



# Almond Valley Heritage Trust

A Scottish company limited by guarantee

## Report and Accounts 1st April - 31st December 2017

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 period ended 31st December 2017

The Trustees present their report and audited financial statements for the year ended 31st December 2017

#### Reference and Administrative Information

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

#### Trust Board

|                    |                          |
|--------------------|--------------------------|
| Mr W.R.V Percy     | Chairman                 |
| Dr. J. Sheldon MBE |                          |
| Mr. C. Brien       | Vice Chair and Secretary |
| Mr. G. Bolan       | Treasurer                |
| Mr. H. Owens       |                          |
| Cllr. A. Miller    |                          |
| Mr. J. Doherty     |                          |
| Mr. A. Scott       | (resigned 06/12/17)      |
| Cllr. A. McMillan  | (until 08/05/17)         |
| Ms. Lianne Lodge   |                          |
| Cllr. A. Adamson   | (from 21/07/17)          |
| Cllr. D. McGuire   | (from 21/07/17)          |
| Dr M. Reynard      | (from 20/09/17)          |

#### 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

#### Professional Advisors

Fairstone Financial T/A Hunter Wealth Management, 2 Maitland St. Edinburgh, EH12 5DS

## Change in Financial Year

Since its formation in 1990, the Trust has operated a financial year running from 1st April to the 31st March. The Trust customarily generates a significant proportion of its earned income over the Easter school holiday break and the variable date of Easter means that this period may fall, to varying degrees, on either side of the financial year end. This distorts comparison of performance between financial years and complicates the budgeting process.

To avoid this, the Trust agreed to adopt a financial year that coincides with the calendar year, starting from 1st of January 2018. These accounts therefore describe performance and events for a nine month period - 1st April to 31st December 2017. Throughout this report comparisons are made with the previous accounting period, the twelve months from 1st April 2016 to the 31st March 2017.

## 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 for a period of three years 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.

### Pay Policy for Senior Staff.

Trustees set the Director's salary at a level that they consider to be reasonable for a voluntary sector organisation of this scale, as the absence of equivalent organisations in similar circumstances makes more formal bench-marking impractical.

### Risk Management.

Trustees consider the risks associated with the policies that are adopted and the decisions that are made. An annual review of the Trust's Forward Plan encompasses an assessment of risk related to management and governance, operational activities, financial management, external influences and compliance with regulations. Reserves and Risk Management Policies, which include an analysis of the major risks to which

the charity is exposed, is reviewed annually. An organisation-wide annual risk review process informs an annual review of Health and Safety policy, and health and safety matters are reported upon at every board meeting.

#### Reserves Policy

In planning a sensible and prudent level of cash reserve, Trustees recognised the effects of seasonal variations in income, the need to accumulate funds for major development works, and the desirability of holding a reasonable level of reserve funds to safeguard against interruption in business. Trustees agreed that the level of cash reserve should not fall below £150,000 at the lowest point of the annual earned income and expenditure cycle. It is anticipated that this level of reserves would maintain the Trust as a viable business for at least three months under circumstances in which Almond Valley was unable to open to visitors and generate income from trading. At 31st December 2017, £122,596 of unrestricted funds were held in a portfolio of investments with Zurich which were managed by Fairstone Financial T/A Hunter Wealth Management.

Despite considerable expenditure on major capital works, and the need to outlay funds in advance of reclaiming grant funds and VAT, the level of funds held at the bank and in investments remained above the agreed minimum level of reserves at all times during the year.

The financial results are outlined on pages twelve to twenty five of this Report.

## Objectives and Activities

Formation of the Trust in 1990 brought together a diverse range of interests from a number of community organisations that had been active on the Livingston Mill site, including a community farm and a museum training project. The objectives, ideals, and character of the trust continue to reflect this parentage, combining commitment to community engagement and learning, with the responsibilities of holding a nationally recognised museum collection.

Almond Valley'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 key objectives are:

- ▶ To engage families and children in enjoyable and enriching experiences that promote wonder and curiosity, awareness and understanding, as part of an informal family day out.
- ▶ To research, record, maintain collections, and work with communities and others in sharing knowledge and appreciation of West Lothian's past.
- ▶ To develop and maintain collections and archives related to the Scottish shale oil industry. To undertake and promote research, and to maintain and share knowledge of the industry.
- ▶ To conserve and interpret the historic buildings and the natural and farmed environments of the Almond Valley site.
- ▶ To deliver formal learning experiences and resources to visiting groups, and to offer opportunities for participation, training and personal fulfilment through volunteering.
- ▶ To operate as an effective social enterprise; trading efficiently to generate income that is re-invested to promote the objectives of the charity.

Almond Valley is a fully Accredited Museum which holds a collection that is recognised as being of national importance to Scotland. Almond Valley offers a quality visitor experience that achieves four star status under the VisitScotland grading scheme, and are Investors in People bronze award holders.

## Achievements and Performance

Almond Valley aims to involve, engage and serve a broad, popular audience, both local residents and visitors to the area. The Almond Valley site holds particular appeal to families with young children and during the course of an enjoyable day out, families share experiences that can provoke curiosity, inspire imagination and promote understanding of the local heritage. The Trust has customarily maintained admission charges well below market levels in order to ensure Almond Valley is affordable by all. Adult admission tickets were priced at £8.50, children and seniors at £6.50, with a range of discounts for groups and a range of season ticket products.

Since its inception, Almond Valley has been successful in securing grant funds and has invested earned income in the continued development of new attractions and facilities on the Almond Valley site. This progress has driven a continuous increase in visitor numbers, and in recent years has generated a modest revenue surplus for investment in capital works. During the 2017 financial period (1st April 2017 to 31st December 2017), visitor numbers were slightly less than in the equivalent months in the previous years. Although April 2017 represented the busiest ever month in the Trust's history, poor weather over the course of the summer months deterred visits. Nevertheless an adequate revenue surplus was maintained and the Trust has continued to invest earned income in capital works to further improve the visitor experience and fuel continued progress in services and facilities. At no time during the year did the level of reserves fall below the £150,000 threshold set out in the Trust's reserves policy.

Almond Valley received income of £65,407 from West Lothian Council under a service level contract governing the provision of museum services for the period 1st April 2017 - 31st March 2018. A further £19,989 was due to be reclaimed from the Council (of which £19,207 related to expenditure for the period ended 31st December 2017) against expenditure on property maintenance through an endowment arrangement established on wind-up of Livingston Development Corporation. The Almond Valley site is held on a lease from West Lothian Council, currently extending to 28th February 2043.

| <u>Total visits for month</u> | <u>01/04/16 to 31/03/17</u> | <u>01/04/17 to 31/12/17</u> |
|-------------------------------|-----------------------------|-----------------------------|
| April                         | 14,004                      | 22,204                      |
| May                           | 17,907                      | 16,553                      |
| June                          | 17,217                      | 14,936                      |
| July                          | 19,995                      | 18,468                      |
| August                        | 17,356                      | 15,259                      |
| September                     | 7,892                       | 8,097                       |
| October                       | 11,477                      | 10,036                      |
| November                      | 3,317                       | 3,769                       |
| December                      | 4,937                       | 3,593                       |
| January                       | 4,271                       | -                           |
| February                      | 5,548                       | -                           |
| March                         | 8,158                       | -                           |
| Total for year                | <u>132,079</u>              | <u>112,915</u>              |

Almond Valley offers a range of day admission tickets and annual passes to suit the varied needs of family and group visitors. The cost of day admission tickets, and that of annual passes, were increased slightly at the start of the year.

|                           | <u>01/04/16 to 31/03/17</u> | <u>01/04/17 - 31/12/17</u> |
|---------------------------|-----------------------------|----------------------------|
| Adults                    | 33,192                      | 28,017                     |
| Child or Senior           | 25,115                      | 21,702                     |
| School and group visitors | 19,206                      | 15,985                     |
| Birthday parties          | 3,403                       | 2,533                      |
| Friends members           | 35,430                      | 27,031                     |
| Corporate & other passes  | 12,898                      | 15,280                     |
| Complimentary & carers    | 2,835                       | 2,367                      |
| TOTAL                     | <u>132,079</u>              | <u>112,915</u>             |

Analysis of entry statistics, surveys and various forms of visitor feedback provided evidence of our visitor profile and how the mix of visitors vary throughout the year. This information informs our marketing efforts. In general terms about a third of our visitors are resident in West Lothian, a further third are from Edinburgh and the Lothians and the remaining third are day visitors from throughout the central belt of Scotland, or are tourists. This mix of visitor varies considerably with the season, the timing of school holidays, and many other factors.

