

Agenda Item 5(i)

Durham Aged Mineworkers' Homes Association

Trustees' annual report and accounts

31 March 2016

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Registered office:

The Grove
168 Front Street
Chester-le-Street
Co. Durham
DH3 3YH

Charity Number: 222673

Registered Provider Number: A3213

Executive Committee

Property Trustees

Gordon Parkin (President)	(F, O & H)
Paul Stradling	(H)
Barbara Christie	(O)
Lesley Armstrong	(F)
Steve Fergus (Vice President)	(H&O)

Elected Trustees

Derek Gray	(H, A & F)
Paul Hewitson	(F, A)
Una Mack	(H, A)
Sheila McIntyre	(H)
Cyril Smith	(H, A & F)
Ray Gibson	(H, O)
Marshall Wylde	(O, A)
John Ball	(H, A & F)

All members serve on sub committees as indicated, covering Housing & Development (H), Finance (F), Organisation & Personnel (O) and Audit (A).

Management team and advisors

Management Team Officers

Paul Mullis	FCA	Chief Executive
Nicola Local	FCCA	Head of Finance & Administration
Pauline York	MCIH	Head of Housing

External Auditor

Ernst & Young
City Gate
St James' Boulevard
Newcastle upon Tyne
NE1 4JD

Internal Auditor

Tait Walker
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Bankers

Co-operative Bank Plc
Norfolk House
90 Grey Street
Newcastle upon Tyne
NE1 6BZ

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Solicitors

O'Neill Richmonds Law Firm Limited
1-2 Lansdowne Terrace East
Gosforth
Newcastle upon Tyne
NE3 1HL

Chairman's introduction

This year has been a challenging one for everyone working in social housing in the UK. The pace of change in policy, and the speculation, debate and confusion even at the highest levels of the national conversation have been unprecedented.

Even now, as I write this piece, we are awaiting the outcome of a Departmental Review into the impact of the imposition of a cap on Housing Benefit for vulnerable and older people – which on its conclusion we hope will bring back some certainty to the future provision of such services. However, that certainty is still unfortunately a matter for the future, and as things stand, from April 2017 residents of Almshouse Charities, alongside other vulnerable people, face a reduction in the amount of housing benefit available to them. This lack of clarity around the accessibility of such homes to those on the lowest incomes makes planning for new developments a very difficult process and has caused a significant reduction in such activity for very many organisations for the time being. If it is not resolved satisfactorily and promptly, then some of the most vulnerable people in our country will face an impact on their ability to access appropriate housing worse than that of the so-called 'bedroom tax' exerted on General Needs housing a few years ago.

Nevertheless, despite such worries and concerns, the Association has not stood still. All involved in housing in the UK agree that the reality of our housing crisis is that as a nation we have failed to build homes in the numbers needed for decades, and this is the underlying reason that the cost of housing, and therefore the housing benefit bill is rising so fast. So whatever the outcome of government policy debates it is clear that the Association continues to be needed to play a vital role in the future of appropriate housing for older people in the North East of England.

To that end, whether government support decreases or improves, the Association is determined to be as lean and efficient as possible so that we can continue to deliver services of the highest quality and at the greatest quantity that we can. Our Value for Money statement on page 21 indicates our determination to be the best that we can be, and highlights our achievements and challenges in that arena, and a recent report from our regulator, the Homes and Communities Agency, demonstrates that our overall 'headline' cost per unit is amongst the lowest of any registered provider in the country. This indicates our fitness to operate even in a challenging financial environment. And as a result, we are able to continue to develop new homes that are amongst the best that we have ever built – and I am incredibly proud to welcome as our newest residents, the occupants of 30 new bungalows completed this year in Consett.

These objective facts demonstrate our intention as an Association to continue forward despite any obstacle put in our way, and as ever my heartfelt thanks go to our dedicated team of staff and Trustees, whose commitment, loyalty and dedication has been the foundation of our ongoing success.

Gordon Parkin
Chairman

2016

Report of the Executive Committee

This report has been prepared in accordance with relevant legislation including the Statement of Recommended Practice for Registered Social Housing Providers.

The members of the Executive Committee present their report together with audited financial statements for the year ended 31 March 2016.

Status

Durham Aged Mineworkers' Homes Association was established in 1898, and is an Unincorporated Association administered by Rules, which were last revised by the Annual General Meeting in September 2010. It is a Registered Charity (Number 222673), Registered Housing Provider (Number A3213) and a Member of the National Association of Almshouses.

The Executive Committee

The Governing Body of Durham Aged Mineworkers' Homes Association is known as the Executive Committee. Members of the Committee have legal responsibility as trustees of the charity, and their details are set out on page 3. All members of the Association pay a £1 subscription, which carries no right to dividends or repayment of capital. The Chief Executive is not registered as a member of the Association and although not having the legal status of Director, manages the day-to-day operations of the organisation under authority delegated by the Executive Committee.

Investment Powers

The Rules (13) empower the Association to invest money not immediately required for its purposes in accordance with the statutory powers of investment available to charitable trusts from time to time.

Objects

The Rules define the objects as:

- 2.2 To provide and maintain services and facilities for needy, aged, infirm or disabled persons, with particular regard for the needs of the original beneficiaries.
- 2.3 For that purpose to provide and maintain:
 - 2.3.1 Almshouses, which may be houses, bungalows, apartments and sheltered homes, for such persons who (except in the case of the Original Beneficiaries or in other special cases to be approved by the trustees) are over the age of 50 at the time of the appointment;
 - 2.3.2 Residential homes in which additional care may be provided;
 - 2.3.3 Leasehold accommodation specially adapted for aged, infirm or disabled persons;
 - 2.3.4 Gardens, common rooms, workshops, garages and other ancillary facilities for the benefit of residents.
- 2.4 To manage or provide advice or assistance in the establishment of and management of housing schemes provided or to be provided by other charities.
- 2.5 In this clause 'the Original Beneficiaries' means needy, aged, infirm or disabled persons who were formerly employed in or about coal mines in the County of Durham as constituted on 31st March 1974 or are or were the dependents of persons so employed.

Regulatory Requirements

The Association's latest Regulatory Judgement was published by the Homes & Communities Agency in December 2015 and reported that the Association meets the requirements set out in the Governance and Financial Viability Standard.

Report of the Executive Committee (continued)

On 1 April 2012, regulatory authority passed to the Homes and Communities Agency, whose revised regulatory framework is published at www.homesandcommunities.co.uk. The Homes and Communities Agency's approach of co-regulation sits well with the ethos of the organisation. The Executive Committee work closely with staff and residents to ensure that the Association develops and delivers high quality services in accordance with the new regulatory framework. In December 2015 the Homes and Communities Agency passed regulatory judgement on the Association recognising it met its standards for Viability and for Governance.

Policies adopted to meet objectives

Six core aims have been developed over recent years in pursuit of these objectives:

- CA1** To place residents at the heart of everything we do and provide an appropriate high quality and continually improving service.
- CA2** To improve the condition and marketability of existing homes within a broader asset management strategy.
- CA3** To increase the balance of two-bedroom stock and deliver quality, well designed and energy efficient homes that contribute to the Regional Housing Strategy.
- CA4** To maintain effective, efficient and well-motivated Trustees, Staff and Volunteers
- CA5** To ensure the Association is viable, well managed and provides equal opportunities for all.
- CA6** To manage or provide assistance in the development and management of housing schemes provided by other charities.

Public Benefit

In setting the Association's aims and objectives, and in measuring performance and achievements, trustees have had regard to the Charity Commissions general guidelines on public benefit.

Strategic Review

Following a comprehensive Strategic Review, carried out during early 2007, with the assistance of independent consultants, the Association declared its intent to remain an independent organisation to build upon our excellent performance and financial robustness.

Review of activities and achievements

Core Aim 1 – Placing residents at the heart of everything we do.

Resident Involvement

Checking that residents are happy with the work we are doing is essential as we are constantly trying to improve the service we provide. The first core aim of the Association is to place residents at the heart of everything we do. Our residents are given a range of methods through which they can choose to be involved. Due to the widely dispersed nature of our homes in 93 locations, our Residents Representatives not only act as our 'eyes and ears' in their locality, but also meet periodically with trustees and staff to discuss current issues at a Residents Forum. We have extended this format to Area Meetings to enable more in depth discussions at a local level.

The status survey of residents was last carried out in 2013 and found:

- 94% were satisfied with the overall service.
- 93% were satisfied with quality of home.
- 94% were satisfied with the repairs and maintenance service.
- 92% were satisfied that they were kept informed.
- 92% were satisfied with value for money.
- 85% were satisfied that their views were acted upon.

A further survey will be carried out during 2016.

Report of the Executive Committee (*continued*)

Scrutiny Panel

A Scrutiny Panel, consisting of 11 DAMHA residents, is convened at least five times per year to monitor the performance of the Association and report any concerns directly to the Executive Committee. They are also tasked with being the lead in the production of the Annual Report for residents.

In order to allow residents their voice in our committee structure, three residents are elected onto the Housing & Development Sub Committee, and serve as trustees on the Executive Committee.

