

Registered Charity Number 220208

Incorporated by Royal Charter

NORTH OF ENGLAND INSTITUTE OF MINING AND MECHANICAL ENGINEERS

REPORT AND ACCOUNTS

For the year ended 30 June 2016

**NORTH OF ENGLAND INSTITUTE OF MINING AND MECHANICAL ENGINEERS
TRUSTEES' REPORT
YEAR ENDED 30 JUNE 2016**

The Trustees present their report and the unaudited financial statements of the charity for the year ended 30 June 2016.

OFFICERS, COUNCIL MEMBERS AND STAFF

President	Catherine Marianne Miller
Vice Presidents	Eric Wade Frederick Wardle Smith
Honorary Secretary	Derek Newton (from 1 July 2016) Russell Gathorne Benson (to 30 June 2016)
Honorary Treasurer	David Charles Bell (from 1 July 2016) John Stuart Porthouse (to 2 June 2016)

Council Members – Corporate Members

2012-2016	John Lewis Borradaile
2013-2017	Heather Rebecca McGrath
2013-2017	Russell Gathorne Benson
2014-2018	Eric Wade
2014-2018	Gerald Hunt
2014-2018	Xiaoxue An
2015-2019	Derek Newton
2015-2019	Barry Kent
2015-2019	Ian Cameron McIntosh

Council Members – Non-Corporate Members

2014-2018	Victoria Haworth
2014-2018	Colin Edwin Mountford
2015-2019	Barbara Harris
2015-2019	Anthony Reginald Pender

Council Members - Past Presidents

John Thomas Crompton	Gerard Huitson
Stephen Paul Davidson	Norman William Jackson
Frederick Wardle Smith	John Popke Jacob Ketelaar
William Hogarth Bell	Ian Waugh
Malcolm Richard Tilley	John Harry Humphries
John Gerard McCabe	David Williams
David Charles Bell	Ian Smith
John Stuart Porthouse	Robert Eric Collins
Paul Lawrence Younger	Thomas Parker Watson

Council Members - Co-Opted Members

Harry Burn	Frank Harrison
Ralph Gray	Joseph Parkin

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OFFICERS, COUNCIL MEMBERS AND STAFF (Cont.)

Staff

Librarian	Jennifer Hillyard, M.A. MCLIP
Centre Manager	Simon Brooks, B.A. (Hons)
Administrator	Marie Porthouse

Registered Office

Neville Hall, Westgate Road, Newcastle upon Tyne, NE1 1SE

CONSTITUTION AND GOVERNING DOCUMENTS

The North of England Institute of Mining and Mechanical Engineers was founded in 1852 and incorporated by a Royal Charter of 1876 which was replaced by a Supplemental Charter and Byelaws in 2007.

The Institute is also a registered charity with charity number 220208.

The Supplemental Charter states that: *The objects of the Institute shall be the prevention of accidents in mines, the advancement of the sciences of mining and the facilitation of research into all aspects of the science, art and practices of mining and engineering generally.*

The Byelaws further state that the Institute's objects are to:

- *advance and promote the science and technology of Mining Engineering, and engineering generally, more especially to secure the increased safety and the improved health and well-being of those employed in such industries;*
- *undertake and/or take part in scientific research, investigations and experiments for the purpose of securing the objects as above;*
- *obtain, collect, acquire and disseminate scientific knowledge and technical information appertaining to and promoting the efficiency, safe conduct and working of the industries in question;*
- *advance and assist the education of persons studying the science and technology of engineering as above;*
- *advance and promote the science and technology of addressing the environmental and socio-economic legacies of former mining activities; and*
- *advance and promote the study and appreciation of the history of mining, through the conservation of information previously acquired by the Institute, and by encouraging collaborative research into all aspects of mining history.*

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GOVERNANCE

The Institute is governed by a Council of up to 38 people which has powers to appoint Officers, Committees and staff to oversee and manage day to day operations.

In October 2013 Council approved a new committee structure comprising a Management Group and three functional Committees covering Collections, Programme and Property respectively.

COUNCIL MEETINGS

The Council of the Institute met 4 times during the year, as follows:

24th Sept. 2015 - 20 present: 16 Trustees, 4 others; Apologies 5 Trustees, 2 co-optees.

17th Dec. 2015 - 18 present: 14 Trustees, 4 others; Apologies 5 Trustees, 2 co-optees.

24th March 2016 - 18 present: 14 Trustees, 4 others; Apologies 5 Trustees, 1 co-optee.