The printing and distribution of leaflets, the continuing development of our website, and very selective directory advertising remained the principal areas of paid promotion. Participation in certain carefully selected discount programmes served to raise profile at times of the year when Almond Valley had capacity for additional visitors. Personal recommendation remained by far the most common route for generating awareness, although on-line review sites assumed an increasing importance. Special effort was made to promote positive reviews and respond effectively to any adverse comments.

The Trust's main website ([www.almondvalley.co.uk](http://www.almondvalley.co.uk)) continued to form the cornerstone of our marketing efforts and was increasingly important in business processes, with most bookings being generated from on-line forms. New content was continually added and various features of the website were enhanced or refined, serving 70,741 unique users over the period 1st April - 31st December 2017 (84,707 in 2016-17).

Many of the Trust's museum functions are delivered through a separate website ([www.scottishshale.co.uk](http://www.scottishshale.co.uk)); an ever-growing network of knowledge that provides a unique source of reference for those with an interest in industrial heritage, local history or genealogy. It served 14,268 unique users during the period, (22,126 in 2016-17).

Social media was increasingly important as an informal channel for generating awareness of Almond Valley and in maintaining a regular dialogue with supporters. Many of the team contributed Facebook and Twitter content for the Almond Valley page and the separate identities maintained for the Museum of the Scottish Shale Oil Industry, and "West Lothian Heritage" which reflects the museum's local history role.

In addition to income from admissions and memberships, the Trust generates revenue from catering, gift sales, birthday parties, and other services to visitors. Continued development of catering operations saw additional use of home grown fruit and vegetables, with surplus fresh produce being sold from a stall in the gift shop, or being used to produce jams and pickles bottled under our own brand. A consultancy study was commissioned to review the tearoom menu, and as a consequence catering activities were further refined. The "shepherd's hut" catering kiosk in Charlesfield added choice and capacity to catering activities, especially on sunny days.

As is customary, visitors had the opportunity to enjoy a daily programme of demonstrations and handling activities on the farm, which varied with the season and included milking sessions and the bottle-feeding of young animals. The completion of a new animal arena enabled an extended programme of animal demonstrations to be presented through the summer months. A programme of seasonal special events was run to coincide with school holiday periods, often involving games, trails, crafts and other attractions. A seven-week programme of "Den-building adventures" ran daily throughout the summer school break, giving families the chance to build shelters, play woodland games and take part in outdoor crafts. A special Halloween trail and a range of Santa events proved highly popular.

During the course of the period, over 10,000 primary and pre-school children took part in curriculum-linked discovery sessions on a range of farming and animal husbandry themes, including an autumn programme in which children could get their hands dirty bringing in the harvest from our demonstrations plots. A further 5,000 group visitors were welcomed from a diverse range of community and childcare organisations, many enjoying a more informal style of "animal encounters" and other presentations on the farm.

## Trustees report for the period ended 31st December 2017

The museum team of one full-time curator and a part-time archivist, supported by volunteers, focussed much of their attention on the continuing digitisation of archives from the BP shale oil collection. These digital resources were shared freely through the ScottishShale website, which continued to be developed and diversified to serve both an international research audience, and those with interest in local or family history. A programme of historical research was conducted in tandem with the digitisation work to enhance website content, with highlights often shared through social media. Numerous research enquiries were addressed, and practical support and advice were shared with various community heritage interests. At the start of the period, the temporary exhibition space was devoted to the continuing display of objects and panels marking the seventieth anniversary of the Burngrange mining disaster. Display banner and other resources were subsequently displayed at various community venues. A new temporary exhibition was unveiled in June 2017, entitled "Every object tells a story" it was co-curated by many of the museum volunteers who selected favourite objects and shared personal stories behind their choices.

About 180 objects, or groups of objects, were added to the museum collection during the period, a mixture of donations, and objects purchased at auction. The museum volunteering programme continued to be well subscribed, with as many as twelve volunteers active at any one time. This volunteering offered opportunity to acquire specialist skills and experiences, often supporting progress in careers or personal interests.

Volunteers played an important role in many other areas of operation. The Young Volunteers club continued to enable young people to contribute towards the operation of the farm and the care of livestock, while the farm intern scheme offered work experience to those considering a career with farm livestock. Corporate volunteers contributed much towards the maintenance and development of the Almond Valley site through taking part in team-building challenges. Groups of work colleagues, many from financial institutions, tackled a range of landscaping and environmental improvement tasks, often contributing towards the cost of the materials used.

Four-star accredited status was maintained under the VisitScotland attraction grading scheme, and the trust continued to develop as Investors in People; successfully maintaining bronze award status. Various in-house staff training workshops were arranged, and individual programmes of training and personal development were encouraged and supported.

## Plans for Continuing Development

Early in 2016, dialogue with West Lothian Council over the future scope of their museum and heritage services raised the prospect that Almond Valley might play a larger role in delivering services on behalf of the Council. It was agreed that a consultancy be commissioned to "consider options for a museums-based heritage service for West Lothian". Almond Valley secured a grant from Museum Galleries Scotland's Partnership fund covering 75% of the £10,000 cost, the council agreed to fund the balance. Consultants were appointed in June 2017 and a steering committee established involving representatives from West Lothian's two other accredited museums. The Trust contributed much to inform and guide the progress of the study, but a final report was awaited at the end of the December 2017 and was accepted in April 2018.

The Trust's scottishshale.co.uk website has been continually extended and improved since it was launched in 2010, but reached a point where incremental development could no longer provide for the rapid progress of technology. A completely new platform is therefore being created for the site, enabling use on different screen sizes, allowing information to be browsed by map-based interface, and designed to permit continual upgrade as web standards advance. A grant of £50,000 was secured from Museum Galleries Scotland's Recognition fund to fund the technical development of the new platform, and the fixed term appointment of a project assistant to prepare digital content. Web developers were appointed in September 2017. Modest progress was achieved by the end of the December, with expectation of the website going live in summer 2018. £4,000 grant income has been included in the financial statements to reflect the performance of the project as at 31 December 2017.

The "Oil Works Discovery Space" - (now commonly referred to as the "Paraffin Works") will be an innovative play and activity area, introducing children to the historic processes of the shale oil industry. The project has a budget of £350,000, of which 50% is being funded by a grant under the West Lothian LEADER programme. The large circular canopy that will shelter the play features was erected in March 2017. Work then progressed with the installation of rainwater drainage and a compacted stone floor, while some play features were fabricated in the Trust's own workshop.

