

**THE NEW MECHANICS LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**(THE NOTTINGHAM MECHANICS)**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

**COMPANY REGISTERED NUMBER**  
**00929885**  
**Registered in England**

**CHARITY REGISTERED NUMBER**  
**522274**

**THE NEW MECHANICS LIMITED**  
**(THE NOTTINGHAM MECHANICS - *founded 1837*)**

**(Limited by Guarantee - Registered in England No. 00929885)**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

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**THE NEW MECHANICS LIMITED**  
**(THE NOTTINGHAM MECHANICS - *founded 1837*)**

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**THE COUNCIL ADMINISTRATION**

**STATUS**

The New Mechanics Limited is a charitable company limited by guarantee and has no share capital. It was incorporated on 1st April 1968 and is a registered charity (No. 522274).

**PRESIDENT** Mrs J Morris

**VICE PRESIDENT** Vacant

<b>COUNCIL MEMBERS</b>	Mrs C A Alton	Mrs I I Hart
<b>(BOARD of DIRECTORS)</b>	Mrs V Apple	Mr R W Smith
	Ms KJ Price	Mrs P Tilley
	Mr G R Freeman	Mrs H Hundley
	Mrs J Morris	Mrs J Bird

**HONORARY SECRETARY** Mrs V Apple

**HONORARY TREASURER** Vacant

**MANAGER** Mr A Carlton

**REPORTING ACCOUNTANTS** Mr A R R Price FCA  
Pells  
Chartered Accountants  
17 Newstead Grove  
NOTTINGHAM NG1 4GZ

**BANKERS** Virgin Money  
11 Smithy Row  
NOTTINGHAM  
NG1 3EJ

**SOLICITORS** Geldards LLP  
The Arc  
Enterprise Way  
NOTTINGHAM NG2 1EN

**REGISTERED OFFICE** 3 North Sherwood Street  
NOTTINGHAM NG1 4EZ

**THE NEW MECHANICS LIMITED**  
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**REPORT OF THE CHAIRMAN**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

I've been in the Chair for a year and a bit and hope I have served the position well. I thank the Council members who sit around the table with me and together we hopefully organise the running of our Institute to the best it can be, given the financial and unstable climate that we are in. Covid and world events have not helped at all, not only with our organisation but also in the running and budgeting of our private lives.

The Mechanics was kept afloat during the Covid period with repayable borrowing which has to be paid back on a monthly basis.

On the financial side, the subs for the coming year will remain at £50 per person are due by July 31<sup>st</sup>. You can renew your subs with Ruth prior to this date so that Ruth can pace herself with the administration of the membership cards, thus avoiding a mad rush on the due date.

A thank you to you the members for your commitment and helping out financially where you can. Money is a struggle and we on the Council try to organise our income best we can. We are not a profit-making organisation, but we need to generate finance in order to sustain the Mechanics. We have a fairly long history of always being on the wrong side of the financial line. We chip away at reducing our shortfall and we are getting nearer our goal of at least breaking even, but not quite there yet. Our slow financial recovery is mainly due to the very high costs of power and all other expenditures rocketing. We are driven by our status as a charity and charity comes at a cost. We must as a charity give in to our mantra of education at competitive or even lower costs than the normal elsewhere. We are also a charity but we ourselves need income to sustain our aim. Income is difficult.

The sale of Phoenix Park has been a big relief to us both financially and the off loading of the albatross which has been hanging round our necks for a considerable time. The money from the sale has saved us from a dire situation. Without this money (No joking) we were very close to putting a plan together for closing the doors on 186 years of existence.

It is my duty to tell the membership what happens behind the scenes. The Council is the force behind decisions, but we are not a secret society and will inform you of events both good and bad.

Adam and I will stage open forums occasionally as a means of communication and an informed discussion event. This will hopefully clear the air and stop Chinese whispers from developing.

In the past it has not been the policy to invite the Manager to our AGM's, but it is essential as he is the one who is employed and responsible for the day to day running of the business. The building and what goes on within it is his roll and his reporting of the same to the Council. He has had many times in his quests been frustrated enough to pull his hair out, as you can see, none left. Joking apart, he knows what's what and who's who and is an asset to us. Thank you, Adam.

Finally, once again a thank you to the retiring Council members for their hard work over the years, the staff, our Manager, helpers and members alike, and a welcome to the newly elected Council who will hopefully further the continuation of previous good work.

