

DURHAM AGED MINeworkERS' HOMES ASSOCIATION

England & Wales · Charity number 1191033

Details

Status Registered

Legal form Charitable company

Company number [12758375](#)

Registered 2020-08-26

Register [View on the Charity Commission register](#)

Contact

Address Durham Aged Mineworkers Homes Association
PO Box 31
Chester Le Street
County Durham
DH3 3YH

Phone 01913881111

Email info@damha.org.uk

Website <http://www.damha.org.uk/>

Activities

Objects: 1.1 TO PROVIDE AND MAINTAIN SERVICES AND FACILITIES FOR AGED, INFIRM OR DISABLED PERSONS OR THOSE IN FINANCIAL NEED, WITH PARTICULAR REGARD FOR THE NEEDS OF THE ORIGINAL BENEFICIARIES.

Activities: Provision of housing for older people.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Disability, Accommodation/housing
- **Who:** Elderly/old People, People With Disabilities

Geography

- Durham
- Gateshead
- Northumberland
- South Tyneside
- Sunderland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£10,708,000	£9,991,000	£30,006,000	29
2024-03-31	£9,747,000	£8,115,000	£28,791,000	28
2023-03-31	£8,960,000	£7,694,000	£27,517,000	27
2022-03-31	£8,475,000	£6,824,000	£26,357,000	26
2021-03-31	£0	£0	-	-

Trustees

Name	Role	Appointed
Anne Rowlands		2024-10-14
Catherine Louise Buckton		2024-10-14
Christopher Roberts		2026-05-21
Diane Carney		2024-10-14
Jennifer Allinson		2025-09-18
Kate Abson		2024-10-14
Robert Chesman		2025-09-18
Sarah Louise Catrin Morgan		2025-11-17
Steven Williams		2025-09-18

Linked charities

- BRANDON AGED PERSONS' HOMES (1191033-1)
- DR DAVID WILSON MEMORIAL READING ROOM (1191033-10)
- JOHN ARTHUR WALBANK FOR HOMES FOR AGED MINeworkERS' (1191033-11)
- VESPER HOUSE TRUST (1191033-12)
- HOME FOR AGED MINeworkERS AND OTHER WORKMEN AT WINGATE COLLIERY (1191033-2)
- COCKFIELD AGED MINERS' HOMES (1191033-3)
- WILLIAM RUSSELL BEQUEST (1191033-4)
- PROCEEDS OF SALE OF TRUST PROPERTY COMPRISED IN A CONVEYANCE OF 9TH APRIL 1959 (1191033-5)
- MEMORIAL COTTAGES (1191033-6)
- PROCEEDS OF SALE OF NURSES HOME IN CONNEXION WITH WHEATLEY HILL NURSING ASSOCIATION (1191033-7)
- GENERAL ENDOWMENT FUND (1191033-8)
- PARTICULAR ENDOWMENT FUND (1191033-9)

DURHAM AGED MINEWORKERS' HOMES ASSOCIATION

England & Wales - Charity number 1191033

Accounts



Beever and Struthers
Chartered Accountants
One Express, 1 George Leigh Street
Manchester
M4 5DL

Date:

Registered Office
P.O. Box 31
The Grove
168 Front Street
Chester le Street
Durham
DH3 3YH

Tel: (0191) 388 1111
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Calls welcome via Text Relay Service

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of Durham Aged Mineworker's Homes Association ("the Association") for the year ended 31 March 2025 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the results and financial position of the in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and relevant social housing legislation.

We confirm, to the best of our knowledge and belief the following representations:

1. We are responsible for the preparation of financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and relevant social housing legislation, which give a true and fair view of the financial position of the Association as of 31 March 2025 and of the results of its operations and its cash flows for the year then ended and for making accurate representations to you.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
3. We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.
4. We have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements and these have been disclosed in accordance with the requirements of accounting standards.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of accounting standards.
6. All events since the balance sheet date which require disclosure or which would materially affect the amounts in the financial statements have been adjusted or disclosed in the financial statements.
7. We confirm that the financial statements are free of material misstatements, including omissions. All misstatements identified during the audit were corrected
8. We confirm that, having considered our expectations and intentions for the next twelve months, including the availability of working capital, the Association is a going concern. We confirm that the disclosures in the accounting policies are an accurate reflection of the reasons for our consideration that the financial statements should be drawn up on a going concern basis.
9. All accounting records and relevant information have been made available to you for the purpose of your

audit. We have provided to you all other information requested and given unrestricted access to persons within the entity from whom you have deemed it necessary to obtain audit evidence / request information. All other records and related information including minutes of all management and board meetings have been made available to you.