9th June 2016 - 18 present: 14 Trustees, 4 others; Apologies 9 Trustees.

SPECIAL COUNCIL MEETINGS

There were no Special Meetings of Council in the year.

ANNUAL GENERAL MEETING

The Annual General Meeting was held on 15 October 2015.

GENERAL MEETINGS

Fourteen General Meetings were held throughout the Year. Papers read at General Meetings during this session were as follows:

General Meeting – 6.00 p.m. Thursday 17th September 2015. Presidential Address: Catherine Marianne Miller – *Portland Green: A Case Study*. 40 attended.

General Meeting – 6.00 p.m. Thursday 15th October 2015
Stefan Kapusniak – *Undersea Mining, VAMOS*. 42 attended.

General Morning Meeting – 11.00 a.m. Wednesday 4th November 2015, Ian Forbes, *The Dukesfield Project (and book launch)*. 69 attended.

Annual General Meeting – 5:30 p.m. Thursday 19th November 2015. Elections to Council.

General Meeting – 6:00 p.m. 19th November 2015
Andrew Tunningley – *Challenges in Mineral Exploration*. Approx. 41 attended.

General Meeting – 6:00 p.m. 3rd December 2015. Adam Allan and Michael Lloyd – *The Continuing Evolution of Mines Rescue*. a talk which most interestingly showed the common perils faced by mariners and miners alike. Approx. 41 attended.

Annual Christmas Lectures 28-30 December - 11.00 a.m. and 2.00 p.m.

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GENERAL MEETINGS (Cont.)

General Meeting – 6.00 p.m. Thursday 21st January 2016. Donald Lamont – *Innovations in Shaft Sinking and Tunneling Technology*. 28 attended.

General Meeting – 6.00 p.m. Thursday 18th February 2016
Alan Auld – *Innovations in Mining Technology* 51 attended.

General Meeting - 6.00pm Thursday 12th February 2015 6.00pm (67)
Denis Allchurch, Boulby Mine – *“Development & Mining of the Polyhalite Seam at Boulby Mine”*

General Morning Meeting – 11.00 a.m. Wednesday 2nd March 2016
Les Turnbull – *William Brown and The Engines of the Great Northern Coalfield*. 47 attended.

General Meeting – 6.00 p.m. Thursday 17th March 2016. Bill Tonks – *The Evolution of Best Practice in Mine Ventilation and Degassing in the UK Coal Mining Industry*. 26 attended.

General Meeting - 6.00pm Thursday 16th April 2015 6.00pm General Meeting
Dr Alan Auld – *“Coal Mining in China”*

General Meeting – 6.00 p.m. Thursday 21st April 2016
Gordon Dunn – *Salt Mining in Cheshire*. 40 attended.

General Meeting - 6.00pm Thursday 19th May 2016 Professor Peter Styles, title *“What the Frack is all the Fuss About?”* Approx. 50 attended.

SOCIAL EVENTS

Annual Presidents Dinner

This was held jointly with the Newcastle University Mining Society in the County Hotel on 26 September 2015.

President's Informal Dinner

This well attended event followed the General Meeting of 19 May 2016.

Annual Golf Competition

This year's competition was held at Newbiggin Golf Club on 13 May 2016. The weather conditions were probably the worst for playing golf with a bitterly cold wind coming direct off the North Sea. A total of thirteen members and visitors played in the competition.

The prize winners were as follows:

President's Cup	Best Stableford Score	Stuart Porthouse – 30 Pts
Major Thornton Cup	Runner-Up	Ged Hunt – 29 Pts
Grace Cup	Best Gross Score	Alan Vasey – 92 Pts
Engineer's Cup	Runner-Up Best Gross Score	Malcolm Paisley – 93 Pts
Garmonsway Trophy	Best Nett Score	Ian Smith 102 – 25 = 77pts
Visitors' Cup	Best Stableford Score	Gordon Peters – 32 Pts

The Institute's social events provide the opportunity to raise additional funds to benefit the charity's activities as well as providing networking and bonding opportunities. .

**NORTH OF ENGLAND INSTITUTE OF MINING AND MECHANICAL ENGINEERS
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MEMBERSHIP

As at 30 June 2016 the Institute had 176 fully paid up local Members (2015: 156)

A further 142 (2015: 132) are eligible for membership as Members of the Institute of Materials, Minerals and Mining.

Deceased Members

The death of the following members is recorded with deep regret: Jack Duff, John James Lormor (Past President), Geoff Ogden, David Hopper.

