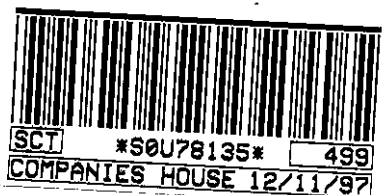


**ANNUAL REPORT
AND ACCOUNTS**

For the year to
March 31 1997

Scottish Mining Museum
Lady Victoria Colliery
Newtongrange
Midlothian
EH20 4QN

Tel: 0131-663-7519
Fax: 0131-654-1618



THE SCOTTISH MINING MUSEUM TRUST

REPORTS AND ACCOUNTS

31 MARCH 1997

ACKNOWLEDGEMENTS

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

Midlothian Council

Association for Business Sponsorship of the Arts
British Coal Corporation
Coal Industry Social and Welfare Organisation
Edinburgh and Lothians Tourist Board
European Regional Development Fund
Heritage Lottery Fund
Historic Scotland
Lothian and Edinburgh Enterprise Ltd.
Midlothian Tourism Forum
National Fund for Acquisitions
National Heritage Memorial Fund
National Museums of Scotland
Newtongrange Primary School
Scottish Coal
Scottish Museums Council
Scottish Office
Scottish Tourist Board
TSB Foundation
The Friends of the Scottish Mining Museum

Angus Council
East Renfrewshire Council
East Lothian Council
North Ayrshire Council
South Lanarkshire Council
Stirling Council

Law & Dunbar-Nasmith, Architects
Gordon Lyall Associates, Designers
Elliott & Company, Engineers
Adam Design, Graphic Designers
John Dennis & Co., Building Contracts
Chris Christenson, Photographer
Heritage Engineering
Dixon Heaney

THE SCOTTISH MINING MUSEUM TRUST

DIRECTORS	D J MOCKETT F P TINDALL J ALLAN R G K ARNOTT J K BRASH D BREWER E CLARKE S DICKSON D I JARVIE J F LOUDON J M MacNEILL G MARWICK A MONTGOMERY G MONTGOMERY B POTTINGER C THOMPSON	Chairman Vice Chairman
SECRETARY	A A BOYD	
AUDITORS	POLLOCK & CO CHARTERED ACCOUNTANTS 55 QUEEN STREET EDINBURGH EH2 3NS	
BANKERS	THE ROYAL BANK OF SCOTLAND plc 36 ST ANDREW SQUARE EDINBURGH EH2 2YE	
REGISTERED OFFICE	57 QUEEN STREET EDINBURGH EH2 3PA	
COMPANY NUMBER	SC88361	
CHARITY NUMBER	SC003227	
STAFF 1996/1997		
Director	Colin McLean / Fergus Waters	
Keeper	Rosemary Everett	
Engineer	David Anderson	
Technical Assistant	Richard Thomson	
Marketing Manager	Roger Linton	
Secretary	Maureen Hardiker	
Assistant Secretary	Margaret Dolan	
Finance Officer	Patrick Timmins	
Cleaner	Catherine Stobbart	
Senior Guide	Thomas Taylor	
Guides	Liam Kirkpatrick	
	Andrew Shaw	
	John Glen	
Retail Assistants	Catherine Miller	
	Margaret Taylor	
	Janette Prestage	
Gardener	Alexander Burnett	

THE SCOTTISH MINING MUSEUM TRUST

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31 March 1997.

RESULTS

The results for the year are shown in the attached accounts.

REVIEW OF THE BUSINESS

The Trust is a charitable company limited by guarantee, and formed in 1984 for the purpose of advancing the public's awareness of the history of the Scottish coal industry.

The Director, Mr. Maclean, resigned in June; the Trust appointed Mr. Fergus Waters as Director at the beginning of December. As a result of the vacancy there was some slippage in the development programme. An application was submitted to the Heritage Lottery fund in January for the development of a new visitors centre, exhibition facilities and car park. Work commenced on the restoration of the Old Washery in January. The work is funded by grants from Heritage Lottery Fund, Historic Scotland and the European Regional Development Fund.

The audited accounts show a marginal surplus on the year of £11,465. Savings in staff costs resulting from the Director and other vacancies was the main contributor to the surplus. The generous revenue commitment from the new Midlothian Council together with an increase in visitor generated income has enabled the Trust to produce this encouraging result.

FIXED ASSETS

Information relating to the changes in tangible fixed assets is given in the notes to the accounts.