10. All transactions undertaken by the Association have been properly reflected in the accounting records and are reflected in the financial statements.
11. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
12. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves management or employees who have significant roles in internal control, or others, where fraud could have a material effect on the financial statements.
13. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
14. We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the Association conducts its business and which could affect the financial statements. The Association has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.
15. We confirm that we have disclosed to you the identity of the Association's related parties and all related party relationships and transactions relevant to the Association that we are aware of.
16. The Association has satisfactory title to all assets, and there are no liens or encumbrances on the assets except for those disclosed in the financial statements.
17. There are no liabilities, contingent liabilities or guarantees to third parties other than those disclosed in the financial statements.

We confirm to the best of our knowledge and belief that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourselves that we can properly make each of the above representations to you.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each Board member has taken all the steps that they ought to have taken as a Board member in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

Signed on behalf of the Board by:

.....*AL Low*.....(Signature)

.....CHAIR.....(Position)

.....18/09/2025.....(Date)

**Durham Aged Mineworkers' Homes
Association**

Trustees' report and accounts

31 March 2025

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2025

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

Charity Number: 1191033
Registered Provider Number: 5125
Company no: 12758375

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2025

The Board

Trustees

Anne Rowlands (Chair)		
Gillian Bramfitt (Vice Chair)		(N)
Kate Abson		(N)
Catherine Louise Buckton		(N)
Diane Carney		(A)
Mark Reid		(A)
Andrew Thompson	Resigned April 2024	(A)
Nicholas Malyan		(A)
Pauline Boll	Resigned October 2024	(A)&(N)

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	Resigned June 2024
Michael Wright MCIOB	Operations Director	
Andrew Thompson FCCA	Finance Director	Appointed September 2024

External Auditor

Beever and Struthers
One Express, 1 George Leigh Street
Ancoats
Manchester
M4 5DL

Internal Auditor

TIAA - Appointed April 2023
Artillery House
Fort Fareham
Newgate Lane
Fareham
PO14 1AH

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

Trowers & Hamlins LLP
55 Princess Street
Manchester
M2 4EW

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 2025.

Status

Durham Aged Mineworkers' Homes Association was established in 1898. On midnight of 31st March 2021 the charity became a Company Limited by Guarantee (Number 12758375) and is administered by Articles of Association, which were adopted at that date. It is a Registered Charity (Number 1191033 - formerly Number 222673), Registered Housing Provider (Number 5125 - formerly 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 Directors of the Company and Trustees of the registered charity, and their details are set out on page 1. All Trustees 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 Trustee of the Charity and does not have the legal status of Director of the Company, but manages the day-to-day operations of the organisation under authority delegated by the Board.

Investment Powers

The Articles of Association 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 Articles define the objects as:

To provide and maintain services and facilities for aged, infirm or disabled persons or those in financial need, with particular regard for the needs of the Original Beneficiaries.

For that purpose to provide and maintain:

- Social housing in the form of almshouses, which may be houses, bungalows, apartments or sheltered homes, for such persons who (except in the case of Original Beneficiaries or in other special cases to be approved by the Trustees) are primarily over the age of 50 at the time of appointment
- 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 £1,056k (2024: £2,253k) and an overall surplus for the year of £716k (2024: £1,632k).

Review of activities and achievements

We are pleased to be able to report continuing strong results for the Association, despite a year of high inflation and ongoing cost pressures. We are working in a challenging business environment, with inflation lingering above expected levels, and many additional demands on our resources. Despite this, we continue to concentrate on providing the best service for our residents whilst making the best use of those resources.

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 types and 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, focusing on the priorities and needs of our residents, and those who would like to become residents

Our Five-year Corporate Strategy set out in 2022 details a strategic vision that is ambitious and facilitates a programme of long-term development of new homes, whilst addressing the government's carbon-reduction agenda.

Overall, our main Key Performance Indicators are those measuring residents' satisfaction. This is measured objectively in compliance with the Regulator of Social Housing's Consumer Standards. In keeping with previous surveys, the Association scored very highly. The survey undertaken in 2024/25 noted a slight improvement in overall satisfaction, with 94.2% (2024: 94.0%) of residents surveyed reporting they were either fairly, or very satisfied with the overall service provided by the Association.

Satisfaction remained high across all main areas including 95% who were satisfied with a repair in the last 12 months, 93% satisfied with the time taken for their last repair, 92% that the Association treated them fairly and with respect, and 88% that the Association kept them well informed.

