

**Durham Aged Mineworkers' Homes
Association**

Trustees' report and accounts

31 March 2021

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2021

Contents

The Board	1
Management Team and Advisors	2
Report of The Board	3
Statement of Trustees' responsibilities in respect of the Trustees' Report and the financial statements	15
Independent Auditor's Report to the Trustees of Durham Aged Mineworkers' Homes Association	16
Statement of Comprehensive Income for the year ended 31st March 2021	20
Statement of Financial Position as at 31st March 2021	21
Statement of Changes in Reserves for the year ended 31st March 2021	22
Statement of Cash Flows for the year ended 31st March 2021	23
Notes to the Financial Statements	24

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

Charity Number: 222673
Registered Provider Number: A3213

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2021

The Board

Property Trustees

Anne Rowlands (Chair)	Appointed September 2021	
Barbara Christie (Chair)	Retired September 2021	(N)
Ray Gibson (Vice Chair)	Retired December 2020	(N)
Steve Fergus		(A)
Lesley Armstrong	Retired September 2021	

Elected Trustees

Paul Hewitson	Retired September 2021	(A)
Una Mack	Retired September 2020	
Cyril Smith	Retired September 2020	(A)
Stephen Guy		(N)
Mark Reid		(A)(N)
Gillian Bramfitt		(N)
Paul Nilsen		(A)

All members serve on The Board. Those indicated (A) cover the Audit Committee, and (N) cover the Nominations and Remuneration Committee.

Management Team and Advisors

Management Team Officers

Paul Mullis FCA	Chief Executive
Nicola Local FCCA	Finance Director
Pauline York MCIH	Operations Director

External Auditor
Beever and Struthers
St Georges House
215 Chester Road
Manchester
M15 4JE

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

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

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

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

Report of The Board

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 2021.

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 Board

The Governing Body of Durham Aged Mineworkers' Homes Association is known as the Board. Members of the Board have legal responsibility as trustees of the Association, and their details are set out on page 1. 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 Board.

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:

To provide and maintain services and facilities for needy, aged, infirm or disabled persons, with particular regard for the needs of the original beneficiaries.

For that purpose to provide and maintain:

- 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;
- Residential homes in which additional care may be provided;
- Leasehold accommodation specially adapted for aged, infirm or disabled persons;

- Gardens, common rooms, workshops, garages and other ancillary facilities for the benefit of residents.
- To manage or provide advice or assistance in the establishment of and management of housing schemes provided or to be provided by other charities.

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.

Report of The Board (continued)

Results for the year

The Association had an operating surplus for the year of £2,593k (2020: £2,355k) and an overall surplus for the year of £2,016k (2020: £1,755k).

Review of activities and achievements

We are pleased to be able to report another strong year for the Association despite the unforeseen challenges we were presented with this year!

The arrival of the pandemic was a shock for all of us, but we are pleased to report that the Association rose to meet the challenge. We were able to quickly adapt to setting up our staff for home working so that we were able to continue providing the best service possible. We faced our biggest challenges with void properties. In "lockdown one" we were unable to let properties and doing remedial works on properties took longer due to social distancing rules and availability of contractors. This, along with the delay on completing our new build scheme at Edison Close, Philadelphia had an impact on our turnover, but this was not material and we still saw an increase in revenue compared to the previous year.

We are now slowly returning to a new normality and are working with our residents to provide the services they need in a timely manner. We have made great headway in our IT systems allowing staff to work in an agile and flexible way while keeping our data safe.

During the year Durham Aged Mineworkers' Homes Association also put the wheels in motion to become an incorporated charity, a "Company Limited by Guarantee". The transfer of assets and liabilities to the new charity took place on midnight of 31st March 2021. In changing the status of the charity it enables the Association to be recognised as a legal entity in its own right, rather than trustees holding assets and contracts on behalf of the charity. We believe this change moves the Association to a more modern structure that is better understood by our stakeholders. On the plus side nothing changes for our residents and we can continue to provide the high level service that we always have done.

We face many ongoing challenges in the Durham Coalfield, We work within deprived communities with an increasingly aging population, ongoing reductions in local authority spending and services and a private sector housing market that appears reluctant and unsuited to provide appropriate and affordable housing in the increasing quantities needed.

With this as the background, we continue with a strong focus on delivering value for money within the ongoing housing crisis in our region.

Our Corporate Plan 2021 details a strategic vision that is ambitious and facilitates a programme of long term development of new homes.

Our existing homes continue to be maintained to a high standard, consistent with the needs of our residents who are primarily retired, and many of whom are vulnerable. An annual planned maintenance programme is undertaken to ensure that all our properties continue to exceed the decent homes standard and meet the evolving expectations of our residents.

Report of The Board (continued)

Development

Overall, our main Key Performance Indicators are considered to be those measuring residents' satisfaction. Historically this has been measured objectively via the triennial STAR survey operated by Housemark. In keeping with previous surveys the Association again scored very highly. The last survey undertaken in 2019 remained unchanged at 94% of residents are either fairly satisfied or very satisfied with the overall service provided by the Association. This placed us as the third ranked Registered Provider in the country for the year of those undertaking the survey.

Satisfaction levels rose across 4 main area's including Value for money on rent 96.5 % (2016: 95.7%) and Listening and acting on resident views 87.3% (2016: 78.7%). Both these indicators ranked us first.

Over the year 114 (2019: 153) lettings took place.

The Government funding regime for supporting capital development of new social housing is 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 built between 2011 and 2016, a proportion of stock let at Target Rent are being converted to Affordable Rent on re-let. We currently have 197 (2020: 182) properties on affordable rents.

Asset Management Strategy

Having been in existence for 123 years it is the case that a number of our homes are now older and from time to time may become unsuitable to the needs and aspirations of our residents. We therefore operate an active Asset Management Strategy and continually review all our stock for condition and desirability. Homes that are considered to have become of low social value, or require excessive expenditure to maintain to our high standards are deemed redundant, and after consultation with residents, will be sold to third parties at market value as and when vacancies arise in them. The financial capital released this way is recycled into our development programme for new homes. In 2020/2021 the Association sold 4 redundant homes.

Governance

Regulatory Requirements

The Association's governance arrangements comply with governance good practice and regulatory standards. The Association complies with the Regulator of Social Housing's (RSH) Regulatory Framework and Standards and complies with the RSH's Governance and Financial Viability Code of Practice.

