Charity Registration No. 532259

Company Registration No. 01119455 (England and Wales)

THE NORTHERN MILL ENGINE SOCIETY LIMITED

TRUSTEES REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

THURSDAY

AA2Z24X7

A14 22/04/2021 #286

COMPANIES HOUSE

THE NORTHERN MILL ENGINE SOCIETY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Chairman	N Carney
	Treasurer and Secretary	J Phillp
	Membership Secretary	J Edwards
	'Flywheel' Editor	Vacant
	Publicity Officer	D Lewis
Elected Members of Council	G Drake, J Marsh, M Pybus, B Shaw, D Raffe, B Patel	
Secretary	J Phillp	
Charity number	532259	
Company number	01119455	
Registered office	84 Watkin Road Clayton-Le-Woods Chorley Lancs PR6 7PX	
Accountants	Chadwick & Company Chartered Accountants Capital House 272 Manchester Road Droylsden Manchester M43 6PW	
Bankers	The Royal Bank of Scotland plc Customer Service Centre Drummond House 1 Redheughs Avenue Edinburgh EH12 9JN	
	National Savings & Investments Glasgow G58 1SB	

THE NORTHERN MILL ENGINE SOCIETY LIMITED

CONTENTS

	Page
Trustees report	1 - 3
Accountants' report	4
Statement of financial activities	5
Balance sheet	6
Statement of cash flows	7
Notes to the financial statements	8 - 12

THE NORTHERN MILL ENGINE SOCIETY LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees, who are also directors of the company present their report together with the unaudited financial statements of the charity for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Act 2011, the Companies Act 2006 and "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 (FRS 102) (effective 1 January 2015)"

Objectives and activities

The Object of the Charity is to advance the education of the public in the field of Industrial Archaeology.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

The main activity has been the continued development and operation of the Society's museum - known as the 'Bolton Steam Museum' where work has continued on the restoration and display of the collection of stationary steam engines that originally provided power to the mills of the North West textile industry. The museum has received Accredited status with the Arts Council England which recognises that although there are no employees and it is run entirely by volunteers, it is operated to professional museum standards as regards collections management, visitors' services, procedures and ethics.

Public Benefit

The directors and trustees of The Northern Mill Engine Society Limited have considered the implications of the Charities Act 2011 with regard to public benefit, and have paid due regard to the guidance on public benefit issued by the Charity Commission when exercising any powers or duties to which the guidance would be relevant.

They are satisfied that the charitable company's activities are in line with its charitable objects (above) and are being delivered for the benefit of the general public.

Achievements and performance

The Covid-19 pandemic has had a dramatic effect on the museum operation and it had to close for about 9 months. The museum was only open to the public on approximately 30 days during the year, including one weekend when the engines could be viewed working in steam. During the year, 530 visitors attended (about 13% of normal), which obviously had a substantial adverse effect on income and cash-flow. Both the shop and café had to remain closed throughout. To ensure the widest possible access by the public there is no admission charge, although children under 16 must be accompanied by a responsible adult for safety reasons.

Interpretation of the collection is provided by photographic displays, museum guides, information panels and verbally by museum volunteers. In addition, a programme of lectures to external bodies on local industrial archaeology subjects is undertaken and a website is maintained where photographs and full technical details of the entire engine collection are available, together with descriptive material to set the engines in their historical context.

Membership of the Society is open to anyone on payment of a modest subscription. A magazine - 'The Flywheel' containing articles on steam engineering and industrial history, is issued to members periodically.

Financial review

Reserves policy

The Council regularly reviews the amount of reserves held by the Society. The Society has no secure regular source of income, apart from membership subscriptions, which are insufficient to cover operational costs. The majority of income is from donations, which vary from year to year. In addition, as part of the future museum development plans, and to provide for one-off maintenance work, the Society will be expected to fund at least part of the costs from its own resources. The trustees consider it prudent to hold reserves to cover a years normal running costs of £25,000 together with a reserve to enable future development of its museum and the possible purchase of heritage assets as they may arise.

Results
The Society had a surplus of income over expenditure during the year of £550 compared with a surplus of £8,877 for the previous year (unrestricted transactions).

Risk management
The major risks to which the Society is exposed, as identified by the Council, have been reviewed and a system has been established to mitigate those risks.

The museum was closed for many months due to the coronavirus pandemic, which resulted in a large reduction in income for 2020. However, expenditure was similarly reduced and with our substantial reserves, the trustees are confident that provided that the situation returns to.something like normality in 2021, our long-term viability will not be affected. It was not necessary to take advantage of any government covid-grants or loans during the year.