A review of resident involvement produced a revised strategy and action plan; revised Area Drop In sessions brought increased interest in resident focus group membership and the Residents' Forum continues to be well attended by around 80 representatives.

11 members of the Focus Group panel have volunteered to attend Housing & Development Sub Committee meetings as observers with the longer term aim of encouraging interest in becoming resident board members.

The Banner Newsletter is produced three times throughout the year and continues to be well received by all stakeholders. An email newsletter has been developed for the first time this year, and its use will be monitored and developed as a cost efficient method of keeping stakeholders informed in the digital age.

The Association has prided itself on resident satisfaction and involvement, but like all organisations continually strives to improve.

Continuous Improvement

The Association is committed to continuous improvement. A performance management tool – the Vision Management System (VMS) is used to gauge levels of stakeholder satisfaction with each element of our service. This IT based system does not simply measure performance but also analyses it and incorporates remedial action to help drive service improvement as problems occur.

A performance measurement and management system is in place.

Local Offers

Local Offers, agreed by the residents, are monitored alongside other performance measures by the Scrutiny Panel. Any findings are reported directly to the Executive Committee.

Performance information relating to these Local Offers is reported to residents through the newsletter, The Banner, and the Annual Report.

Where local offers have not been met, there will be a full explanation of the reasons why and details of what steps are being taken to address the issues.

A training programme is offered to those residents involved in the scrutiny panel to ensure that they have the necessary support and capacity for meaningful engagement.

Demand for Homes

At the present time 1,803 applicants seek one of our homes, following a comprehensive review of our waiting list.

For many years the points system to allocate homes was based entirely on housing need, but in recent years, the following additional features have been included:

- a) All waiting lists opened to the general public
- b) Points awarded for Colliery Service
- c) Points awarded for years on the waiting list
- d) Points awarded for those over 50 years of age
- e) Priority to wheelchair users for wheelchair accessible homes

Report of the Executive Committee *(continued)*

Following a comprehensive review of the Allocations & Lettings Policy the Association, after consultation with applicants, agreed not to move to a system of Choice Based Lettings. This review saw a move away from the blanket 'exclusion policy' to a fairer deferment system for non qualifying applicants. Following the Welfare Reform Act a further review was carried out during 2013 which resulted in 2 bed stock only being offered to applicants of pensionable age.

Lettings

Over the year 155 lettings took place as follows:

Local Authority	Number of Homes	New Lets	Re-lets	New Homes in Progress
Durham	1,331	31	93	-
Gateshead	146	-	7	-
South Tyneside	108	1	9	-
Sunderland	156	-	14	-
Total	1,741	32	123	

56% of homes were let to beneficiaries of the Association.

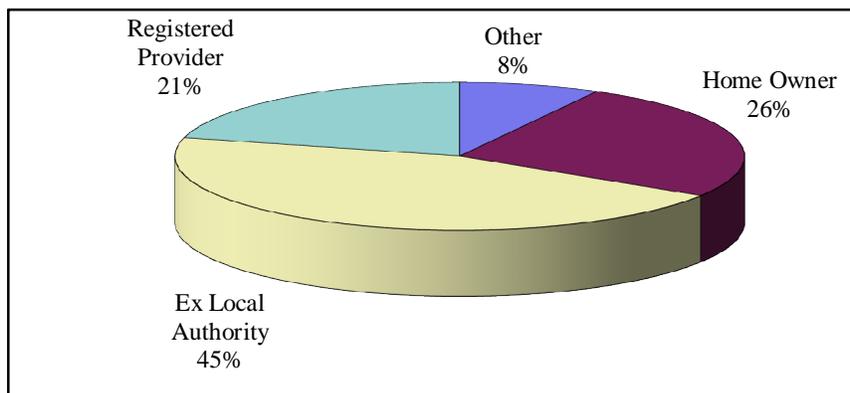
65% of homes were let to people who applied directly, 31% from local authority nominations and 4% internal transfers. 94% of all those rehoused stated their main reason for moving was health related.

The Association has set performance targets in respect of vacant homes as follows:

- To let all new properties within two weeks of being handed over from contractors
- To let 75% of re-let properties within two weeks of being available to let
- To have 85% of properties out on offer to applicants within three days of being available to let

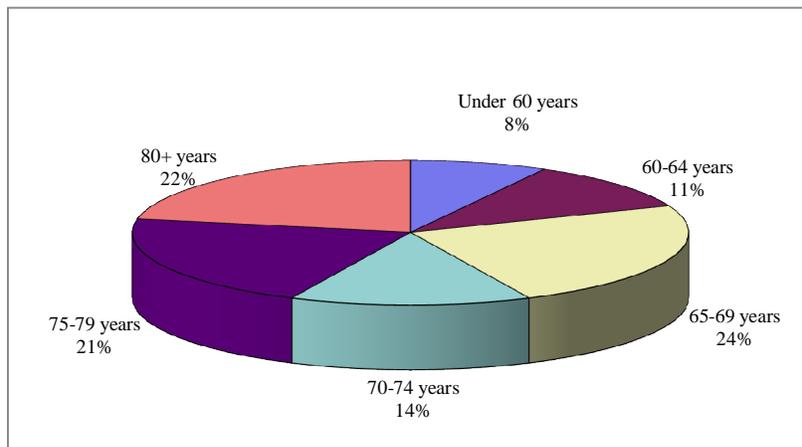
Although the Association does not operate a Choice Based Lettings system, all of the local authorities in the area of operation use this system to determine their nominations for new build homes.

Previous Tenure



Report of the Executive Committee (*continued*)

Age of People Housed



Residents' welfare

A strategy for vulnerable residents is maintained to ensure that our policies and procedures are customer focused and flexible enough to sustain occupancy. We identify our vulnerable residents from our resident information forms, and steps are taken to ensure they receive appropriate advice, help and support.

A dedicated budget is available to meet priority adaptations. Bathing adaptations, which are deemed to be lower priority, are referred to Local Authorities for Disabled Facilities Grant.

Anti Social Behaviour

Anti Social Behaviour can be a destructive force within communities and can have a severe effect on our residents' quality of life.

We are therefore fully in support of the Respect Agenda which aims to tackle unacceptable behaviour and nurture good. After consultation with our residents, and a review of our policy on anti social behaviour, we were pleased to sign up to the Respect Standards for Housing Management, confirming our commitment to working with other agencies and in the future, to ensure that our homes are peaceful, safe places where people will want to live.

Social activities

Residents have again been very appreciative of birthday and Christmas cards, presentations for Golden and Diamond Weddings, and 114 residents over 90 years of age received Christmas Gift Vouchers.

A Residents' Welfare Fund is available, to enhance fellow residents' quality of life by the provision of parties and outings. Money for this fund is raised from raffles and donations.

A successful social afternoon was held, attended by around 200 residents, and three residents holidays were organised to Skegness, Southport & Perth.

Report of the Executive Committee (*continued*)

Residential Home – Langley House, Horden

Our purpose built, single storey, 26-bed home provides high quality accommodation, and the management and staff continue to provide the quality care which achieves a high degree of satisfaction with residents, their families and the Care Quality Commission.

We are committed to working with Durham County Council to fulfil their local priorities, and whilst the number of permanent long-term admissions has reduced due to the emphasis on enabling older people to remain in their own homes, Langley House has successfully adapted to meet a large increase in the number of short-term, emergency and respite admissions. The latest Care Quality Commission inspection resulted in an assessment of a good 2 star service.

Complaints procedure

We welcome both formal and informal complaints as tools for identifying service shortfalls. Our Appeals Panel dealt with no complaints during 2015/16 and no complaints have been escalated to the Housing Ombudsman Service.

Quick & Easy Access

We provide a professional and effective service for personal and telephone callers at our office in Chester-le-Street, where calls are answered on average within 7 seconds regarding repairs, weekly charges, housing applications and a full range of resident enquiries. A free phone facility is available for residents.

It is now possible to report routine repairs by text message.

An improved web site was introduced during 2012/2013, with further improvements during 2014 to ensure the site is responsive for mobiles and tablets. Further improvements during 2015 saw the introduction of 'Live Chat'.

Core Aim 2 – To improve the condition and marketability of homes within a broader asset management strategy

Repairs and maintenance

An appointment system is available to residents, and we actively encourage residents to use this facility. Where permission is given, a resident's telephone number is passed onto contractors to allow them to make an appointment direct.

Our network of locally based contractors continue to provide an excellent service, not only in the quality of works, but also in their local knowledge and consideration for residents. It was pleasing to note, that at a focus group a resident stated that 'the relationship between the Association's staff, contractors and residents is like one big family'. Many residents, through their satisfaction surveys, comment on the politeness and friendliness of contractors.

Despite good performance, challenging targets have been set for 2016/17:

	Emergency	Urgent	Routine
2013/14 Target	99%	99%	99%
2013/14 Actual	99.72%	98.76%	99.67%
2014/15 Target	99%	99%	99%
2014/15 Actual	99.8%	98.4%	99.8%
2015/16 Target	99%	99%	99%
2015/16 Actual	99.8%	99.5%	99.7%
2016/17 Target	99%	99%	99%

Performance is regularly monitored against best practice and benchmarked with other Registered Providers through Housemark. Targets are formally reviewed by Scrutiny Panel and updated annually as part of the Performance Measurement.