A professional team were appointed to design a structural steel framework for the play environment to which play equipment would be attached, and the whole then dressed and decorated to give the appearance of an industrial plant. Detailed designs and specifications for this framework were prepared and put out to tender, however when these were returned, costs proved many times higher than had been allowed in the budget. This required a fundamental re-think of the project, and a streamlined design for the structural frame that utilised standard industrial components. By the end of December it was established that this new direction was practical and affordable, and measures were in place to procure necessary materials and services.

The Trust's consistent progress and success through the years reflects a continuity in governance and management, and the long service of many board members. While this has always proved a strength, the board recognises the need to plan for succession and to regularly review strategy and policies. A micro-consultancy was commissioned in December 2016 to review governance and organisational health which provided the evidence and background for an application to Heritage Lottery Fund's "Resilient Heritage" programme. A grant of £25,800 was awarded by HLF in June 2017 towards the cost of consultancies, advice, and study costs associated with the development of governance, review of organisational structures, and the establishment of new strategic and business plans. A facilitated Trustees' strategy day, held in October 2017, marked the start of this process and established priorities for the rest of the programme.

## Financial Review

During the financial period ending 31 December 2017 total income decreased by £187,924 ( year ended 31 March 2017 - £37,600 increase in income) and expenditure decreased by £245,853 (year ended 31 March 2017 - £94,614 increase in expenditure) in addition to net gains on investments of £2,940 (year ended 31 March 2017 - nil). The net movement of funds for the year was £150,217, an increase of £60,869 compared to last year (year ended 31 March 2017 - £57,014 decrease in net movement of funds). Total cash and cash equivalents figure at the end of the period was £288,731 (year ended 31 March 2017 - £287,206).

The reasons for these results have been outlined in the previous pages of this report. The results achieved in the period ended 31 December 2017, along with the funding put in place for the forthcoming financial year, provides the Board of Trustees with a solid platform to push forward with the plans outlined above.

## Trustees' responsibilities in relation to the financial statements

The Charity Trustees (who are directors for the purposes of company law and Trustees for the purposes of charity law) are responsible for preparing a 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 Charity Trustees to prepare financial statements for each 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 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.

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 to enable them to ensure that the financial statements comply with the 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.

### Statement as to disclosure to our auditors

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 all steps that they ought to have 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.

### 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 20th June 2018 and signed on its behalf by:



W.R.V. Percy (Chairman)      date: 20 JUNE 2018

## Independent Auditor's Report to trustees and members of Almond Valley Heritage Trust

### Report on audit of the financial statements

#### *Opinion*

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2017 and of the charitable company's incoming resources, and application of resources, including its income and expenditure, for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

We have audited the financial statements of Almond Valley Heritage Trust (the "charitable company") which comprise:

- the statement of financial activities (incorporating an income and expenditure account);
- the balance sheet
- the cash flow statement; and
- the related notes 1 to 31.

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 to the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### *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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other 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 opinion.

#### Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Trustees' use of the going concern basis of accounting in 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 charitable company's ability to continue to adopt the going concern basis of accounting for the period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

#### *Other information*

The Trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, 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 the fact.

We have nothing to report in respect of these matters.

[Independent Auditor's report \(continued\)](#)

*Responsibilities of Trustees*

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purpose of company 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 charitable company'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 charitable company 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 the Companies Act 2006 and report in accordance with those 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 the 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body, and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Report on other legal and regulatory requirements*

*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 prepared for the purposes of company law for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

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

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

Under the Companies Act 2006 and the Charity Accounts (Scotland) Regulations 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate and proper accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company 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 required for our audit.

We have nothing to report in respect of these matters.

  
.....  
Brian Maloney F.C.C.A., (Senior Statutory Auditor),  
date 29/06/2018

Almond Valley Heritage Trust

## Statement of Financial Activities

(including Income and Expenditure Account)

for the period ended 31st December 2017

|   |       |                     |                   | Total Funds<br>period ended<br>31st December | Total Funds<br>year ended<br>31st March |
|---|-------|---------------------|-------------------|--|---|
| <u>Income</u>                               | Notes | Unrestricted<br>(£) | Restricted<br>(£) | 2017<br>(£)                                  | 2017<br>(£)                             |
| Income and Endowments from:                 |       |                     |                   |  |   |
| <i>Donations and legacies</i>               | 6     | 28,864              | -                 | 28,864                                       | 43,659                                  |
| Income from Charitable Activities:          |       |                     |                   |  |   |
| <i>Grants &amp; contracts</i>               | 4,5   | 49,279              | 71,083            | 120,362                                      | 175,449                                 |
| <i>Income from visitor centre operation</i> | 5     | 984,127             | -                 | 984,127                                      | 1,100,995                               |
| Investment Income                           |       |                     |                   |  |   |
| <i>Bank Interest Received</i>               |       | -                   | -                 | -  | 1,236                                   |
| <i>Listed Investments</i>                   |       | 62                  | -                 | 62   | -                                       |
| Total Income                                |       | 1,062,332           | 71,083            | 1,133,415                                    | 1,321,339                               |
| <u>Expenditure</u>                          |       |                     |                   |  |   |
| <i>Charitable activities</i>                | 17    | (949,836)           | (35,896)          | (985,732)                                    | (1,231,991)                             |
| Raising Funds                               |       |                     |                   |  |   |
| <i>Investment manager's fees</i>            |       | (406)               | -                 | (406)  | -                                       |
| Total expenditure                           |       | (950,242)           | (35,896)          | (986,138)                                    | (1,231,991)                             |
| Net income/(expenditure)                    |       | 112,090             | 35,187            | 147,277                                      | 89,348                                  |
| Net gains on investment assets              |       | 2,940               | -                 | 2,940  | -                                       |
| Transfers                                   |       |                     |                   |  |   |
| <i>Gross transfers between funds</i>        | 14    | (1,441)             | 1,441             | -  | -                                       |
| Net Movement in Funds                       | 14    | 113,589             | 36,628            | 150,217                                      | 89,348                                  |
| Reconciliation of Funds                     |       |                     |                   |  |   |
| Total Funds Brought Forward                 | 14    | 1,762,960           | 45,058            | 1,808,018                                    | 1,718,670                               |
| Total Funds Carried Forward                 |       | 1,876,549           | 81,686            | 1,958,235                                    | 1,808,018                               |

The statement of financial activities include all gains and losses recognised for the period.  
All income and expenditure derive from continuing activities.

The notes on pages 15 to 25 form part of these financial statements.