**Mr G R Freeman - Chairman**



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**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

**Report of the Trustees for the Year Ended 31st December 2022**

The Trustees are pleased to present their annual Directors' Report, together with the financial statements of the Charity for the year ended 31st December 2022, which are also prepared to meet the requirements for a Directors' Report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply 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 United Kingdom and Republic of Ireland (FRS 102) (effective 1st January 2019)

**Trustees of the Charity**

The Directors of the charitable company are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year end were as follows:-

Mrs C Alton	Mrs H Hundley	
Mrs V Apple	Mrs I I Hart	
Ms KJ Price	Mrs P Tilley	
Mrs CA Chapman (resigned 22nd June 2023)	Mrs J Bird	
Mr R W Smith	Mr GR Freeman	(appointed 10th June 2022)

**Organisational Structure and Management**

The New Mechanics Limited is a charitable company limited by guarantee and has no share capital. It was incorporated on 1st April 1968 and is a registered charity (No. 522274). Its constitution is set out in the Memorandum and Articles of Association.

The controlling body is the Council of Management (Board of Directors) of up to 20 members who are the registered Directors. Meetings of the Board of Directors are normally held monthly. Directors must have been members of the Association for at least 12 months and are elected to serve for three years; all retiring Directors are eligible for re-election. The procedures for nomination and election of Directors are set out in the Articles of Association.

The Honorary Secretary and the Honorary Treasurer are appointed by the Board of Directors for a period of two years and are eligible for reappointment, the Honorary Secretary and the Honorary Treasurer are *ex officio* Directors. Directors are Trustees of the charity and use "The Good Trustee Guide" published by NCVO Publications as their training manual.

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**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

**Organisational Structure and Management**     **(Continued)**

The President and Vice Presidents are honorary positions, nominated by the Board of Directors and appointed by the membership at the AGM for a period of three years, and are eligible for reappointment.

The Board of Directors have delegated responsibility for day to day operations to Mr A Carlton, the Manager, including the provision of catering facilities. Catering is provided as a service to members ancillary to other activities.

**Risk Review**

The Manager has carried out risk assessments for fire and health and safety requirements and brokers are employed to advise on insurance policies. Maintenance contracts with regular inspections are used for boilers, plant and equipment including the passenger and goods lifts.

**Objectives and Activities**

The Memorandum of Association sets out in paragraph 3(b) the main objective:

"To promote the benefit of the inhabitants of the City of Nottingham and the neighbourhood thereof by the advancement of education and the provision, in the interests of social welfare and with the objects of improving the conditions of life, of facilities for recreation and other leisure time occupations."

In addition paragraph 3(l) states "To... Support... any charitable associations or institutions...in any way connected with the purposes of the Association or calculated to further its objectives."

The Nottingham Mechanics owns and occupies premises in the centre of Nottingham and seeks to meet these objectives in two ways, firstly to organise its own activities, and secondly to hire rooms at favourable rates to organisations which have similar aims.

It is a policy to keep the subscription as low as possible to enable those on low incomes to become members. (Lower rates are maintained for those aged less than 18 years). This is considered an important policy as most members are elderly and many are on low incomes.

Activities for our members, therefore, concentrate on dancing, aerobics and other similar physical activities to help members to keep fit, such as table tennis and cultural and mental pursuits such as bridge, whist and chess with regular recorded opera and classical music sessions. Weekly illustrated lectures throughout most of the year prove popular and are well attended, and are open to non-members at a visitor fee of £2.00. The provision of computers for internet access has proved popular. We also arrange day trips and short breaks for our members to places of interest in the UK.

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**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

**Objectives and Activities (Continued)**

A very wide range of organisations with similar objectives are encouraged to use our premises at subsidised rates. Some of which have been associated with The Nottingham Mechanics for many years. These organisations include, amongst others, The Dickens Fellowship, The National Trust, The Nottingham Probus Club, The Nottingham Shakespeare Society, The Nottingham Writers' Club, The Railway Correspondence and Travel Society, and The Thoroton Society. The Workers' Educational Association use us for a wide range of courses from poetry to music and history. The classes are advertised on the notice board downstairs.