Structure, governance and management
The registered name of the charity is The Northern Mill Engine Society Limited.
The charity is also known as Bolton Steam Museum.
The Northern Mill Engine Society Limited is a company limited by guarantee and does not have any share capital (registered in England, number 01119455). The Northern Mill Engine Society Limited is also registered as a charity, number 532259.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

J Phillp	
N Carney	
J Edwards	
D Lewis	
J Marsh	
G Drake	
M Pybus	
D Raffe	
B Shaw	
P Worrell	(Resigned 30 August 2020)
R Graham	(Resigned 30 August 2020)
B Patel	(Appointed 30 August 2020)

Management of The Northern Mill Engine Society Limited is vested in a Council of Management, who are also the directors and trustees of the Charity. All trustees give their time voluntarily and receive no remuneration or other benefits.

The company was incorporated on 22 June 1973, and is governed by its Memorandum and Articles of Association as amended by special resolutions dated 27 February 1974, 17 December 1980 and 20 November 2007.

In accordance with the Articles of Association of the Company all the Office Bearers and one-third of the elected members of the Council of Management retire from office at the Annual General Meeting and are eligible for re-election.

Directors/Trustees are recruited from the body of general members of the Society and recommended for appointment by the Council. They are then elected at the Annual General Meeting. Induction and training is undertaken by existing members of the Council, using both their experience and resources available from the Charity Commission where necessary.

Statement of Trustees responsibilities

The Trustees, who are also the directors of The Northern Mill Engine Society Limited for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees report was approved by the Board of Trustees.

J.Phillp

J Phillp
Trustee
Dated: 14 Apr 2021

THE NORTHERN MILL ENGINE SOCIETY LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE TRUSTEES ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF THE NORTHERN MILL ENGINE SOCIETY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

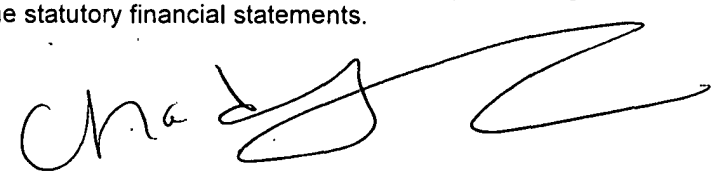
In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of The Northern Mill Engine Society Limited for the year ended 31 December 2020, set out on pages to 12 from the charity's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at http://www.icaew.com/en/members/regulations-standards-and-guidance/

This report is made to the charity's Trustees, as a body, in accordance with the terms of our engagement letter dated 25 February 2019. Our work has been undertaken solely to prepare for your approval the financial statements of The Northern Mill Engine Society Limited and state those matters that we have agreed to state to the charity's Trustees, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Northern Mill Engine Society Limited and the charity's Trustees as a body, for our work or for this report.

It is your duty to ensure that The Northern Mill Engine Society Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and surplus of The Northern Mill Engine Society Limited. You consider that The Northern Mill Engine Society Limited is exempt from the statutory audit requirement for the year, and is not required to obtain an independent examiner's report.

We have not been instructed to carry out an audit or a review of the financial statements of The Northern Mill Engine Society Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Chadwick & Company
Chartered Accountants
Capital House
272 Manchester Road
Droylsden
Manchester
M43 6PW

15 April 2021

THE NORTHERN MILL ENGINE SOCIETY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Income and endowments from:			
Voluntary income	2	5,549	15,374
Charitable activities	3	2,375	9,213
Investment income	4	588	623
Other income	5	-	335
Total income and endowments		8,512	25,545
Expenditure on:			
Raising funds	6	5,250	7,996
Charitable activities	7	2,712	8,672
Total resources expended		7,962	16,668
Net income for the year/ Net movement in funds		550	8,877
Fund balances at 1 January 2020		98,515	89,638
Fund balances at 31 December 2020		99,065	98,515

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

There are no restricted funds this year.

THE NORTHERN MILL ENGINE SOCIETY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Current assets					
Stocks	11	2,464		2,516	
Debtors	12	1,856		3,421	
Cash at bank and in hand		95,225		93,450	
		99,545		99,387	
Creditors: amounts falling due within one year	13	(480)		(872)	
Net current assets			99,065		98,515
Income funds					
Unrestricted funds			99,065		98,515
			99,065		98,515

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 14 Apr 2021

J. Phillp

J Phillp
Trustee

Company Registration No. 01119455

THE NORTHERN MILL ENGINE SOCIETY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Cash flows from operating activities					
Cash generated from operations	**16**		1,187		6,202
Investing activities					
Interest received		588		623	
Net cash generated from investing activities			588		623
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			1,775		6,825
Cash and cash equivalents at beginning of year			93,450		86,625
Cash and cash equivalents at end of year			95,225		93,450

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information
The Northern Mill Engine Society Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 84 Watkin Road, Clayton-Le-Woods, Chorley, Lancs, PR6 7PX.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's governing document, the Companies Act 2006 and "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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Tangible fixed assets
The costs of acquisition and erection of exhibits and the proceeds from the sale of assets, have been written off to the Statement of Financial activities.

