



Almond Valley Heritage Trust

A Scottish company limited by guarantee

Annual Report and Accounts 2012 - 2013

Charity No. SC013783
Company No. SC089429

Almond Valley exists to preserve and interpret the history and environment of West Lothian and make this heritage accessible, engaging and enjoyed by all.

Almond Valley Heritage Trust

Trustees report for the year ended 31st March 2013

The Trustees present their report and audited financial statements for the year ended 31st March 2013.

Reference and Administrative Information

Charity name:	Almond Valley Heritage Trust
Charity registration number:	SC013783
Company registration number:	SC089429
Registered Office	Almond Valley Heritage Centre Millfield, Livingston, EH54 7AR

Trust Board

Mr W.R.V Percy	Chairman
Dr. J. Sheldon MBE	Vice-Chair
Mr. C. Brien	Secretary
Mr. G. Bolan	Treasurer
Mr. H. Owens	
Cllr. A. Miller	
Mr. J. Doherty	
Mr. A. Scott	
Cllr. A. McMillan (from May 2012)	
Cllr. A. Moohan (from May 2012)	
Cllr. J. Cochrane MBE (until May 2012)	
Cllr. J. Walker (until May 2012)	

Senior Management Team

Dr. R. Chesters	Director
Mrs. E. Dunsire	Administrator

Auditors

Brian Maloney & Co. Registered Auditors 15a West End, West Calder, EH55 8EH

Bankers

Bank of Scotland, Almondvale South, Livingston, EH54 6SN

Structure, Governance and Management

Governing Document.

Almond Valley Heritage Trust is a company limited by guarantee incorporated on 11th April 1990, and possessing charitable status. The Trust incorporated the interests of the Livingston Mill Farm Community Project, and a number of other community initiatives. The objectives and powers of the Trust are established under a Memorandum of Association and governed by its Articles of Association. Trustees are required to contribute an amount not exceeding £2 in event of the company being wound up.

Recruitment and Appointment of the Board of Trustees.

The Trust Board comprises of up to 15 members. Under Articles of Association, revised in June 2006, West Lothian Council may nominate up to two of these members. Other persons invited to join the Board as co-opted members are selected to ensure that an appropriate range of interests, experience, and expertise is represented on the Trust's governing body. Under the Memorandum and Articles of Association the trustees are elected of a period of one year after which they must be re-elected at the next Annual General Meeting.

Trustees Induction and Training.

As part of their induction, new trustees are issued with copies of the Trust's governing documents, all appropriate plans, policies and budgets, as well as familiarising themselves with the booklet "Guidance for Charity Trustees", produced by OSCR.

Organisational Structure.

The Trust board meet six times a year. Other informal contact ensures that all remain familiar with the nature of the Trust's operations and the environment in which the Trust operates. The trustees appoint a Chief Executive Officer (termed "Director", but not a member of the board of trustees), to manage the day to day business of the Trust.

Risk Management.

Trustees consider the risks associated with the policies that are adopted and the decisions that are made, and an annual review of the Trust's Forward Plan includes an assessment of risk. Reserves and Risk Management Policies, which include an analysis of the major risks to which the charity is exposed, is reviewed annually. Health and Safety policy is reviewed annually and reported upon at every board meeting.

FINANCIAL REVIEW

Reserves Policy.

In planning a sensible and prudent level of cash reserve, trustees recognised the major seasonal variations in income, the need to accumulate funds for major development works, and the desirability of holding sufficient reserve funds to enable the business to survive for at least three months in the event of being unable to generate income from visitors. Such circumstances occurred in 2001 when foot and mouth disease restrictions forced closure of Almond Valley for several weeks. Trustees agreed that the level of cash reserve should not fall below £150,000 even in February/March of each year when the normal seasonal variations of income and expenditure places reserves at their lowest ebb. Despite substantial expenditure on new capital works, the level of funds held in the bank remained well above the agreed minimum level of reserves, providing funds towards the ambitious development programme planned for the coming financial year.

The financial results are outlined on pages ten to nineteen of this Annual Report.

Objectives and Activities

The Trust's mission is:

..... to preserve and interpret the history and environment of West Lothian, and make this heritage accessible, engaging and enjoyed by all."

The Trust's activities include:

- ▶ Serving as the national museum of the Scottish shale oil industry, maintaining a collection and archive, supporting research, and sharing knowledge of the industry.
- ▶ Providing a museum service for West Lothian.
- ▶ Maintaining and developing the historic buildings, landscape, environment and livestock of Livingston Mill Farm.
- ▶ Combining these and other resources to provide a family-friendly visitor experience that inspires, involves, and promotes learning.
- ▶ Delivering a wide range of formal learning services and resources.
- ▶ Offering opportunities for community participation and personal development.

Almond Valley is a fully Accredited Museum holding a nationally significant collection that records and illustrates the Scottish Shale Oil Industry. Almond Valley offers a high quality visitor experience and is a four star visitor attraction under the VisitScotland grading scheme.

Achievements and Performance

In pursuit of the Trust's objective of serving and engaging a large and inclusive audience, Almond Valley has developed as a popular visitor destination that holds appeal to a broad range of ages and backgrounds; both local residents and visitors to the area. Enjoyment of leisure activities often open new opportunities to engage audiences in experiences that promote learning and inspire the imagination. The Trust has customarily maintained admission charges well below market levels in order to minimise exclusion on grounds of ability to pay.

Over the years the Trust has secured significant investment to construct a range of new facilities and attractions at Almond Valley. The scale and range of activities and services has also progressively increased. The Trust aims to continue this ongoing development with ambitious plans for further extensions and improvements to address new demand for services and provide new opportunities to promote learning. Such a vigorous programme of development and renewal is also essential in remaining attractive and competitive as a visitor destination.