## Almond Valley Heritage Trust

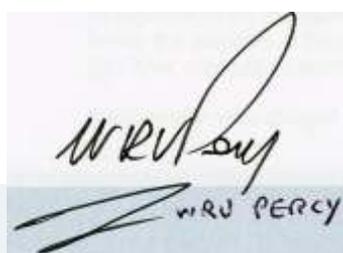
**Balance Sheet**

at 31st December 2017

|  |      | At 31st December<br>2017 | At 31st March<br>2017 |
|--|------|--------------------------|-----------------------|
|  | note | (£)                      | (£)                   |
| <b>Fixed Assets</b>  |      |                          |                       |
| <i>Tangible Fixed Assets</i>                                   | 7    | 1,687,218                | 1,682,604             |
| <i>Investments</i>   | 30   | 122,596                  | -                     |
| Total Fixed Assets   |      | <u>1,809,814</u>         | <u>1,682,604</u>      |
| <b>Current Assets</b>  |      |                          |                       |
| <i>Stocks</i>  | 8    | 40,748                   | 46,186                |
| <i>Debtors and Prepayments</i>                                 | 9    | 55,805                   | 70,410                |
| <i>Cash at Bank and in Hand</i>                                | 10   | 288,731                  | 287,206               |
| Total Current Assets   |      | <u>385,284</u>           | <u>403,802</u>        |
| <b>Liabilities</b>   |      |                          |                       |
| <i>Creditors: amounts falling due within one year</i>          | 11   | <u>(110,874)</u>         | <u>(128,937)</u>      |
| Net Current Assets   |      | <u>274,410</u>           | <u>274,865</u>        |
| Total Assets less Current Liabilities                          |      | <u>2,084,224</u>         | <u>1,957,469</u>      |
| <i>Creditors: amounts falling due after more than one year</i> | 12   | (125,989)                | (149,451)             |
| Net assets   |      | <u>1,958,235</u>         | <u>1,808,018</u>      |
| <b>The Funds of the Charity</b>                                |      |                          |                       |
| <i>Restricted Funds</i>  | 14   | 81,686                   | 45,058                |
| <i>Unrestricted: General Funds</i>                             | 14   | 1,448,284                | 1,327,410             |
| <i>Unrestricted: Designated Funds</i>                          | 14   | 428,265                  | 435,550               |
| Total Charity Funds  |      | <u>1,958,235</u>         | <u>1,808,018</u>      |

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements on pages twelve to twenty five were approved by the Board of Trustees on 20th June 2018 and are signed on their behalf by:



Chairman

20th June 2018

Almond Valley Heritage Trust

## Statement of Cashflows

for the year ended 31st December 2017

|  | Period ended<br>31st December<br>2017<br>(£) | Year ended<br>31st March<br>2017<br>(£) |
|--|--|---|
| Cash flow from operating activities                                    | 28 <u>219,735</u>                            | <u>168,724</u>                          |
| Cash flows from investing activities                                   |  |   |
| <i>Investment income</i>   | 62   | 1,236                                   |
| <i>Purchase of tangible fixed assets</i>                               | (77,100)                                     | (117,334)                               |
| <i>Purchase of investments</i>   | (120,000)                                    | -                                       |
| <i>Proceeds from sale of investments</i>                               | 344  | -                                       |
| Cash provided by / (used in) investing activities                      | <u>(196,694)</u>                             | <u>(116,098)</u>                        |
| Cash flows from financing activities                                   |  |   |
| <i>Repayments of borrowing</i>   | (21,516)                                     | (33,516)                                |
| Cash provided by / (used in) financing activities                      | <u>(21,516)</u>                              | <u>(33,516)</u>                         |
| Reconciliation of Net cash flow to movement in bank and cash balances  |  |   |
| <i>Increase / (decrease) in cash and cash equivalents for the year</i> | 1,525  | 19,110                                  |
| <i>Cash and cash equivalents at the beginning of the year</i>          | 287,206                                      | 268,096                                 |
| Total cash and cash equivalents at the end of the year                 | 29 <u>288,731</u>                            | <u>287,206</u>                          |

# Notes to the Accounts

## 1.) Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

### Basis of Preparation

The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

### Preparation of the accounts on a going concern basis

The Trust reported a cash inflow of £219,735 for the period end 31st December 2017 (year ended 31st March 2017 - £168,724). The Trustees are of the view that the charity is a going concern on the basis that there enough 'free' reserves and secured grant funding for the next year. There are no material uncertainties about the charity's ability to continue.

### Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity 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 and is not deferred.

### Donated services and facilities

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

### Interest Receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

### 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 an appeal.

### Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- (i) Costs of raising funds include the costs of managing the investments.
- (ii) Expenditure on charitable activities includes the costs of events, curatorial and other educational activities to further the purposes of the charity and their associated support costs.
- (iii) Other expenditure represents those items not falling into any other heading.

Irrecoverable vat is charged as a cost against the activity for which the expenditure was incurred.

## Notes to the Accounts (continued)

## 1.) Accounting policies (continued)

Allocation of Support Costs

Support costs are those functions that assist the work of the charity but not directly undertake charitable activities. Support costs include office costs, finance, personnel, payroll and governance costs which support the Trust's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 18.

Operating Leases.

Operating lease rentals are charged against income on a straight line basis over the period of the lease, see note 27.

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%     |                  |

Stock

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

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes short term highly liquid investment with short maturity.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after any trade discounts due.

Financial Instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Pensions

In June 2015 the charity opened a retirement solutions group personal plan which was open to all employees. At 31 December 2017, 24 employees were members of the pension scheme (year ended 31st March 2017 - 21 employees). The charity also operates two separate self administered defined contribution schemes on behalf of two employees who are not members of the group personal pension plan. Further details pertaining to the pension schemes is detailed in note 23.

## Notes to the Accounts (continued)

## 1.) Accounting policies (continued)

Heritage Assets

It is the policy of the charitable Trust not to capitalise Heritage Assets. This is discussed more fully in note 22.

Legal Status of the Trust

The Trust is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding-up is limited to £2.

Investments

The charity holds assets in a Zurich investment portfolio managed by Hunter Wealth Management. These assets are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using a mid-market value. Net gains and losses arising on revaluations and disposals during the period are included in the Statement of Financial Activities.

## 2.) Net income/(expenditure) for year is stated after charging:

|                              | period ended<br>31st December<br>2017<br>(£) | year ended<br>31st March<br>2017<br>(£) |
|------------------------------|--|---|
| Depreciation                 | 72,486                                       | 112,382                                 |
| Trustee Remuneration         | 737  | 1,474                                   |
| Operating Lease Costs        | 3,101  | 4,271                                   |
| Audit Fees                   | 3,850  | 4,000                                   |
| Accountancy and Payroll Fees | <u>4,664</u>                                 | <u>4,500</u>                            |

## 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 &amp; Contracts Income

|   | Unrestricted<br>(£) | Restricted<br>(£) | period ended<br>31st December<br>2017<br>(£) | year ended<br>31st March<br>2017<br>(£) |
|---|---------------------|-------------------|--|---|
| <i>Revenue Grants and Payments</i>                    |                     |                   |  |   |
| West Lothian Council - Service Level Agreement        | 49,279              | -                 | 49,279                                       | 65,407                                  |
| West Lothian Council - Maintenance Reimbursement      |                     | 19,207            | 19,207                                       | 20,000                                  |
| <i>Event Grants</i>                                   |                     |                   |  |   |
| Festival of Museums - Museums Galleries Scotland      | -                   | -                 | -  | 1,350                                   |
| <i>Wage Subsidies</i>                                 |                     |                   |  |   |
| StepsN2Work   | -                   | 642               | 642  | -                                       |
| <i>Project Grants</i>                                 |                     |                   |  |   |
| Growth Assistance Programme - West Lothian Council    | -                   | -                 | -  | 25,000                                  |
| Invisible Learning - Museums Galleries Scotland       | -                   | -                 | -  | 17,134                                  |
| Micro-Consultancy, Association of Independent Museums | -                   | -                 | -  | 1,500                                   |
| LEADER: Oil Works Discovery Space.                    | -                   | 31,834            | 31,834                                       | 45,058                                  |
| MGS/WLC: Identifying Options consultancy              | -                   | 2,500             | 2,500  | -                                       |
| HLF: Firm Foundations project                         | -                   | 12,900            | 12,900                                       | -                                       |
| MGS: Revealing the plot project                       | -                   | 4,000             | 4,000  | -                                       |
|   | <u>49,279</u>       | <u>71,083</u>     | <u>120,362</u>                               | <u>175,449</u>                          |