An area which continued to present challenges was the grass cutting and grounds maintenance service - where only 76% of respondents commented that they were satisfied that the Association kept communal areas clean and well maintained. This is a known problematic area and has been subject to retender since the year end – a decision made in conjunction with the Association's "Gardening Club" (a committee of residents which assists staff in discussing grounds maintenance performance). Early indications are that performance has begun to improve following the change.

Report of The Board (continued)

Review of activities and achievements continued

Most of the Association's "Maintenance Charges" are calculated as "Social Rents" by definition and comply with government policy regarding rent setting. As part of the agreed funding mechanism for new homes built between 2011 and 2016, a proportion of stock let at Target Rent are converted to Affordable Rent on re-let as calculated by the Rents Standard. We currently have 239 (2024: 237) properties where the Maintenance Charge is now set at Affordable Rent levels. Due to the prevailing conditions of the housing market in the Durham Coalfield area, most Affordable Rents have fallen back below Target Rents, which continued to rise with inflation. In this case, our Maintenance Charges revert to Social Rent levels on a property-by-property basis on relet.

Asset Management Strategy

Our existing homes continue to be maintained to a high standard, consistent with the needs of our residents who are primarily elderly, retired, and many of whom have additional vulnerabilities. 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.

However, having been in existence for 125 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 or changing legislation or standards. 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 in compliance with the Charities Act 2022 as and when vacancies arise in them. The financial capital released this way is recycled into our development programme for new homes. The sale of 3 bungalows were completed in 2024/25.

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.

Consumer Standards

The Board asserts that the Association is compliant with the Consumer Standards which came into effect in April 2024. The Association has completed a self-assessment against the new Consumer Standards and believes this demonstrates full compliance. The Association has an action plan to address areas where we believe further progress can be made, progress against which is routinely reported to the Board

Report of the The Board (continued)

The Board

The Association has adopted the National Housing Federation NHF Code of Governance 2020. Compliance with the Code is evidenced by an routine assessment carried out by the Board.

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

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 on external financial reporting, internal audit and risk.

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.

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 Executive 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.

Report of The Board (continued)

Health and Safety at Work

The Association takes its responsibilities for Health and Safety towards employees, contractors and the public seriously and monitors performance and risk accordingly. During the year ended 31st March 2025 there were no workplace injuries or lost-time events (2024: nil). Sickness absence decreased in the year with 0.43% of working days being lost due to sickness absence per employee. The Association continues to offer flexible working arrangements, which has been shown to reduce short-term absences.

The Association aims to maintain this excellent record and continues to invest in training and regular external review of policies, procedures, and practices accordingly.

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 again 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 2021/22 to improve the security of its data. In April 2023 we obtained the Cyber Security Essentials Plus accreditation which is an independent third-party verification that our computer systems are secure. This was retained in 2024 and 2025. We continue to do all we can to reduce this risk going forward.

The Association continues to be exposed to uncertainty and risk due to the political instability in Europe. 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 inflation, costs 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 the National Housing Federation's recommended Code of Conduct. 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.

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.

Report of The Board (continued)

Subsidiary Charities:

The Association manages five subsidiary almshouse charities, which were linked with Durham Aged Mineworkers Homes Association (No. 1191033) via a special resolution dated 8 October 2021. These charities are accounted for as Restricted Reserves within the Association's overall reserves, share common Trustees, and whose details are set out on page 46. 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 the 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 £84.05 (2024: £75.40)

- **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 had sufficient funds to meet ongoing obligations for day-to-day repairs, there was 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 2025, 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 7 two-bedroom, single-storey bungalows were all fully occupied throughout the year with average weekly maintenance contribution charges of £94.60 (2024: £85.55)

- **Vesper House Trust**

In April 2024, the previous Trustees of Vesper House Trust retired and the Association was appointed as Corporate Trustee, with Vesper House Trust becoming a Linked Charity of the Association, alongside those listed above. Vesper House Trust was founded in 1923 to provide affordable and safe housing for single women in the port of Seaton Carew.

The 5 one-bedroom terraced homes were all fully occupied throughout the year with average weekly maintenance contribution charges of £70.00 (2024: £70.00)

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 20 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 new VfM Strategy was approved in February 2023. The strategy recognises that VfM has been a fundamental ethos of the Association for a long time.

The Statement identified 4 objectives for VfM for the Association over the following 3 years:

- Maintain and improve resident satisfaction within budgetary restraints
- Review the efficiency of key processes
- Maintain high performance in key, recognised VfM indices
- Rationalising our stock

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

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)

Going Concern

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 March 2025 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.