Professional Reviews

Mr. Morris Svabic, FNEIMME

PUBLIC BENEFIT

In fulfilling its objects the Institute seeks to comply with the guidance set out in section 17 of the Charities Act 2011 in respect of the provision of public benefit.

BENEFICIARIES OF THE CHARITY

The principal beneficiaries of the charity are:

- Its members, including student members, through programmes of lectures and other activities
- Academic, professional and industrial researchers of mining, industrial archaeology, social and economic history, and the development of railways
- Current and past employees of the mining industry
- Residents of current or former mining communities, UK and internationally
- The general public, including local and family historians
- Young people learning about the scientific and social dimensions of mining and engineering
- Volunteers seeking to develop skills and gain work experience across a range of subjects
- Cognate societies and organisations, in particular those seeking space for meetings or storage of collections

COLLECTIONS

The collections which are housed in the Institute's Library and Archive are the cornerstone of its ability to fulfil its charitable objectives and provide public benefit. Large parts of the collections have been defined by the National Archives as of national and international significance.

The Institute is committed to enhancing the conservation of the collections and their accessibility to visitors in person and via digital media.

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BUILDING

The Institute is the owner of a building of considerable architectural and historic importance which is Grade II* Listed and which houses the Library and Archive.

Public access to the building is actively promoted by guided tours, group visits, open days, free lectures, cultural events, exhibitions and publications including via the internet and worldwide web.

ACHIEVEMENTS AND PERFORMANCE

In September 2015, NEIMME's Council agreed to submit an application to the Heritage Lottery Fund (HLF) for a grant of £65,000. Just before Christmas it was learnt that the application had been successful. The grant is supporting the preparation of a detailed development strategy that has, in turn, led to a further application to the HLF in 2016 to enable the complete renovation and re-equipment of the building, to properly catalogue and digitise the core specialist collection and to deliver a programme of activities to benefit 'heritage and the communities and people of the North East' from a base in a sustainable business model.

The funding also enabled Council to confirm the part-time appointment as Development Director of Peter Stark OBE, who had been working with us pro bono since July of last year and may be remembered from his work in the 1980s as Director of Northern Arts and then in the 1990s as Special Projects Adviser to Gateshead Council, assisting the developments on Gateshead Quays and the Millennium Bridge.

In addition our long standing volunteers, Janet Whiting (Library) and David Fitzpatrick (Building and Programme Management) have now joined us as part-time members of staff, enabling Librarian (Jennifer Hillyard) and Centre Manager (Simon Brooks) to devote time to the developmental aspect of the work.

In the last 6 months of the year, we have relocated the Librarian and volunteers to the ground floor to warmer and more comfortable accommodation and redecorated the main office and re-distributed staff functions to better serve the emerging business model.

Trading activities have continued their upward trajectory with a 70% increase in turnover and a sharp increase in overall surpluses generated for the charity in line with expectations. Trading activities rely on impeccable service to generate word of mouth promotion as no marketing expenditure has been deployed.

Activity has increased across all areas, including corporate and business use, further and higher education, professional and civic society meetings and events and a noticeable increase in day time events complementing our already heavily-scheduled evening events, necessitating an increase in staffing made possible by funding from HLF.

Wedding bookings have blossomed sharply and national and international conferences have taken place and that trend is growing. Catering facilities will now be invested in moderately to enable a professional catering service in the forthcoming year.

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ACHIEVEMENTS AND PERFORMANCE (Cont.)

Education and Events

U.S. Ambassador visits the Mining Institute.

His Excellency Matthew Barzun, United States Ambassador to the UK, was invited by Newcastle University and the City of Newcastle to launch the two-year initiative *Freedom City* to celebrate the occasion on 13th November 1967 when the University conferred an Honorary Degree on Dr Martin Luther King – the only UK university to do so during his lifetime.

Remarkably, Dr King took time to visit the University to receive the award. He gave an acceptance speech during which he spoke of his struggle for racial justice and the challenges in overcoming war, poverty and racism.

Drawing on these themes, the Freedom City 2017 programme will aim to bring Dr King's legacy to life through special events, talks, exhibitions, art works, and performances. The project will involve schools, artists and voluntary groups from across the city, as well as academics from Newcastle University and a host of partner organisations.