Almond Valley received a grant of £65,407 from West Lothian Council under a service level agreement governing the provision of museum services during 2012-13. A further £20,000 was reclaimed from the Council against expenditure on property maintenance through an endowment arrangement established on wind-up of Livingston Development Corporation.

Visitor numbers for the financial year fell by about 5% compared with 2011-12, although the total for the calendar year 2012 showed a modest increase over 2011. This disappointing performance

partly reflects the timing of Easter schools holidays compared with the previous years. The exceptionally wet start to the summer also had a major impact on visitor numbers, an effect shared with most outdoor attractions throughout Scotland. An excellent August partly redressed the poor start to the year. The analysis of admission records show a generally similar breakdown of visitors to that experienced in previous years:

	<u>2012-13</u>	<u>2011-12</u>
Adults	30,733	32,173
Child or Senior	24,023	24,520
School and group visitors	19,263	19,541
Birthday parties	6,690	6,078
Friends members	37,215	43,310
Corporate members	5,245	4,210
Complimentary & carers	1,175	1,462
TOTAL	<u>124,344</u>	<u>131,294</u>

A further postcode survey, and other questionnaires completed during the course of the year also suggested little change in the geographical sources of visitors. Those from West Lothian and western parts of Edinburgh continued to represent our year-round mainstay and account for most of those taking out season tickets as Friends members. During spring and summer months, a much greater proportion of day visitors, travelling more than 30 miles, were welcomed, and an encouraging number of those visiting Scotland from elsewhere in the UK or overseas. We continued to promote Almond Valley through distribution of a large quantity of outreach leaflets, through a website that was maintained and extended through the year, and by smaller scale advertising and marketing efforts. Whereas in earlier years a TV advertising campaign was run during the summer school holidays, we chose in 2012 to experiment with promotion through bus and train advertising. As always, "word of mouth", personal recommendations proved by far the most effective means of promotion and much progress was made in cultivating support through our Facebook page, e-newsletter, and by attention to review sites such as Trip Advisor.

Admission and membership charges remained unchanged despite rising costs, and superb value in comparison with all equivalent attractions. The Friends membership continued to provide a popular and economical option for regular visitors, particularly for families with young children and accounted for almost a third of all admissions. Numbers taking out a corporate membership pass rose substantially, particularly amongst community organisations. This ticket provides unlimited access to the bearer and can be passed between colleagues and clients.

Further discounts to admission charges were also available to school and group visitors, and we continued to develop and deliver a range of curriculum-linked discovery sessions that were enjoyed by about 15,000 primary and pre-school children during study visits. Other less formal learning sessions were also enjoyed by younger children in mothers and toddler group and other community organisations.

A daily programme of farm demonstrations and other activities were presented throughout much of the year, including milking demonstrations, bottle feeding of young animals, and animal handling sessions.

A seasonal programme of special events was also offered, most coinciding with school holidays. During the Easter break there was an egg hunt, trails, and seasonal craft activities, with a plastic

duck race taking place each day of the Easter weekend. As part of the Festival of Museums in May 2012, and with grant support from Museums Galleries Scotland, "Creating a Story Dome" allowed visitors to work alongside a professional willow grower to create an outdoor structure from living willow, which should grow to provide a focus for future special events such as storytelling sessions. Slightly later in the year, during the school summer holidays, the outdoor theme continued in a programme of "Wild Adventures". These daily drop-in workshops encouraged families and children to get back to nature, take part in traditional woodcrafts, and build woodland dens. Over the October school break there was a programme of Halloween-inspired games and crafts, and in the chilly weeks leading up to Christmas, Santa Claus took up residence in his farm cottage.

Volunteers continued to play an important role in everyday operation of Almond Valley, with a small regular corps of farm volunteers, and a host of spring and summer students seeking work experience associated with agricultural college or veterinary school studies. The Young Volunteers club went from strength to strength, providing the necessary guidance and support to enable young people to contribute to the work of the farm. Volunteers also played an important role in the operation of the narrow-gauge railway and, increasingly, in a programme of cataloguing, transcription and historical research for the museum website, based in the museum study centre.

The year saw our final placement under the Community Jobs Scotland programme which, like its predecessor the Future Jobs Fund, had been of great benefit to the trust and enabled us to provide quality work and training experiences to many participants. A year-long museum internship also concluded during the year. Under a scheme managed by Museums Galleries Scotland, a recent museums studies graduate joined the curatorial team and contributed greatly to the work of the museum. A grant through Central Scotland Forestry Trust enabled the seasonal employment of a community garden volunteer development officer, and the establishment of an additional garden area for the cultivation of fruit and vegetables. As a consequence of the project, a roster of regular volunteers has been built up, which has encouraged the further development of growing activities.

Almond Valley maintained its 4 star rating under the VisitScotland attraction accreditation scheme, and "working with Investors in People" status. A further programme of bespoke operational development training was commissioned, with part-funding through Skills Development Scotland. This work further developed recruitment, induction and performance management systems, extended customer care training, and supported other areas of personal development.

Museums and Galleries Scotland continued to contribute towards funding of a curatorial post under the "Shale Families" project. This work focussed on generating content for the museum website; www.scottishshale.co.uk, which engages a growing world-wide audience and provides access to an increasing range of resources held in Trust's collection and in the BP archive. The continuing development of the website is likely to remain the main focus of museum activity for many years to come. As a partner in Industrial Museums Scotland, the museum received hardware and collections management software, allowing all collections management records to be transferred to a standard software that is shared with fellow industrial museums. The museum received Full Accreditation under the museum accreditation scheme coordinated through Museums Galleries Scotland. Recognition of "national styling" for museum activities (ie use of the title "Scottish Shale Oil Museum") was deferred pending a review of the Trust's constitution.