Operating conditions have proved challenging over the last few years with Covid, Brexit, high inflation and scarcity of resources all impacting on costs. As a result maintenance costs per unit and operating costs as a percentage of turnover have substantially increased. Repairs requested by residents continue to be a priority, and the Association has sought to maintain standards and service levels despite the increases in unit costs experienced. This continues to be a challenge, however efficiencies have been identified across the organisation, and it remains our expectation to continue to meet long term planned maintenance programmes such that targets for exceeding the decent homes standard and achieving EPC-C and long term decarbonisation goals will be achieved.

Day-to-day maintenance costs again increased significantly in 2024/25. The Association employs local contractors and, in line with society as a whole, has found ongoing shortages of materials leading to increased costs. This has also co-incided with throughput of non-capital repairs connected to planned maintenance programmes. The result is that overall repairs cost increased by 29% (2024: 8%). We continue to tender all significant contracts for services and look to achieve the best value for money possible in this challenging environment.

Report of The Board (continued)

Repairs requested by residents continue to be an absolute priority however, and the Association has sought to maintain standards and service levels despite the increases in unit costs experienced. This continues to be a challenge although very recently CPI data across the UK economy has started to return to historic norms and pressure has eased a little. Contractual efficiencies have been identified across the organisation, and it remains our expectation that we will continue to meet our long term planned maintenance programme such that targets for exceeding the decent homes standard and achieving EPC-C and other long term decarbonisation goals will be achieved.

The arrears of maintenance charges continue to be low compared to our peers and we continue to be proactive in working with our residents to keep our arrears at a low level by working with them closely where problems are identified at an early stage.

No new homes were built during the year due to ongoing planning delays to a pipeline scheme, however, the Association remains committed to the planned development which is still expected to go ahead and to the development of new homes over the medium to long term. The Association is also actively exploring alternative options for viable new development schemes in the short to medium term.

Looking forward to 2025/26 we continue to face the challenge of inflation on our costs. We have allowed for expectations within our budget and anticipate real term savings across other budget areas.

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

Metric	2024/25	2023/24	2023/24	2022/23	2021/22
	Outturn	Peer Quartile	Outturn	Outturn	Outturn
1. Reinvestment %	2.42%	4	1.52%	1.57%	4.68%
2a. New Supply Delivered Social Housing%	0.00%	4	0.00%	0.00%	1.27%
2b. New Supply Delivered Non Social Housing %	0.00%	4	0.00%	0.00%	0.00%
3. Gearing	10.19%	1	10.19%	12.16%	16.77%
4. Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI)	175%	1	347%	262%	424%
5. Headline Social Housing Cost per Unit	£4,899	1	£3,516	£3,287	£3,122
6a. Operating Margin - Social Housing %	10.00%	2	22.31%	22.84%	25.91%
6b. Operating Margin - All %	9.95%	1	23.26%	22.87%	25.50%
7. Return on Capital Employed (ROCE) %	1.18%	3	2.56%	2.34%	2.74%

Report of The Board (continued)

We have benchmarked our results against 20 near-peers in the North of England using the latest annualised data available from Housemark at the time of preparing this report: the 2023/24 financial year.

We continued to perform well for most measurements with re-investment and new supply delivered metrics being impacted by us not developing any new properties in recent years. However, this metric also includes works to our existing properties and our ongoing, externally validated stock condition survey and low level of resident complaints, provide assurances of the good condition in which our stock is maintained, despite the lower quartile position on this metric. Looking at our 2024/25 figure, we have seen investment increase further in existing stock; equating to £1.7m of capital repairs during 2024/25, including some £1.15m of improvements which benefit our residents in terms of the energy efficiency and warmth of their home such as new boilers, windows and doors. This has resulted in the reinvestment metric rising to 2.42% in 2024/25 based on works to existing properties alone.

The VFM metrics of EBITDA-MRI, Operating Margin and Headline Social Housing Costs per Unit, have experienced significant change during 2024/25 compared to previous years. In conjunction with the planned maintenance programme of works on new energy efficient boilers, a range of associated works such as loft insulation and smoke alarms were undertaken at the same time to minimise disruption for our residents at additional costs in the year of almost £500k during 2024/25. Additionally, DAMHA have invested in our two sheltered schemes following fire safety surveys. Non capital works on fire safety accounted for an additional £320k during 2024/25 compared to the previous year. Finally, an additional £245k of expenditure was required across properties which became vacant during the year or needed investigation for Damp and Mould cases raised by residents, to ensure that our homes were well maintained and in line with our lettable standards. These additional areas of expenditure during 2024/25 equate to £1.06m and explain the movement in our operating surplus and associated metrics between 2023/24 and 2024/25.