150th Anniversary Lecture and Closure of Kellingley

On 18 December, Members of the Institute convened to hear a lecture from Dr. Bill Lancaster commemorating the 150th anniversary (the following day) of the death of the Founding President, Nicholas Wood after whom the Wood Memorial Library is named. Dr. Lancaster's lecture focused on the extraordinary times within which the Institute was born and 'set' Nicholas Wood's contribution within the group of young entrepreneurial and innovative mining engineers that he led.

It was not planned, it could not have been, but the lecture coincided with the last shift at the last major deep coal mine in the country coming to the surface at Kellingley. Past President William Bell proposed a minute's silence 'for a great industry'. It was a profound moment in the life of the Institute.

It was the future life of the Institute that concluded the event with Development Director, Peter Stark, able to announce Council's decision the previous day to press ahead with a re-development strategy and the support that had been received from the Heritage Lottery Fund and Newcastle City Council that would enable it to do so.

Members were then joined by staff and volunteers for the annual Christmas buffet in the Library.

A day of powerful and very mixed emotions.

18th December 2015, Nicholas Wood 150th Anniversary lecture given by Bill Lancaster, *Nicholas Wood and His World*, to acknowledge the death of the Institute's founding President

16th June 2016. Inaugural lecture of the sixth *International Conference on Early Railways*. The first *Conference* in this series was held in 1998. This was a first for Newcastle. The *Conference* is held over 3-4 days and typically welcomes an international audience and speakers.

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YEAR ENDED 30 JUNE 2016**

ACHIEVEMENTS AND PERFORMANCE (Cont.)

Education and Events (Cont.)

Library Use

The Library had over 1,200 users this year. From October 2015, the Library has reduced opening hours to Tuesday-Friday, and from April 2016 we asked for users to make an appointment to visit on Fridays. The reduced hours have enabled staff to redirect efforts towards the Development Strategy.

Exhibitions

Jan-Feb 2016 - Held to celebrate the publication of the Institute's oldest book "*De Re Metallica*", by Georgius Agricola, first printed in 1556. A suite of informative, illustrated hanging banners was accompanied by the display of the Institute's own copy of the book.

11th/12th June 2016 - A week-end exhibition of *Coal-Carrying Model Railways* put on by the Newcastle branch of the Stephenson Locomotive Society generating a surplus for the charity.

Miners Safety Lamp Exhibition

An exhibition funded by IMMM has been prepared for viewing in 2016-17 of the development of the safety lamp.

All exhibitions are free to the public.

Heritage Open Days

653 people attended this annual exploration of our heritage in September 2015

The Late Shows

1,545 people attended the Late Shows on the evening of Saturday 14 May 2016.

Newsletter

This year, three issues of the Newsletter have been published and emailed or mailed to over 400 members, volunteers and other interested persons.

Publications

4th November 2015 saw the launch of "*Images of Industry*" by Ian Forbes. This beautifully illustrated book relies heavily on the archives held in the Institute.

2nd March 2016 saw the launch of "*William Brown Steam Engines of the Great Northern Coalfield*". Written by Les Turnbull following much research in the archives held in the Institute, this book was published by NEIMME with the help of two generous donations, one from the Alan Auld Group and another from the Platten Foundation, the latter gift particularly destined for educational projects for the young, based on the content of the book.

**NORTH OF ENGLAND INSTITUTE OF MINING AND MECHANICAL ENGINEERS
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YEAR ENDED 30 JUNE 2016**

FINANCIAL REVIEW

The out-turn for the year is a deficit on Unrestricted Funds of £8,363 (2015: deficit on Unrestricted Funds £23,443).

Trustees are aware that the deficits recorded in recent financial years have placed the charity in a problematic financial position in which total assets, excluding the Institute's premises at Neville Hall, are insufficient to meet its total liabilities (although the majority of such liabilities are longer-term, such that the charity has positive current assets).

Consequently, the Institute has very modest financial resources relative to the costs of fulfilling its charitable objects.

Trustees therefore continue to explore ways to optimise net income as part of the search for a sustainable business model.

RESERVES POLICY

As Trustees, we have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission.

The Trustees seek to retain sufficient Unrestricted Reserves, excluding the value of the charity's land and buildings, to cover all known liabilities and to provide for six months' running costs to ensure an orderly winding-down of the organisation, should that ever prove necessary. This is estimated as a total requirement of approximately £530,000.

At present, as the charity has assets, excluding the value of land and buildings, of only £209,078 at 30 June 2016, this is an aspirational position and the Trustees are seeking, via the exploration of various business models, to work towards this position in the medium-term.

This policy is reviewed by the Trustees on an annual basis as part of the charity's budgeting processes.