Report of the Executive Committee (*continued*)

Asset Management Strategy

Investment in homes is based upon a robust Asset Management Strategy which is reviewed on an annual basis. The Decent Homes Standard has been achieved in 100% of homes.

Those homes deemed to be redundant continue to be sold on the open market, and to date, 126 homes have been sold, or are for sale within 19 locations. The proceeds from sales are used to supplement the cost of providing new two-bedroom bungalows, in conjunction with the National Affordable Housing Programme.

Scheme	Original number	Number sold or for sale
The Dene	8	8
Quarrington Hill	6	6
Sherburn Hill	18	15
Coronation Homes, Shotton	4	4
Wingate	1	1
Hill Crescent, Dawdon	12	11
Maglona Street, Dawdon	12	5
South Hetton	10	9
Hopper Terrace, Trimdon	8	8
Peacehaven, Ferryhill	10	9
Ryhope Street	8	8
Uplands, Crook	17	12
Musgrave Street, West Auckland	6	6
High Lane, Stanley, Crook	6	6
Cockfield	7	6
Charles Perkins Homes	8	5
Langley Park	12	7
Quebec	1	1
Deaf Hill	10	1

Interest in the homes for sale has been good during 2015/16 and sales have progressed promptly throughout the year.

In accordance with good practice the Association's planned maintenance programmes are based on the findings of a combination of stock condition information, maintenance records and reasonable requests from residents.

This is fundamental in our goal of providing our residents with affordable warmth, which is becoming ever more challenging in an era of substantial increases in the price of energy.

Report of the Executive Committee (*continued*)

Social Housing Rent Reforms

The Association sets its weekly charges in accordance with the Regulatory Framework. The weekly Charges at 128 properties are currently set under our Affordable Rent Programme.

A current analysis of the effect of the reforms is:

District	DAMHA Average Weekly "Rent"
	2015/16 £
Durham	74.80
Gateshead	72.58
South Tyneside	73.94
Sunderland	70.35
All Districts Weighted Average	74.09

Maintenance contributions (rents)

Weekly charges as at 31 March 2016, excluding service charges were as follows:

	Average	Highest	Lowest
1 bedroom	£66.06	£80.31	£56.94
2 bedroom	£83.92	£102.55	£69.02
3 bedroom	£89.01	£94.12	£87.75

Core Aims 3 – to deliver high quality homes

The population of the UK is ageing and demand for older persons' accommodation increases year on year.

The strategic role of the North East Regional Housing Strategy is recognised in identifying housing need and regeneration initiatives. A Housing Strategy is in place and is annually reviewed.

The regeneration of our Coalfield Communities and the need to provide more suitable and affordable homes, which reflect older people's needs and aspirations, is paramount.

In order to continue to build new homes the Association continues its development partnership with the ISOS Housing Group of Newcastle upon Tyne.

All new developments are financed through a mixture of Government capital grants via the Homes & Communities Agency (SHG), loans from banks and building societies and re-investment of proceeds from sales of redundant homes.

Report of the Executive Committee (*continued*)

Completed 2015/16

Consett 6 30 two bedroom bungalows

New Build Post 2011

The Coalition Government introduced a funding regime based upon an 'Affordable Rent' model whereby rents may be charged at a rate of up to 80% of market rent for new build and a proportion of re-let properties. The Association has continued to develop homes under this new model to meet the growing demand for good quality homes from an ageing population. As part of the agreed funding mechanism for new homes, a proportion of stock let at Target Rent are being converted to Affordable Rent on re-let. We currently have 128 properties on affordable rents.

Core Aim 4 – to maintain well motivated trustees, staff and volunteers

In a comparatively small organisation, we rely on the knowledge, skills and attitude of people and upon their willingness to carry out multiple roles. Our people are therefore our greatest resource. Staff and trustee turnover is very low which provides great benefits and every effort is being made to continually refresh traditional ways of thinking. All trustees live or work within the mining communities, so are responsive to local issues.

An appraisal system and an Annual Training Plan are in place, and substantial budgets are provided to ensure that staff, trustees and residents are trained to ensure that they can drive continuous improvement throughout the organisation.

The Association was awarded the Investors in People standard in March 1999 in recognition of the good staff training and development practices operated. This status was retained in 2001, 2003, 2006, 2009 and again in 2014 when we were awarded silver status. A further assessment was carried out in 2015 where we were awarded gold status.

Core Aim 5 – to ensure the Association is viable and well managed

Governance

The Executive Committee has adopted the National Housing Federation's recommended Code of Governance (2010) for Registered Providers, with the exception of:

- i) Not to adopt the term 'Board' because the term 'Executive Committee' is more commonly used and understood in the Association.
- ii) Provision A4: To maintain a Board of 15 trustees rather than only 12, as this allows for provision of adequate membership for sub-committees.
- iii) Provision D1: Not to adopt fixed term appointments for elected trustees, as this more easily enables the Association to retain trustees which represent the community whose interests it was created to serve.
- iv) Provision D1: Not to adopt fixed term appointments for property trustees in whose name all property is vested, in order to facilitate the effective administration of property deeds.

A review against the revised Code of Governance (2015) will be undertaken in 2016.

Report of the Executive Committee (*continued*)

The Executive Committee (The Board)

The Executive Committee has a wealth of experience of the community it serves, professional skills and a high degree of enthusiasm and commitment.

Up to twelve Management Trustees are elected to the Executive Committee by the Annual General Meeting, for a term of four years and up to a further eight are life Property Trustees elected by ballot from within the Executive Committee.

Rules state that the Executive Committee shall:

- a) Always comprise of a majority of persons involved or formerly involved in the coal mining community or the spouses or family members of such persons.
- b) Include trustees who have special skills or experience in the professional disciplines required.

The 2005 AGM amended the Rules to allow Residents to be elected as trustees, and two residents were elected as trustees in October 2005. They were subsequently re-elected at the Annual General Meeting of 2007. A third resident was elected to the Executive Committee in October 2009.

The Rules were also amended at the 2010 AGM to permit payment to Executive Committee Members for the supply of goods or services that were supplied in connection with services to the Association where that is permitted in accordance with the relevant sections of the Charities Act 1993 (since updated to the Charities Act 2011).

The Rules were also amended at the 2011 AGM to clarify that the Executive Committee has the power to permit such numbers of the property trustees as it sees fit to authorise deeds.

The Executive Committee meets seven times per year, plus training and site visits, and is advised by four Sub-Committees of Housing & Development, Finance, Audit and Organisation & Personnel.

A skills assessment and appraisal methodology is in place.

Trustee Recruitment Procedures

The Executive Committee has agreed a skills requirement and mechanism to be adopted for attracting new members, which can include general advertising or more direct contact with appropriate bodies.

Applicants must apply on the Association's standard form, and may be short-listed and interviewed by a panel of trustees who make the appropriate recommendation to the Executive Committee.

Value for Money

Value for money is the relationship between economy, efficiency and effectiveness. This concept cuts across all areas of service provision, and there are a range of methods used to deliver value for money e.g. Standing Orders and Financial Regulations, Group Procurement, Benchmarking, Quality Assurance, Resident Involvement, Stock Condition Data, Satisfaction Surveys, Internal and External Audit. Value for money is continually monitored as an integral part of performance management and residents play a wider role through focus group and scrutiny panel involvement.

The Homes and Communities Agency published its Value for Money Standard in April 2012. During 2012/13 the Association renewed procedures to ensure it can demonstrate full compliance. A Value for Money Statement for 2015/16 is included at the end of this report.

Report of the Executive Committee (*continued*)

Equality & Diversity

The Association is committed to ensuring equality of opportunity and diversity. In doing so, we seek to ensure that our workforce and the Executive Committee is representative of the areas in which we work and recognises the development needs of different groups of people within them. We recognise that people from black and minority ethnic (BME) communities are under represented within Housing Associations nationally. Evidence from the 2011 census reveals that on average less than 5% of the population in those areas in which we operate are of BME origin. We will keep our policies, procedures and organisational cultures under review in order to ensure that they do not inadvertently block the rehousing or recruitment of people from BME communities or hinder their progress to more senior appointments.

The Association has appointed a Trustee as Disability Equality Champion.

Table One: Staffing structure

	31 March 2015		31 March 2016	
	No.	%	No.	%
<i>Gender</i>				
Male	13	20.6	7	11.1
Female	<u>50</u>	<u>79.4</u>	<u>56</u>	<u>88.9</u>
	63	100	63	100
<i>Ethnic origin</i>				
White: British	62	98.5	62	98.5
White: Other	<u>1</u>	<u>1.5</u>	<u>1</u>	<u>1.5</u>
	63	100	63	100

6 appointments were made during 2015/16.

