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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 2018**



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# THE NORTHERN MILL ENGINE SOCIETY LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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### 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, J Shaw, B Shaw, D Raffe,  
P Worrell, R Graham

### Secretary

J Phillp

### Charity number

532259

### Company number

01119455

### Registered office

84 Watkin Road  
Clayton-Le-Woods  
Chorley  
Lancs  
PR6 7PX

### Independent examiner

Tracey Connor Bsc FCA  
Chadwick & Company (Manchester) Limited  
Chartered Accountants  
Statutory Auditors  
Capital House  
272 Manchester Road  
Droylsden  
Manchester  
M43 6PW

### Bankers

The Royal Bank of Scotland plc  
Drummond House  
1 Redheughs Avenue  
Edinburgh  
EH12 9JN

National Savings & Investments  
Glasgow  
G58 1SB

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# THE NORTHERN MILL ENGINE SOCIETY LIMITED

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# **THE NORTHERN MILL ENGINE SOCIETY LIMITED**

## **TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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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 2018.

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 museum was open to the public on approximately 100 days during the year, including 5 weekends when the engines could be viewed working in steam. During the year, approximately 4,200 visitors attended. 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. Special steamings were also held for schools and organised parties.

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 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.

# **THE NORTHERN MILL ENGINE SOCIETY LIMITED**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **Results**

The Society had a surplus of income over expenditure during the year of £5,494 compared with a surplus of £4,722 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.

### **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

J Shaw

P Worrell

R Graham

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.

# THE NORTHERN MILL ENGINE SOCIETY LIMITED

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 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 Phillip  
Trustee

Dated: 27 February 2019

# THE NORTHERN MILL ENGINE SOCIETY LIMITED

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF THE NORTHERN MILL ENGINE SOCIETY LIMITED

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I report on the accounts of the Charity for the year ended 31 December 2018, which are set out on pages 5 to 12.

This report is made solely to the charity's trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this independent accountants' report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my reporting work, for this report, or for the opinions I have formed.

#### Respective responsibilities of Trustees and examiner

The charity's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of financial statements. The trustees consider that an audit is not required for this year under Section 144(2) of the Charities Act 2011 (the '2011 Act') and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.


#### Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

#### Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
  - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
  - (ii) to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met.
- (b) No other matter has come to my attention in connection with my examination to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

  
Tracey Connor BSc FCA  
Chadwick & Company (Manchester) Limited  
Chartered Accountants  
Statutory Auditors  
Capital House  
272 Manchester Road  
Droylsden  
M43 6PW  
Manchester

Dated: 28 February 2019

# THE NORTHERN MILL ENGINE SOCIETY LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
<b><u>Income and endowments from:</u></b>			
Voluntary income	2	14,261	14,081
Charitable activities	3	9,655	8,967
Investment income	4	503	306
Other income	5	566	107
<b>Total income and endowments</b>		<b>24,985</b>	<b>23,461</b>
<b><u>Expenditure on:</u></b>			
Raising funds	6	8,702	8,495
Charitable activities	7	10,789	10,244
<b>Total resources expended</b>		<b>19,491</b>	<b>18,739</b>
<b>Net income for the year/ Net movement in funds</b>		<b>5,494</b>	<b>4,722</b>
Fund balances at 1 January 2018		84,144	79,422
<b>Fund balances at 31 December 2018</b>		<b>89,638</b>	<b>84,144</b>

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 2018

	Notes	2018 £	£	2017 £	£
<b>Current assets</b>					
Stocks	12	1,221		1,460	
Debtors	13	3,004		3,509	
Cash at bank and in hand		86,625		80,079	
		<u>90,850</u>		<u>85,048</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(1,212)</u>		<u>(904)</u>	
<b>Net current assets</b>			<u>89,638</u>		<u>84,144</u>
<b>Income funds</b>					
Unrestricted funds			<u>89,638</u>		<u>84,144</u>
			<u>89,638</u>		<u>84,144</u>

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 2018. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The Trustees 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.

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 27 February 2019



J Phillip  
Trustee

Company Registration No. 01119455

# THE NORTHERN MILL ENGINE SOCIETY LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	17		6,043		4,603
<b>Investing activities</b>					
Interest received		503		306	
<b>Net cash generated from investing activities</b>			503		306
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			6,546		4,909
Cash and cash equivalents at beginning of year			80,079		75,170
<b>Cash and cash equivalents at end of year</b>			86,625		80,079

# THE NORTHERN MILL ENGINE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 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 accounts have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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 it 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.

# THE NORTHERN MILL ENGINE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 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

	2018	2017
	£	£
Donations and gifts	12,494	14,081
Legacies receivable	1,767	-
	<u>14,261</u>	<u>14,081</u>

### 3 Charitable activities

	Members subscriptions	Activities for generating funds	Total 2018	Total 2017
	£	£	£	£
Activities for generating funds	2,322	6,733	9,055	8,372
Consultancy and museum hire	-	600	600	595
	<u>2,322</u>	<u>7,333</u>	<u>9,655</u>	<u>8,967</u>

# THE NORTHERN MILL ENGINE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 4 Investment income

	2018	2017
	£	£
Interest receivable	503	306
	<u>503</u>	<u>306</u>

### 5 Other income

	2018	2017
	£	£
Other incoming resources	566	107
	<u>566</u>	<u>107</u>

### 6 Raising funds

	2018	2017
	£	£
<u>Costs of generating voluntary income</u>		
Rent	450	486
Other premises expenses	6,331	6,382
Other costs	1,921	1,627
	<u>8,702</u>	<u>8,495</u>

### 7 Charitable activities

	2018	2017
	£	£
Materials and services purchased (Unrestricted funds)	8,616	8,089
Refreshments and others	1,402	1,174
Subscriptions	98	91
	<u>10,116</u>	<u>9,354</u>
Share of governance costs (see note 8)	673	890
	<u>10,789</u>	<u>10,244</u>

# THE NORTHERN MILL ENGINE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 8 Support costs

	Governance costs £	2018 £	2017 £
Accountancy	660	660	678
Software support	-	-	199
Company confirmation statement	13	13	13
	<u>673</u>	<u>673</u>	<u>890</u>
Analysed between Charitable activities	<u>673</u>	<u>673</u>	<u>890</u>

### 9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

### 10 Employees

There were no employees during the year.

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

### 11. 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](http://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 2018, approximately 50 items were donated to the museum collection. These consisted of archive photographs & slides. In the view of the trustees, the value of the items is not material. There have been no purchases or disposals in the last 8 years.

# THE NORTHERN MILL ENGINE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 12 Stocks

	2018 £	2017 £
Finished goods and goods for resale	1,221	1,460

### 13 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Gift aid recoverable	2,557	3,017
Prepayments and accrued income	447	492
	3,004	3,509

### 14 Creditors: amounts falling due within one year

	2018 £	2017 £
Accruals and deferred income	1,212	904

### 15 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.

### 16 Related party transactions

There were no disclosable related party transactions during the year (2017 - none).

### 17 Cash generated from operations

	2018 £	2017 £
Surplus for the year	5,494	4,722
Adjustments for:		
Investment income recognised in statement of financial activities	(503)	(306)
Movements in working capital:		
Decrease/(increase) in stocks	239	(58)
Decrease in debtors	505	260
Increase/(decrease) in creditors	308	(15)
Cash generated from operations	6,043	4,603