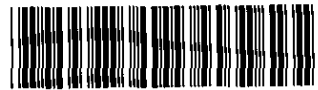


Ref- N<sup>o</sup> SC 88361

***THE SCOTTISH MINING MUSEUM TRUST***

***REPORT AND ACCOUNTS  
31 MARCH 1999***

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**THE SCOTTISH MINING MUSEUM TRUST**

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**DIRECTORS/  
TRUSTEES**

D J MOCKETT  
R G K ARNOTT  
J ALLAN  
E CLARKE  
D I JARVIE  
J F LOUDON  
A LITTLE  
J M MacNEILL  
G MARWICK  
A MONTGOMERY  
P NEILSON  
B POTTINGER  
C THOMPSON

Chairman  
Vice Chairman

**SECRETARY**

A A BOYD

**AUDITORS**

POLLOCK & CO  
CHARTERED ACCOUNTANTS  
12 NEWINGTON ROAD  
EDINBURGH  
EH9 1QS

**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

# THE SCOTTISH MINING MUSEUM TRUST

## DIRECTORS' REPORT

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The directors submit their report and accounts for the year ended 31 March 1999.

### 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.*

At the beginning of the year considerable effort was devoted by the Trust and its staff in securing funding from the heritage lottery Fund, Historic Scotland, European Regional Development Fund and Lothian & Edinburgh Enterprise Limited for the Phase 3 development. At the same time the appointment of contractors and detailed planning of the project were taking place. Contractors commenced the building restoration work in August and completed the main work in January. Work on the Exhibitions and interior commenced in February 1999. The Keeper and assistants continued with the cleaning, protection, cataloguing and storage of the collection items funded by the Coal Industry Fund. The Trust wish to express their thanks to the staff and volunteers for working in the difficult and uncomfortable conditions whilst construction work was in progress.

The audited accounts show a net surplus for the year of £5973. The surplus when set against the brought forward deficit reduces the cumulative carried forward deficit to £4296. It was anticipated that the results would have been in deficit for the year but savings in costs and a small improvement in trading have helped to reverse the position. The main savings were deferring the filling of staff vacancies. Improvement in the income from visitors was marginally better than expected. The continued generous revenue commitment from Midlothian Council also contributed to the improved results.

### 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	J F Loudon
R Arnott	- Vice Chairman	J M MacNeill
J Allan		G Marwick
P Neilson		A Montgomery
E Clarke		B Pottinger
D I Jarvie		C Thompson
J K Brash		A Little

Mr John Brash resigned on 27 November 1998 because of professional commitments. Scottish Coal nominated Mr Alan Little to replace Mr David Brewer, and Mr Alan Little was accepted as a Director/Trustee on 29 June 1998.

### OBSERVERS

Mr. John Crompton, nominee of the National Museums of Scotland and Mr. James Dyer nominee of the Newtongrange Community Council continued as observers. Mr James Souness was nominated as an observer by Historic Scotland to replace John Hume, who resigned as an observer in June 1998.

# THE SCOTTISH MINING MUSEUM TRUST

## DIRECTORS' REPORT

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### 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.

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed on behalf of the Board of Directors



A A BOYD  
SECRETARY

6 December 1999

# THE SCOTTISH MINING MUSEUM TRUST

## REPORT OF THE AUDITORS

### TO THE MEMBERS OF THE SCOTTISH MINING MUSEUM TRUST

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We have audited the accounts on pages 5 to 10 which have been prepared in accordance with The Financial Reporting Standard for Smaller Entities (effective March 1999) 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.

#### GOING CONCERN

In forming our opinion, we have considered the adequacy of the disclosure made in note 1 of the accounts concerning the basis of preparation of the accounts and funding required for the company's operations.

We draw attention to this matter but our opinion is not qualified in this respect.

#### OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 March 1999 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



POLLOCK & CO.  
Chartered Accountants  
Registered Auditors

12 Newington Road  
EDINBURGH  
EH9 1QS

6 December 1999

# THE SCOTTISH MINING MUSEUM TRUST

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 1999

	Note	1999 £	1998 £
<b>INCOME</b>			
Grants received	7a	176835	181835
Admission fees		17438	18599
Shop, tea-room surplus		9660	7060
Donations		635	555
Rental income		27113	10000
Other income		<u>482</u>	<u>244</u>
		232163	218293
Interest received		<u>1368</u>	<u>2441</u>
		233531	220651
Transfer (to)/from capital expenditure	6	<u>(5913)</u>	<u>7951</u>
		<u>227618</u>	<u>228685</u>
<b>ADMINISTRATIVE COSTS</b>			
Staff costs	4	148977	152697
Property costs		19422	20357
Other service costs		<u>53246</u>	<u>54557</u>
		<u>221645</u>	<u>227611</u>
<b>SURPLUS FOR THE YEAR</b>		5973	1074
Revenue balance brought forward		<u>(10269)</u>	<u>(11343)</u>
<b>REVENUE BALANCE CARRIED FORWARD</b>		<u>(4296)</u>	<u>(10269)</u>

The notes on pages 7 to 10 form part of these accounts.

# THE SCOTTISH MINING MUSEUM TRUST

## BALANCE SHEET AT 31 MARCH 1999

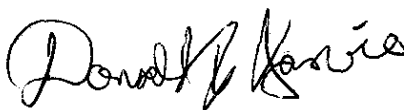
	Note		1999	1998
		£	£	£
<b>FIXED ASSETS</b>				
Tangible assets	6		4,121,015	2,415,287
less met from grants			<u>4,121,015</u>	<u>2,195,287</u>
			-	<u>220,000</u>
<b>CURRENT ASSETS</b>				
Stock		13,725		10,636
Debtors		619,090		249,399
Cash at bank and in hand		<u>126</u>		<u>182</u>
		<u>632,941</u>		<u>260,217</u>
<b>CREDITORS: amounts falling due within one year</b>	8	<u>637,237</u>		<u>490,486</u>
<b>NET CURRENT LIABILITIES</b>			<u>(4,296)</u>	<u>(230,269)</u>
<b>NET LIABILITIES</b>			<u>(4,296)</u>	<u>(102,699)</u>
<b>CAPITAL AND RESERVES</b>				
Revenue account			<u>(4,296)</u>	<u>(102,699)</u>

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with The Financial Reporting Standard for Smaller Entities (effective March 1999).

Signed on behalf of the board of directors on 6 December 1999



D J MOCKETT  
Director



D I JARVIE  
Director

# THE SCOTTISH MINING MUSEUM TRUST

## NOTES TO THE ACCOUNTS AT 31 MARCH 1999

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### 1. ACCOUNTING POLICIES

#### BASIS OF ACCOUNTING

The accounts are prepared under the historical cost convention in accordance with The Financial Reporting Standard for Smaller Entities (effective March 1999), except that depreciation is not applied to tangible fixed assets, expenditure being matched by grants received.

The accounts have been prepared on the going concern basis which assumes that the Trust continues to receive adequate funding for its operations from the various authorities, and from its increased activities following the completion of the latest phase of the development.

#### DEPRECIATION

The major redevelopment and restoration of the buildings and fabric of the Scottish Mining Museum has incurred very substantial costs, and it is the Trust's policy to maintain all its property in a state of good repair, the cost of maintenance being charged to the income and expenditure account.

Sufficient grants have been received and applied to meet capital expenditure, and the Trustees consider that the residual value of the properties is such that any depreciation charge would not be significant and therefore no depreciation has been provided on these assets.