Report of the Executive Committee *(continued)*

Equality & Diversity (continued)

Table Two: Analysis of waiting list by ethnic origin

	Waiting list		Re-housed 2015/16	
	No.	%	No.	%
Irish: White	2	0.11	-	-
British: White	1,795	99.51	155	100
Any Other:	3	0.16	-	-
No response	4	0.22	-	-
TOTAL	1,803	100.0	155	100.0

Table Three: Analysis of waiting list by gender

	Waiting list		Head of Household Re-housed 2015/16	
	No.	%	No.	%
Male	389	22.57	32	21
Female	561	31.11	60	39
Couple	851	47.32	63	40
TOTAL	1,803	100.0	155	100.0

Table Four: Executive Committee membership

	31 March 2016		31 March 2015	
	No.	%	No.	%
<i>Gender</i>				
Male	10	72	10	72
Female	4	28	4	28
TOTAL	14	100	14	100
<i>Ethnic origin</i>				
White: British	13	93	13	93
White: Irish	1	7	1	7
TOTAL	14	100	14	100

Report of the Executive Committee (*continued*)

Audit committee

An Audit Sub-Committee is in place and advises the Executive Committee.

Internal and external audit matters are reported to the committee and the auditors are invited to attend relevant meetings where audit matters are discussed. Additionally, this sub-committee meets annually with internal and external auditors without paid staff being present.

Risk management

The Homes & Communities Agency has reported that the Association meets the requirements set out in the Governance and Financial Viability Standard.

The Executive Committee is responsible for identifying the risks faced by the Association and for determining the appropriate action to manage those risks. The Association has adopted a formal Risk Management Strategy, which involves carrying out an annual risk appraisal exercise based upon a process of control and risk self assessment.

The Association completes regular risk appraisals. The risk appraisals are based on a matrix system to highlight those areas where the Association is most at risk. This enables the Association to ensure that those risks are mitigated as far as possible.

The Association currently considers its largest single business risk to be the government's ongoing welfare reforms and their impact upon residents' access to benefits with which to pay weekly maintenance charges in future and which may therefore impact adversely on the levels of arrears and write offs. Currently the impact has been minimal on residents of retirement age, however the outcome of the DWP's departmental review into the impact of the imposition of a Local Housing Allowance cap to housing benefit for residents of Almshouses and other vulnerable residents of supported and sheltered housing is currently outstanding. Depending on the outcome of that review, the Association may need to consider implementing strategies to permit it to continue to offer housing at a level of maintenance charge that is affordable to those on reduced benefits and/or mitigate any consequent reduction in income. The potential loss of income at risk at this stage, while potentially threatening to certain specific services currently offered and to options for future development, is not considered to be so serious as to threaten the ongoing long term viability of the Association.

Other risks in the Association's matrix are relatively longstanding and have identified and long established mitigations in place.

Internal control

The Executive Committee has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The Executive Committee recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved.

In meeting its responsibilities, the Executive Committee has adopted a risk-based approach to internal controls, which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Association is exposed to.

Internal controls assurance

The process adopted by the Executive Committee in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

- *Identification and evaluation of key risks*

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of the Association's activities. This process is co-ordinated through a regular reporting framework by the audit sub-committee. The Senior Management Team regularly considers reports on significant risks facing the Association and the Chief Executive is responsible for reporting to the Executive Committee any significant changes affecting key risks.

- *Monitoring and corrective action*

A process of control self-assessment and regular management reporting on control issues provides hierarchical assurance to successive levels of management and to the Executive Committee. This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those with a material impact on the financial statements.

- *Control environment and control procedures*

The Executive Committee retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury strategy and new investment projects. The Executive Committee has adopted and disseminated the code of governance *Excellence in Governance (July 2010 Review)*, to all employees. This sets out the Association's policies with regard to the quality, integrity and ethics of its employees. It is supported by a framework of policies and procedures with which employees must comply. These cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection, and fraud prevention and detection.

- *Information and financial reporting systems*

Financial reporting procedures include detailed budgets for the year ahead and forecasts for subsequent years. These are reviewed and approved by the Executive Committee. The Executive Committee also regularly reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

The internal control framework and the risk management process are subject to regular review by Internal Audit who are responsible for providing independent assurance to the Executive Committee via its audit sub-committee. The audit sub-committee considers internal control and risk at each of its meetings during the year.

The Executive Committee has received the Chief Executive's annual report, has conducted its annual review of the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of the risk management and control process.

The Executive Committee confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Association. This process has been in place throughout the year under review, up to the date of the annual report, and is regularly reviewed by the Executive Committee.

Core Aim 6 – Assisting other Charities

Assisting other charities

The Association provides a combination of housing management, development and financial administration to the following small charities which they would struggle to effectively and economically provide themselves. In return, the Association is able to spread its administrative costs over a wider base:

Linked Charities ó Corporate Trustees to:

Brandon Colliery Aged Workers' Homes (12 Homes)
Homes for Aged Mineworkers and other Workmen at Wingate Colliery
Cockfield Aged Miners' Homes (1 Home)

Managing agents for Independent Charities:

Jacob Wright's Almshouses, Evenwood, County Durham (5 Homes)
The Hartlepool War Memorial Homes & The Crosby Homes (24 Homes)
The Hunter Homes Memorial Trust, Morpeth (10 Homes)
Vesper House Trust, Seaton Carew (5 Homes)

Report of the Executive Committee (*continued*)

Subsidiary Charities:

The Association manages three subsidiary almshouse charities, which under the Uniting Direction of 4th November 2004 with Durham Aged Mineworkers Homes Association (No. 222673), are accounted for as Restricted Reserves within the Association's overall reserves, share common Trustees, and whose details are set out on page 48. The activities of the subsidiary almshouse charities during the year have been as follows:

- **Brandon Colliery Aged Workers' Homes Association**

The Association was founded in 1930 and is a Registered Housing Association (No. 3768). Its object is to provide residence for aged persons in need in Brandon and own property, being the land and buildings known as Brandon Aged Miners' Homes, acquired on 15 July 1930.

The twelve one-bedroom, single-storey terraced homes were all fully occupied throughout the year with average weekly maintenance contribution charges of £63.19.

- **Cockfield Aged Miners' Homes**

The Charity was founded in 1900 to provide homes for retired or infirm mineworkers in the Parish of Cockfield. It is an unincorporated almshouse charity.

Four homes became vacant during the year, and demand for these one bedroom bungalows has been constantly low.

A stock condition survey was carried out in 2001, which revealed a programme of works required to bathrooms and kitchens, roofs and electrics. Whilst the charity has sufficient funds to meet ongoing obligations for day-to-day repairs, there is a shortfall of available reserves to fund the longer term programming of the works identified in the survey. In May 2010 it was resolved to dispose of properties as they became vacant, and statutory consultation took place in June 2010.

At 31st March 2016 6 homes have been sold. The proceeds of sale have been ringfenced and a potential development site has been identified within Cockfield with the view to providing new homes.

- **Homes for Aged Mineworkers and other Workmen at Wingate Colliery**

The Charity was founded in 1913 and was formalised by a trust deed dated 31 July 1936 to provide homes for aged mineworkers and other workmen formerly employed at Wingate Colliery. It is an unincorporated almshouse charity.

The charity's sole remaining property fell vacant in 2005 and following extensive efforts, no suitable applicants were found from the beneficiary class. The property was disposed of in March 2006 and the surplus generated on the sale will be utilised to provide modern homes in the beneficiary area.

Going Concern

The Association's business activities, together with the factors likely to affect its future development, performance and position are set out in the report of the Executive Committee on pages 6 to 25.

The Association meets its day to day working capital requirements through the current account, which is cash positive at the year end. The Association meets its development programme requirements through a combination of grant and debt funding. Note 16 to the accounts highlights the current level of debt and repayment terms. The current economic conditions create a degree of uncertainty over the longer term availability of grant and bank finance.

The Association's forecasts and projections show that the Association should be able to continue to operate within the level of its current facilities and no matters have been drawn to its attention to suggest that future funding may not be forthcoming in acceptable terms.

After making enquiries, the Executive Committee has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Report of the Executive Committee (*continued*)

Value for Money Statement

It is the Association's intention that a full Value for Money Statement for 2016 will be published from 30th September 2016 on the Association's website at <http://www.damha.org.uk/publications>. The following summary report is prepared in advance of the full report from the information currently available. Readers are directed to the full report on publication which together with the published VfM Strategy gives a complete understanding of VfM within the Association. It is also intended that selected information from the full report will be included in our Annual Report which will be circulated to all residents, and potential residents on the Association's waiting list, and be available for download from the website at the above address.

The Association, as a Registered Charity is committed to being an effective and efficient social business achieving high levels of VfM in all its activities. A VfM Strategy was approved in February 2014. The strategy recognises that VfM is not a new initiative, and indeed that VfM has been a fundamental ethos of the Association for a long time.

The Statement identified 4 objectives for VfM for the Association:

- *Objective 1:* Understand our key input costs thoroughly;
- *Objective 2:* Improve our procurement processes;
- *Objective 3:* Improve the efficiency of the process of driving continuous improvement; and
- *Objective 4:* Embed VfM into capital spending procedures

Ongoing progress against these objectives will be reported in future annual VfM statements.