Report of the The Board (continued)

The Board

The Association has adopted and is working towards full compliance with the National Housing Federation NHF Code of Governance 2015. Compliance with the Code is evidenced by an annual assessment carried out by The Board the one area where compliance is not full is in relation to the terms of service of Trustees. In the past the Association had not adopted the provision for maximum terms of service however following the adoption of a new Board Management Policy in December 2019 Trustees agreed a transition path that would permit the retirement of Trustees who had served beyond nine years and the recruitment of new Trustees on a staged basis such that the governance of the Association would not become destabilised. This is currently in process and at 31st March only 4 Trustees remain with terms of service beyond 9 years. It is the expectation of the Board that by September 2022 all Trustees will have served for less than 6 years. The Board resolved in May 2021 to adopt the newly published NHF Code of Governance 2020 for full compliance by 2022. In 2018 the Association underwent an In Depth Assessment from the Regulator of Social Housing. Whilst the Association retained its V1 rating for Viability it received a regrade from G1 to G2 rating for Governance: compliant but with improvements recommended. As a result the Board commissioned an external review of governance in 2019, and changes to modernise the structure of the Board were made throughout 2019 and 2020. The Board were therefore pleased to be notified by the Regulator in March 2021 that the Association was returning to a V1 and G1 rating from April 2021.

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

Up to 12 Trustees are elected to The Board by the Annual General Meeting, for a term of four years. Of these four Trustees are appointed as Life Property Trustees, elected from within The Board and in whom property is vested.

Rules state that The Board shall:

- 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.
- Include Trustees who have special skills or experience in the professional disciplines required.

From 1st April 2021 the Rules of the new, incorporated, charity no longer require the appointment of Life Property Trustees, and as a consequence all Trustees are appointed on the basis of qualifications and skills deemed by the Board to be needed by the Association, and are subject to re-election after terms of 3 years, with a maximum period of service of 6 years, with the possibility of further years of service in the case of exceptional business need to a maximum of 9 years in total.

Audit and Risk Committee

An Audit and Risk Committee is in place and advises The Board

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, Committee members are given the opportunity to meet with internal and external auditors without paid staff being present.

Identification and evaluation of key risks

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 appraisals and assessments of key strategic risks are reviewed periodically throughout the year.

Report of The Board (continued)

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 and Risk Committee. The Senior Management Team regularly considers reports on significant risks facing the Association and the Chief Executive is responsible for reporting to The Board any significant changes affecting key risks as they are identified.

Health and Safety at Work

The Association views itself as a responsible employer and seeks to protect its staff from harm. The Association undertook an external review of its responsibilities to staff under Health and Safety legislation in the year, and followed the recommendations of the resulting road map to make sure practices and procedures were in full compliance. The Association has appointed Ellis Whittam as Competent Person to oversee and assess the Health and Safety policy and provide advice and assistance in its compliance.

While a very small number of individuals did contract Covid during the year, there were no outbreaks experienced that spread amongst staff.

Aside from Covid the main health and safety risks faced by staff are in relation to lone working and driving. Adequate compulsory training is delivered and technological support provided, and while the adverse actions of external agents are impossible to prevent, the measures in place have proved adequate to prevent any significant incidents this year.

Risk management

The RSH has reported that the Association meets the requirements set out in the Governance and Financial Viability Standard.

The Board 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.

During the year, the Association considered its most serious risk to be cyber security. Criminals are going to ever increasing lengths in their attempts to gain access to computer systems. The Association updated its computer servers in the year to improve the security of its data. We also obtained the Cyber Essentials accreditation, third party verification that our computer systems are secure. We continue to do all we can to reduce this risk going forward.

The Association continues to be exposed to uncertainty and risk around Brexit. Using local contractors and not developing property for sale helps to manage our exposure to risk. However there are still many unknowns around the longer term impacts, especially around cost and availability of materials for our contractors. We continue to monitor this risk and work closely with our contractors to respond quickly to any changes in the external environment. We believe we are adequately mitigating against this risk.

Other risks in the Association's matrix are relatively longstanding and have identified and long established mitigations in place. The main risks identified in the matrix have been used as the basis for significant stress testing of the Annual Financial Plan and the ongoing business model, which testing indicates that the model is very robust and proposed specific mitigations will provide for the ongoing financial viability of the Association under most foreseeable adverse scenarios.

Report of The Board (continued)

Internal control

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

The Board 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 Board 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.

The Board reviewed and updated the Association's internal Standing Orders and Financial Regulations which document internal controls, during the year.

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

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 Board. 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 Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury strategy and new investment projects. The Board 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 Board. The Board 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 Board via the Audit and Risk Committee. The Audit and Risk Committee considers internal control and risk at each of its meetings during the year.

The Board, 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.

Report of The Board (continued)

The Board 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 Board.

Subsidiary Charities:

The Association manages four 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 45. 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 £66.47 (2020: £64.72)

• 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.

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 2021, all 7 homes have been sold. The proceeds of sale have been ringfenced pending a suitable development site being identified within Cockfield for the provision of 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 when an appropriate site is identified.

• William Russell Bequest

The Association took over the management of the William Russell Bequest almshouse charity in 2017, bringing the bungalows into the Durham Aged Mineworkers' Homes Association group of linked charities.

The seven two-bedroom, single-storey bungalows were all fully occupied throughout the year with average weekly maintenance contribution charges of £74.83 (2020: £72.87)

Report of The Board (continued)

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 Board on pages 3 to 13.

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 21 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 Board 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.

Value for Money Statement

The Association, as a Registered Charity is committed to being an effective and efficient social business achieving high levels of Value for Money ("VfM") in all its activities. A VfM Strategy was approved in May 2017. 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 2 objectives for VfM for the Association over the next 3 years:

- Objective 1: Develop to our maximum potential
- Objective 2: Continue to improve our procurement processes;

This report will cover our progress in these areas, as well as giving a general picture of VfM within the Association.

The results of the latest triennial "STAR" survey, conducted in July 2019, provide a picture of ongoing continuous improvement in all areas since 2010. 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 Board 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 and in excess of the Decent Homes Standard;
- Providing an on-going development programme to address the undersupply of affordable and appropriately designed homes for older people in the region.

Report of The Board (continued)

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 Association's Annual Financial Plan which looks at the potential financial performance of the Association over the next 30 years, was approved by The Board in May 2021 and delivers both an ongoing surplus and a sustainable development programme. This demonstrates a strong position and meets the expectations of external stakeholders and funders.

Following the dreadful tragedy at Grenfell, it has become apparent that all landlords, and in particular social landlords, cannot become complacent when ensuring the health and safety of their residents. DAMHA is no exception, and consequently Trustees have increased the level of routine reporting to the The Board on key areas of risk for our residents. This has led to the development of a set of performance measures that management report progress against together with any near-misses, and also an increased degree of internal audit scrutiny of the relevant reporting systems.

A thorough externally-led review of all key landlord safety compliance processes and procedures was undertaken in the year, and the Association is implementing all of the recommendations that came out of the review to make sure the Board can be fully assured that everything possible is being done to keep our residents safe.