Heritage assets
The charity owns and maintains various heritage assets, dating from the mid 1800's, as part of the museum. In the opinion of the trustees, it is not appropriate to include these at either cost or valuation in the financial statements as cost information is not readily available, valuations would be subjective and the benefits of obtaining valuations for these items would not justify the cost.

Maintenance costs of the heritage assets is reported in the SOFA in the year it is incurred.

1.2 Charitable funds

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects.

1.3 Incoming resources

Voluntary income includes donations and legacies.

Income from activities for generating funds includes income from sale of goods and other sundry income.

Incoming resources from charitable expenditure comprises membership subscriptions and grants received.

Investment income comprises interest, and is accounted for on a received basis.

1.4 Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. The charity is not registered for VAT, and consequently all relevant expenditure includes VAT which cannot be recovered, and is reported as part of the expenditure to which is relates.

Costs of generating funds comprise of the costs relating to activities where the primary aim is to raise funds.

Charitable activities comprise of those costs incurred by the charity where the primary aim is the delivery of activities and services within the objects of the charity. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1 Accounting policies **(Continued)**

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the reporting accountants' fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2 Voluntary income

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Donations and gifts	5,549	15,374

3 Charitable activities

	Members subscriptions	**Activities for generating funds**	**Total 2020**	**Total 2019**
	2020	**2020**		
	£	**£**	**£**	**£**
Activities for generating funds	1,950	425	2,375	9,213

4 Investment income

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Interest receivable	588	623

5 Other income

	Total	Unrestricted funds
	2020	2019
	£	£
Other incoming resources	-	335

6 Raising funds

	2020	**2019**
	£	**£**
Costs of generating voluntary income		
Rent	450	450
Other premises expenses	3,718	6,209
Other costs	1,082	1,337
	5,250	7,996

7 Charitable activities

	2020	**2019**
	£	**£**
Materials and services purchased (Unrestricted funds)	2,018	6,455
Refreshments and others	52	1,439
Subscriptions	107	105
	2,177	7,999
Share of governance costs (see note 8)	535	673
	2,712	8,672

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Support costs

	Governance costs	2020	2019
	£	£	£
Accountancy	522	522	660
Company confirmation statement	13	13	13
	535	535	673
Analysed between			
Charitable activities	535	535	673

9 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Total	-	-

No remuneration or expenses were paid to the trustees in either year.

10 Heritage assets

The Charity maintains a collection of heritage assets in accordance with its published statement of purpose: "To collect and conserve examples of the stationary steam engine, particularly as used in the textile and engineering industries of the North and North-West England, and to interpret the history, technical development and application of this important prime mover. To share collections and knowledge with visitors, steam enthusiasts nationwide and with the local community.

30 restored engines are on display at the museum, ranging in date from 1840 to 1960, and there is an associated collection of technical and archival material. The whole collection is documented and managed in accordance with Accredited Museum policies.

Acquisitions and disposals are made in accordance with a formal written policy - a copy of which is published on the Society's website (www.nmes.org) or is available on request from the registered office.

Occasional acquisitions to the collection are made by purchase or donation. During the year ended 31 December 2020, 84 items which had previously been donated were formally added to the museum collection. These consisted of archive sliders/photographs and modern books. In the view of the trustees, the value of the items is not material. There have been no purchases or disposals in the last 10 years.

11 Stocks

	2020	2019
	£	£
Finished goods and goods for resale	2,464	2,516

12 Debtors

	2020	2019
Amounts falling due within one year:	£	£
Gift aid recoverable	767	2,971
Other debtors	628	-
Prepayments and accrued income	461	450
	1,856	3,421

13 Creditors: amounts falling due within one year

	2020	2019
	£	£
Accruals and deferred income	480	872

14 Commitments

The company is controlled by the members in accordance with the Memorandum and Articles of Association.
The liability of the members is limited to £1 each.

15 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

16 Cash generated from operations

	2020	2019
	£	£
Surplus for the year	550	8,877
Adjustments for:		
Investment income recognised in statement of financial activities	(588)	(623)
Movements in working capital:		
Decrease/(increase) in stocks	52	(1,295)
Decrease/(increase) in debtors	1,565	(417)
(Decrease) in creditors	(392)	(340)
Cash generated from operations	1,187	6,202