However, the Association is starting from a high initial position in relation to VfM. Prior to 2012, all registered providers were required to take part triennially in a mandatory satisfaction survey of residents, which were collated and benchmarked on a national basis. When this service was withdrawn by the regulator, the Association committed to continue with the triennial survey on a voluntary basis utilising Housemark's 'STAR' survey. This asks the same questions as the former 'STATUS' survey and is entirely compatible, permitting ongoing comparison of the satisfaction of the Association's residents over time.

The results of the latest survey, conducted in July 2013, compared to the previous survey, conducted in July 2010, and benchmarked against the other national participating registered providers in 2013/14 indicate that the Association was ranked as being the highest scoring participant, with 94.4% (2010: 93%) of residents considering themselves satisfied or highly satisfied with the overall service. Also, the Association was ranked 1st in five other categories, including satisfaction with value for money on rent at 92.2% (2010: 92%). A new survey is due to be conducted in July 2016.

Given the ongoing high level of achievement in the survey results and in comparison to its peers, the Association is seeking to maintain its position rather than pursue significant ongoing improvements in resident satisfaction. Nevertheless, satisfaction of our residents, and potential residents, continues to be a major priority of the Association and continuous effort is focussed on ensuring that performance in this area does not deteriorate.

In pursuing its charitable objectives, the Association does not fund any significant social activities other than maintaining existing homes, and building new ones. Consequently all expenditure is directed at one or other of these activities. The Association's Annual Financial Plan, which forms the basis of the Association's Corporate Plan, is updated every year. This is the primary way in which capital resources are allocated between these competing priorities. The Executive Committee have operated the following underlying priorities within the business plan for many years:

- Maintaining financial viability;
- Providing cost-effective services to residents;
- Fund investment in existing stock to maintain a standard appropriate to the aspirations of the residents;

- Providing an on-going development programme to address the undersupply of affordable and appropriately designed homes for older people in the region.

Whilst there is competition between these priorities, and there is often a need to compromise, this does not apply to maintaining financial viability. The latest update to the Annual Financial Plan which looks at the potential financial performance of the Association over the next 30 years, was approved by the Executive Committee in May 2016 and delivers an ongoing surplus. This demonstrates a strong position and meets the expectations of external stakeholders and funders.

Key areas of performance for the Association over time in relation to VfM are as follows:

	2016	2015	2014	2013
Operating costs as a percentage of turnover	50.1%	52.9%	55.3%	55.5%
Housing management costs per unit	£304.67	£299.78	£296.48	£287.02
Maintenance costs per unit	£731.24	£730.75	£749.94	£642.69
Routine repairs completed on time	99.7%	99.9%	98.8%	99.7%
Repairs satisfaction	91.5%	90.2%	89.2%	89.2%
Average re-let time	36.5	35.2	29.3	29.4
Current resident maintenance charge arrears	£198k	£154k	£125k	£161k
New homes developed	30	5	17	21
Redundant homes sold	5	2	5	5

All indicators continue to show an ongoing strong position. Overall operating costs reduced as a percentage of turnover in the year indicating that the Association continues to be efficiently managed. Maintenance costs and housing management costs showed a minor increase in the year. Maintenance costs continue to be significantly lower than they were in 2014. Work was undertaken in 2014 to ensure that the Association's procurement methodologies could deliver the best value available. Work in this area is ongoing and the Association continues to look at alternative procurement methods around maintenance costs, however as a large proportion of our stock was built in the first half of the 20th century repairs costs are always likely to be higher than for Associations with a greater proportion of newer stock. Current resident maintenance charge arrears have increased at March 2016 due to the timing of housing benefit receipts, however arrears excluding housing benefit are at 0.43% of turnover and well within the Association's demanding target of 0.75%.

For comparison of performance against the Association's peers, complete benchmarking data is not yet available for 2016, however the latest information available for the year ended 31st March 2015, published in November 2015 indicates another year of strong performance. Our data was benchmarked against a group of 39 other Registered Providers and across all areas; Housing management costs and satisfaction, Rent arrears and collection, Major works and cyclical maintenance, Tenancy turnover rate, Appointments kept rate and Repairs cost and satisfaction were judged to be in the top quartile. The Association has a higher cost associated with Lettings and average re-let time has increased in 2015 due to longer term voids at our Bulmer House sheltered scheme. Overall a higher cost on lettings is a result of deliberate social value choices based on the needs and priorities of our residents impacting on re-let times, where a longer period than the average permitted for a resident to move in before weekly charges become due. The financial impact of this decision was calculated at approximately £8,000 per year. The Trustees consider the financial impact of this decision to be good value with the cost being far outweighed by the benefit to our residents.

The Association has also this year received national benchmarking information for 2014/15 from the Homes and Communities Agency (HCA). In this information we were shown to have a headline average social housing cost per unit in the lower quartile compared to other housing associations. The threshold of the lowest quartile is £3.19k per unit and Durham Aged Mineworkers' Homes Association was much better than even this with a cost of £2.8k per unit for the year.

Report of the Executive Committee *(continued)*

While such headline figures are of necessity very simplistic, and do not in themselves prove a case, they are nevertheless a clear indication of the general financial efficiency of the Association at even a national level. The HCA's benchmarking exercise also confirmed that our only relatively high cost area of operation related to repairs and maintenance costs per unit, which due to the average age of our stock and the needs of our residents will always be a challenge to bring in below average. However our attention is focussed on seeking opportunities to drive up efficiencies in this area by actively pursuing, where they are available, alternative procurement opportunities beyond our traditional methods of contract tendering.

Report of the Executive Committee *(continued)*

Statement of the Executive Committee's responsibilities in respect of the Trustees' Annual Report and the financial statements

Under charity law, the Executive Committee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The financial statements are required by law to give a true and fair view of the state of affairs of the Association and of the surplus or deficit for that period.

In preparing these financial statements, the Executive Committee is required to:

É select suitable accounting policies and then apply them consistently;

É make judgements and estimates that are reasonable and prudent;

É state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;

É state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements; and

É prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Executive Committee is responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the Association at that time and enable the Executive Committee to ensure that its financial statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015. The Executive Committee has general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

The Executive Committee is responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The Executive Committee who held office at the date of approval of this Executive Committee report confirm that, so far as they are each aware, there is no relevant audit information of which the Association's auditor is unaware; and each member has taken all the steps that he/she ought to have taken as a member to make himself/herself aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

Auditor

A resolution to reappoint Ernst & Young LLP as auditor will be proposed at the Annual General Meeting.

Signed on behalf of the Members of the Executive Committee.

G Parkin
President

2016

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF DURHAM AGED MINEWORKERS' HOMES ASSOCIATION

We have audited the financial statements of Durham Aged Mineworkers' Homes Association for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Trustees, as a body, in accordance with section 144 of the Charities Act 2011, regulations made under section 154 of that Act and the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Executive Committee's Statement of Responsibilities set out on page 24, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011, regulations made under section 154 of that Act and the Housing and Regeneration Act 2008. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of affairs of the Association, including related housing activities as at 31 March 2016 and of its incoming resources and application of those resources;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been properly prepared in accordance with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Charities Act 2011, we are required to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Under the Housing and Regeneration Act 2008, we are required to report to you if, in our opinion:

- proper accounting records of its transactions and its assets and liabilities in relation to its housing activities have not been kept, and
- a satisfactory system of control of those records, its cash holdings and its receipts and remittances in relation to those activities has not been maintained

Statutory Auditor
Newcastle upon Tyne
15 July 2016

Statement of Comprehensive Income
for the year ended 31 March 2016

	<i>Note</i>	2016	Restated [Note 25]		
		£000	£000	2015 £000	£000
Turnover	3		8,482		8,153
Operating expenditure	3				
Depreciation of properties		(1,669)		(1,629)	
Operating costs		(4,058)		(3,987)	
Other income	3	127		116	
Operating surplus	4		2,882		2,653
Gain on disposal of property, plant and equipment	5		67		35
Interest receivable and similar income	6		13		17
Interest and financing costs	7		(864)		(887)
Surplus for the year			2,098		1,818
Actuarial (loss) in respect of pension schemes	17		(511)		(52)
Transfer from investment revaluation reserve			-		205
Revaluation (loss)/gain on investments			(14)		31
Total comprehensive income for the year			1,573		2,002

The financial statements were approved by the Board on 14 July 2016

Gordon Parkin
President

The results reported above entirely relate to continuing activities. Notes 1 to 25 form part of these financial statements.