INVESTMENT POLICY

The charity has investment powers which are specified in its Charter and Byelaws and all Trustees are involved in setting investment policy.

In light of the Institute's declining financial position and the consequent impact upon cashflow, Trustees liquidated the investment portfolio in full during the year to 30 June 2016.

**NORTH OF ENGLAND INSTITUTE OF MINING AND MECHANICAL ENGINEERS
TRUSTEES' REPORT
YEAR ENDED 30 JUNE 2016**

PLANS FOR THE FUTURE

The key task for the Officers and Council in recent years has been the appraisal of the strategic options open to the Institute if it is to continue to fulfil the objects in its Royal Charter and deliver public benefit in accordance with its charitable status.

That process began in 2014-15 and the award of Heritage Lottery Funding in December 2015 provides a solid start to this process, as does the increased surplus generated from Trading activities.

In the meantime, the Institute will continue to present a programme of public lectures and other activities, seek to generate income from the use of its building and collections, and provide a range of opportunities for mutually beneficial involvement of volunteers.

ACKNOWLEDGEMENTS

The Institute gratefully acknowledges financial and other support received from

- Heritage Lottery Fund
- Reece Foundation
- Institute of Materials, Minerals and Mining
- Newcastle City Council
- Volunteers too numerous to list who make vital contributions to the Institute's work

**NORTH OF ENGLAND INSTITUTE OF MINING AND MECHANICAL ENGINEERS
TRUSTEES' REPORT
YEAR ENDED 30 JUNE 2016**

RESPONSIBILITIES OF THE TRUSTEES

The Trustees shall manage the business of the Charity and may exercise all the powers of the Charity unless restricted by the Charities Act or the constitution of the Charity.

The Trustees are responsible for the preparation of the financial statements for each financial year which show a true and fair view of the state of affairs of the charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year.

In preparation of the financial statements the Trustees should follow best practice and:

1. Select suitable accounting policies and apply them.
2. Make judgements and exercises that are reasonable and prudent.
3. Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue on that basis.

The Trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity.

The Trustees are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005 by the Charities Commission England and Wales).

Signed:



Catherine Marianne Miller, President/Trustee

29 September 2016

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS ON THE UNAUDITED ACCOUNTS OF NORTH OF ENGLAND INSTITUTE OF MINING AND MECHANICAL ENGINEERS FOR THE YEAR ENDED 30 JUNE 2016

I hereby report to the Trustees/Members of the North of England Institute of Mining and Mechanical Engineers (Charity Registration Number 220208) on the accounts for the year ended 30 June 2016 set out on pages 14 to 25.

Respective responsibilities of Trustees and examiner

The charity's Trustees are responsible for the preparation of the accounts. The charity's Trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with 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 accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the 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 accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

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

1. which gives me reasonable cause to believe that in, any material respect, the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



29 September 2016

Pete O'Hara, FCA, Chartered Accountant

4 Stoneyhurst Road West, Gosforth, Newcastle upon Tyne NE3 1PG

NORTH OF ENGLAND INSTITUTE OF MINING AND MECHANICAL ENGINEERS
STATEMENT OF FINANCIAL ACTIVITIES
YEAR TO 30 JUNE 2016

	Note	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Income					
Income from Investments	2	3,132	-	3,132	5,181
Donations & Legacies	3	33,739	68,000	101,739	70,121
Income from Charitable Activities	4	101,297	-	101,297	71,493
Total Income		138,168	68,000	206,168	146,795
Expenditure					
Cost of Raising Funds	5	40,735	3,000	43,735	28,177
Expenditure on Charitable Activities	6	106,231	54,027	160,258	150,185
Net realised (gain)/loss on Investments	10	(435)	-	(435)	6,121
Total Expenditure		146,531	57,027	203,558	178,362
Net Income/(Expenditure)		(8,363)	10,973	2,610	(31,567)
Balance brought forward at 1 July		1,497,646	38,000	1,535,646	1,573,334
Balance carried forward at 30 June	16	£1,489,283	£48,973	£1,538,256	£1,535,646

The notes on pages 16 to 25 form part of the financial statements.

There are no recognised gains and losses during the year other than as shown above.

All the activities for the year are continuing activities.