Rooms are let at higher rates to commercial bodies for training purposes and meeting purposes. These include Framework, Age UK and the NHS. We still have many activities on going and the balance between this and room lettings has helped by reducing the library and making the members area larger. These all combining with our Members Subscriptions and the investment income represent our major source of income this and the sale of Food and Beverage.

**Achievements and Performance**

The results for the year (as detailed in the attached financial statements) were as follows:-

	£
Incoming Resources	177,331
Outgoing Resources	<u>(289,445)</u>
Net Outgoing Resources for the Year	(112,114)
Balance brought forward	<u>1,663,422</u>
<b>Total Unrestricted Funds as at 31st December 2022</b>	<b><u>1,551,308</u></b>
<b>The above funds have been allocated as follows:-</b>	
Resources used for Net Acquisitions of Fixed Assets	1,245,649
Working Capital	333,992
Liabilities falling due after more than one year	<u>(28,333)</u>
<b>Total Funds as at 31st December 2022</b>	<b><u>1,551,308</u></b>

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**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

**Achievements and Performance**

Post pandemic we have struggled with occupancy of rooms this has a knock-on effect with the sale of food and beverage.

The sale of Phoenix Park was a massive help it allowed us to not only pay of the debts incurred through the pandemic related to the property but also to allow us to invest the residual monies that will allow us to continue in the medium/long term.

Our wage bill in 2022 has been brought down by £26,787.

We have improved the Wi-Fi reception within the building, which is essential for our room hire, the way people choose who to use has changed massively in the past 3 years with room layout and network coverage being essential in their thinking.

This money was invested with Canaccord as a medium risk investment and the investment income will be shown in next year's accounts

The number of members at 31st December 2022 was 198 (2021:233)

**Reserves Policy**

The Board have considered that unrestricted funds not invested in fixed assets should be maintained at a level of between three and six months of resources expended (currently equating to £68,000 and £100,000) to enable the current activities of the charity to continue in the event of a significant drop in funding.

Our unrestricted funds total £1,551,308 of which £1,245,649 is represented by the building £300,000 is set aside for the investment portfolio and designated funds of £5,909 leaving free funds in deficit by £250 at the end of the year as detailed in note 16.

**Investment Powers**

Under its Memorandum of Association, the charity has the power to make any investment which the board sees fit and conducive to its objectives, we chose Canaccord after going through a process to decide the best route to go down to achieve our charitable aims. We invested £300,000 on the 20th January 2023 with the portfolio having a medium risk.

**Future Plans**

Our plan for the future is to revisit our charitable aim and construct our model moving forward to facilitate this.

We are looking at different models and using other similar organisations best practises to help us achieve mission, this will enable the Nottingham Mechanics Institute to further our charitable aims.

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**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

**Political Contributions**

No donations for political purposes have been made.

**Reporting Accountants**

Pells, Chartered Accountants, are reappointed as Reporting Accountants for the ensuing year.

**Public Benefit Statement**

The Board of Directors have complied with their duty to have due regard to the guidance on public benefit, including the 'guidance public benefit: running a Charity PB2' published by the Charity Commission in exercising their powers or duties.

This report has been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities SORP 2019 FRS (102) and in accordance with the special provisions for Small Companies under part 15 of the Companies Act 2006.

**BY ORDER OF THE COUNCIL**



**Mr G R Freeman**

28th July 2023

## **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE NEW MECHANICS LIMITED**

I report to the Charity Trustees on my examination of the accounts for the company for the year ended 31st December 2022.

### **Responsibilities and Basis of Report**

As the Charity's Trustees of the company (and also its Directors for the purpose of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your Charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

### **Independent Examiner's Statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1 accounting records were not kept in respect of the company as required by Section 386 of the 2006 Act; or
- 2 the accounts do not accord with those records; or
- 3 the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which it nor a matter considered as part of an independent examination; or
- 4 the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by Charities applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report to enable a proper understanding of the accounts to be reached.