Much work was invested in the restoration of the Scottish Oil Agency railway tank wagon which was repaired, repainted and displayed on a specially prepared base. The finished product was

unveiled in October at a ceremony, performed by Fiona Hyslop MSP, Cabinet Secretary for Culture and External Affairs, and organised in association with the Railway Heritage Committee. Work also took place on the restoration of a Baguley-Drewry diesel locomotive, intended as a spare working engine for the narrow-gauge railway.

Continuing Development

The year saw the implementation of the initial phase of an ambitious plan to substantially extend the quality, capacity and appeal of the Almond Valley site.

Work began on construction of two new farm buildings; the Hay Shed and the Wings and Whiskers building, which will provide a range of accommodation for small livestock and supporting farm facilities. The work will also create an indoor arena space to provide a venue for animal handling demonstrations and educational sessions. These new facilities enabled the small animal accommodation in the original farm buildings to be dismantled, releasing the space for extension of tearoom facilities.

An awning was also erected over the terrace area outside the soft play area, and a larger and improved kiosk constructed to provide a pleasant shaded area for picnics and open air dining.

It has long been recognised that the limited food preparation and servery space has restricted the capacity of the tearoom, impacted on customer service, and constrained the menu. Plans were agreed for a £410k project to create a new servery, toilets and extra dining space in the tearoom, along with improvements to the food preparation area. A business plan demonstrating the economic benefits of the proposal was compiled with support of JustEnterprise, and consequently a loan of £250k was agreed with the Bank of Scotland; - although this sum has yet to be drawn down. The first phase of the work; involving demolition and infrastructure works was completed at the end of March 2013. The accepted tender for this works was £121,660, although actual cost was less as it proved unnecessary to apply all provisional sums. It is intended that a second and final phase of works commence in Autumn 2013, once the main visitor season has passed.

With regard to the aforementioned site developments, the Trustees decided to maintain designated funds (outlined in note 14 of the financial statements) which represent the net book value of fixed assets held by the Trust and not freely available to use as "free" unrestricted funds. The Trustees have now decided to show site developments as a designated capital fund, no longer only showing the annual depreciation charge.

Much attention was paid during the year to planning for the continued growth of facilities on the site, and to the practical growth of the business. Our strategic plan sets an ultimate target of welcoming 200,000 visitors each year and efforts were focussed on removing barriers that might inhibit this achievement. The issue of insufficient car parking capacity has been a concern in recent years, however following drainage works, the marking out of parking bays, and the grassing of the entire overflow car park area, parking capacity proved adequate for existing demand. Car parking capacity seems unlikely to constrain progress providing that the current medium-term lease of the land from West Lothian Council is continued in the long term.

Various design studies for site development were considered during the year. Practical plans for the wider development of the site revolve around construction of a "focal point" in the heart of the site to serve as a base for groups and special events. To release space for this development, a succession of other inter-dependent improvements will first be required. The trust continued to research plans to grow earned income and investigate opportunities for grants and other support to progress our ambitious programme of development.

Trustees' responsibilities in relation to the financial statements

The trustees (who are also directors for the purposes of company law and trustees for the purposes of charity law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

A resolution to re-appoint Brian Maloney & Co as the charity's auditors for the ensuing year will be proposed at the forthcoming Annual General meeting.

Approved by the Board of Trustees on 17th June 2013 and signed on its behalf by:

W.R.V. Percy (Chairman)

date:

Independent Auditor's Report

to trustees and members of Almond Valley Heritage Trust

We have audited the financial statements of Almond Valley Heritage Trust for the year ended 31st March 2013 which comprise a Statement of Financial Activities, Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' Responsibilities Statement (set out on page 8), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors, including APB Ethical Standard - Provisions Available for Smaller Entities (Revised), in the circumstances set out in Note 22 of the financial statements.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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).

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require of 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 directors' report.

..... date

Brian Maloney, F.C.C.A., (Senior Statutory Auditor),

for and on behalf of Brian Maloney & Co. Statutory Auditor, 15A West End, West Calder, EH55 8EH .

Brian Maloney is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

Almond Valley Heritage Trust

Statement of Financial Activities

for the year ended 31st March 2013

	notes	Unrestricted (£)	Restricted (£)	2013 (£)	2012 as restated (£)
<u>Incoming resources</u>					
<i>Incoming resources from generated funds:</i>					
Voluntary Income:					
Donations & other income	6	100,215	-	100,215	100,548
Investment Income					
Bank Interest Received		2,096	-	2,096	1,345
<i>Incoming resources from charitable activities:</i>					
Grants & contracts	4,5	65,407	62,424	127,831	181,146
Turnover	5	728,756	-	728,756	757,815
Total Incoming Resources		896,474	62,424	958,898	1,040,854
<u>Resources Expended</u>					
Charitable Activities	17	(809,427)	(61,194)	(870,621)	(871,847)
Governance Costs	17	(8,921)	-	(8,921)	(7,331)
Total Resources Expended		(818,348)	(61,194)	(879,542)	(879,178)
Net Incoming/Outgoing resources before Transfers					
		78,126	1,230	79,356	161,676
Transfers					
Gross transfers between funds	14	417,896	(417,896)	-	-
Net Movement in Funds	14	496,022	(416,666)	79,356	161,676
Reconciliation of Funds					
Total Funds Brought Forward	14	795,360	416,666	1,212,026	1,050,350
Total Funds Carried Forward	14	1,291,382	-	1,291,382	1,212,026

The statement of financial activities include all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The 2012 comparative figures have been restated. See note 17 on page seventeen.