## Notes to the Accounts (continued)

| 5.) Income from Charitable Activities | Unrestricted<br>(£) | Restricted<br>(£) | period ended                 | year ended                |
|---------------------------------------|---------------------|-------------------|------------------------------|---------------------------|
|                                       |                     |                   | 31st December<br>2017<br>(£) | 31st March<br>2017<br>(£) |
| Grants and Contracts (see note 4)     | 49,279              | 71,083            | 120,362                      | 175,449                   |
| Income from Visitor Centre Operation  | 984,127             | -                 | 984,127                      | 1,100,995                 |
|                                       | <u>1,033,406</u>    | <u>71,083</u>     | <u>1,104,489</u>             | <u>1,276,444</u>          |

| 6.) Income from Donations and Legacies | Unrestricted<br>(£) | Restricted<br>(£) | period ended                 | year ended                |
|--|---------------------|-------------------|------------------------------|---------------------------|
|  |                     |                   | 31st December<br>2017<br>(£) | 31st March<br>2017<br>(£) |
| Sundry Donations and Other Income      | 10,129              | -                 | 10,129                       | 11,224                    |
| Gift Aid                               | 18,735              | -                 | 18,735                       | 32,435                    |
|  | <u>28,864</u>       | <u>-</u>          | <u>28,864</u>                | <u>43,659</u>             |

## 7.) Tangible Fixed Assets

| Cost                   | Buildings        | Site           | Plant &        | Computers     | Vehicles      | Payments on    | Total            |
|------------------------|------------------|----------------|----------------|---------------|---------------|----------------|------------------|
|                        | Improvements     | Improvements   | Equipment      |               |               | Account and    |                  |
|                        | £                | £              | £              | £             | £             | Construction   | £                |
|                        |                  |                |                |               |               | £              |                  |
| At 1st April 2017      | 1,530,999        | 375,340        | 938,107        | 71,905        | 19,437        | 98,494         | 3,034,282        |
| Additions              | -                | 6,164          | 3,951          | -             | -             | 66,985         | 77,100           |
| Disposals              | -                | -              | -              | -             | -             | -              | -                |
| Transfers              | -                | -              | -              | -             | -             | -              | -                |
| At 31st Dec. 2017      | <u>1,530,999</u> | <u>381,504</u> | <u>942,058</u> | <u>71,905</u> | <u>19,437</u> | <u>165,479</u> | <u>3,111,382</u> |
| <u>Depreciation</u>    |                  |                |                |               |               |                |                  |
| At 1st April 2017      | 284,066          | 314,817        | 678,537        | 56,349        | 17,909        | -              | 1,351,678        |
| Disposals              | -                | -              | -              | -             | -             | -              | -                |
| Charge for Year        | 22,965           | 16,672         | 29,646         | 2,917         | 286           | -              | 72,486           |
| At 31st Dec. 2017      | <u>307,031</u>   | <u>331,489</u> | <u>708,183</u> | <u>59,266</u> | <u>18,195</u> | <u>-</u>       | <u>1,424,164</u> |
| <u>Net Book Amount</u> |                  |                |                |               |               |                |                  |
| At 31st Dec. 2017      | <u>1,223,968</u> | <u>50,015</u>  | <u>233,875</u> | <u>12,639</u> | <u>1,242</u>  | <u>165,479</u> | <u>1,687,218</u> |
| At 31st March 2017     | <u>1,246,933</u> | <u>60,523</u>  | <u>259,570</u> | <u>15,556</u> | <u>1,528</u>  | <u>98,494</u>  | <u>1,682,604</u> |

## Notes to the Accounts (continued)

|  |  |   |
|--|--|---|
| 8.) Stocks   | period ended<br>31st December<br>2017<br>(£) | year ended<br>31st March<br>2017<br>(£) |
| Livestock and Goods for Resale                               | <u>40,748</u>                                | <u>46,186</u>                           |
| 9.) Debtors  | period ended<br>31st December<br>2017<br>(£) | year ended<br>31st March<br>2017<br>(£) |
| Grants Receivable  | 29,460                                       | 45,058                                  |
| Trade Debtors  | 38   | -                                       |
| Other Debtors  | -  | -                                       |
| Income Tax Receivable (Gift Aid)                             | 18,735                                       | 5,596                                   |
| Prepayments  | <u>7,572</u>                                 | <u>19,756</u>                           |
|  | <u>55,805</u>                                | <u>70,410</u>                           |
| 10.) Cash at Bank and In Hand                                | period ended<br>31st December<br>2017<br>(£) | year ended<br>31st March<br>2017<br>(£) |
| Bank: Current Account  | 286,121                                      | 165,070                                 |
| Bank: Zurich Account   | -  | 120,000                                 |
| Cash at Hand   | <u>2,610</u>                                 | <u>2,136</u>                            |
|  | <u>288,731</u>                               | <u>287,206</u>                          |
| 11.) Creditors: amounts falling due within one year          | period ended<br>31st December<br>2017<br>(£) | year ended<br>31st March<br>2017<br>(£) |
| Trade Creditors  | 39,064                                       | 82,962                                  |
| Tax and Social Security Costs                                | 19,033                                       | 13,448                                  |
| Accruals   | 3,450  | 3,450                                   |
| Loan - Bank of Scotland                                      | 31,023                                       | 29,077                                  |
| Bank - Credit Card   | 1,627  | -                                       |
| Deferred Grant Income  | <u>16,677</u>                                | <u>-</u>                                |
|  | <u>110,874</u>                               | <u>128,937</u>                          |
| 12.) Creditors: amounts falling due after more than one year | period ended<br>31st December<br>2017<br>(£) | year ended<br>31st March<br>2017<br>(£) |
| Loan - Bank of Scotland                                      |  |   |
| Due within one and two years                                 | 34,003                                       | 31,770                                  |
| Due within two and five years                                | 91,986                                       | 117,681                                 |
| Due after more than five years                               | -  | -                                       |
|  | <u>125,989</u>                               | <u>149,451</u>                          |
| 13.) Share Capital   |  |   |

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

## Notes to the Accounts (continued)

## 14.) Analysis of Charitable Funds

|   | As at<br>1st April 2017<br>(£) | Transfer<br>of Funds<br>(£) | Incoming<br>Resources<br>(£) | Outgoing<br>Resources<br>(£) | Gains/(Losses)<br>on investments<br>(£) | As at<br>31/12/17<br>(£) |
|---|--------------------------------|-----------------------------|------------------------------|------------------------------|---|--------------------------|
| Analysis of movements in restricted funds   |                                |                             |                              |                              |   |                          |
| WLC Maintenance Fund                        | -                              | -                           | 19,207                       | (19,207)                     | -                                       | -                        |
| MGS - Revealing the Plot                    | -                              | 800                         | 4,000                        | (4,800)                      | -                                       | -                        |
| HLF - Firm Foundations                      | -                              | -                           | 12,900                       | (6,481)                      | -                                       | 6,419                    |
| MGS/WLC - Identifying Options               | -                              | -                           | 2,500                        | (4,125)                      | -                                       | (1,625)                  |
| WLC - StepsN2Work                           | -                              | 641                         | 642                          | (1,283)                      | -                                       | -                        |
| LEADER - Oil Works Discovery Space          | 45,058                         | -                           | 31,834                       | -                            | -                                       | 76,892                   |
| <b>Total</b>                                | <b>45,058</b>                  | <b>1,441</b>                | <b>71,083</b>                | <b>(35,896)</b>              | <b>-</b>                                | <b>81,686</b>            |
| Analysis of movements in unrestricted funds |                                |                             |                              |                              |   |                          |
| Designated Fund - Site Development          | 21,586                         | 6,164                       | -                            | (6,937)                      | -                                       | 20,813                   |
| Designated Fund - Tearoom Extension         | 262,547                        | -                           | -                            | (4,146)                      | -                                       | 258,401                  |
| Designated Fund - Engine House Toilets      | 151,417                        | -                           | -                            | (2,366)                      | -                                       | 149,051                  |
| General Fund                                | 1,327,410                      | (7,605)                     | 1,062,332                    | (936,793)                    | 2,940                                   | 1,448,284                |
| <b>Total</b>                                | <b>1,762,960</b>               | <b>(1,441)</b>              | <b>1,062,332</b>             | <b>(950,242)</b>             | <b>2,940</b>                            | <b>1,876,549</b>         |
| <b>Total Funds</b>                          | <b>1,808,018</b>               | <b>-</b>                    | <b>1,133,415</b>             | <b>(986,138)</b>             | <b>2,940</b>                            | <b>1,958,235</b>         |