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

	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>
Operating costs as a percentage of turnover	52.55%	48.86%	49.47%	48.51%	44.60%
Housing management costs per unit	£264.89	£257.10	£289.03	£245.81	£225.68
Maintenance costs per unit	£710.21	£660.12	£674.91	£656.73	£552.76
Routine repairs completed on time	n/a	99.22%	99.38%	99.36%	99.60%
Repairs satisfaction	90.50%	92.60%	90.80%	90.60%	91.60%
Average re-let time(days)	69.8	49.3	44.8	37.7	25.4
Current resident maintenance charge arrears	£1k	£48k	£201k	£52k	£190k
New homes developed	13	43	5	0	0
Redundant homes sold	4	12	28	1	3

There were many pressures on the Association during the year due to Covid however underlying estate costs dropped in the year due to home working. There was a high one off cost for the legal and professional fees around Incorporation work. The underlying percentage without these extraordinary costs for Operating costs as a percentage of turnover is 48.96% which is in line with the previous years metric.

Report of The Board (continued)

Housing management costs increased slightly on the previous year due to an increase in payroll costs due to additional staff to cover during Covid and an increased holiday accrual, along with a CPI rise in April. All other management costs outside of payroll reduced in the year.

Maintenance costs increased in 2020/21 compared to previous years. The number of void properties was high in the year, along with the cost per unit for void works. Shortages of contractors and materials due to Covid pushed the price of repairs up. Savings were however achieved on cyclical contracts for landscaping, gas servicing and electrical checks against the previous years.

Due to the impact of the pandemic and difficulties accessing properties during covid we did not track the percentage of repairs completed on time in the year. Our contractors faced immense challenges in the year due to vulnerable and isolating workers and we did not therefore feel that it was appropriate to measure their performance. Given these challenges a repairs satisfaction percentage of 90.50% reflects that on the whole we continued to meet our customers expectations.

Average re-let times were historically high, with the increase being due to voids in our sheltered schemes taking a long time to be filled, along with the inability to let properties during the first lockdown. Work is ongoing as the Association investigates options to improve the attractiveness of the sheltered schemes, but this has become increasingly challenging following the impact of Covid on public perceptions of care and sheltered homes.

Arrears of maintenance charges were exceptionally low due to the timing of housing benefit payments and a refund adjustment to some residents and councils for landscaping charges.

During the financial year, the Association completed and let 13 new two-bedroom bungalows, partially funded by Homes England. The completion and letting of these bungalows was delayed from the previous year by the impact of the covid-19 virus.. Due to the availability of land, and the level of capital investment fundable, the Association's development pattern has always fluctuated year-on-year. However the Association remains committed to the development of new homes every year over the medium to long term.

The RSH also requires us to report our performance against 7 specific metrics which are as follows:

Metric	2021/22 Budget	2020/21 Outturn	2020/21 Budget	2019/20 Peer	2019/20 Outturn	2018/19 Outturn
1. Reinvestment %	5.50%	2.96%	5.81%	6.90%	8.68%	3.57%
2. New Supply Delivered %	1.30%	0.73%	0.74%	2.70%	2.42%	0.29%
3. Gearing	17.28%	16.36%	19.27%	32.70%	17.64%	15.04%
4. Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %	491%	493%	417%	285%	385%	424%
5. Headline Social Housing Cost per Unit	£2,796	£2,927	£2,923	£5,929	£2,788	£2,650
6a. Operating Margin - Social Housing %	29.57%	25.21%	28.77%	18.40%	29.31%	29.68%
6b. Operating Margin - All %	29.57%	31.51%	28.77%	21.50%	29.47%	28.13%
7. Return on Capital Employed (ROCE) %	3.06%	3.35%	2.91%	3.90%	2.98%	3.10%

Report of The Board (continued)

The RSH metrics demonstrate the same patterns as our own long-standing key metrics reported against above.

In 2020/21 our reinvestment metric was lower than anticipated due to the timing of a development scheme. Gearing was lower than predicted as a new loan was not drawn down as originally anticipated.

New supply delivered was lower than forecast as 23 of the 36 development properties budgeted for were completed in the 2019/20 financial year.

EBITDA (MRI) Interest Cover % outperformed the 2020/21 budget by 76% on the back of lower than expected loan interest. The drawdown period for a loan was extended so we did not pay the interest anticipated. Also the release of our disposal proceeds fund increased the operating surplus. This in turn also increased the operating margin.

Our data for 2019/20 has been benchmarked against 69 other Associations with less than 3000 units. Our headline cost per unit remains low as we continue to see the benefit of efficiencies achieved in prior years. A Procurement Manager was recently appointed which has led to further cost savings. Our Reinvestment, Gearing and ROCE metrics are low in comparison to our peers. We continue to build new properties where we can but are limited by the availability of suitable land close to amenities for our older residents.

Our forward look into 2022 continues to maintain achieved efficiencies on underlying costs. Repairs costs are predicted to rise ahead of inflation due to the continued impact of Covid and Brexit, however savings are predicted against the current year in several areas which should counteract this.

Report of The Board (continued)

In addition to the metrics required by the RSH, the Housing Association as a sector has agreed a set of common metrics with which benchmarking and comparison across the sector can take place. Our results in these measures were as follows for the year.

	Quartile (as at 2/8/20)	2020/21	2019/20	2018/19	2017/18
Sector Scorecard - Management Cost per Unit	1	£677.00	£560.00	£582.00	£497.00
Sector Scorecard - Service Charge Cost per Unit	1	£117.00	£125.00	£120.00	£123.00
Sector Scorecard - Maintenance Cost per Unit	3	£1,396.00	£1,296.00	£1,265.00	£1,230.00
Sector Scorecard - Major Repairs Cost per Unit	2	£560.00	£618.00	£901.00	£630.00
Sector Scorecard - Other Social Housing Costs per Unit	2	£152.00	£194.00	£422.00	£1,440.00
Sector Scorecard - Overheads as a Percentage of Adjusted Turnover	3	14.41%	14.26%	10.30%	12.30%
Sector Scorecard - Ratio of Responsive Repairs to Planned Maintenance	4	2.2	2.1	2.3	1.8
Sector Scorecard – Occupancy	4	98.23%	98.79%	98.65%	98.18%

Our Sector Scorecard data was benchmarked against a group of approximately 180 (as at 2nd August 2020) other Registered Providers and indicated that across the 8 Sector Scorecard measures the Association performed well with the exception of Occupancy and the Ratio of Responsive Repairs to Planned Maintenance where we achieved 4th quartile performance. This appears largely to be due to the relatively high level of expenditure experienced on void repairs, which due to accounting procedures are accounted for within day-to-day repairs even though a large proportion of the cost relates to "delayed" implementation of planned maintenance items which had been postponed due to the wishes of the resident. The Association is reviewing how it accounts for these items and whether it is practical to account for them within planned maintenance in future. A recent Stock Condition survey indicated that our stock condition is of a high standard.

The Occupancy quartile four performance is linked to the fact that we allow our residents additional time to move into our properties before charging them the maintenance charge. This is done to allow time for our older residents to get family assistance to move home.

At the time of producing the accounts, the benchmarked rankings are not available for 2020/21. The Management Cost Per Unit increased as a result of additional costs involved in improving the Associations governance.