Statement of Changes in Reserves
for the year ended 31 March 2016

	Restricted Reserves £000	Investment Revaluation Reserve £000	Income Expenditure Account £000	Designated reserve £000
Balance at 1 April 2014	668	205	8,888	3,926
Prior year adjustment pension scheme			(1,030)	
Prior year adjustment grant amortisation			633	
Surplus for the year			1,818	
Actuarial loss on pension liability			(52)	
Transfer from investment revaluation reserve		(205)	205	
Revaluation surplus in year			31	
Transfer from designated reserve			143	(143)
Transfer of restricted expenditure from unrestricted reserve	19		(19)	
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2015 (restated)	687	-	10,617	3,783
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Surplus for the year			2,098	
Actuarial loss on pension liability			(511)	
Revaluation loss in year			(14)	
Transfer of from designated reserve			(42)	42
Transfer of restricted expenditure from unrestricted reserve	29		(29)	
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2016	716	-	12,119	3,825
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Statement of Financial Position
at 31 March 2016

	<i>Note</i>	2016	Restated [Note 25]		
		£000	£000	2015	£000
Fixed assets					
Tangible Fixed Assets	<i>10</i>	72,857			72,028
Investments	<i>20</i>	383			396
			73,240		72,424
Current assets					
Trade and other debtors	<i>11</i>	379		337	
Cash and cash equivalents		2,200		1,542	
		2,579		1,879	
Creditors: amounts falling due within one year	<i>12</i>	(2,302)		(1,946)	
Net current assets/(liabilities)			277		(67)
Total assets less current liabilities			73,517		72,357
Creditors: amounts falling due after more than one year	<i>13&14</i>	(55,581)		(56,366)	
Provisions for Liabilities					
Pension Provision SHPS	<i>17</i>	(1,276)		(904)	
Total Net Assets			16,660		15,087
Reserves					
Income and expenditure account		12,119		10,617	
Revaluation reserve: investments		-		-	
Restricted reserves		716		687	
Designated reserves		3,825		3,783	
Total Reserves			16,660		15,087

These financial statements were issued and approved by the Executive Committee on 14 July 2016 and were signed on its behalf by:

Gordon Parkin
President

Stephen Fergus
Vice President

Notes 1 to 25 form part of these financial statements.

Statement of cash flows
for the year ended 31 March 2016

	<i>Note</i>	2016 £000	£000	2015 £000	£000
Net cash inflow from operating activities	<i>18a</i>		3,750		3,937
Cash flow from investing activities					
Purchase and construction of tangible fixed assets		(2,886)		(2,566)	
Grants received		358		212	
Proceeds from sale of tangible fixed assets		196		92	
Interest received		13		17	
		<hr/>		<hr/>	
		(2,319)		(2,245)	
Cash flow from financing activities					
Interest Paid		(849)		(860)	
New secured loans		1,070		1,000	
Repayments of borrowing		(994)		(1,101)	
		<hr/>		<hr/>	
Net change in cash and cash equivalents			658		731
Cash equivalents at beginning of the year		1,542		811	
		<hr/>		<hr/>	
Cash equivalents at end of the year		2,200		1,542	
		<hr/> <hr/>		<hr/> <hr/>	

Notes to the financial statements (forming part of the financial statements)

1. Legal status

Durham Aged Mineworkers' Homes Association is an Unincorporated Registered Charity (Number 222673), Registered Social Housing Provider (Number A3213) and a Member of the National Association of Almshouses.

2. Accounting policies

Basis of accounting

The financial statements of the Association are prepared under the historical cost convention, except for investments which are held at market value. This is in accordance with applicable accounting standards, namely, UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015.

While the Association is an Unincorporated Charity and a member of the National Association of Almshouses, the Association is also a Registered Social Housing Provider. Therefore the financial statements have been prepared in compliance with the Housing SORP 2014 to enable consistency, ease and transparency in our reporting to the housing regulator.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 25 for an explanation of the transition. The accounts include the results and net assets of Brandon Colliery Aged Workers' Homes Association, Cockfield Aged Miners' Homes, and Homes for Aged Mineworkers & Other Workmen at Wingate Colliery, entities controlled by Durham Aged Mineworkers' Homes Association. The income and expenditure accounts and balance sheet for the Association have not been separately presented, as they are not materially different from the consolidated information presented.

Going Concern

The Association's business activities, together with the factors likely to affect its future development, performance and position are set out in the report of the Executive Committee on pages 6 to 25.

The Association meets its day-to-day working capital requirements through the current account, which is cash positive at the year end. The Association meets its development programme requirements through a combination of grant and debt funding. Note 16 to the accounts highlights the current level of debt and the repayment terms.

The current economic conditions create uncertainty over the longer term availability of grant and bank finance.

The Association's forecasts and projections show that the Association should be able to continue to operate within the level of its current facilities and no matters have been drawn to its attention to suggest that future funding may not be forthcoming on acceptable terms.

After making enquiries, the Executive Committee has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Notes to the financial statements (continued) *(forming part of the financial statements)*

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components.

Defined benefit obligation (DBO)

Management's recognition of the DBO is as advised by The Pension Trust. This estimate is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses and the liability reported.

Turnover

Turnover represents all rental and service charge income receivable as well as residential home fees. Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids and amortised grant.

Fixed asset investments

Investments classified under fixed assets are stated at market value at the balance sheet date, where this is readily identifiable. All other investments are stated at cost.

Taxation

Durham Aged Mineworkers' Homes Association is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part II of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Housing properties

Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, and development costs. Interest charges incurred during the development period are charged to income & expenditure.

Donated land is included at its valuation on donation, with this being treated as a capital grant.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements. Non-Social Housing Grant funded major improvements, together with the non-qualifying element of Social Housing Grant assisted major repairs, are charged to capital.

Depreciation of housing properties

Freehold properties, other than properties under construction, are depreciated so as to write down the cost, less estimated residual value, on a straight line basis over 100 years. Individual components are depreciated over their expected useful life as follows:-

Roof	40 years	Lift	20 years
Heating systems	30 years	Bathroom	20 years
Electrics	30 years	Kitchen	15 years
Windows and external doors	25 years	Gas boiler	10 years

Freehold land is not depreciated.

Housing properties in the course of construction are stated at cost and not depreciated.

Notes to the financial statements (continued) *(forming part of the financial statements)*

Impairment

Annually housing properties are assessed for impairment indicators. This is generally performed at scheme or cash-generating unit level. Where indicators are identified an assessment for impairment is undertaken comparing the scheme's carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a scheme is currently deemed not to be providing service potential to the Association, its recoverable amount is its fair value less costs to sell.

First tranche shared ownership sales

The Association has adopted the accounting treatment in the SORP 2014 under which the costs of shared ownership properties are split between fixed and current assets. The value taken to current assets is the total costs to date of unsold shared ownership properties multiplied by the estimated proportion of the properties that will be sold in the first tranche sales. The remaining costs are included in fixed assets so that any subsequent sale is treated as a disposal or part disposed of a fixed asset.

Other fixed assets and depreciation

Other tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged on a straight-line basis over the expected economic useful lives of the assets at the following annual rates:

Freehold office	-	2% per annum straight line method
Equipment, furniture and fixtures	-	10% per annum straight line method
Computer equipment	-	33.3% per annum straight line method

Social Housing Grant

Government grants received for housing properties are subordinated to the repayment of loans by agreement with the HCA. Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income and expenditure.

Capitalisation of interest and administration costs

Interest on mortgage loans financing housing property developments is capitalised up to the date of practical completion of each development.

Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the properties into their intended use.

Financial instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model and thus recognised at amortised historical cost.

Non-basic financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in surplus or deficit. At each year end, the instruments are revalued to fair value, with the movements posted to the income and expenditure.

Loans

Following independent review of our loan agreements all of the Association's financial instruments have been deemed as basic and continue to be reported at amortised cost.

Debtors

Debtors are measured at transaction price, less any impairment.

Creditors

Creditors are measured at transaction price.

Employee Benefits

Short term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Pension costs

The Association participates in an industry-wide multi-employer pension scheme offering a number of defined benefit schemes as well as a defined contribution scheme; the Social Housing Pension Scheme (SHPS). For the SHPS, it has not been possible to identify the share of underlying assets and liabilities belonging to individual participating employers. The charge to the income and expenditure represents the employer contribution payable to the scheme for the accounting period.

Contributions payable from the Association to the SHPS under the terms of its funding agreement for past deficits are recognised as a liability within other provisions in the Association's financial statements.

The SHPS obligation is referred to in note 17. The provision is based on the net present value of payments at the year end. The provision will be adjusted following the triennial valuations in the pension scheme, either increasing or decreasing the provision with the opposite entry being shown as operating costs within income and expenditure. The unwinding of the discount is shown as a finance cost.

Designated reserves

The Association has created two designated reserves as follows:

(i) *Planned maintenance and improvements*

A designated reserve has been created in order to meet future expenditure upon planned maintenance and improvements in accordance with the Association's rolling 5 year Planned Maintenance Programme, which is revised annually as part of the financial planning process. The reserve has been established to the extent that it is considered that expenditure will need to be met from the Association's own reserves. All other expenditure upon improvements and major repairs will be met by a combination of borrowing and Social Housing Grant.

(ii) *Property renewal reserve*

A designated reserve has been created to provide for future property replacements in accordance with the Association's ongoing Asset Management Strategy. The fund has been established from the net proceeds of property disposals excluding recycled Social Housing Grant.

Notes to the financial statements *(continued)*
(forming part of the financial statements)

3. Pension obligations

The company participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2014. This actuarial valuation was certified on 23 November 2015 and showed assets of £3,123m, liabilities of £4,446m and a deficit of £1,323m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid. A provision has been made in note 16 for the Association's share of the deficit.