Almond Valley Heritage Trust

Balance Sheet

at 31st March 2013

		2013		2012	
	note	(£)	(£)	(£)	(£)
<u>Fixed Assets</u>					
Tangible assets	7		1,081,417		869,826
<u>Current Assets</u>					
Stocks	8	31,665		19,680	
Debtors and prepayments	9	57,696		29,302	
Cash at bank and in hand	10	211,912		377,608	
			<u>301,273</u>	<u>426,590</u>	
<u>Current Liabilities</u>					
Creditors : amounts falling due within one year	11	(63,019)		(46,623)	
<u>Net current assets</u>			238,254		379,967
Creditors: amounts falling due after more than one year	12		(28,289)		(37,767)
<u>Net assets</u>			<u>1,291,382</u>		<u>1,212,026</u>
<u>Funds</u>					
Restricted Funds	14		-		416,666
Unrestricted: General Funds	14		980,994		795,360
Unrestricted: Designated Funds	14		310,388		-
<u>Total Funds</u>			<u>1,291,382</u>		<u>1,212,026</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 applicable to small companies in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages ten to nineteen were approved by the Board on 17th June 2013 and signed on their behalf.

Chairman

Date

Notes to the Accounts

1.) Accounting policies

The principal accounting policies are summarised below. The accounting policies have been consistently applied throughout the year and in the preceding year.

Basis of Accounting

The financial statements have been prepared under the historical cost accounting convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities, issued in March 2005 (revised).

Fund Accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. Designated funds are set up by the trustees to earmark assets from the general fund for a specific purpose. Restricted funds are subjected to the statement to restrictions on their expenditure imposed by the donor or through the terms of appeal.

Incoming Resources

All incoming resources are included in the statement of financial activities where the charity is entitled to the income and the amounts can be quantified with reasonable accuracy.

Incoming resources from investment income is included when receivable.

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the which they are receivable.

Donated items are recorded at nil value due the prohibitive cost of obtaining a valuation.

Resources Expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes VAT which cannot be fully recovered and is reported as part of the expenditure to which they relate. They are allocated to the particular activity where the cost relates directly to that activity.

Governance costs include legal, audit and accountancy fees associated with the preparation of statutory accounts.

Governance costs also include, where material, cost of strategic planning activities and meetings of management.

Stock

Goods for resale and livestock are valued at the lower of cost and net realisable value.

Heritage Assets

It is the policy of the charitable trust not to capitalise Heritage Assets. This is discussed more fully in note (20).

Pensions.

The charitable company operates two separate self administered defined contribution schemes on behalf of two (2012 - three) employees, see note 21.

Leases.

Operating lease rentals are charged against income on a straight line basis over the period of the lease, see note 24.

Tangible Fixed Assets

Depreciation of fixed assets are stated at cost less depreciation. The cost of minor additions or those costing below £1,000 are not capitalised.

Building Improvements	2%	straight line
Computers and electronic equipment	25%	reducing balance
Plant, equipment, displays, fittings, furnishings & railway	15%	reducing balance
Vehicles	25%	reducing balance
Site Improvements	33.33%	reducing balance
Assets Under Construction	0%	

General Fund

The general fund represents income received and expenditure incurred in respect to the day to day running of the company.

Notes to the accounts (continued)

2.) Net Incoming Resources for the Year

This is stated after charging:

	2013	2012 as restated
	£	£
Depreciation	89,006	84,716
Trustee Remuneration	750	-
Operating Lease Costs	943	477
Audit Fees	2,602	1,096
Accountancy & Payroll Fees	4,841	4,932

3.) Taxation

The charitable company is exempt from corporation tax on its charitable activities. The charitable company is registered for VAT. Much of the income is exempt or outwith the scope of VAT. Consequently, it is not possible to recover all of the VAT paid on expenditure.

4.) Grants and Contract Income

	Unrestricted	Restricted	2013	2012
	£	£	£	£
<i>Revenue grants and payments:</i>				
West Lothian Council: service level agreement	65,407	-	65,407	65,407
West Lothian Council: maintenance re-imbursement	-	20,000	20,000	20,000
<i>Capital projects:</i>				
Creating a Study Centre: Museums Galleries Scotland	-	-	-	29,859
<i>Training grants:</i>				
Museums Galleries Scotland (training grant)	-	-	-	117
Skills Development Scotland	-	1,598	1,598	-
<i>Employment grants:</i>				
Future Jobs Fund, via West Lothian Council	-	-	-	19,130
Future Jobs Fund, via Museums Galleries Scotland	-	-	-	11,730
Community Jobs Fund, via SCVO	-	3,340	3,340	11,765
<i>Event grants:</i>				
Festival of Museums grant, Museums Galleries Scotland	-	840	840	700
<i>Project grants:</i>				
Shale Families: grant - Museum Galleries Scotland	-	5,807	5,807	7,048
In Touch project: Museums Galleries Scotland	-	29,339	29,339	10,000
Community Garden: Central Scotland Forestry Trust	-	1,500	1,500	4,040
Transport of wagon: National Fund for Acquisitions	-	-	-	1,350
	65,407	62,424	127,831	181,146

Notes to the accounts (continued)

5.) Incoming Resources from Activities to further the Charity's Objects.