The Maintenance Cost per Unit increased due to additional relet time on voids during the Covid lockdowns.

Statement of Trustees' responsibilities in respect of the Trustees' Report and the financial statements

Under charity law, the Trustees are responsible for preparing the Trustees' 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 Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Trustees are 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 Board 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 2019. The Board 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 Board 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 Trustees who held office at the date of approval of this 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 Beever and Struthers as auditor will be proposed at the Annual General Meeting.

Signed on behalf of the Trustees:



Chair

16 September 2021

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

Opinion

We have audited the financial statements of Durham Aged Mineworkers' Homes Association (the 'Association') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs, including related housing activities, as at 31 March 2021 and of its incoming resources and application of resources, for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019 and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2021

In connection with our audit on the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- In light of the knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 15, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Association to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's responsibilities for the audit of the financial statements

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

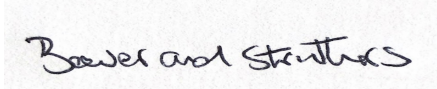
- We obtained an understanding of laws, regulations and guidance that affect the Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Charities Act 2011, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, tax legislation, health and safety legislation, and employment legislation
- We enquired of the trustees' and reviewed correspondence and board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the trustees' have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the trustees' have in place to prevent and detect fraud. We enquired of the trustees about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Association's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the trustees about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2021

Use of our report

This report is made solely to the Association's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 Association and the Association's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Beever and Struthers". The signature is written in a cursive style and is positioned above the printed name of the auditor.

Richard Graham ACA (Senior Statutory Auditor)

For and on behalf of

Beever and Struthers
Statutory Auditor
St George's House
215-219 Chester Road
Manchester
M15 4JE

Date: 17 September 2021

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2021

Statement of Comprehensive Income for the year ended 31st March 2021

		2021	2020 Restated
	Note	Total £'000	Total £'000
Turnover	3	8,227	8,111
Operating Expenditure	3	(6,141)	(5,721)
Release of Disposal Proceeds Fund		492	-
Profit/(Loss) on Disposal of Fixed Assets	7	15	(35)
Operating Surplus		2,593	2,355
Interest Receivable	8	22	24
Interest and Financing Costs	9	(599)	(624)
Surplus for the year		2,016	1,755
Initial Recognition of Multi-Employer Defined Benefit Scheme	22	-	-
Actuarial Gain/(Loss) in Respect of Pension Schemes	22	(1,213)	1,341
Movement in Fair Value of Investments	14	123	(65)
Total Comprehensive Income for the Year		926	3,031

The financial statements were approved and authorised for issue by the Board on 16 September 2021 and signed on its behalf by:



Chair

Trustee



The Associations' results relate wholly to continuing activities and the notes on pages 24 to 48 form an integral part of these financial statements.

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2021

Statement of Financial Position as at 31st March 2021

	Note	31 March 2021 £'000	31 March 2020 £'000
Fixed Assets			
Tangible Fixed Assets	12,13	77,816	77,452
Investments	14	774	647
		78,590	78,099
Current Assets			
Trade and Other Debtors	15	175	353
Cash and Cash Equivalents		3,288	3,432
		3,463	3,785
Creditors: Amounts Falling Due Within One Year			
	16	(4,740)	(2,914)
Net Current Assets		(1,277)	871
Total Assets less Current Liabilities		77,314	78,970
Creditors: Amounts Falling due After More than one Year			
	17	(51,114)	(54,259)
Provisions for Liabilities			
Pension Liability	22	(1,958)	(903)
Total Net Assets		24,242	23,808
Reserves			
Income and Expenditure Reserve		20,004	19,058
Restricted Reserve	25	1,413	1,353
Designated Reserve		2,824	3,397
Total Reserves		24,242	23,808

The financial statements were approved and authorised for issue by the Board on 16 September 2021 and signed on its behalf by:

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Chair

Trustee

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The notes on pages 24 to 48 form an integral part of these financial statements

Statement of Changes in Reserves for the year ended 31st March 2021

	Note	Income and Expenditure Reserve £'000	Restricted Reserve £'000	Designated Reserve £'000	Total £'000
Balances as at 1 April 2019		16,062	1,358	3,357	20,777
Surplus for the Year		1,755	-	-	1,755
Actuarial gain on pension liability	22	1,341	-	-	1,341
Movement in Fair Value of Investments	14	(63)	(2)	-	(65)
Transfer of Designated Expenditure from Designated Reserve		(40)	-	40	-
Transfer of Restricted Expenditure from Unrestricted Reserve		3	(3)	-	-
Balance at 31 March 2020		19,058	1,353	3,397	23,808
Surplus for the Year		2,016	-	-	2,016
Release of Disposal Proceeds Fund			-	(492)	(492)
Actuarial loss on pension liability	22	(1,213)	-	-	(1,213)
Movement in Fair Value of Investments	14	125	(2)	-	123
Transfer of Designated Expenditure from Designated Reserve		81	-	(81)	-
Transfer of Restricted Expenditure from Unrestricted Reserve		(62)	62	-	-
Balance at 31 March 2021		20,004	1,413	2,824	24,242

The notes on pages 24 to 48 form an integral part of these financial statements

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2021

Statement of Cash Flows for the year ended 31st March 2021

	2021	2020
	£'000	£'000
Net Cash Generated From Operating Activities (see note I)	3,651	3,964
Cash Flow From Investing Activities		
Purchase of Tangible Fixed Assets	(3,128)	(7,068)
Proceeds From Sale of Tangible Fixed Assets	78	416
Grants Received	896	576
Interest Received	18	20
	<u>(2,137)</u>	<u>(6,056)</u>
Cash Flow From Financing Activities		
Interest Paid	(579)	(592)
New Secured Loans	-	-
Repayments of Borrowings	(1,079)	(1,101)
	<u>(1,658)</u>	<u>(1,693)</u>
Net Change in Cash and Cash Equivalents	(144)	(3,785)
Cash and Cash Equivalents at Beginning of the Year	3,432	7,217
Cash and Cash Equivalents at End of the Year	<u>3,288</u>	<u>3,432</u>

	2021	2020
	£'000	£'000
Note I		
Surplus for the year	2,016	1,755
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	1,878	1,817
Amortisation of grants	(445)	(434)
Decrease/(increase) in trade and other debtors	26	171
Increase/(decrease) in trade and other creditors	292	218
Pension costs less contributions payable	(185)	(198)
Profit (Loss) on disposal of tangible fixed assets	(15)	35
Disposal Proceeds Fund	(492)	-
Adjustments for investing or financing activities:		
Interest payable	599	624
Interest received	(22)	(24)
Net cash generated from operating activities	<u>3,651</u>	<u>3,964</u>

The notes on pages 24 to 48 form an integral part of these financial statements

Notes to the Financial Statements

1. Legal status

At the Balance Sheet date Durham Aged Mineworkers' Homes Association was an Unincorporated Registered Charity (No. 222673), a Registered Social Housing Provider (No. A3213) and a Member of the National Association of Almshouses. As set out in the Board Report and Note 27, Durham Aged Mineworkers' Homes Association became an Incorporated Registered Charity (1191033), Registered Social Housing Provider (No. 5125) at midnight on 31st March 2021. Durham Aged Mineworkers' Homes Association's principal activity is to provide social housing

2. Principal accounting policies

Basis of accounting

The financial statements of the Association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including Financial Reporting Standard 102 (FRS102) and the Statement of Recommended Practice (SORP): accounting for Registered Housing Providers 2018 and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019. Accounting policies have been applied consistently throughout the year. The financial statements are prepared on a going concern basis, under the historical cost convention.

