croft - Addresses Strategic Aims ii, iii

### 21. Analysis of net assets by fund

2019	Unrestricted £	Restricted £	Total £
Fixed assets	806,041	-	806,041
Net current assets	228,902	153,904	382,806
Long term liabilities – pension deficit	(167,320)	-	(167,320)
	<u>867,623</u>	<u>153,904</u>	<u>1,021,527</u>
2018	Unrestricted £	Restricted £	Total £
Fixed assets	826,214	-	826,214
Net current assets	176,941	122,032	298,973
Long term liabilities – pension deficit	(175,968)	-	(175,968)
	<u>827,187</u>	<u>122,032</u>	<u>949,219</u>

# NATIONAL MINING MUSEUM SCOTLAND TRUST

## Notes to the Financial Statements – continued

For the year ended 31 March 2019

### 22. Commitments

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

	2019 Equipment £	2018 Equipment £
Payments falling due:		
Within 1 year:	1,485	1,485
Within 2 to 5 years:	1,361	2,846
	2,846	4,331

### 23. Controlling interests and related party transactions

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

### 24. 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.

### 25. Non-audit services

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

### 26. Related party transactions

The company received a grant of £26,750 (2018: £23,500) from The Mining Institute of Scotland Trust, of which Mr David Seath is a director.

### 27. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
<b>Net income for the reporting period</b>	72,308	29,065
<b>Adjusted for:</b>		
Depreciation charges	20,173	20,173
Interest income	(36)	(7)
(Decrease) in pension liability	(8,648)	(8,612)
(Increase)/ decrease in stocks	(7,735)	4,299
Decrease/ (increase) in debtors	83,374	(90,691)
Increase in creditors	1,076	19,654
<b>Net cash generated by/ (used in) operating activities</b>	160,512	(26,119)