## Designated Funds

Designated funds represent funds earmarked for specific purposes by the Trustees. The following funds have been earmarked as designated by the trustees:

Site Development

This fund highlights the amount of expenditure which is incurred on site development and the associated depreciation which is charged annually. Depreciation of £6,937 has been charged during the financial year on brought forward site development costs of £21,586 and site development costs incurred through the period of £6,164.

Tearoom Extension

The tearoom extension project was completed in September 2014. Therefore capital expenditure associated with the project has been depreciated and reflected in the financial statements. Revenue expenditure associated with this project has also been included in the financial statements. Depreciation of £4,146 has been charged during the period on brought forward tearoom extension costs.

Engine-house Toilets

The engine-house toilet projects was completed by March 2016. Therefore, capital expenditure associated with the project has been depreciated and reflected in the financial statements. Depreciation of £2,366 has been charged during the period on brought forward engine house toilet costs.

## 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.

## Purpose of Restricted Funds

### LEADER - Oil Works Discovery Space

A project to design and construct an innovative play and learning space in Charlesfield, based on the processes of the shale oil industry, that will reflect local identity and attract additional visitors. A grant from the West Lothian LEADER programme will contribute 50% of eligible costs. Grant income of £31,834 has been reflected in the financial statements to account for grant funding due relating to 50% of costs incurred at 31 December 2017. As these costs relate to the ongoing construction of an outdoor play space, these costs have not been depreciated and have been included as assets under construction at 31st December 2017.

### MGS - Revealing the Plot

A project funded from the Museum and Galleries Scotland's Recognition Fund to create a new web presence for the Museum of the Scottish shale oil industry, contributing 91% of costs up to £50,000. A grant income debtor of £4,000 has been included to reflect expenditure incurred for the period ended 31 December 2017.

### HLF - Firm Foundations

A project funded under the Heritage Lottery Fund's Resilient Heritage Programme funding consultancies and other work to review and develop governance and organisational development, contributing 100% of costs up to £25,800. At 31 December 2017, 50% of total grant income had been received.

### MGS / WLC - Identifying Options

A consultancy study promoted and administered by the Trust, and funded by a grant from Museum Galleries Scotland's Partnership Fund covering 75% of the £10,000 budget, and West Lothian Council who contributed £2,500. The study considered options for future museum and heritage provision in West Lothian. At balance sheet date, only the £2,500 from WLC had been drawn down.

### WLC - StepsN2Work

A wage subsidy for one member of staff, received from West Lothian Council. Grant income of £549 has been deferred as it related to the financial year ended 31st December 2018.

### WLC - Maintenance Fund

Reimbursement by West Lothian Council of expenditure incurred in an annual package of works associated with the upkeep of buildings and site at Almond Valley. Funding cannot be carried forward from one year to another. A grant income debtor of £19,207 has been included to reflect the expenditure incurred for the period ended 31 December 2017.

## 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 was repayable over 7 years at an interest rate of 8%. SIS (Community Finance Ltd secured this loan via a bond and floating charge which was held over the whole of the property at Mill Farm, Millfield, Livingston Village. The floating charges were extinguished during the period ending 31st December 2017. On 29th November 2013, a second ranking bond and floating charge was secured on the whole of the property at Mill Farm, Millfield, Livingston Village in favour of the Bank of Scotland prior to a loan advance of £250,000 provided to Almond Valley Heritage Trust on 29th April 2014. This loan is repayable over 8 years at a fixed rate interest of 8.89% per annum.

## 16.) Trustees Remuneration and Related Party Transactions

One member of the Board of Trustees received remuneration of £737 during the period, (year ended 31st March 2017 - £1,474). Travel costs amounting to £566 (year ended 31st March 2017 - £534) were reimbursed to two Trustees. Accommodation cost of £1,527 were paid on behalf of eight board members and one member of the senior management team in relation to the Firm Foundations project. During the period, no further expense claims were reimbursed to any Trustee for any other purpose ( year ended 31st March 2017 - £60 to one trustee), and travel expenses totalling £730 were reimbursed to two members of the senior management team (year ended 31st March 2017 - £931).

No Trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the period (year ended 31st March 2017 - £ nil). No charity Trustee received any other benefit or received payment for professional services supplied to the charity during the period, (year ended 31st March 2017 - £ nil).

## 17.) Analysis of Expenditure on Charitable Activities

|   | Delivering the<br>user experience<br>(£) | Maintaining the<br>user experience<br>(£) | Curatorial works<br>(£) | Total for period ended<br>31st December<br>2017<br>(£) |
|---|--|---|-------------------------|--|
| Shop Stock Costs                                | 43,031                                   | -   | -                       | 43,031   |
| Catering and Confectionery Costs                | 95,615                                   | -   | -                       | 95,615   |
| Birthday Party Costs                            | 4,874                                    | -   | -                       | 4,874  |
| Farm Costs                                      | 22,733                                   | -   | -                       | 22,733   |
| Home-grown Produce Costs                        | 29                                       | -   | -                       | 29   |
| Play Area Costs                                 | 202                                      | -   | -                       | 202  |
| Salaries and National Insurance (inc'd pension) | 438,531                                  | -   | 32,894                  | 471,425  |
| Staff Travel and Training                       | 2,527                                    | -   | -                       | 2,527  |
| Telephone and Internet Charges                  | 3,011                                    | -   | 753                     | 3,764  |
| Post, Stationery, Adverts                       | 15,189                                   | -   | 3,797                   | 18,986   |
| Professional Fees                               | 13,673                                   | -   | -                       | 13,673   |
| Heating, Lighting and Water                     | 30,172                                   | -   | 7,543                   | 37,715   |
| Site & Plant Maintenance (incl'd salaries)      | -  | 50,300                                    | -                       | 50,300   |
| Rent  | 140                                      | -   | -                       | 140  |
| Insurance                                       | -  | 5,618                                     | 1,405                   | 7,023  |
| Janitorial Costs                                | -  | 12,932                                    | 3,233                   | 16,165   |
| Museum Budgets                                  | -  | -   | 3,536                   | 3,536  |
| Event and Service Costs                         | 6,918                                    | -   | -                       | 6,918  |
| Depreciation                                    | 32,849                                   | 39,637                                    | -                       | 72,486   |
| Governance Costs (see note 18)                  | 2,829                                    | -   | -                       | 2,829  |
| Support Costs (see note 18)                     | 111,761                                  | -   | -                       | 111,761  |
|   | <u>824,084</u>                           | <u>108,487</u>                            | <u>53,161</u>           | <u>985,732</u>   |

Expenditure on charitable activities was £985,732 (year ended 31 March 2017 - £1,231,991) of which £949,836 was unrestricted (year ended 31 March 2017 - £1,143,687) and £35,896 was restricted (year ended 31 March 2017 - £88,304).