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 2018 to enable consistency, ease and transparency in our reporting to the housing regulator.

The accounts include the results and net assets of William Russell Bequest, Brandon Colliery Aged Workers' Homes Association, Cockfield Aged Miners' Homes and Homes for Aged Mineworkers & Other Workmen at Wingate Colliery, which are all entities controlled by Durham Aged Mineworkers' Homes Association. These bodies are all linked to Durham Aged Mineworkers' Homes Association via a linking direction from the Charity Commission. This means that the Association is only required to prepare single entity accounts that consolidate the results of all the linked bodies, rather than preparing separate accounts for Durham Aged Mineworkers' Homes Association and separate consolidated financial statements.

Going Concern

The Association's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted in the business plan updated for 2021/22 and therefore we consider it appropriate to continue to prepare the financial statements on a going concern basis. The Associations' business activities, its current financial position and the factors likely to affect its future development, performance and position are set out in the Report of the Board.

The ongoing impact of Covid-19 is not believed to be material on the going concern basis of the Association. The Association was able to move all staff to work from home in a short space of time and as a result there was no significant impact on operations.

There is expected to be an additional cost of materials going forward due to Covid19 and Brexit shortages. The Business Plan model has assumed that repair costs will rise above inflation by 1.50% in 2022/23 followed by 1% for the following three year period. All costs have been fully stress tested without detriment to going concern in June 2021.

2. Principal accounting policies (continued)

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Development expenditure

The Association capitalises development expenditure in accordance with the accounting policy described on pages 26 and 27. Initial capitalisation of costs is based on management's judgement that the development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding.

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

The cost of defined pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and long term nature of these plans, such estimates are subject to significant uncertainty. Management utilise the SHPS pension actuary experts to help determine the appropriate assumptions and calculations to apply.

Impairment

The Association considers whether indicators of impairment exist in relation to tangible assets. Indicators considered include external sources of information such as market value, market interest rates and returns on investment, actual or proposed changes the technological, economic or legal environment, obsolescence or damage to the asset, operational changes or internal reporting which indicates that the asset is performing worse than expected. The Association also considers expected future performance of the asset.

Annually housing properties are assessed for impairment indicators. Where indicators are identified an assessment for impairment is undertaken comparing the carrying amount of the asset to its recoverable amount. Where the carrying amount of an asset is deemed to exceed its recoverable amount, the asset is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure.

2. Principal accounting policies (continued)

Turnover

Turnover comprises rental and service charge income receivable for the year, and amortised capital grants. Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

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.

Interest payable

Interest is capitalised on borrowings to finance the development of qualifying assets to the extent that it accrues in respect of the period of development if it represents:

- a) Interest on borrowings specifically financing the development after deduction of related grants received in advance; or
- b) A fair amount of interest on borrowings of the Association as a whole after the deduction of social housing grant received in advance to the extent that they can be deemed to be financing the development programme.

All other interest payable is charged to the Statement of Comprehensive Income in the year.

Financial Instruments

The Association have assessed financial instruments held as basic in accordance with FRS 102, and as such are accounted for under the amortised historic cost model, except for the investments held which are measured at fair value. The carrying value of financial instruments at 31 March 2021 was £3,288.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short term deposits with a maturity date of three months or less.

Debtors

Debtors with no stated interest rate and receivable or payable within one year are recorded at transaction price, less any impairment.

Creditors

Creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price, less any impairment.

2. Principal Accounting policies (continued)

Loans

All loans held by the Association are classified as basic financial instruments in accordance with FRS102. They are held at transaction price plus transactions costs initially, and subsequently at amortised cost using the effective interest rate method.

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount at maturity of the related loan.

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.

Pensions

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). The Scheme is Administrated by The Pensions Trust (TPT) who also act as the Scheme actuary who provide an estimate of the Association's share of the scheme assets and liabilities.

The 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 liability and the annual defined benefit expenses. The assumptions used and the accounting entries underpinning the pension liability estimate can be viewed in note 21.

Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. 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, development costs and interest charges incurred during the development period.

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.

Land that has been donated to the Association is added to cost at the fair value of the land at the time of the donation.

Land is not depreciated.

The Association has adopted a de-minimis level of £5,000, which means that all expenditure relating to Housing Properties below this value is expensed directly to the Statement of Comprehensive Income rather than being capitalised. In addition, the Association has also adopted the policy of treating all expenditure relating to Disabled Adaptations as revenue expenditure as they are deemed not to add any value to a property.

Social Housing Grant

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. Grant received for items of cost written off in the Statement of Comprehensive Income Account is included as part of turnover. Grant must be recycled by the Association under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the grant can be used for projects approved by Homes England. However, grant may have to be repaid if certain conditions are not met.

2. Principal Accounting policies (continued)

Recycling of Capital Grant

Where grant is recycled, as described above, the grant is credited to a fund which appears as a creditor until used to fund the acquisition of new properties, where recycled grant is known to be repayable it is shown as a creditor due within one year.

Depreciation of housing properties

Freehold properties, other than properties under construction, are depreciated so as to write down

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

Freehold land is not depreciated.

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

2. Principal Accounting policies (continued)

Other fixed assets and depreciation

Other tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. The carrying value of tangible fixed assets at 31st March 2021 was £334k. 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

Leases

The rental payable under operating leases is charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Reserves

The Association establishes restricted reserves for specific purposes where their use is subject to external restrictions.

The Association has also 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) Winter reserve

A winter reserve of £50,000 has been created to meet excess costs incurred in the event of severe winter weather.

(ii) Disposal Proceeds Fund

In line with regulatory requirements, a designated reserve was created to provide for future property replacements in accordance with the Association's ongoing Asset Management Strategy. The fund was established from the net proceeds of property disposals excluding recycled Social Housing Grant. The regulator's requirements about and ability to recover Disposal Proceeds Fund (DPF) balances ceased on 6 April 2020. No rules apply about the use of any unspent balances that remained in the DPF on 6 April 2020. Therefore this fund has been released to the SOCI.