Notes to the financial statements *(continued)*
(forming part of the financial statements)

3a Turnover and operating surplus by class of business

	2016			2015 Restated		
	Turnover	Operating costs	Operating surplus	Turnover	Operating costs	Operating surplus
	£000	£000	£000	£000	£000	£000
Social Housing Lettings:						
Housing accommodation	7,861	(5,182)	2,679	7,562	(5,082)	2,480
Supporting people income	11	(11)	-	19	(19)	-
Residential homes	610	(505)	105	572	(485)	87
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total social housing lettings	8,482	(5,698)	2,784	8,153	(5,586)	2,567
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Other social housing activities:						
Garages and allotments	11	-	11	11	-	11
Management services	26	(29)	(3)	24	(30)	(6)
Lease of former residential homes	90	-	90	81	-	81
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other social housing activities	127	(29)	98	116	(30)	86
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
			2,882			2,653

Notes to the financial statements *(continued)*
(forming part of the financial statements)

3b Turnover and operating surplus by class of business *(continued)*

	Housing accommodation	Residential homes	2016 Total	2015 Restated Total
	£000	£000	£000	£000
Income from lettings:				
Rents receivable	7,151	642	7,793	7,489
Service charges receivable	358	-	358	337
Amortised government grants	417	-	417	413
Other grants	13	-	13	13
	<hr/>	<hr/>	<hr/>	<hr/>
Turnover from social housing lettings	7,939	642	8,581	8,252
	<hr/>	<hr/>	<hr/>	<hr/>
Services	244	-	244	267
Management	857	12	869	828
Routine maintenance	2,037	20	2,057	1,901
Planned improvements	92	-	92	211
Rent losses from bad debts	5	-	5	7
Water rates	280	8	288	280
Depreciation of housing properties	1,658	5	1,663	1,629
Other costs	22	460	482	463
	<hr/>	<hr/>	<hr/>	<hr/>
Operating expenditure on social housing lettings	5,195	505	5,700	5,586
	<hr/>	<hr/>	<hr/>	<hr/>
Void Losses	(67)	(32)	(99)	(99)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total units			2016 Number	2015 Number
Under development at end of year				
Rented units			-	30
Under management at end of year				
Rented units of social rent			1,595	1,602
Rented units of affordable rent			128	96
Shared ownership units			3	3
Leasehold schemes for the elderly			16	16
Residential homes bed spaces			26	26
Staff accommodation			-	2
			<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements *(continued)*
(forming part of the financial statements)

4 Operating surplus

Surplus on ordinary activities is stated after charging:

	2016	2015
	£000	Restated £000
Depreciation of housing properties	1,664	1,621
Depreciation of former residential home	5	8
Depreciation of other tangible fixed assets	34	41
	<u> </u>	<u> </u>
	2016	2015
	£000	£000
External auditor's remuneration:		
Audit of these financial statements	12	12
Other services related to accountancy	5	3
Internal auditor's remuneration	12	12
	<u> </u>	<u> </u>

5. Surplus on sale of housing land, properties and assets

	2016	2015
	£000	Restated £000
Proceeds on sale	196	92
Less: cost of sales	(129)	(57)
	<u> </u>	<u> </u>
Surplus on sale	67	35
	<u> </u>	<u> </u>
Capital grant recycled	(38)	(33)
Disposal proceeds fund	(123)	(58)

6. Interest receivable and similar income

	2016	2015
	£000	£000
Interest receivable from bank deposits and investments	13	17
	<u> </u>	<u> </u>

Notes to the financial statements *(continued)*
(forming part of the financial statements)

7. Interest and financing costs

	2016	2015
	£000	£000
Loans	847	860
Defined benefit pension charge	18	29
	<u>865</u>	<u>889</u>
Interest payable capitalised on housing properties under construction	(1)	(2)
	<u>864</u>	<u>887</u>

8. Employee information

	2016	2015
	Full time	Full time
	Equivalent	Equivalent
The average weekly number of persons (including the Executive Directors) employed during the year was:		
Office based staff	21	22
Resident managers and care staff	23	20
	<u>44</u>	<u>42</u>
	<u>2016</u>	<u>2015</u>
		Restated
Staff costs (for above persons)	£000	£000
Wages and salaries	1,110	1,062
Social security costs	70	66
Other pension costs (see note 17)	139	135
	<u>1,319</u>	<u>1,263</u>

Notes to the financial statements *(continued)*
(forming part of the financial statements)

9. Directors' emoluments

The remuneration paid to the Executive Directors of the Association was:

	2016	2015
	£000	£000
Basic salary	247	240
Benefits in kind	4	4
Pension Contributions	54	53
	<u>305</u>	<u>297</u>

The Chief Executive is an ordinary member of the pension scheme (see note 3). No enhanced or special terms apply to the Chief Executive's pension and he has no individual pension arrangement to which the Association makes a contribution.

The number of Executive Directors, including the highest paid director, who received emoluments over £60,000 (excluding pension contributions) in the following range was:

	2016	2015
	Number	Number
£60,001 - £70,000	-	-
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	<u>1</u>	<u>1</u>

	2016	2015
	£000	£000
Total expenses reimbursed to members of the Executive Committee	<u>3</u>	<u>3</u>

Notes to the financial statements (continued)
(forming part of the financial statements)

10a Tangible fixed assets

	Housing Properties held for letting £000	Shared ownership housing properties £000	Housing properties in the course of construction £000	Freehold office £000	Equipment, furniture and fittings £000	Computer equipment £000	Total £000
Cost							
At 31 March 2015	84,560	180	1,434	489	335	534	87,532
Restated							
Additions	1,015	-	1,621	3	17	1	2,657
Disposals	(404)	-	-	-	(55)	(170)	(629)
Transfers	3,038	-	(3,038)	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2016	88,209	180	17	492	297	365	89,560
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation							
At 31 March 2015	14,531	13	-	171	271	518	15,504
Restated							
Charge for the year	1,667	2	-	10	14	10	1,703
Disposals	(282)	-	-	-	(52)	(170)	(504)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2016	15,916	15	-	181	233	358	16,703
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value							
At 31 March 2016	72,293	165	17	311	64	7	72,857
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2015	70,029	167	1,434	318	64	16	72,028
Restated							
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

10b Expenditure on works to existing properties

	2016 £'000	2015 £'000
Improvement works capitalised	950	746
Amounts charged to income and expenditure account	92	211
	<u> </u>	<u> </u>

Notes to the financial statements *(continued)*
(forming part of the financial statements)

10c Social Housing Assistance

	2016	2015
	£'000	£000
Total accumulated social housing grant received 31 March	42,346	42,028
Recognised in the statement of comprehensive income	(5,347)	(4,917)
	<hr/>	<hr/>
Held as deferred income	36,999	37,111
	<hr/> <hr/>	<hr/> <hr/>

10d Tangible fixed assets

Additions to housing properties during the year included capitalised interest of £508 (2015: £2,145), and capitalised development costs of £64,231 (2015: £63,399).

10e Housing Properties book value net of depreciation

	2016	2015
	£'000	£000
Freehold land and buildings	68,863	71,067
Long leasehold land and buildings	3,612	563
	<hr/> <hr/>	<hr/> <hr/>

11. Debtors

	2016	2015
	£000	£000
Rental debtors	197	154
Less: provision for bad debts	(25)	(25)
Prepayments and accrued income	175	176
Other debtors	32	32
	<hr/>	<hr/>
	379	337
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements *(continued)*
(forming part of the financial statements)

12. Creditors: amounts falling due within one year

	2016	2015
	£000	Restated £000
Rent and service charges received in advance	51	40
Housing loans (note 16)	1,345	810
Recycled capital grant (note 14)	298	45
Pension deficit payment	157	106
Trade creditors	161	401
Other creditors	20	46
Accruals and deferred income	270	498
	<hr/> 2,302 <hr/>	<hr/> 1,946 <hr/>

13 Creditors: amounts falling due after more than one year

	2016	2015
	£000	Restated £000
Housing loans (note 16)	18,507	18,966
Deferred (capital) grant income (note 10c)	36,999	37,111
	<hr/> 55,506 <hr/>	<hr/> 56,077 <hr/>

14. Recycled capital grant fund

	2016	2015
	£000	£000
Brought forward at 1 April	334	453
Used within the year	-	(155)
Increase due to property disposals	39	36
	<hr/> 373 <hr/>	<hr/> 334 <hr/>
Carried forward at 31 March	(298)	(45)
	<hr/> 75 <hr/>	<hr/> 289 <hr/>

Notes to the financial statements *(continued)*
(forming part of the financial statements)

15. Property disposal fund

	2016	2015
	£000	£000
Brought forward at 1 April	672	614
Net sales proceeds recycled	123	58
	<hr/>	<hr/>
Carried forward at 31 March	795	672
	<hr/>	<hr/>

16. Debt Analysis - Housing loans

Housing loans are secured by specific charges on the Association's housing properties. Approximately 60% (2015: 60%) of all loans are on a fixed rate basis with rates of interest varying from 2.5% to 10.1%. All loans are repayable by instalments.