## 18.) Analysis of Support and Governance Costs

The Trust initially identifies the costs of the support functions. It then identifies which costs related to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the key charitable objectives undertaken in the year. Refer to the table below for the basis of apportionment and the analysis of support and governance costs.

|                                | General<br>Support<br>(£) | Governance<br>Function<br>(£) | Total<br>(£)   | Basis of<br>Apportionment |
|--------------------------------|---------------------------|-------------------------------|----------------|---------------------------|
| Wages and National Insurance   | 80,842                    | -                             | 80,842         | allocated on time         |
| Trust Administration           | 3,546                     | -                             | 3,546          | direct                    |
| Lease and Rental Charges       | 3,101                     | -                             | 3,101          | direct                    |
| Bank Charges                   | 4,429                     | -                             | 4,429          | direct                    |
| Loan Fees and Interest         | 11,329                    | -                             | 11,329         | direct                    |
| Audit and Accountancy Fees     | 8,514                     | -                             | 8,514          | direct                    |
| Trust Remuneration (Treasurer) | -                         | 737                           | 737            | governance                |
| Trustee Travel Reimbursements  | -                         | 2,092                         | 2,092          | governance                |
|                                | <u>111,761</u>            | <u>2,829</u>                  | <u>114,590</u> |                           |

## 19.) Summary Analysis of Expenditure and Related Income for Charitable Activities

|                                   | Delivering the User Experience<br>(£) | Maintaining the User Experience<br>(£) | Curatorial Works<br>(£) | Total for period to 31st Dec. 2017<br>(£) |
|-----------------------------------|---------------------------------------|--|-------------------------|---|
| Costs                             | (824,084)                             | (108,487)                              | (53,161)                | (985,732)                                 |
| Grants                            | 51,876                                | 19,207                                 | -                       | 71,083                                    |
| Admission Charges                 | 451,152                               | -                                      | -                       | 451,152                                   |
|                                   | <u>(321,056)</u>                      | <u>(89,280)</u>                        | <u>(53,161)</u>         | <u>(463,497)</u>                          |
| Grant Support                     | -                                     | -                                      | 49,279                  | 49,279                                    |
| Net cost funded from other income | <u>(321,056)</u>                      | <u>(89,280)</u>                        | <u>(3,882)</u>          | <u>(414,218)</u>                          |

## 20.) Staff Costs and Numbers

|                       | Period ending 31st Dec. 2017<br>(£) | Year ending 31st March 2017<br>(£) |
|-----------------------|-------------------------------------|------------------------------------|
| Salaries and Wages    | 526,774                             | 624,839                            |
| Social Security Costs | 28,868                              | 36,016                             |
| Employment Allowance  | (3,000)                             | (3,000)                            |
| Pension Costs         | 10,591                              | 16,158                             |
| Total                 | <u>563,233</u>                      | <u>674,013</u>                     |

No employee received emoluments of more than £60,000. Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds. The total employee benefits of the key management personnel of the Trust was £ 66,381 (year ended 31 March 2017 - £99,740). Details of the payments made to Trustees are outlined in note 16 of the financial statements. The average number of employees during the year, calculated on the basis of full time equivalents was as follows:

|                               | Period ended 31st Dec. 2017 | Year ended 31st March 2017 |
|-------------------------------|-----------------------------|----------------------------|
| Chief Executive               | 1                           | 1                          |
| Management Team               | 5                           | 5                          |
| Catering Staff                | 16                          | 15                         |
| Part-time and Temporary Staff | 19                          | 18                         |
| Museum Staff                  | 1.5                         | 1.5                        |
| Total                         | <u>42.5</u>                 | <u>40.5</u>                |

The average headcount during the period was 52 staff, (2017 - 47 staff).

## 21.) Analysis of Net Assets between Funds

|                                  | General Funds<br>(£) | Designated Funds<br>(£) | Restricted Funds<br>(£) | Total Funds<br>(£) |
|----------------------------------|----------------------|-------------------------|-------------------------|--------------------|
| Tangible Fixed Assets            | 1,258,953            | 428,265                 | -                       | 1,687,218          |
| Investments                      | 122,596              | -                       | -                       | 122,596            |
| Current Assets                   | 301,973              | -                       | 83,311                  | 385,284            |
| Current Liabilities              | (110,874)            | -                       | -                       | (110,874)          |
| Non Current Liabilities          | (125,989)            | -                       | -                       | (125,989)          |
| Net Assets at 31st December 2017 | <u>1,446,659</u>     | <u>428,265</u>          | <u>83,311</u>           | <u>1,958,235</u>   |

## 22.) 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 December 2017, the collection consisted of approximately 5,000 items or groups of items representing a total value of £68,335. 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)

## Notes to the Accounts (continued) 22.) Heritage Assets (continued)

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 period ending 31st December 2017, items valued at £1,250 were added to the museum collection by purchase (£1,825 in year ending 31 March 2017), collection items valued at £250 were donated (£834 in year to 31/12/2017). No collection items were disposed of over that period, and no change in value occurred in respect of impairment of collection items.

## 23.) Pension

During the period, the charitable company contributed £2,315 (year ended 31 March 2017 - £6,044) into two separate self administered defined contribution pension schemes for two employees (year ended 31 March 2017 - 2) and £8,275 (year ended 31 March 2017 - £10,816) into a retirements solutions group pension plan administered by Royal London for the remaining staff. In respect of the Royal London plan there were outstanding pension contributions of £959 due at the year end (year ended 31 March 2017 - £843). No contributions were due in respect to the two separate self-administered plans.

## 24.) Non Audit Services

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.

## 25.) Capital Commitments

At 31st December 2017 the charitable company had no contracted commitments (year to 31 March 2017 - £1,920).

## 26.) 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.

## 27.) Operating Lease Commitments

Annual commitments under operating leases are as follows:

|  | period ended<br>31st December<br>2017<br>(£) | year ended<br>31st March<br>2017<br>(£) |
|--|--|---|
| Amounts due within one year            | 3,237  | 3,742                                   |
| Amounts due within one and two years   | 3,108  | 3,561                                   |
| Amounts due within two and five years  | -  | 6,555                                   |
| Amounts due after more than five years | -  | -                                       |
|  | <u>6,345</u>                                 | <u>13,858</u>                           |

The operating lease commitment relates to the lease of seven credit card machines.

The amounts have been stated net of VAT and do not include non-recoverable VAT.