**A R R PRICE FCA**

**Member of the Institute of Chartered Accountants in England and Wales**

**For and on behalf of Pells Chartered Accountants**

17 Newstead Grove  
NOTTINGHAM  
NG1 4GZ

28th July 2023



**THE NEW MECHANICS LIMITED**  
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**STATEMENT OF FINANCIAL ACTIVITIES**  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER 2022

	<u>Notes</u>	Total Funds <u>2022</u> £	Total Funds <u>2021</u> £
<b>UNRESTRICTED FUNDS</b>			
<b>INCOME</b>			
Income and Endowments from:			
Donations and grants	2	30,356	121,968
Charitable Activities	3	129,900	74,348
Other Trading Activities	4	9,588	4,510
Investment income	5	<u>7,487</u>	<u>1,610</u>
<b>TOTAL INCOME</b>		<u><b>177,331</b></u>	<u><b>202,436</b></u>
<b>EXPENDITURE ON:</b>			
Raising Funds	6	31,943	34,779
Charitable Activities	7	<u>257,502</u>	<u>255,020</u>
<b>TOTAL EXPENDITURE</b>		<u><b>289,445</b></u>	<u><b>289,799</b></u>
Net Outgoing Resources for the Year		(112,114)	(87,363)
<b>NET LOSSES ON INVESTMENTS</b>			
Loss on Revaluation of Investment Property		<u>-</u>	<u>(50,000)</u>
<b>NET MOVEMENT IN FUNDS</b>		(112,114)	(137,363)
Total Funds at 1st January 2022		<u>1,663,422</u>	<u>1,800,785</u>
<b>TOTAL FUNDS AT 31ST DECEMBER 2022</b>		<u><b>1,551,308</b></u>	<u><b>1,663,422</b></u>

All the above results are derived from continuing activities.

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**BALANCE SHEET AS AT 31ST DECEMBER 2022**

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible Assets	10	1,245,649	1,267,989
Investment Property	11	-	-
		<u>1,245,649</u>	<u>1,267,989</u>
<b>CURRENT ASSETS</b>			
Stocks		2,553	1,430
Debtors	12	5,784	7,827
Investment Property Held for Sale	11	-	500,000
Cash at Bank and in Hand		<u>364,661</u>	<u>26,169</u>
		<u>372,998</u>	<u>535,426</u>
<b>CREDITORS: amounts falling due within one year</b>	13	<u>39,006</u>	<u>101,660</u>
<b>NET CURRENT ASSETS</b>		<u>333,992</u>	<u>433,766</u>
		<u>1,579,641</u>	<u>1,701,755</u>
<b>CREDITORS: amounts falling due after more than one year</b>	14	<u>(28,333)</u>	<u>(38,333)</u>
<b>NET ASSETS</b>		<u>1,551,308</u>	<u>1,663,422</u>
<b>UNRESTRICTED FUNDS</b>			
Designated Funds	15	5,909	7,909
General Funds	15	<u>1,545,399</u>	<u>1,655,513</u>
<b>TOTAL CHARITY FUNDS</b>		<u>1,551,308</u>	<u>1,663,422</u>

The Directors are satisfied that the company is entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

The Directors' Responsibilities:

The members have not required the company to obtain an audit of its accounts for the year ended in accordance with Section 476.

The Directors acknowledge their responsibilities for complying with the requirement of the Act with respect to accounting records and preparation of accounts.

The financial statements have been prepared in accordance with the provisions applicable to small companies, subject to the small companies regime and in accordance with FRS (102) SORP.

These financial statements were approved by the Board on 28th July 2023 and signed on its behalf.

**BY ORDER OF THE COUNCIL**

Mr G R Freeman

Mrs C A Alton

The notes on pages 10-20 form part of these financial statements



**THE NEW MECHANICS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

**1 ACCOUNTING POLICIES**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) General Information and Basis of Preparation**

The New Mechanics Limited is a company limited by guarantee in the United Kingdom. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity. The address of the registered office is given in the Charity information on page 3 of these financial statements. The nature of the Charity's operations and principal activities are:

To promote the benefit of the inhabitants of the City of Nottingham and the neighbourhood, thereof by the advancement of education and the provision in the interests of social welfare with the objects of improving the conditions of life, of facilities for recreation and other leisure time occupations. In addition to supporting charitable organisations or institution connected with the purpose of the Association or calculated to further its objectives.

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 United Kingdom and Republic of Ireland (FRS 102) (effective 1st January 2019)

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the Charity.

The Charity constitutes a public benefit entity as defined by FRS 102.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**(b) Funds**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the Notes to the Financial Statements.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

**1 ACCOUNTING POLICIES (Continued)**

**(b) Funds (Continued)**

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the Notes to the Financial Statements.