Holiday Accruals

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date

3. Particulars of Turnover, Cost of Sales, Operating Costs and Operating Surplus

	Turnover £'000	2021 Operating Expenditure £'000	Operating Surplus £'000
Social Housing Lettings			
Housing Accommodation (Continuing Operation)	8,164	(6,106)	2,058
Total Social Housing lettings	8,164	(6,106)	2,058
Other Social Housing Activities			
Garages and Allotments (Continuing Operation)	12	-	12
Management Services (Continuing Operation)	30	(35)	(5)
Lease of Residential Home (Continuing Operation)	21	-	21
	63	(35)	28
	8,227	(6,141)	2,086
Release of disposal proceeds fund			492
Profit/(Loss) on disposal of fixed assets			15
Operating Surplus			2,593

	Turnover £'000	2020 Restated Operating Expenditure £'000	Operating Surplus £'000
Social Housing Lettings			
Housing Accommodation (Continuing Operation)	8,048	(5,689)	2,359
Total Social Housing lettings	8,048	(5,689)	2,359
Other Social Housing Activities			
Garages and Allotments (Continuing Operation)	12	-	12
Management Services (Continuing Operation)	30	(32)	(2)
Lease of Residential Home (Continuing Operation)	21	-	21
	63	(32)	31
	8,111	(5,721)	2,390
Profit/(Loss) on disposal of fixed assets			(35)
Operating Surplus			2,355

The operating surplus for 2020 has been restated to include the loss on disposal of fixed assets

4. Particulars of Income and Expenditure from Social Housing Lettings

	2021	2020
	Housing Accommodation £'000	Housing Accommodation £'000
Rent Receivable Net of Identifiable Service Charges	7,495	7,342
Service Charge Income	345	349
Amortised Government Grants	431	421
Other Grants	14	14
Turnover From Social Housing Lettings	8,285	8,126
Services	(214)	(225)
Management	(1,239)	(1,009)
Routine Maintenance	(2,475)	(2,337)
Planned Maintenance	(81)	(4)
Bad Debts	(4)	(9)
Water Rates	(244)	(318)
Impairment of Housing Properties	-	-
Depreciation of Housing Properties	(1,849)	(1,787)
Other Costs	-	-
Operating Expenditure on Social Housing Lettings	(6,106)	(5,689)
Operating Surplus on Social Housing Lettings	2,179	2,437
Void Losses	(121)	(78)

5. Accommodation In Management and Developing

At the end of the year, accommodation in management for each class of accommodation was as follows:

	2021 No. of Properties	2020 No. of Properties
Social Housing		
General Housing:		
- Social Rent	1,571	1,577
- Affordable Rent	197	182
Shared Ownership Units	3	3
Leasehold Schemes for the Elderly	16	16
Total Owned	1,787	1,778
Accommodation Managed for Others	44	44
Total Managed	44	44
Total Owned and Managed	1,831	1,822
Accommodation In Development at the Year End	23	13

6. Operating Surplus

The operating surplus is arrived at after charging:

	2021 £'000	2020 £'000
Depreciation of Housing Properties (Note 12)	1,849	1,787
Depreciation of Other Tangible Fixed Assets (Note 13)	29	31
Auditors' Remuneration (excluding VAT)		
Fees Payable to the Association's Auditors for the Audit of the Financial Statements	26	25
Fees Payable to the Association's Auditors for Other Services	-	-
Fees Payable for Internal Audit	10	12
Total Audit Services	36	37

7. Profit (Loss) on Disposal of Fixed Assets - Housing Properties

	2021	2020
	£'000	£'000
Housing properties		
Disposal Proceeds	137	424
Carrying Value of Fixed Assets	(122)	(459)
Profit (Loss) on disposal	<u>15</u>	<u>(35)</u>
Capital Grant Recycled (Note 19)	(59)	(320)
Disposal Proceeds Fund (Note 20)	<u>0</u>	<u>44</u>

All values above relate to Continuing Operations.

8. Interest Receivable

	2019	2020
	£'000	£'000
Bank Interest Receivable and Similar Income	22	24
	<u>22</u>	<u>24</u>

All values above relate to Continuing Operations.

9. Interest and Financing Costs

	2021	2020
	£'000	£'000
Defined Benefit Pension Charge	27	60
Loans and Bank Overdrafts	583	638
	<u>610</u>	<u>698</u>
Interest Payable Capitalised on Housing Properties Under Construction	(11)	(74)
	<u>599</u>	<u>624</u>

All values above relate to Continuing Operations.

10. Employees

10 a. Employee numbers

The average monthly number of employees expressed as full time equivalents (calculated based on a standard working week of 35 hours) was:

	2021	2020
Office Based Staff	22	21
Resident Managers and Care Staff	3	4
	<u>25</u>	<u>25</u>

10 b. Employee costs

	2021 £'000	2020 £'000
Wages and Salaries	886	807
Social Security Costs	82	76
Other Pension Costs	174	209
	<u>1,141</u>	<u>1,092</u>

Annual payments to 55 Residents Representatives totalling £12.1k are included within wages and salaries

10 c. Termination benefits

During the year, the Association terminated the employment of one member of staff (2019/20: 1). The table below sets out the total costs of termination benefits along with the amount that was still required to be paid at the year end.

Total Value of Termination Benefit

	Compulsory Redundancy		Other agreed departures	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Termination Benefits	-	-	9	12

All termination benefits agreed in 2020/21 were paid in full during the year (2019/20: £12k).

11. Key Management Personnel

11 a. Key Management Personnel costs

The aggregate remuneration for key management personnel charged in the year is:

	2021 £'000	2020 £'000
Basic Salary	232	224
Benefits in Kind	3	3
Pension Contributions	58	55
	<u>292</u>	<u>282</u>

11 b. Key Management Personnel salary bandings over £60,000

The full time equivalent number of staff who received emoluments:

	2021	2020
£60,000 to £70,000	1	2
£70,001 to £80,000	1	-
£80,001 to £90,000	-	-
£90,001 to £100,000	1	1

The emoluments of the highest paid director, excluding pension contributions, were £95,672 (2019/20: £94,870).

11 c. Emoluments paid to Non Executive Directors

Emoluments paid to non-executive directors of the Association amounted to NIL (2019/20: NIL) and reimbursement for expenses amounted to NIL (2019/20: £2,340)

11 d. Chief Executive's Pension

The Chief Executive is an ordinary member of the pension scheme. 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.