DIRECTORS

The directors in office during the year were as follows:-

D J Mockett	- Chairman	M McGahey
F P Tindall	- Vice Chairman	J M MacNeill
J Allan		G Marwick
R Arnott		A Montgomery
J K Brash		G Montgomery
D Brewer		B Pottinger
S Dickson		C Thompson
J F Loudon		

M McGahey resigned on 26 December 1996. S Dickson was appointed on 31 January 1997, E. Clarke and D I Jarvie on 30 July 1997.

THE SCOTTISH MINING MUSEUM TRUST

DIRECTORS' REPORT

DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the company's state of affairs at the end of the year and profit or loss for the year then ended.

In preparing those accounts, the directors are required to select suitable accounting policies, and then apply them consistently, and make judgements and estimates that are reasonable and prudent. The directors must also prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution concerning the reappointment of the auditors Pollock & Co CA will be considered at the Annual General Meeting.

BY ORDER OF THE BOARD



A A BOYD
SECRETARY

22 October 1997

THE SCOTTISH MINING MUSEUM TRUST

REPORT OF THE AUDITORS

TO THE MEMBERS OF THE SCOTTISH MINING MUSEUM TRUST

We have audited the accounts on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

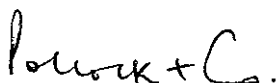
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the 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 accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 March 1997 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



POLLOCK & CO.
Chartered Accountants
Registered Auditors

55 Queen Street
EDINBURGH
EH2 3NS

22 October 1997

THE SCOTTISH MINING MUSEUM TRUST

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 1997

	Note	£	1996 £
INCOME			
Grants received	7a	182469	191032
Admission fees		18057	12312
Shop, tea-room surplus		5477	4570
Donations		851	1776
Rental income		5000	5750
Other income		<u>7374</u>	<u>1350</u>
		219228	216790
Interest received		<u>1406</u>	<u>941</u>
		220634	217731
Transfer to capital expenditure	6	<u>1598</u>	<u>18015</u>
		<u>219036</u>	<u>199716</u>
ADMINISTRATIVE COSTS			
Staff costs	4	134910	148450
Property costs		20645	25048
Other service costs		<u>52016</u>	<u>51834</u>
		<u>207571</u>	<u>225332</u>
SURPLUS / (DEFICIT) FOR THE YEAR		11465	(25616)
Revenue balance brought forward		<u>(22808)</u>	<u>2808</u>
REVENUE BALANCE CARRIED FORWARD		<u>(11343)</u>	<u>(22808)</u>

TOTAL RECOGNISED GAINS AND LOSSES

The company has no other recognised gains and losses other than the results for the above financial years.

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above financial years.

The notes on pages 7 to 9 form part of these accounts.

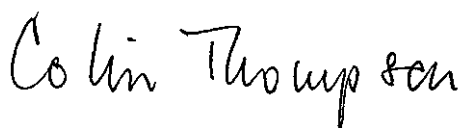
THE SCOTTISH MINING MUSEUM TRUST

BALANCE SHEET AT 31 MARCH 1997

	Note	£	£	1996 £
FIXED ASSETS				
Tangible assets	6		1557808	1016036
less met from grants			<u>1337808</u>	<u>796036</u>
			220000	220000
CURRENT ASSETS				
Stock		10352		8949
Debtors		228297		96835
Cash at bank and in hand		<u>157</u>		<u>1648</u>
		<u>238806</u>		<u>107432</u>
CREDITORS: amounts falling due within one year	8	<u>250149</u>		<u>130240</u>
NET CURRENT LIABILITIES			<u>(11343)</u>	<u>(22808)</u>
			208657	197192
CREDITORS: amounts falling due after one year				
Loan - National Heritage Memorial Fund	9		<u>220000</u>	<u>220000</u>
NET LIABILITIES			<u>(11343)</u>	<u>(22808)</u>
CAPITAL AND RESERVES				
Revenue account			<u>(11343)</u>	<u>(22808)</u>

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.


Director


Director

22 October 1997

The notes on pages 7 to 9 form part of these accounts.

THE SCOTTISH MINING MUSEUM TRUST

NOTES TO THE ACCOUNTS AT 31 MARCH 1997

1. ACCOUNTING POLICIES

The accounts are prepared under the historical cost convention in accordance with Accounting Standards, except that depreciation is not applied to tangible fixed assets, expenditure being matched by grants received.

The accounts are prepared in accordance with Statement of Recommended Practice - Accounting for Charities.

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

DEPRECIATION

Since sufficient grants are applied to meet capital expenditure, no depreciation has been provided in these accounts.

STOCK

Stock of items in the shop and tea-room are stated at the lower of cost and net realisable value.