**(c) Income Recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised, the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then the income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

For legacies, entitlement is the earlier of the Charity being notified of an impending distribution

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income is earned through holding assets for investment purposes. It includes interest and rent. Interest income is recognised using the effective interest method and rent income is recognised as the Charity's right to receive payment is established.

Revenue grants are recognised when the Charity has entitlement to the funds, any performance conditions attached have been met, it is probable that the income will be received and the amount can be measured reliably.

**(d) Expenditure Recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

\* Costs of raising funds includes costs of managing the investment property and room hire;

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

**1 ACCOUNTING POLICIES (Continued)**

**(d) Expenditure Recognition (Continued)**

\* Members' subscriptions, cultural excursions, the restaurant and bar, and supporting Charities and other Institutions connected with the purpose of the Charity through letting of rooms at a reduced rate;

\* Other expenditure represents those items not falling into the categories above.

**(e) Support Costs Allocation**

Support costs are those that assist the work on the Charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. The are incurred directly in support of expenditure on the objects of the Charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of resources.

**(f) Tangible Fixed Assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:-

Freehold Land	Not depreciated
Freehold Buildings	2% straight line basis
Equipment and Fixtures and Fittings	6.6% straight line basis
Furnishings	5% straight line basis
Computer Equipment	20% straight line basis

**(g) Investment Properties**

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains/(losses) on investments' in the SoFA.

**(h) Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

**1 ACCOUNTING POLICIES (Continued)**

**(i) Debtors and Creditors Receivable/Payable Within One Year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**(i) Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each Balance Sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. When the carrying amount exceeds its recoverable amount, and impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

**(k) Tax**

The Charity is an exempt Charity within the meaning of Schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets with the definition of a charitable company for UK corporation tax purposes.

**(l) Going Concern**

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure and the future sale of the investment property will enable the Charity to continue as a going concern.

**2 VOLUNTARY INCOME**

	<u>2022</u>	<u>2021</u>
	£	£
Donations	6,692	4,525
Legacies	19,664	-
Government Grant Income		
Job Retention Scheme Grants	-	80,943
Nottingham City Council Covid-19 Support Grants	4,000	36,500
	<u>30,356</u>	<u>121,968</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

**3 INCOME FROM CHARITABLE ACTIVITIES**

	<u>2022</u>	<u>2021</u>
	£	£
Members' Subscriptions	10,254	7,756
Members' Cultural Excursions	42,037	17,935
Restaurant and Bar	46,106	28,184
Lettings of Rooms	30,928	20,339
Visitor Tickets	401	42
Library and Sundry	174	92
	<u>129,900</u>	<u>74,348</u>

**4 OTHER TRADING ACTIVITIES**

Room Hire	<u>9,588</u>	<u>4,510</u>
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**5 INVESTMENT INCOME**

Rent Receivable Phoenix Park	-	-
Lease Break Clause Penalty	-	-
Lease Compensation	-	-
Car Parking Charges	7,487	1,610
Service Charges and Allowances Phoenix Park	-	-
	<u>7,487</u>	<u>1,610</u>

**6 RAISING FUNDS**

**Investment Management Costs:**

Letting Commission and Fees	-	121
Indemnity fee	705	-
Legal Fees on sale	4,068	-
Agents commission on sale	6,670	-
Landlords Costs	10,167	32,658
	21,610	32,779
Provision for Doubtful Debts	333	-
Fund Raising and Publicity	-	-
Management of Lettings of Rooms	10,000	2,000
	<u>31,943</u>	<u>34,779</u>

**Investment Management Costs:**

The above costs of £21,610 (2021: £32,279) are in respect of the Investment Property at Phoenix Business Park, Cinderhill, Nottingham.