12. Fixed assets - housing properties

12 a. Housing properties

	Social housing properties held for letting £'000	Housing properties for letting under construction £'000	Completed shared ownership housing properties £'000	Total housing properties £'000
Cost				
At 1 April 2020	96,888	1,151	180	98,219
Additions	-	1,270	-	1,270
Reclassifications	1,262	(1,262)	-	-
Works to existing properties	1,025	-	-	1,025
Disposals	(544)	-	-	(544)
At 31 March 2021	98,631	1,159	180	99,970
Depreciation				
At 1 April 2020	21,047	-	23	21,070
Depreciation charged in year	1,847	-	2	1,849
Released on disposal	(431)	-	-	(431)
At 31 March 2021	22,463	-	25	22,488
Net book value				
At 31 March 2021	76,168	1,159	155	77,482
At 31 March 2020	75,841	1,151	157	77,149

12 b. Expenditure on works to existing properties

	2021 £'000	2020 £'000
Improvement works capitalised	1,025	1,110
Amounts charged to income and expenditure	81	4
	1,106	1,114

12 c. Social housing assistance

	2021 £'000	2020 £'000
Total accumulated social housing grant received or receivable at 31 March	45,077	44,522
Recognised in the Statement of Comprehensive Income	(7,344)	(6,912)
Held as deferred income	37,733	37,610

12. Fixed assets - housing properties (continued)

12 d. Finance costs

	2021 £'000	2020 £'000
Aggregate amount of finance costs included in the cost of housing properties	<u>48</u>	<u>107</u>

12 e. Housing properties book value net of depreciation

	31 March 2021 £'000	31 March 2020 £'000
Freehold land and buildings	74,190	73,792
Long leasehold land and buildings	3,292	3,357
	<u>77,482</u>	<u>77,149</u>

12 f. Impairment

The Association has performed an impairment review, in line with the accounting policy detailed in note 2. Following the review no impairment indicators have been identified (2020: NIL).

13. Tangible fixed assets - other

	Freehold offices £'000	Computers and office equipment £'000	Furniture, fixtures and fittings £'000	Total £'000
Cost				
At 1 April 2020	492	408	102	1,002
Additions	-	55	5	60
Disposals	-	(20)	(5)	(25)
At 31 March 2021	<u>492</u>	<u>443</u>	<u>102</u>	<u>1,037</u>
Depreciation				
At 1 April 2020	221	390	88	699
Charged in the year	10	16	3	29
Released on disposal	-	(20)	(5)	(25)
At 31 March 2021	<u>231</u>	<u>386</u>	<u>86</u>	<u>703</u>
Net book value				
At 31 March 2021	<u>261</u>	<u>57</u>	<u>16</u>	<u>334</u>
At 31 March 2020	<u>271</u>	<u>18</u>	<u>14</u>	<u>303</u>

14. Fixed Asset Investments

	2021 £'000	2020 £'000
Valuation		
At 1 April	647	708
Additions	4	4
Movement arising on revaluation	123	(65)
At 31 March	<u>774</u>	<u>647</u>
	31 March 2021 £'000	31 March 2020 £'000
Listed Investments	<u>774</u>	<u>647</u>

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2021

15. Debtors

	31 March 2021 £'000	31 March 2020 £'000
Due within one year		
Rent and service charges receivable	41	85
Less provision for bad and doubtful debts	(25)	(25)
Net rental debtors	<u>16</u>	<u>60</u>
Other debtors	3	156
Prepayments and accrued income	<u>156</u>	<u>137</u>
Due after more than one year		
Prepayments and accrued income	-	-
	<u>175</u>	<u>353</u>

16. Creditors: amounts falling due within one year

	31 March 2021 £'000	31 March 2020 £'000
Debt (Note 21)	2,495	1,078
Trade creditors	90	775
Rent and service charges received in advance	203	114
Recycled capital grant fund (Note 19)	283	67
Deferred grant income (Note 18)	1,001	446
Other creditors	81	76
Accruals and deferred income	587	358
	<u>4,740</u>	<u>2,914</u>

17. Creditors: amounts falling due after more than one year

	31 March 2021 £'000	31 March 2020 £'000
Debt (Note 21)	13,468	15,964
Recycled capital grant fund (Note 19)	914	1,131
Deferred grant income (Note 18)	36,732	37,164
	<u>51,114</u>	<u>54,259</u>

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2021

18. Deferred grant income

	31 March 2021 £'000	31 March 2020 £'000
At 1 April	37,610	36,930
Grant received in the year	619	1376
Disposals in the year	(51)	(261)
Released to income in the year	(445)	(435)
At 31 March	<u>37,733</u>	<u>37,610</u>
	2021 £'000	2020 £'000
Amounts to be released within one year (Note 16)	1,001	446
Amounts to be released in more than one year (Note 17)	36,732	37,164
	<u>37,733</u>	<u>37,610</u>

19. Recycled capital grant fund

	31 March 2021 £'000	31 March 2020 £'000
At 1 April	1,198	876
Grants recycled	59	320
Interest accrued	7	2
Grant withdrawn	(67)	-
At 31 March	<u>1,197</u>	<u>1,198</u>
Amount of grant due for repayment	<u>-</u>	<u>-</u>

20. Disposal proceeds fund

	2021 £'000	2020 £'000
At 1 April	492	448
Net sales proceeds recycled	0	44
Release of disposal proceeds fund	(492)	0
At 31 March	<u>0</u>	<u>492</u>

The disposal proceeds fund was released in the year following the withdrawal of the relevant legislation by the Regulator for Social Housing.

21. Debt analysis

21 a. Borrowings

	2021 £'000	2020 £'000
Due within one year		
Banks loans (Note 16)	2,495	1,078
	<u>2,495</u>	<u>1,078</u>
Due after more than one year		
Bank loans (Note 17)	13,468	15,964
	<u>13,468</u>	<u>15,964</u>
Total loans	<u>15,963</u>	<u>17,042</u>

21 b. Security

Loans are secured by fixed charges on individual properties.

21 c. Terms of repayment and interest rates

Housing Loans are secured by specific charges on the Association's housing properties.

Approximately 70% (2019/20 : 67%) of all loans are on a fixed term basis with rates of interest varying from 1.8% to 13.6%. All loans are repayable by instalments.

	2021 £'000	2020 £'000
Within one year or on demand	2,495	1,078
One year or more but less than two years	1,446	2,129
Two years or more but less than five years	3,575	4,358
Five years or more	8,447	9,477
	<u>15,963</u>	<u>17,042</u>

22. Pensions

The Association participates in the Social Housing Pension Scheme (SHPS), which is a multi-employer scheme that provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

In previous periods it was not possible for the Association to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme and therefore it was accounted for as a defined contribution scheme. However, from 2018/19 the scheme can now provide sufficient information to enable it to be accounted as a defined benefit 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 Association 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.

Where the scheme is in deficit and where the association has agreed to a deficit funding arrangement, the association previously recognised a liability for this obligation. The amount recognised was the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value was calculated using the discount rate detailed in these disclosures.

The remaining disclosures in note 22 relate to the Defined Benefit Pension estimates provided by the actuary for the period 2020/21.