28.) Reconciliation of Net Income/(Expenditure)  
to net cash flow from operating activities

|   | period ended<br>31st December<br>2017<br>(£) | year ended<br>31st March<br>2017<br>(£) |
|---|--|---|
| Net Movement in Funds                               | 150,217                                      | 89,348                                  |
| Adjustments for:                                    |  |   |
| Depreciation charges                                | 72,486                                       | 112,382                                 |
| Gain on investments                                 | (2,940)                                      | -                                       |
| Interest income                                     | (62)   | (1,236)                                 |
| Decrease/(Increase) in Stocks                       | 5,438  | 1,097                                   |
| Decrease/(Increase) in Debtors                      | 14,605                                       | (43,489)                                |
| Increase/(Decrease) in Creditors                    | (20,009)                                     | 10,622                                  |
| Net Cash provided by (used in) Operating Activities | <u>219,735</u>                               | <u>168,724</u>                          |

## 29.) Analysis of Cash and Cash Equivalents

|   | period ended<br>31st December<br>2017<br>(£) | year ended<br>31st March<br>2017<br>(£) |
|---|--|---|
| Cash in Hand                              | 288,731                                      | 167,206                                 |
| Notice Deposits (less than twelve months) | -  | 120,000                                 |
| Overdraft Facility Repayable on Demand    | -  | -                                       |
|   | <u>288,731</u>                               | <u>287,206</u>                          |

## 30.) Investments

| Listed Investments                 | period ended<br>31st December 2017<br>(£) | year ended<br>31st March 2017<br>(£) |
|------------------------------------|---|--------------------------------------|
| Fair Value at 1 April 2017         | -   | -                                    |
| Purchase/transfers during the year | 120,000                                   | -                                    |
| Fees charged                       | (406)                                     | -                                    |
| Income re-invested                 | 62  | -                                    |
| Unrealised gain/(loss)             | 2,936                                     | -                                    |
| Realised gain/(loss) on disposals  | 4   | -                                    |
| Fair value at 31 December 2017     | <u>122,596</u>                            | <u>-</u>                             |
| Book cost of investments           | <u>120,000</u>                            | <u>-</u>                             |

The asset allocation within the investments were as follows:

|                            |                |          |
|----------------------------|----------------|----------|
| UK holdings                | 14,969         | -        |
| Overseas holdings          | 107,617        | -        |
| Cash held for reinvestment | 10             | -        |
|                            | <u>122,596</u> | <u>-</u> |

The following holdings comprise more than 5% of the investment portfolio:

|   |        |   |
|---|--------|---|
| Aviva Inv Multi asset I R3                | 29,961 | - |
| Aviva Inv Multi asset III R3              | 18,366 | - |
| Axa Global Distribution Z Acc             | 18,601 | - |
| Premier Multi-Asset Growth & Income C Acc | 18,500 | - |
| SEI Balanced Sterling Wealth A GBP        | 18,629 | - |
| Vanguard Life Strategy 60% Equity A Acc   | 18,529 | - |

## 31.) Deferred Grant Income

|                               | period ended<br>31st December 2017<br>(£) | year ended<br>31st March 2017<br>(£) |
|-------------------------------|---|--------------------------------------|
| WLC - Service Level Agreement | 16,128                                    | -                                    |
| WLC - StepsN2Work             | 549                                       | -                                    |
|                               | <u>16,677</u>                             | <u>-</u>                             |

WLC Service level agreement funding of £65,407 provided for period covering year from 1 April 2017 to 31 March 2018. As the financial period end is 31 December 2017, £16,128 of this funding does not relate to the current financial period and has therefore been treated as deferred in the financial statements.

WLC StepsN2Work funding of £1,191 was provided during period ending 31 December 2017 to cover a 13 week period, therefore £549, which represents six weeks worth of funding not pertaining to the current financial period has been treated as deferred in the financial statements.

## Appendix One: Income and Expenditure Account for the period ended 31st December 2017

This page does not form part of the statutory financial statements.

|  |               | period ended<br>31st December<br>2017 | year ended<br>31st March<br>2017 |
|--|---------------|---------------------------------------|----------------------------------|
| Turnover   | (£)           | (£)                                   | (£)                              |
| Admission Charges                                    |               | 451,152                               | 458,097                          |
| Gift Sales   |               | 79,980                                | 92,082                           |
| Catering & Confectionery                             |               | 286,666                               | 350,721                          |
| Birthday Parties                                     |               | 20,433                                | 26,597                           |
| Trailer and Railway Rides                            |               | 24,801                                | 26,012                           |
| Hall Hires   |               | 1,477                                 | 2,084                            |
| Play Area Charges                                    |               | 19,024                                | 25,550                           |
| Group and Corporate Memberships                      |               | 13,250                                | 19,810                           |
| Farm Income  |               | 241                                   | 514                              |
| Home-Grown Produce                                   |               | 214                                   | 628                              |
|  |               | <u>897,238</u>                        | <u>1,002,095</u>                 |
| Cost of Sales  |               |                                       |                                  |
| Shop Purchases                                       | 43,031        |                                       | 49,241                           |
| Catering & Confectionery Costs                       | 95,615        |                                       | 116,824                          |
| Birthday Costs                                       | 4,874         |                                       | 4,134                            |
| Farm Costs   | 22,733        |                                       | 24,786                           |
| Play Area Costs                                      | 202           |                                       | 749                              |
| Home-Grown Produce Costs                             | <u>29</u>     |                                       | <u>189</u>                       |
|  |               | <u>166,484</u>                        | <u>195,923</u>                   |
| Gross Profit   |               | <u>730,754</u>                        | <u>806,172</u>                   |
| Other Operating Income                               |               |                                       |                                  |
| WLC revenue grant                                    | 49,279        |                                       | 65,407                           |
| WLC maintenance reimbursement                        | 19,207        |                                       | 20,000                           |
| Grants and other income                              | 80,740        |                                       | 133,701                          |
| Friends Memberships                                  | 86,889        |                                       | 98,900                           |
| Bank Deposit Interest                                | <u>62</u>     |                                       | <u>1,236</u>                     |
|  |               | <u>236,177</u>                        | <u>319,244</u>                   |
|  |               | <u>966,931</u>                        | <u>1,125,416</u>                 |
| Less Other Expenditure                               |               |                                       |                                  |
| Wages and NI (non-project)                           | 540,393       |                                       | 634,304                          |
| Wages and NI (project)                               | 1,283         |                                       | 13,885                           |
| Treasurer's remuneration                             | 737           |                                       | 1,474                            |
| Staff Travel & Training                              | 4,619         |                                       | 5,843                            |
| Telephone Charges                                    | 3,764         |                                       | 3,159                            |
| Post, stationery and advertising                     | 18,986        |                                       | 37,552                           |
| Trust Administration                                 | 3,546         |                                       | 10,092                           |
| Heating and Lighting                                 | 37,715        |                                       | 61,080                           |
| Site and Plant Maintenance                           | 40,071        |                                       | 46,426                           |
| Site and Plant Maintenance (rest. wages & NI)        | 10,229        |                                       | 10,754                           |
| Rent   | 140           |                                       | 185                              |
| Staff Pension and Insurances                         | 17,614        |                                       | 25,955                           |
| Janitorial Costs                                     | 16,165        |                                       | 18,600                           |
| Museum Budgets                                       | 3,536         |                                       | 3,057                            |
| Event & Visitor Service Costs                        | 6,918         |                                       | 8,488                            |
| Bank Charges   | 4,429         |                                       | 4,639                            |
| Equipment lease and rental                           | 3,101         |                                       | 4,271                            |
| Investment Manager's Fees                            | 406           |                                       | -                                |
| Professional Fees                                    | 22,187        |                                       | 16,551                           |
| Loan fees and interest                               | 11,329        |                                       | 17,371                           |
| Depreciation   | <u>72,486</u> |                                       | <u>112,382</u>                   |
|  |               | <u>819,654</u>                        | <u>1,036,068</u>                 |
| Net Surplus for the year before net investment gains |               | <u><u>147,277</u></u>                 | <u><u>89,348</u></u>             |