	2016	2015
	£000	£000
These fall to be repaid as follows:		
In one year or less, or on demand	1,345	810
In more than one year but not more than two years	961	1,345
In more than two years but not more than five years	3,975	3,436
In more than five years	13,571	14,185
	<hr/>	<hr/>
	19,852	19,776
	<hr/>	<hr/>

17. Pension

Social Housing Pension Scheme Provision

	2016	2015
	£'000	£'000
At 1 st April	1,010	1,031
Increase in provision due to new deficit agreement	511	52
Released in year	(106)	(102)
Unwinding of discount included in finance costs	18	29
	<hr/>	<hr/>
	1,433	1,010
	<hr/>	<hr/>
Creditors: amounts falling due within one year: Pension deficit payment	(157)	(106)
	<hr/>	<hr/>
At 31 st March	1,276	904
	<hr/>	<hr/>

Notes to the financial statements *(continued)*
(forming part of the financial statements)

18 Notes to the cash flow statement

(a) Reconciliation of operating surplus to net cash inflow from operating activities:

	2016	2015
	£000	Restated £000
Operating surplus	2,882	2,653
Depreciation	1,703	1,670
Amortisation of grants	(431)	(426)
Increase in debtors	(42)	(48)
(Decrease)/increase in creditors	(256)	190
Pension deficit contribution	(106)	(102)
	<hr/>	<hr/>
Net cash inflow from operating activities	3,750	3,937
	<hr/> <hr/>	<hr/>

(b) Analysis of net debt:

	1 April 2015 £000	Cash Flow £000	31 March 2016 £000
Cash at bank and in hand	1,541	659	2,200
	<hr/>	<hr/>	<hr/>
Housing loans	1,541 (19,776)	659 (76)	2,200 (19,852)
	<hr/>	<hr/>	<hr/>
	(18,235)	583	(17,652)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(c) Reconciliation of net cash flow to movement in net debt:

	2016	2015
	£000	£000
(Decrease)/increase in cash and short term investments	659	732
Decrease/(increase) in housing loan debt	(76)	101
	<hr/>	<hr/>
Decrease in net debt	583	833
Net debt at start of the year	(18,235)	(19,068)
	<hr/>	<hr/>
Net debt at end of the year	(17,652)	(18,235)
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements *(continued)*
(forming part of the financial statements)

19 Capital commitments

	2016	2015
	£000	£000
Capital expenditure that has been contracted for but has not been provided for in the financial statements:	-	2,986
Capital expenditure that has been authorised by the Executive Committee but has not yet been contracted for:	-	609

The Executive Committee expects the expenditure they have authorised to be fully financed by the Housing Corporation, banks and the Association's reserves.

20 Fixed asset investments

	2016	2015
	£000	£000
Valuation		
At 1 April	397	365
Surplus arising on revaluation	(14)	31
Realised on maturity	-	-
At 31 March	383	396
	£000	£000
Listed investments	383	396

Historical cost of investments is analysed as follows:

	2016	2015
	£000	£000
Listed investments	160	160

21 Current asset investments

	2016	2015
	£000	£000
Unlisted investments:		
Bank deposit account	-	1

Notes to the financial statements *(continued)*
(forming part of the financial statements)

22 Related parties

The accounts include the results and net assets of Brandon Colliery Aged Workers' Homes Association, Cockfield Aged Miners' Homes, and Homes for Aged Mineworkers & Other Workmen at Wingate Colliery, entities controlled by Durham Aged Mineworkers' Homes Association. The income and expenditure accounts and balance sheet for the Association have not been separately presented, as they are not materially different from the consolidated information presented.

Restricted Reserves

	Brandon £000	Cockfield £000	Wingate £000	Others £000	Total £000
At 31 March 2015	266	229	61	131	687
Surplus for the year	30	(1)	-	-	29
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2016	296	228	61	131	716
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Restricted Reserves relate to funds whose use by the Association is restricted by charitable trust deed. The restricted reserves are allocated between three managed Almshouse Charities united with the Association under a Uniting Direction of November 2005, being:

- Brandon Colliery Aged Workers' Homes Association (Brandon)
- Cockfield Aged Miners' Homes (Cockfield)
- Homes for Aged Mineworkers and other Workmen at Wingate Colliery (Wingate)

In addition under the heading 'Others' in the above table, the Association manages funds transferred into its possession by the following subsidiary charities:

- Proceeds of sale of Trust property, comprised in a conveyance of 9th April 1959;
- Memorial Cottages, Scheme of 27 September 1955;
- Proceeds of sale of Nurses Home in connection with Wheatley Hill Nursing Association, conveyance dated 6 December 1928 and resolution of subscribers dated 25 November 1953;
- General Endowment Fund, Scheme of 14 August 1962;
- Particular Endowment Fund, Scheme of 14 August 1962;
- Dr David Wilson Memorial Reading Room, Declaration of Trust dated 1 August 1928; and
- John Arthur Walbank's Will proved 26 April 1946 and Scheme of 16 October 1968.

23 Legislative provisions

The Association is a registered charity and a member of the National Association of Almshouses.

24 Members' subscriptions

Each member of the Association has subscribed £1, which is forfeited in the event of membership ceasing. Subscriptions carry no right to dividends or repayment of capital. Members are entitled to vote at the Association's Annual General Meeting. The number of members at 31 March 2016 was 28 (2015: 28).

Notes to the financial statements *(continued)*
(forming part of the financial statements)

25 Transition to FRS 102

The Association has adopted FRS 102 for the year ended 31 March and has restated the comparative prior year amounts.

Statement of Comprehensive Income
for the year ended 31 March 2016

		Published	FRS102	Restated
		2015	Impact	2015
		£000	£000	£000
	<i>Note</i>			
Turnover	a)i	7,727	426	8,153
Operating expenditure:				
Depreciation of properties	a)ii	(1,284)	(345)	(1,629)
Operating costs	b)i	(4,088)	101	(3,987)
Interest and financing costs	b)ii	(858)	(29)	(887)
Surplus for the year		1,665	153	1,818
Actuarial (loss) in respect of pension schemes	b)iii	-	(52)	(52)
Transfer from investment revaluation reserve	d	-	205	205
Revaluation (loss)/gain on investments	d	-	31	31
Total comprehensive income for the year		1,665	337	2,002

Statement of Financial Position
at 31 March 2016

		Published	FR102	Restated
		2015	Impact	2015
		£000	£000	£000
	<i>Note</i>			
Fixed assets				
Tangible Fixed Assets	a)iii	34,202	37,826	72,028
Creditors: amounts falling due within one year	b)i	(1,843)	(103)	(1,946)
Creditors: amounts falling due after more than one year	a)vi	(19,255)	(37,111)	(56,366)
Pension Provision SHPs	b)vi	-	(904)	(904)
Total Net Assets		15,379	(292)	15,087
Reserves				
Income and expenditure account		10,674	(57)	10,617
Investment revaluation reserve		235	(235)	-
Total Reserves		15,379	(292)	15,087

Notes to the financial statements (continued)

(forming part of the financial statements)

Changes for FRS 102 adoption - explanations

a. Grant accounting

Grants were previously netted off the cost of the related asset. Under FRS 102, government grants must be accounted for using the accruals model or the performance model. As the Association accounts for its properties at cost, it has adopted the accruals model for government grants, as required by SORP 2014. Non-government grants would be accounted for using the performance model. However, all of the Association's grants are government grants so this is not applicable.

Under the accruals model, the government grants have been allocated to the property structure (for amortisation period purposes only) and amortised over the useful economic life of that structure. The unamortised amount is held within deferred income, split between < 1 year and > 1 year. The amount of amortised grant that has been recognised in opening reserves is £4.9 million.

	FRS102 Impact £000
a)i Amortised social housing grant released to turnover	426
a)ii Amortised social housing grant released to turnover Amortised social housing grant relating to land not previously released	426 (81)
	345
a)iii Social housing grant previously shown as a negative tangible fixed asset.	37,826
a)iv Social housing grant previously recorded as a negative tangible fixed asset. Amortised social housing grant	37,826 (715)
	37,111

b. SHPS Pension

Under section 28 the Association is now required to recognise the net present value of any contractual agreements to make additional payments for a past deficit. Using a discount rate of 1.92% this has resulted in a liability of £1.01 million being recognised as a provision in the opening reserves. Using a discount rate of 2.06% this has further resulted in a closing provision at 31 March 2016 being recognised of £1.43 million.

Notes to the financial statements *(continued)*
 (forming part of the financial statements)

	FRS102 Impact
	£000
b)i Pension deficit payment	(101)
Unwinding of discount	=====
b)ii Unwinding of discount	(29)
	=====
b)iii Re-measurement of pension assumptions	(52)
	=====
b)vi Provision for pension deficit	(904)
	=====

c) Holiday pay provision

A provision is now made for entitlement to holiday at the year-end which has not been taken by employees. This provision was adopted for the year ended 31 March 2016 and calculated based on payroll records. As at 31 March 2016 this liability was £18,794.

d) Revaluation gains and losses

Investments are now recorded at fair value through profit and loss.