	<i>Unrestricted</i>	<i>Restricted</i>	<i>2013 total</i>	<i>2012 total</i>
	£	£	£	£
Grants and Contracts (see note 4)	65,407	62,424	127,831	181,146
Turnover	728,756	-	728,756	757,815
	<u>794,163</u>	<u>62,424</u>	<u>856,587</u>	<u>938,961</u>

6.) Sundry Donations and Other Income

	<i>Unrestricted</i>	<i>Restricted</i>	<i>2013</i>	<i>2012</i>
	£	£	£	£
Friends Memberships	79,594	-	79,594	80,313
Sundry Donations and other Income	1,802	-	1,802	3,011
Gift Aid	18,819	-	18,819	17,224
	<u>100,215</u>	<u>-</u>	<u>100,215</u>	<u>100,548</u>

7.) Tangible Fixed Assets

	Buildings	Site	Plant &			Payment on	
<u>Cost</u>	Improvements	Improvements	Equipment	Computers	Vehicles	account and	Total
	£	£	£	£	£	assets under	
						construction	£
At 1st April 2012	801,918	193,655	585,854	106,092	24,437	-	1,711,956
Additions	-	45,470	42,838	1,276	-	211,013	300,597
Disposals	-	-	-	(48,785)	-	-	(48,785)
Transfers	(2,865)	-	-	-	-	2,807	(58)
At 31st March 2013	<u>799,053</u>	<u>239,125</u>	<u>628,692</u>	<u>58,583</u>	<u>24,437</u>	<u>213,820</u>	<u>1,963,710</u>
<u>Depreciation</u>							
At 1st April 2012	167,487	128,842	454,599	72,033	19,169	-	842,130
Charge for Year	15,980	36,761	26,114	8,834	1,317	-	89,006
Eliminated on disposal	-	-	-	(48,785)	-	-	(48,785)
Transfers	(58)	-	-	-	-	-	(58)
At 31st March 2013	<u>183,409</u>	<u>165,603</u>	<u>480,713</u>	<u>32,082</u>	<u>20,486</u>	<u>-</u>	<u>882,293</u>
<u>Net Book Amount</u>							
At 31st March 2013	<u>615,644</u>	<u>73,522</u>	<u>147,979</u>	<u>26,501</u>	<u>3,951</u>	<u>213,820</u>	<u>1,081,417</u>
At 31st March 2012	<u>634,431</u>	<u>64,813</u>	<u>131,255</u>	<u>34,059</u>	<u>5,268</u>	<u>-</u>	<u>869,826</u>

Computer equipment which originally cost £48,785 in total has been written off as it has been fully depreciated and is no longer in existence.

Costs associated with the small animal building and with a net book value of £2,807 (originally incurred in 2011/12) have been transferred from buildings to assets under construction.

Once the construction of the tearoom extension and small animal buildings is complete, depreciation will be taken.

8.) Stocks

	<i>2013</i>	<i>2012</i>
	£	£
Livestock and goods for resale	<u>31,665</u>	<u>19,680</u>

Notes to the accounts (continued)

9.) Debtors	2013	2012
	£	£
Grants Receivable	5,807	5,342
Trade Debtors	-	2,558
Other Debtors	3,854	-
Income Tax Recoverable (Gift Aid)	6,153	3,857
VAT Recoverable	23,542	-
Prepayments	18,340	17,545
	<u>57,696</u>	<u>29,302</u>

10.) Cash at Bank and On Hand	2013	2012
	£	£
Bank: Current Account	80,599	254,838
Bank: Imprest Account	8,691	2,355
Bank: High Interest Account	858	857
Bank: Business Reserve Account	67,283	66,286
Bank: Fixed Term Deposit - (maturity date 26/11/13)	53,098	52,000
Cash on Hand	1,383	1,272
	<u>211,912</u>	<u>377,608</u>

11.) Creditors: amounts falling due within one year	2013	2012
	£	£
Trade Creditors	43,442	25,634
Tax and Social Security Costs	6,616	8,232
Accruals	2,125	2,819
Loan - Social Investment Scotland	9,478	8,752
Bank - Credit Card	1,358	1,186
	<u>63,019</u>	<u>46,623</u>

12.) Creditors: amounts falling due after more than one year	2013	2012
	£	£
Loan - Social Investment Scotland	-	-
Due within Two and Five Years	28,289	37,767
Due after more than Five Years	-	-
	<u>28,289</u>	<u>37,767</u>

13.) Share Capital The charity is limited by guarantee and as such does not have a share capital.

14.) Funds	At 1st April 2012	Transfer of Funds	Incoming Resources	Outgoing Resources	At 31st March 2013
Restricted Funds	£	£	£	£	£
Capital Grants (see note)	371,484	(371,484)	-	-	-
WLC Maintenance Fund	-	-	20,000	(20,000)	-
Community Jobs: SCVO	4,974	(5,120)	3,340	(3,194)	-
Shale Families	-	17,182	5,807	(22,989)	-
Study Centre	34,335	(30,285)	-	(4,050)	-
In Touch project	3,161	(27,580)	29,339	(4,920)	-
Community Garden project	2,712	(609)	1,500	(3,603)	-
Festival of Museums	-	-	1,598	(1,598)	-
Skills Development Scotland	-	-	840	(840)	-
	<u>416,666</u>	<u>(417,896)</u>	<u>62,424</u>	<u>(61,194)</u>	<u>-</u>
Unrestricted Funds					
Designated Fund - site improvements	-	110,283	-	(36,761)	73,522
Designated Fund - tearoom canopy	-	27,805	-	(4,171)	23,634
Designated Fund - tearoom extension	-	121,624	-	(392)	121,232
Designated Fund - locomotive repair	-	7,089	-	(7,089)	-
Designated Fund - small animal buildings	-	92,000	-	-	92,000
General Fund	795,360	59,095	896,474	(769,935)	980,994
	<u>795,360</u>	<u>417,896</u>	<u>896,474</u>	<u>(818,348)</u>	<u>1,291,382</u>
Total Funds	<u>1,212,026</u>	<u>-</u>	<u>958,898</u>	<u>(879,542)</u>	<u>1,291,382</u>

Notes to the accounts (continued)

14.) Restricted Funds (continued)

The Shale Families project is part funded by Museums Galleries Scotland, the balance being met by the Trust. This is reflected in the transfer of £17,182 from unrestricted general funds to the Shale Families restricted fund.