#### 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 the 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:	1999 £	1998 £
Staff costs	148977	152967
Audit fee	<u>3000</u>	<u>2500</u>

### 4. STAFF COSTS

Wages & salaries	172899	153312
Social security costs	11948	9956
Pensions	<u>8756</u>	<u>7250</u>
	193603	170518
Less grants received	<u>44626</u>	<u>17821</u>
Net staff costs	<u>148977</u>	<u>152697</u>

# THE SCOTTISH MINING MUSEUM TRUST

## NOTES TO THE ACCOUNTS AT 31 MARCH 1999

### 5. TAXATION

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

### 6. FIXED ASSETS

	At 1/4/98	Additions	Total
	£	£	£
Property acquisition	<u>491011</u>	<u>-</u>	<u>491011</u>
Property Refurbishment			
Building Restoration	1,457540	(8454)	1,449086
Phase 3	<u>177889</u>	<u>1,710742</u>	<u>1,888631</u>
	<u>1,635429</u>	<u>1,702288</u>	<u>3,337717</u>
Interpretation			
Visitor Centre	70518	-	70518
Challenges of Mining	95061	-	95061
Other Exhibitions	<u>51994</u>	<u>3440</u>	<u>55434</u>
	<u>217573</u>	<u>3440</u>	<u>221013</u>
Furniture, equipment	61602	-	61602
Vehicles	8329	-	8329
Miscellaneous	<u>1343</u>	<u>-</u>	<u>1343</u>
	<u>71274</u>	<u>-</u>	<u>71274</u>
 TOTAL EXPENDITURE	 <u>2,415287</u>	 <u>1,705728</u>	 <u>4,121015</u>
 GRANTS RECEIVED			
Development and other grants (see note 7b,7c)	1,794579	1,919895	3,714394
Transfers from revenue account	<u>400708</u>	<u>5913</u>	<u>406621</u>
	<u>2,195287</u>	<u>1,925728</u>	<u>4,121015</u>
 NET BOOK VALUE			
At 31 March 1999	<u>220000</u>	<u>-</u>	<u>-</u>

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

During the year the conditions of the National Heritage Memorial Fund (NHMF) loan for the purchase of the colliery and related property were satisfied and the loan was converted to an equivalent grant (see also note 9).

# THE SCOTTISH MINING MUSEUM TRUST

## NOTES TO THE ACCOUNTS AT 31 MARCH 1999

7. GRANTS	1999 £	1998 £
a. Local Authorities		
Midlothian Council	176195	176195
	<u>-</u>	<u>-</u>
	176195	176195
COSLA appeal	640	640
Scottish Coal	<u>-</u>	<u>5000</u>
	<u>176835</u>	<u>181835</u>
b. Lady Victoria Colliery Development Programme		
National Heritage Memorial Fund	220000	-
Historic Scotland	165907	232381
Heritage Lottery Fund	1,229638	242842
European Regional Development Fund	267005	249065
Scottish Museums Council	64087	133292
Lothian & Edinburgh Enterprise Limited	<u>53224</u>	<u>-</u>
	<u>1,999861</u>	<u>857580</u>
c. Others	<u>9560</u>	<u>7850</u>
TOTAL	2,009421	865430
Deferred to future years	<u>89606</u>	<u>-</u>
NET TOTAL	<u>1,919815</u>	<u>865430</u>
8. CREDITORS :amounts falling due within one year		
	£	£
Bank loans and overdrafts	144233	71639
Loan (see note 9)	-	220000
Trade creditors	324302	114753
Other creditors	<u>168702</u>	<u>84094</u>
	<u>637237</u>	<u>490486</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 was in the form of an interest free loan for a period of five years, after which it would be converted into a grant, on condition that certain progress was made on the building conservation programme. During the year the conditions of the NHMF loan were satisfied and it was converted into an equivalent grant.

## 10. FUTURE COMMITMENTS

The Trust continues to pursue funds for its development programme. During the year work on Phase 3 continued and was completed in August 1999.

At 31 March 1999 work contracted for amounted to £3.17m out of the total Phase 3 cost of £5.06m.

**THE SCOTTISH MINING MUSEUM TRUST****NOTES TO THE ACCOUNTS****AT 31 MARCH 1999**

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**11. PENSION COMMITMENTS**

The company operates a defined benefit pension scheme in conjunction with the City of Edinburgh Council on behalf of certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable to the fund by the company and amounted to £8756 (1998 £7250). Contributions totalling £1048 (1998 £2539) were payable to the fund at the year-end and are included in creditors.

**12. RELATED PART TRANSACTIONS**

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

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.