**THE NEW MECHANICS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**7 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

	<u>2022</u> £	<u>2021</u> £
<b>Restaurant and Bar:</b>		
Purchases	16,775	9,617
Wages	19,716	41,251
Repairs	2,781	1,102
Equipment Hire	493	1,747
Rates & Water	1,552	1,105
Electricity and Gas	1,938	1,734
Cleaning( Incl wages) and Sundries	3,352	3,910
Depreciation	1,175	1,175
	<u>47,782</u>	<u>61,641</u>
<b>Members' Cultural Excursions</b>	<u>40,533</u>	<u>16,430</u>
<b>General:</b>		
Management and Office Salaries and Wages	50,492	65,580
Rates, Water, Electricity, Gas, Insurance and Telephone	15,594	11,336
Printing, Stationery and Postage	753	886
Sundry	4,132	4,786
Depreciation	2,773	2,687
Repairs and Maintenance	2,485	301
Bank Interest	1,274	116
Credit Card Charges	1,355	1,170
	<u>78,858</u>	<u>86,862</u>
<b>Buildings:</b>		
Wages Facilities	46,352	40,458
Repairs and Maintenance	7,030	5,442
Cleaning Wages	10,795	17,552
Cleaning and Sundries	2,541	1,995
Depreciation	18,290	18,289
	<u>85,008</u>	<u>83,736</u>
<b>Library and Sundry:</b>		
Books and Periodicals	-	-
Depreciation	102	338
	<u>102</u>	<u>338</u>

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**7 ANALYSIS OF EXPENDITURE ON CHARITABLE EVENTS (Continued)**

	<u>2022</u>	<u>2021</u>
	£	£
<b>Governance Costs:</b>		
Independent Examiners Fees	1,595	1,450
Other Accounting Services	3,445	4,440
Bank Charges	166	110
Filing Fees	13	13
	<u>5,219</u>	<u>6,013</u>
<b>TOTAL FOR CHARITABLE ACTIVITIES</b>	<u><u>257,502</u></u>	<u><u>255,020</u></u>

**8 STAFF COSTS AND NUMBERS**

**Staff Costs were as follows:**

Salaries and Wages	134,751	160,049
Social Security Costs	3,796	5,108
Pension Costs - Deferred Contribution	1,508	1,685
	<u>140,055</u>	<u>166,842</u>

No employee received emoluments of more than £60,000.

**The average numbers of and employees  
during the year were:**

	<u>No.</u>	<u>No.</u>
Employees:		
Directors		
Office and Administration	2	3
Facility Staff	6	9
	<u>8</u>	<u>12</u>

The President, Vice Presidents and Honorary Officers are appointed by the Council.

The Trustees neither received nor waived any remuneration during the year (2021: £Nil).

The Trustees did not have any expenses reimbursed during the year (2021 £Nil).

Total key management remuneration amounted to £ 26,501 (2021: £23,492).



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**9 NET EXPENDITURE FOR THE YEAR**

	<u>2022</u>	<u>2021</u>
	£	£
<b>This is stated after charging:</b>		
Depreciation	22,340	22,489
Independent Examiner's Fee	1,595	1,450
Other Accounting Services	<u>3,445</u>	<u>4,440</u>

**10 TANGIBLE FIXED ASSETS**

	Freehold Land and Building	Equipment, Fixtures and Fittings	Furnishings	Computer Equipment	Total Tangible Assets
	£	£	£	£	£
<b>COST</b>					
At 1.1.22	1,567,337	281,421	70,366	26,074	1,945,198
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>At 31.12.22</b>	<u>1,567,337</u>	<u>281,421</u>	<u>70,366</u>	<u>26,074</u>	<u>1,945,198</u>
<b>DEPRECIATION</b>					
At 1.1.22	320,768	272,370	58,907	25,164	677,209
Charge for the Year	17,576	911	3,578	275	22,340
On Disposals	-	-	-	-	-
<b>At 31.12.22</b>	<u>338,344</u>	<u>273,281</u>	<u>62,485</u>	<u>25,439</u>	<u>699,549</u>
<b>NET BOOK VALUE</b>					
<b>At 31.12.22</b>	<u>1,228,993</u>	<u>8,140</u>	<u>7,881</u>	<u>635</u>	<u>1,245,649</u>
<b>At 31.12.21</b>	<u>1,246,569</u>	<u>9,051</u>	<u>11,459</u>	<u>910</u>	<u>1,267,989</u>

The net book values represent fixed assets used for direct charitable purposes



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**11 INVESTMENTS**

**Investment Assets in the U.K:**

Investment property	<u>Total</u> £
<b>At Valuation:</b>	
As at 1st January 2022	550,000
Revaluation	(50,000)
Transfer to Current assets	<u>(500,000)</u>
<b>Market Value as at 31st December 2022</b>	<u>-</u>
<b>Market Value as at 31st December 2021</b>	<u>500,000</u>

The Investment property was sold on 13th May 2022 at an agreed sale price of £500,000.