The trustees have decided to transfer excess funds on restricted fund projects which have now ceased to unrestricted funds. All of the designated fund incoming transfers has been transferred from the unrestricted: general funds.

Purpose of Designated Funds

During the year £358,801 has been transferred from unrestricted: general funds to designated funds in respect of designated fund capitalised assets and revenue expenditure.

Site Improvements

This fund highlights the amount of expenditure which is incurred on site development and the associated depreciation which is charged annually. During the year an additional £45,470 worth of expenditure has been incurred on site developments and £36,761 has been charged as site depreciation.

Tearoom Canopy

The tearoom canopy is a project to provide for the costs associated with the construction of a tearoom canopy. As this project was complete at the year end, a depreciation charge of £4,171 has been provided on tearoom equipment costs totalling £27,805.

Tearoom Extension

The tearoom extension project was incomplete at the year end. However associated tearoom equipment costs of £2,611 have been capitalised with depreciation of £392 being charged against this fund. Tearoom extension costs totalling £119,013 have been shown within "assets under construction" in the balance sheet and note (7) of the financial statements. No depreciation will be provided until the tearoom extension is fully operational.

Locomotive Repair

The repair costs associated with repairing the Baguley Drewry locomotive in the current year have been shown as designated funds.

Small Animal Buildings

This fund relates to the construction of two small animal buildings. The costs of this project total £92,000 at the balance sheet date and are reflected as "assets under construction" in the balance sheet and note (7) of the financial statements. No depreciation will be provided for until the small animal buildings are operational.

Purpose of General Funds

The general fund represents income received and expenditure incurred in respect to the day-to-day running of the charity. Decision making on how general fund income and expenditure is utilised is at the discretion of the trustees. During the year £417,896 was transferred from restricted funds to general (unrestricted) funds in respect of restricted fund projects which have ceased. £358,801 has been transferred from unrestricted: general funds to unrestricted: designated fund in respect of designated fund capitalised assets and revenue expenditure.

Purpose of Restricted Funds

WLC Maintenance - reimbursement by West Lothian Council of expenditure incurred by the Trust in an agreed annual package of work associate with the upkeep of buildings and site at Almond Valley. Funding cannot be carried forward from one year to another.

Community Jobs Scotland - An employment and training programme administered by SCVO which concluded in June 2012.

Shale Families. A three year project supported by Museums Galleries Scotland funding a member of staff involved in development of the Scottish shale website. The intervention rate was 50%, 30% and 15% in year 1, 2 and 3 of the project, which will conclude May 2013.

Study Centre. A project administered by Museum Galleries Scotland to create a study space and a curatorial office. This project is now complete.

In Touch. A project supported by Museums Galleries Scotland to create a new interactive display within the museum. This project is now complete.

Community Garden. A project, funded by Scottish Natural Heritage and Central Scotland Forestry Trust under their community volunteering programme, fully funding employment of a volunteer gardening coordination. The project concluded in September 2012.

Festival of Museums. A grant programme administered by Museums Galleries Scotland to support special events held in conjunction with Festival of Museums day. In 2012, a grant was given towards an event based on weaving with willow entitled "Creating a Perfumed Story Dome".

Skills Development Scotland. A government sponsored programme to support agreed programmes of training and personal development.

Capital Grants Reserve

The Capital Grants reserve is a fund which is predominantly capital in nature, whereby the funding received from the initial grant providers and donors was received more than ten years ago. All of the related projects have ceased and all the grant and donor funding has been spent for the purposes for which they were intended and to the satisfaction of those who provided the funding. However a large balance remained long after initial funding was provided, due to the majority of the funding being for the purpose of new buildings or building improvements. Thus, depreciation was the only expense being "matched" against income, leaving a large fund balance in the financial statements on an annual basis. In addition, many of the organisations which provided grant funding either no longer exist or have been subsumed within new organisations. In view of these facts, the trustees are of the opinion that the remaining balance on this fund should be transferred to unrestricted funds.

Notes to the accounts (continued)

15.) Loans and Floating Charges

On 29th October 2009, SIS (Community Finance) Limited provided Almond Valley Heritage Trust with a loan of £65,000 which is repayable over 7 years at an interest rate of 8%. SIS Community Finance Ltd secured this loan via a bond and floating charge which is held over the whole of the property at Mill Farm, Millfield, Livingston Village.

16.) Trustees Remuneration and Related Party Transactions

G. Bolan (Treasurer) received remuneration of £750 during the year. Travel costs amounting to £728 (2012 - £728) were reimbursed to one Trustee. No Trustee or other person related to the charity had any personal interest in any contract of transaction entered into by the charity during the year (2012 - £ nil).