GRANTS

Grants received and receivable are in respect of both capital and revenue items. Any excess of grants is carried forward in the balance sheet to fund future years' expenditure.

PENSIONS

The company operates a defined benefit pension scheme in conjunction with City Of Edinburgh Council. Contributions are charged to the Income and Expenditure account as they become payable in accordance with the rules of the scheme.

2. STATUS OF THE TRUST

The Scottish Mining Museum Trust is a company limited by guarantee of its members and not having a share capital, and is administered by a Board of Trustees/Directors which is not entitled to remuneration.

3. ADMINISTRATIVE COSTS

This includes:

	1997	1996
	£	£
Staff costs	134910	148450
Audit fee	<u>2500</u>	<u>2500</u>

4. STAFF COSTS

Wages & salaries	122106	136945
Social security costs	7934	8009
Pensions	<u>4870</u>	<u>3496</u>
	<u>134910</u>	<u>148450</u>

The average number of employees during the year was:

No	No
<u>15</u>	<u>17</u>

THE SCOTTISH MINING MUSEUM TRUST

NOTES TO THE ACCOUNTS AT 31 MARCH 1997

5. TAXATION

As the company is a recognised charity there is no taxation charge.

6. FIXED ASSETS

	At 1/4/96	Additions	Total
	£	£	£
Property acquisition	<u>224783</u>	<u>266228</u>	<u>491011</u>
Property Refurbishment			
Building Restoration	512167	248427	760594
Furniture, equipment	<u>57184</u>	<u>-</u>	<u>57184</u>
	<u>569351</u>	<u>248427</u>	<u>817778</u>
Interpretation			
Visitor Centre	70518	21882	92400
Challenges of Mining	89718	5235	94953
Other Exhibitions	<u>51994</u>	<u>-</u>	<u>51994</u>
	<u>212230</u>	<u>27117</u>	<u>239347</u>
Vehicles	8329	-	8329
Miscellaneous	<u>1343</u>	<u>-</u>	<u>1343</u>
TOTAL EXPENDITURE	<u>1016036</u>	<u>541772</u>	<u>1557808</u>
GRANTS RECEIVED			
Development and other grants (see note 7b,7c)	388975	540174	929149
Transfers from revenue account	<u>407061</u>	<u>1598</u>	<u>408659</u>
	<u>796036</u>	<u>541772</u>	<u>1337808</u>
NET BOOK VALUE			
At 31 March 1996	<u>220000</u>	<u>-</u>	<u>220000</u>

In March 1993 negotiations were concluded with the Marquis of Lothian and the colliery and other buildings were purchased.

Prior to the purchase of the colliery and other buildings the properties on which capital expenditure had been incurred were the subject of leases. The grants received from the three main local authorities are for both capital and revenue purposes and have been allocated as appropriate.

THE SCOTTISH MINING MUSEUM TRUST

NOTES TO THE ACCOUNTS AT 31 MARCH 1997

7. GRANTS	1997 £	1996 £
a. Local Authorities		
Lothian Regional Council	-	106245
Midlothian Council	176049	69950
East Lothian Council	4800	5280
	<u>180849</u>	<u>181475</u>
COSLA appeal	1620	9557
	<u>182469</u>	<u>191032</u>
b. Lady Victoria Colliery Development Programme		
Midlothian Council	67000	-
Historic Scotland	61512	16243
Heritage Lottery Fund	329409	-
European Regional Development Fund	114103	-
Scottish Museums Council	-	19715
	<u>572024</u>	<u>35958</u>
c. Others		
Scottish Museums Council	21882	30000
Friends of The Scottish Mining Museum	-	450
	<u>21882</u>	<u>30450</u>
	593906	66408
Deferred to future years	<u>53732</u>	-
TOTAL	<u>540174</u>	<u>66408</u>
8. CREDITORS :amounts falling due within one year		
	£	£
Bank loans and overdrafts	8916	-
Trade creditors	56825	50779
Other creditors	<u>184408</u>	<u>79461</u>
	<u>250149</u>	<u>130240</u>
9. LOAN		
The Lady Victoria Colliery and related property has been purchased by the Trust with the assistance of the National Heritage Memorial Fund. This is in the form of an interest free loan for a period of five years, after which it will be converted into a grant, on condition that certain progress is made on the building conservation programme. If the Trust is unable to procure the availability of sufficient funding for development Phases I & II, the loan would be repayable not later than 30 September 1998.		
10. FUTURE COMMITMENTS		
The Trust continues to pursue funds for its development programme. At the balance sheet date capital work on the Phase II development contracted for but not yet carried out amounted to £487688 (1996 nil).		