**12 DEBTORS**

	<u>2022</u> £	<u>2021</u> £
Trade Debtors	3,361	2,147
Other Debtors	-	1,523
Prepayments and Accrued Income	<u>2,423</u>	<u>4,157</u>
	<u><b>5,784</b></u>	<u><b>7,827</b></u>

**13 CREDITORS: Amounts Falling Due Within One Year**

Bank loan	10,000	10,000
Trade Creditors	4,295	5,538
Accruals and Deferred Income	14,416	65,348
Taxation and Social Security	6,763	6,090
Other Creditors	<u>3,532</u>	<u>14,684</u>
	<u><b>39,006</b></u>	<u><b>101,660</b></u>

Included in accruals and deferred income is deferred income relating to members' subscriptions which are paid in advance. This amounts to £4,643 (2020: £5,367).

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**14 CREDITORS: Amounts Falling Due After More Than One Year**

	<u>2022</u> £	<u>2021</u> £
Bank loan	<u>28,333</u>	<u>38,333</u>

The bank loan is repayable by instalments within 5 years

**15 MOVEMENT IN FUNDS**

	At 01.01.22 £	Incoming Resources £	Outgoing Resources £	Transfer £	At 31.12.22 £
<b>Unrestricted Funds:</b>					
Designated Funds:					
Special Funds Reserve	5,909	-	-	-	5,909
Fire Escape Fund	2,000	-	-	(2,000)	-
	<u>7,909</u>	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>5,909</u>
Unrestricted Funds :					
Fixed Assets	1,267,989	-	(22,340)		1,245,649
Investment Reserve	500,000	-	-	(200,000)	300,000
General Funds	(112,476)	177,331	(267,105)	202,000	(250)
	<u>1,655,513</u>	<u>177,331</u>	<u>(289,445)</u>	<u>-</u>	<u>1,545,399</u>
<b>TOTAL FUNDS</b>	<u><b>1,663,422</b></u>	<u><b>177,331</b></u>	<u><b>(289,445)</b></u>	<u><b>-</b></u>	<u><b>1,551,308</b></u>

**Unrestricted Funds**

**Fixed Assets:**

This represents the net book value of fixed assets.

**Investment Reserve:**

This represents the balance of funds from the sale of the investment property at Phoenix Park, Nottingham awaiting investment.

**Special Funds Reserve:**

This Fund includes:

Sir Albert Atkey and E A Harvey Bequests  
The J N Derbyshire Foundation Fund

£682  
£5,227

£5,909

The funds previously shown under the heading of 'Special Funds' were released to the General Fund in 1966 on the following conditions:

that the identity of the funds be preserved and shown in the financial statements;

that the funds would be reinstated from future income of the general fund after meeting running expenses and allowing for depreciation;

that until reinstatement the Council will provide out of general funds for the continuance of the stated objectives of the above two named Funds.

**Fire Escape Fund**

A fund for use towards the building of a fire escape which will not go ahead. The fund has been released back into unrestricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds	Designated Funds	Total
	£	£	£
<b>Fund Balances as at 31st December 2022</b> <b>are represented by:</b>			
Tangible Fixed Assets	1,245,649	-	1,245,649
Net Current Assets	328,083	5,909	(333,992)
Creditors amount falling due after more than one year	(28,333)	-	(28,333)
	<b>1,545,399</b>	<b>5,909</b>	<b>1,551,308</b>
<b>Fund Balances as at 31st December 2021</b> <b>are represented by:</b>			
Tangible Fixed Assets	1,267,989	-	1,267,989
Net Current Assets	425,857	7,909	(433,766)
Creditors amount falling due after more than one year	(38,333)	-	(38,333)
	<b>1,655,513</b>	<b>7,909</b>	<b>1,663,422</b>

**17 RELATED PARTIES**

There are no related party transactions that require disclosure.

**18 COMMITMENTS**

As at 31st December 2022 the company had commitments under non-cancellable operating leases:

	<u>2022</u>	<u>2021</u>
	£	£
Plant and machinery		
Payable within one year	723	1,085
Payable from one to five years	-	723
	<b>723</b>	<b>1,808</b>