NORTH OF ENGLAND INSTITUTE OF MINING AND MECHANICAL ENGINEERS
BALANCE SHEET
At 30 JUNE 2016

	Notes	2016 £	2015 £
Fixed Assets			
Tangible Fixed Assets	9	1,877,705	1,878,472
Fixed Asset Investments	10	-	98,159
		<u>1,877,705</u>	<u>1,976,631</u>
Current Assets			
Stocks	11	2,187	-
Debtors	12	49,452	19,362
Cash at Bank and In Hand		118,534	30,679
		<u>170,173</u>	<u>50,041</u>
Creditors:			
Amounts Falling Due Within 1 Year	13	(34,114)	(15,518)
		<u>136,059</u>	<u>34,523</u>
Net Current Assets			
		136,059	34,523
Creditors: Amounts Falling Due After 1 Year			
	14	(475,508)	(475,508)
		<u>£1,538,256</u>	<u>£1,535,646</u>
Total Net Assets			
Represented By:			
Unrestricted Funds	15, 16	1,489,283	1,497,646
Restricted Funds	15, 16	48,973	38,000
		<u>£1,538,256</u>	<u>£1,535,646</u>

The notes on pages 16 to 25 form part of the financial statements.

The financial statements were approved by the Trustees, and authorized for issue, on 29 September 2016 and signed on its behalf by:

Signed



David Bell
Hon. Treasurer

**NORTH OF ENGLAND INSTITUTE OF MINING AND MECHANICAL ENGINEERS
NOTES TO THE ACCOUNTS
AT 30 JUNE 2016**

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Companies Act 2006 and the Charities SORP for the Financial Reporting Standard for Smaller Entities - FRSSE SORP.

Income

Income is included in the Statement of Financial Activities (SOFA) when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Such income is only deferred when the donor or funder has specified that the grant or donation can only be used in future accounting periods or where the donor or funder has imposed conditions which must be met before the charity has unconditional entitlement.

Investment Income

Dividends are included on a receivable basis. Interest receivable on fixed interest securities and bank deposits is included on an accruals basis.

Resources expended

All expenditure is accounted for on an accruals basis and is recognised when a liability is incurred.

- Costs of generating funds are those costs of seeking potential funders, applying for funding and generating earned income.
- Charitable activities include expenditure associated with the provision of research and advocacy and the direct provision of educational and research projects. This includes both the direct costs and support costs relating to these activities.
- Support or Indirect costs are those costs incurred in support of the charitable objectives. These have been allocated to the resources expended on a consistent basis that fairly reflects the true use of those resources within the organisation, such as allocating staff costs by time spent and other costs by their usage.
- Governance costs are those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

**NORTH OF ENGLAND INSTITUTE OF MINING AND MECHANICAL ENGINEERS
NOTES TO THE ACCOUNTS
AT 30 JUNE 2016**

1. Accounting Policies (Cont.)

Tangible Fixed Assets and Depreciation

The charity does not depreciate fixed assets that are deemed to retain their value over the period of ownership. No depreciation charge is therefore provided against Freehold Land & Buildings, nor against the value of 'Historical Furniture & Fittings', which reflects the unique and antique nature of this category of asset.

Depreciation is provided on remaining fixed assets at rates calculated to write off the assets over their remaining useful lives as follows:

Office & IT Equipment - 33% per annum straight line

A full year's depreciation charge is applied in the year of acquisition and no charge is made in the year of disposal.

Fixed Asset Investments

Investments under fund management are stated at the market value at the Balance Sheet date. The Statement of Financial Activities includes net gains and losses arising from revaluations and disposals throughout the year.

Stocks

Stocks comprise bar and catering stocks held for resale. All stock is valued at the lower of costs and net realisable value.

Fund Accounting

The charity has a number of restricted income funds to account for situations in which a funder requires that a grant must be spent on a particular purpose or where funds have been raised for a specific purpose. The aim and use of each restricted fund is set out in Note 16 to the financial statements.

All other funds are considered Unrestricted Funds and are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Taxation

North of England Institute of Mining & Mechanical Engineers is a registered charity and, as such, is not liable to taxation on its income in the current year.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the date of the transaction. Exchange differences are taken into account in arriving at the surplus/deficit.