22. Pensions (continued)

Present values of defined benefit obligation, fair value of assets and defined benefit liability

	31 March 2021 £'000	31 March 2020 £'000
Fair value of plan assets	8,458	7,410
Present value of defined benefit obligation	(10,416)	(8,313)
Defined benefit (liability) to be recognised	(1,958)	(903)

Reconciliation of opening and closing balances of the defined benefit obligation

	31 March 2021 £'000	31 March 2020 £'000
Defined benefit obligation at 1 April	8,313	9,473
Current service cost	174	209
Expenses	7	8
Interest expense	197	218
Contributions by plan participants	-	1
Actuarial losses (gains) due to scheme experience	(205)	(165)
Actuarial losses (gains) due to changes in demographic assumptions	38	(83)
Actuarial losses (gains) due to changes in financial assumptions	2,147	(1,122)
Benefits paid and expenses	(255)	(226)
Defined benefit obligation at 31 March	10,416	8,313

Reconciliation of opening and closing balances of the fair value of plan assets

	31 March 2021 £'000	31 March 2020 £'000
Fair value of plan assets at 1 April 2020	7,410	7,091
Interest income	177	166
Experience on plan assets (excluding amounts included in interest income) - (loss)/gain	767	(29)
Contributions by the employer	359	407
Contributions by plan participants	-	1
Benefits paid and expenses	(255)	(226)
Fair value of plan assets at 31 March 2021	8,458	7,410

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2020 to 31 March 2021 was £944,000 (2019/20: £137,000).

22. Pensions (continued)

Defined benefit costs in the Statement of Comprehensive Income (SOI)

	2021 £'000	2020 £'000
Current service cost	174	209
Expenses	7	8
Net interest expense	20	52
Defined benefit costs recognised in the SoCI	201	269

Defined benefit costs recognised in Other Comprehensive Income

	31 March 2021 £'000	31 March 2020 £'000
Experience on plan assets (excluding amounts included in net interest cost) - (loss)/gain	767	(29)
Experience gains and losses arising on the plan liabilities - gain/(loss)	205	165
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain/(loss)	(38)	83
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain/(loss)	(2,147)	1,122
Total amount recognised in other comprehensive income - gain/(loss)	(1,213)	1,341

Assets

	31 March 2021 £'000	31 March 2020 £'000
Global Equity	1,348	1,084
Absolute Return	467	386
Distressed Opportunities	244	143
Credit Relative Value	266	203
Alternative Risk Premia	319	518
Fund of Hedge Funds	1	4
Emerging Markets Debt	341	224
Risk Sharing	308	250
Insurance-Linked Securities	203	228
Property	176	163
Infrastructure	564	552
Private Debt	202	149
Opportunistic Illiquid Credit	215	179
High Yield	253	-
Opportunistic Credit	232	-
Corporate Bond Fund	500	423
Liquid Credit	101	3
Long Lease Property	166	128
Secured Income	352	281
Liability Driven Investment	2,149	2,460
Net Current Assets	51	32
Total assets	8,458	7,410

22. Pensions (continued)

None of the fair values of the assets shown on the previous page include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key Assumptions

	31 March 2021	31 March 2020
	% per annum	% per annum
Discount Rate	2.17%	2.38%
Inflation (RPI)	3.28%	2.62%
Inflation (CPI)	2.86%	1.62%
Salary Growth	3.86%	2.62%

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	31 March 2021	31 March 2020
	Life expectancy	Life expectancy
	at age 65	at age 65
	(Years)	(Years)
Male retiring at 31 March	21.6	21.5
Female retiring at 31 March	23.5	23.3
Male retiring in 20 years	22.9	22.9
Female retiring in 20 years	25.1	24.5

23. Share Capital

The Association is limited by guarantee and therefore has no share capital. Each member agrees to contribute £1 in the event of the Association winding up. Subscriptions carry no right to dividends or repayment of capital. Members are entitled to vote at the Association's Annual General Meeting.

	31 March	31 March
	2021	2020
	No	No
Number of members		
At 1 April	20	18
Joining during the year	1	6
Leaving during the year	(1)	(4)
At 31 March	20	20

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2021

24. Capital commitments

	31 March 2021 £'000	31 March 2020 £'000
Capital expenditure		
Expenditure contracted for but not provided in the accounts	2,557	3,684
	<u>2,557</u>	<u>3,684</u>

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

25. Related parties

The accounts include the results and net assets of William Russell Bequest, 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

	William Russell	Brandon	Cockfield	Wingate	Others	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 31 March 2020	548	358	255	61	131	1,353
Surplus for the year	45	17	-	-	-	62
Revaluation of Investments	-	-	(2)	-	-	(2)
At 31 March 2021	593	375	253	61	131	1,413

Restricted Reserves relate to funds whose use by the Association is restricted by charitable trust deed. The restricted reserves are allocated between William Russell Bequest, who is united with the Association under a Uniting Direction of October 2017 and 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 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 1953; dated 6 December 1928 and resolution of subscribers dated 25 November;
- 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.

26. Financial assets and liabilities

26 a. Categories of financial assets and financial liabilities

	31 March 2021 £'000	31 March 2020 £'000
Financial assets - loans and receivables :		
Investments	774	647
Trade and other debtors	19	216
Cash and cash equivalents	3,288	3,432
	<u>4,081</u>	<u>4,295</u>
Financial liabilities - Amortised cost		
Trade and other creditors	171	851
Loans	15,963	17,042
	<u>16,135</u>	<u>17,893</u>

26 b. Financial assets

Other than short-term debtors, financial assets held are equity instruments in other entities, cash deposits placed on money markets at call, seven-day and monthly rates and cash at bank.

They are sterling denominated and the interest rate profile at 31 March was:

	31 March 2021 £'000	31 March 2020 £'000
Floating rate on money market deposits	3,288	3,432
	<u>3,288</u>	<u>3,432</u>

The financial assets on which no interest is earned comprise trade investments that have no fixed maturity. The remaining financial assets are floating rate attracting interest at rates that vary with bank rates.

26 c. Financial liabilities excluding trade creditors – interest rate risk profile

The Association's financial liabilities are sterling denominated. The interest rate profile of the Association's financial liabilities at 31 March 2020 was:

	2021 £'000	2020 £'000
Fixed rate	11,215	11,344

The fixed rate financial liabilities have a weighted average interest rate of 4.1% (2020: 4.2%) and the weighted average period for which it is fixed is 6 years (2020: 7 years).

The debt maturity profile is shown in note 21.

27. Post balance sheet events

At midnight on 31st March 2021 Durham Aged Mineworkers Homes Association Registered Charity (Number 222673), Registered Housing Provider (Number A3213) transferred its assets and liabilities to a new Company Limited by Guarantee, Registered Charity (Number 1191033) Registered Housing Association (Number 5125). This is purely an administrative change and the Association continues to operate the charity in exactly the same manner as it did before the transfer, therefore no adjusting or non adjusting post balance sheet events were identified.

28. Ultimate parent undertakings and controlling party

Durham Aged Mineworkers' Homes Association is a registered charity and a registered provider of social housing in the UK.

As part of the Charity Commission uniting direction, the following other entities are included in the Durham Aged Mineworkers' Homes Association financial statements:

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