17.) Resources Expended

Charitable Costs

<u>Direct Charitable Costs</u>	Basis of Allocation	General Fund (£)	Study Centre (£)	Shale Families (£)	In Touch with shale (£)	Community Jobs (£)	Community Garden (£)	SD Scotland (£)	Festival of Museums (£)	WLC maintenance (£)	Total 2013 (£)	Total 2012 as restated (£)
Shop Purchases	Direct	42,448	-	-	-	-	-	-	-	-	42,448	35,018
Catering & Confectionery costs	Direct	99,304	-	-	-	-	-	-	-	-	99,304	107,745
Birthday costs	Direct	8,591	-	-	-	-	-	-	-	-	8,591	7,690
Farm costs	Direct	18,271	-	-	-	-	-	-	-	-	18,271	22,332
Play area costs	Direct	403	-	-	-	-	-	-	-	-	403	605
Wages and NI (non-project)	Time	393,027	-	-	-	-	-	-	-	-	393,027	350,054
Wages and NI (project)	Time	-	-	22,989	-	3,194	3,600	-	-	-	29,783	58,824
Staff pension costs	Direct	1,847	-	-	-	-	-	-	-	-	1,847	2,196
Staff & Trustees travel & training	Direct	5,907	-	-	-	-	-	1,598	-	-	7,505	10,122
Trainee & Volunteer Expenses	Direct	-	-	-	-	-	-	-	-	-	-	48
Telephone & Internet Charges	Direct	2,581	-	-	-	-	-	-	-	-	2,581	3,526
Post, Stationery and Adverts	Direct	35,398	-	-	-	-	-	-	-	-	35,398	37,355
Heating and Lighting	Direct	41,659	-	-	-	-	-	-	-	-	41,659	49,559
Site/Plant Maint. incld. wages & NI	Direct	33,245	-	-	56	-	2	-	-	20,000	53,303	47,305
Insurance	Direct	7,209	-	-	-	-	-	-	-	-	7,209	11,672
Janitorial Costs	Direct	15,086	-	-	-	-	-	-	-	-	15,086	13,663
Museum Budgets	Direct	3,110	-	-	-	-	-	-	-	-	3,110	7,587
Event and Service Costs	Direct	5,976	-	-	-	-	-	-	840	-	6,816	6,357
Depreciation	Usage	80,091	4,050	-	4,865	-	-	-	-	-	89,006	84,716
		<u>794,153</u>	<u>4,050</u>	<u>22,989</u>	<u>4,921</u>	<u>3,194</u>	<u>3,602</u>	<u>1,598</u>	<u>840</u>	<u>20,000</u>	<u>855,347</u>	<u>856,374</u>
<u>Charitable Support Costs</u>												
Trust Administration	Direct	6,185	-	-	-	-	-	-	-	-	6,185	5,800
Friends Membership Admin.	Direct	219	-	-	-	-	-	-	-	-	219	318
Lease and Rental Charges	Direct	943	-	-	-	-	-	-	-	-	943	477
Bank Charges	Direct	4,522	-	-	-	-	-	-	-	-	4,522	5,254
SIS Loan Fees and Interest	Direct	3,405	-	-	-	-	-	-	-	-	3,405	3,624
		<u>15,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,274</u>	<u>15,473</u>
Total Charitable Costs		<u>809,427</u>	<u>4,050</u>	<u>22,989</u>	<u>4,921</u>	<u>3,194</u>	<u>3,602</u>	<u>1,598</u>	<u>840</u>	<u>20,000</u>	<u>870,621</u>	<u>871,847</u>
<u>Governance Costs</u>												
Audit & Accountancy Fees	Direct	7,443	-	-	-	-	-	-	-	-	7,443	6,028
Professional Fees	Direct	-	-	-	-	-	-	-	-	-	-	575
Trustee Remuneration (Treasurer)	Direct	750	-	-	-	-	-	-	-	-	750	-
Trustee travel expense reimburse.	Direct	728	-	-	-	-	-	-	-	-	728	728
Total Governance Costs		<u>8,921</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,921</u>	<u>7,331</u>
Total Resources Expended		<u>818,348</u>	<u>4,050</u>	<u>22,989</u>	<u>4,921</u>	<u>3,194</u>	<u>3,602</u>	<u>1,598</u>	<u>840</u>	<u>20,000</u>	<u>879,542</u>	<u>879,178</u>

The comparative figures for 2012 have been restated with regard to amounts which were previously shown as governance costs now being shown as charitable support costs and irrecoverable input VAT being added back to their original cost headings. The trustees deem irrecoverable VAT, not claimable from grant providers, to have been suffered by the trust and is therefore shown within trust administration costs.

The trustees deem that costs which relate to providing the charity with the infrastructure to operate and generate information of public accountability are to be shown as governance costs. Costs which are used directly or indirectly in the delivery of primary goods and services directed at the achievement of the charitable aims of the charity are deemed to be shown as charitable activities by the trustees. Direct and indirect charitable costs have been analysed above based on direct expenditure incurred, usage of activities and time spent on activities.

Notes to the accounts (continued)

18.) Staff Costs and Numbers

Staff costs were as follows:

	Total 2013 (£)	Total 2012 (£)
Salaries and Wages	450,310	426,671
Social Security Costs	21,720	22,779
Pension Costs	1,847	2,196
Total	<u>473,877</u>	<u>451,646</u>

No employee received emoluments of more than £60,000. Wages and National Insurance amounting to £24,423 has been reflected in the balance sheet as fixed assets in respect of site improvements. Corresponding depreciation of £8,141 is reflecting in the statement in financial activities with regard to site improvements. Wages and national insurance amounting to £7,816 has been reflected in the balance sheet as fixed assets in respect of the construction of small animals buildings. As the construction was not complete at the year end, there is no corresponding depreciation charge.