**NORTH OF ENGLAND INSTITUTE OF MINING AND MECHANICAL ENGINEERS
NOTES TO THE ACCOUNTS
AT 30 JUNE 2016**

2. Income from Investments

	Unrestricted Funds	Restricted Funds	2016	2015
	£	£	£	£
Interest on Cash Deposits	269	-	269	531
Interest on / Dividends from Investments under Fund management	2,863	-	2,863	4,650
	£3,132	£-	£3,132	£5,181

3. Income – Grants, Donations & Legacies

	Unrestricted Funds	Restricted Funds	2016	2015
	£	£	£	£
Grants	11,390	68,000	79,390	41,640
Subscriptions	7,088	-	7,088	6,641
Donations	11,656	-	11,656	14,835
Gift Aid	3,605	-	3,605	7,005
	£33,739	£68,000	£101,739	£70,121

4. Income from Charitable Activities

	Unrestricted Funds	Restricted Funds	2016	2015
	£	£	£	£
Room Hire	42,118	-	42,118	25,126
Catering Sales	16,183	-	16,183	11,136
Library Sales	6,119	-	6,119	7,112
Bar Sales	33,887	-	33,887	20,995
Social Events	1,745	-	1,745	3,078
Miscellaneous Income (incl Ticket Sales)	1,245	-	1,245	4,046
	£101,297	£-	£101,297	£71,493

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5. Expenditure – Costs of Raising Funds

	Unrestricted Funds	Restricted Funds	2016	2015
	£	£	£	£
Office Expenses	709	-	709	550
Investment Management Fees	1,200	-	1,200	-
Board Travel Expenses	4,111	-	4,111	1,235
Staff Travel	1,538	-	1,538	1,519
Volunteer Expenses	1,965	-	1,965	2,521
Library Costs	2,331	3,000	5,331	2,106
Bar & Catering Costs	27,296	-	27,296	18,381
Social Events	1,585	-	1,585	1,865
	£40,735	£3,000	£43,735	£28,177

In the year to 30 June 2016, Board Travel Expenses of £4,111 include the following expenses reimbursed to Trustees but returned to the charity as donations

Bill Bell	£949
Colin Mountford	£130
Norman W Jackson	£716
John S Porthouse	£283
Frederick Smith	£1,116
Colin Laidler	£32

Board Travel Expenses in 2015 comprise expenses of £1,235 reimbursed to Dr David Bell but returned to the charity as a donation.

Staff Travel Expenses include expenses of £1,443 (2015: £1,151) reimbursed to Mr Simon Brooks but returned to the charity as a donation.

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6. Expenditure on Charitable Activities

	Unrestricted Funds £	Restricted Funds £	2016 £	2015 £
Project Costs	-	44,158	44,158	40,684
Support Costs				
Staff Costs (see Note 8)	54,297	9,869	64,166	52,376
Heat, Light & Water	10,265	-	10,265	16,617
Rent & Rates	6,116	-	6,116	5,441
Telephone, Broadband & Postage	1,638	-	1,638	1,816
Insurance	4,393	-	4,393	6,067
Repairs & Renewals	6,912	-	6,912	328
Depreciation	767	-	767	767
Cleaning	1,015	-	1,015	573
Mortgage/Loan Interest	-	-	-	20,000
Web Hosting & Software	924	-	924	1,574
IT Consultancy	16,952	-	16,952	-
Sundry Expenses	-	-	-	727
	103,279	9,869	113,148	106,286
Governance Costs				
Independent Examination Fees	600	-	600	600
Legal & Professional Costs	1,052	-	1,052	215
Independent Examiner - Other Accountancy Services	1,300	-	1,300	2,400
	2,952	-	2,952	3,215
	£106,231	£54,027	£160,258	£150,185

The repayment of interest and capital on a secured loan from Newcastle City Council was deferred in the year to 30 June 2016 with the agreement of the Council, subject to the continuing success of the Institute's development strategy.

7. Net Income/(Expenditure)

	2016 £	2015 £
Net Income/(Expenditure) is stated after charging/(crediting):		
Independent Examiner's Fees	600	600
Depreciation of Owned Fixed Assets	767	767

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8. Staff Costs

	Unrestricted Funds	Restricted Funds	2016	2015
	£	£	£	£
Gross Salary Costs	52,975	9,869	62,844	51,172
Social Security Costs	1,322	-	1,322	1,204
	£54,297	£9,869	£64,166	£52,376

No employees received remuneration in excess of £60,000 in the year.

	2016	2015
	No.	No.
The average number of staff employed during the year, calculated as full-time equivalents, was as follows:		
Management and administration	3	2.4

No remuneration was paid to or waived by Trustees/Directors in the year, but Trustees are able to claim re-imbursment at cost for any out-of-pocket expenses they incur in the course of their Trustee duties.

In the year to 30 June 2016, Board Travel Expenses of £4,111 were reimbursed to 7 Trustees (though, as detailed in Note 5, £3,226 of this sum was returned to the charity as donations by the Trustees concerned).

In the year to 30 June 2015, Dr David Bell received expenses of £1,235 but refunded these to the charity as a donation in both years.

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9. Tangible Fixed Assets

	Freehold Property	Historical Furniture & Fittings	Office & IT Equipment	Total Fixed Assets
COST	£	£	£	£
At 1 July 2015	1,838,800	38,139	2,300	1,879,239
Additions	-	-	-	-
At 30 June 2016	1,838,800	38,139	2,300	1,879,239
DEPRECIATION				
At 1 July 2015	-	-	767	767
Charge for year	-	-	767	767
At 30 June 2016	-	-	1,534	1,534
NET BOOK VALUE				
At 30 June 2016	£1,838,800	£38,139	£766	£1,877,705
At 1 July 2015	£1,838,800	£38,139	£1,533	£1,878,472

10. Fixed Assets – Investments under fund management

	2016	2015
	£	£
Market Value at 1 July	98,159	104,280
Cost of Investments Purchased	-	-
Proceeds of Investments Sold	(98,594)	(18,346)
Net Realised/Unrealised Gain/(Loss)	435	(6,121)
	-	79,813
Cash	-	18,346
Market Value at 30 June	£-	£98,159

Geographical analysis of investments under fund management:

	2016	2015
	£	£
UK Equities	-	60,020
Overseas Equities	-	6,669
UK Commodities	-	13,124
Cash	-	18,346
Total	£-	£98,159

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11. Stocks

	2016	2015
	£	£
Bar & Catering Stock for Resale	2,187	-
	£2,187	£-

12. Debtors

	2016	2015
	£	£
Trade Debtors	13,718	5,634
Grant Debtors	32,500	2,000
Other Debtors – Gift Aid	1,448	9,950
Prepayments & Accrued Income	1,786	1,778
	£49,452	£19,362

All sums are due within 1 year.

13. Creditors - Amounts Falling Due Within One Year

	2016	2015
	£	£
Mortgage/Loan	12,486	12,486
Accruals	18,247	1,009
Sundry Creditors	500	500
Trade Creditors	-	-
Other Taxes & Social Security Costs	2,881	1,523
	£34,114	£15,518

14. Creditors - Amounts Falling Due After One Year

	2016	2015
	£	£
Mortgage/Loan	475,508	475,508
	£475,508	£475,508

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15. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	2016	2015
	£	£	£	£
Fixed Assets	1,877,705	-	1,877,705	1,878,472
Investments	-	-	-	98,159
Stocks	2,187	-	2,187	-
Debtors	16,952	32,500	49,452	19,362
Cash at Bank and In Hand	87,901	30,633	118,534	30,679
Creditors – Due Within 1 Year	(19,954)	(14,160)	(34,114)	(15,518)
Creditors – Due After 1 Year	(475,508)	-	(475,508)	(475,508)
Total	£1,489,283	£48,973	£1,538,256	£1,535,646

16. Analysis of Charitable Funds

	Fund at 1 July 2015	Incoming Resources for Period	Resources Expended for Period	Fund at 30 June 2016
	£	£	£	£
Unrestricted General Fund	1,497,646	138,168	(146,531)	1,489,283
Movement on Restricted Funds				
Heritage Lottery Fund – Feasibility Study re Capital Development	-	65,000	(38,639)	26,361
Alan Auld Group	-	3,000	(3,000)	-
Reece Foundation	36,000	-	(15,388)	20,612
Trust House Forte Charitable Trust	2,000	-	-	2,000
Total Restricted Funds	38,000	68,000	(57,027)	48,973
Total Funds	£1,535,646	£206,168	£(203,558)	£1,538,256

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16. Analysis of Charitable Funds (Cont.)

Name of Restricted Fund	Description, Nature & Purpose of the Restricted Fund
Heritage Lottery Fund – Feasibility Study re Capital Development	A project aimed at exploring the potential for a capital redevelopment and restructuring of the Institute.
Alan Auld Group	A grant awarded towards the cost of publication of <i>“William Brown Steam Engines of the Great Northern Coalfield”</i>
Reece Foundation	A grant awarded to assist the Institute in developing Neville Hall with minor stonework repairs and decorative improvements to lift the appearance of the building and towards the development of an education programme
Trust House Forte Charitable Trust	A grant awarded to support the purchase of new humidification equipment

17. Financial Commitments

No material financial commitments have been made in respect of future financial periods (2015: None).