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	2013 number	2012 number
Chief Executive	1	1
Management Team	5	5
Catering Staff	10	10
Part-time and Temporary Staff	15	10
Museum Staff	1	1
	<u>32</u>	<u>27</u>

19.) Analysis of Net Assets between Funds

	general funds (£)	designated funds (£)	restricted funds (£)	total funds (£)
Tangible Fixed Assets	771,029	310,388	-	1,081,417
Current Assets	301,273	-	-	301,273
Current Liabilities	(63,019)	-	-	(63,019)
Non-Current Liabilities	(28,289)	-	-	(28,289)
Net Assets at 31st March 2013	<u>980,994</u>	<u>310,388</u>	<u>-</u>	<u>1,291,382</u>

20.) Heritage Assets

Almond Valley is a fully Accredited Museum. This accreditation process involves external examination of museum policies and a verification that they meet nationally agreed standards. The museum policies governing the acquisition and disposal of collection items define the types of objects that may be accessioned into the collection, makes clear the expectation that all will be held in perpetuity, but provides a process by which items might be disposed of under exceptional circumstances. The museum collection is maintained principally for its contribution to knowledge and culture. Trustees do not consider such "heritage assets" to be operational assets and therefore do not include these in the balance sheet.

Due to the specialist nature of the collecting areas defined in the collecting policy, it unlikely that the museum will ever acquire objects of substantial financial value. At the end of March 2011, the collection consisted of approximately 5,000 items or groups of items representing a total value of £27,907. Full details of the collection are recorded in the Trust's Accession Register. Other than one object with an estimated value of £15,000, and six with values between £1,000 and £10,000, all objects were valued at less £1,000, with the vast majority of objects (more than 95% of the collection) being valued at less than £50. Valuations are derived from purchase cost at acquisition, or a Curator's estimate of the value of donated objects. During the financial year ending 31st March 2013, items valued £996 were added to the museum collection by purchase (£1,250 in 2012), collection items valued at £88 were donated (£2,000 in 2012). No collection items were disposed of over that period, and no change in value occurred in respect of impairment of collection items.

Notes to the accounts (continued)**21.) Pensions**

The charitable company contributed £1,847 (2012 - £2,196) into two separate self administered defined contribution pension schemes for two employees (2012 - three employees). There were no outstanding pension contributions due at the year end (2012 - nil).

22.) APB Ethical Standard - Provisions Available for Smaller Entities

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

23.) Capital Commitments

At 31st March 2013 the charitable company has a commitment to a contractor pertaining to electrical work carried out on the small animals buildings, amounting to £6,776 (net of VAT), for which no provision has been made in the financial statements. Public address equipment for the small animal buildings amounting to £4,129 (net of VAT) was not contracted for by the charitable company as at 31st March 2013 and consequently had not been provided for in financial statements for this work at 31st March 2013.

Contracted work was fully complete on phase one of the tearoom extension at 31st March 2013. However, work on phase two of the tearoom extension has not been started as the contract for this work still has to be put out to tender and has not yet been authorised by the trustees. Therefore, no provision has been made in the financial statements for this work at 31st March 2013.

24.) Operating Lease Commitments

Annual commitments under operating leases are as follows:

	2013	2012
	£	£
Amounts due within a year	828	828
Amounts due within 2 and 5 years	2,608	3,436
Amounts due after more than one year	-	-
	<u>3,436</u>	<u>4,264</u>

Appendix One: Income and Expenditure Account for the year ended 31st March 2013.
This page does not form part of the statutory financial statements.

	2013		2012	
Turnover	£	£	£	£
Admission Charges		303,987		316,954
Gift Sales		70,514		72,951
Catering & Confectionery		260,790		272,268
Birthday Parties		39,051		38,580
Trailer and Railway Rides		21,308		19,694
Hall Hires		299		200
Play Area Charges		24,963		26,472
Group and Corporate Memberships		7,070		9,430
Farm Income		774		1,266
		<u>728,756</u>		<u>757,815</u>
Cost of Sales				
Shop Purchases	42,448		35,018	
Catering Costs	99,304		107,745	
Birthday Costs	8,591		7,690	
Farm Costs	18,271		22,332	
Play Area Costs	403		605	
		<u>169,017</u>		<u>173,390</u>
Gross Profit		<u>559,739</u>		<u>584,425</u>
Other Operating Income				
WLC revenue grant	65,407		65,407	
WLC maintenance reimbursement	20,000		20,000	
Grants and other income	63,045		115,974	
Friends Memberships	79,594		80,313	
Bank Deposit Interest	2,096		1,345	
		<u>230,142</u>		<u>283,039</u>
		<u>789,881</u>		<u>867,464</u>
Less Resources Expended				
Wages and NI (non-project)	393,027		350,054	
Wages and NI (project)	29,783		58,824	
Treasurer's remuneration	750		-	
Staff Travel & Training	8,233		10,850	
Trainee & volunteer expenses	-		48	
Telephone Charges	2,581		3,526	
Post, stationery and advertising	35,398		37,355	
Trust Administration	6,185		5,800	
Heating and Lighting	41,659		49,559	
Site and Plant Maintenance	37,411		36,436	
Site and Plant Maintain, rest. wages & NI	9,486		10,869	
Site and Plant Maintain, unrest. wages & NI	6,406		-	
Staff Pension and Insurances	9,056		13,868	
Janitorial Costs	15,086		13,663	
Museum Budgets	3,110		7,587	
Event & Visitor Service Costs	6,816		6,357	
Friends Membership Admin.	219		318	
Bank Charges	4,522		5,254	
Equipment lease and rental	943		477	
Professional Fees	7,443		6,603	
SIS loan fees and interest	3,405		3,624	
Depreciation	89,006		84,716	
		<u>710,525</u>		<u>705,788</u>
		<u>79,356</u>		<u>161,676</u>
Net Surplus for the year		<u><u>79,356</u></u>		<u><u>161,676</u></u>