As well as the RSH metrics we subscribe to a Pulse report with Housemark. This report demonstrates that we perform well against our peers with high satisfaction levels with the overall service we provide.

Looking forward to 2025/26 and beyond, we expect metrics to make a gradual improvement towards 2030 and look to make savings on day to day costs. Our key focus remains, however, ensuring we continue to provide the high level of service that our residents have come to expect.

Alongside all Registered Providers we are anticipating the requirement for significant investment in our stock in order to comply with forthcoming regulations on EPC standards and the government's long term target of achieving net zero carbon emissions. We have established priorities for investment and have begun work accordingly. The priority for the Association remains maximising the opportunity for affordable warmth for our residents within the changing energy environment ahead.

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 2022. 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.

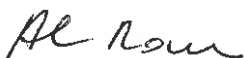
Disclosure of information to auditor

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 was proposed at the Annual General Meeting.

Signed on behalf of the Trustees:



Chair

Anne Rowlands

18TH SEPTEMBER 2025

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 2025 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 2025 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 2022 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.

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 14, 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 determines 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 intends 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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below

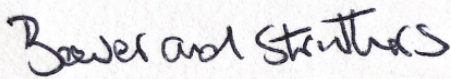
- We obtained an understanding of laws, regulations and guidance that affect the Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Charities Act 2011, 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 2022, 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.

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2025

- 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.

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.



Richard Graham ACA (Senior Statutory Auditor)

For and on behalf of

Beever and Struthers

Statutory Auditor

One Express

1 St George Leigh Street

Ancoats

Manchester

M4 5DL

Date: 25 September 2025

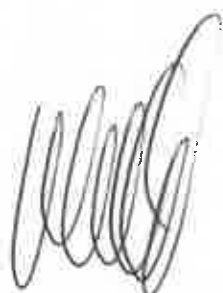
Statement of Comprehensive Income for the year ended 31st March 2025

		2025	2024
	Note	Total £'000	Total £'000
Turnover	3	10,173	9,440
Operating Expenditure	3	(9,161)	(7,234)
Release of Disposal Proceeds Fund		-	-
Profit on Disposal of Fixed Assets	7	45	47
Operating Surplus		<u>1,056</u>	<u>2,253</u>
Interest Receivable	8	490	260
Interest and Financing Costs	9	(830)	(881)
Surplus for the year		<u>716</u>	<u>1,632</u>
Actuarial (Loss) in Respect of Pension Schemes	22	(31)	(400)
Movement in Fair Value of Investments	14	(28)	42
Total Comprehensive Income for the Year		<u><u>657</u></u>	<u><u>1,274</u></u>

The financial statements were approved and authorised for issue by the Board on 19 September 2024 and signed on its behalf by:



Chair
Anne Rowlands



Chair of Audit Committee
Mark Reid

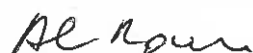
The Associations' results relate wholly to continuing activities and the notes on pages 23 to 48 form an integral part of these financial statements.

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2025

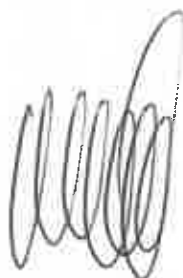
Statement of Financial Position as at 31st March 2025

	Note	31 March 2025 £'000	31 March 2024 £'000
Fixed Assets			
Tangible Fixed Assets	12,13	77,843	78,075
Investments	14	1,723	1,736
		79,566	79,811
Current Assets			
Trade and Other Debtors	15	334	447
Cash and Cash Equivalents		8,247	9,642
		8,581	10,089
Creditors: Amounts Falling Due Within One Year			
	16	(2,846)	(3,987)
Net Current Assets		5,734	6,102
Total Assets less Current Liabilities		85,301	85,913
Creditors: Amounts Falling due After More than one Year			
	17	(54,395)	(55,311)
Provisions for Liabilities			
Pension Liability	22	(900)	(1,253)
Total Net Assets		30,006	29,349
Reserves			
Income and Expenditure Reserve		26,343	25,239
Other Reserves	25	3,664	4,110
Total Reserves		30,006	29,349

The financial statements were approved and authorised for issue by the Board on 18 September 2025 and signed on its behalf by:



Chair
Anne Rowlands



Chair of Audit Committee
Mark Reid

The notes on pages 23 to 48 form an integral part of these financial statements

Statement of Changes in Reserves for the year ended 31st March 2025

	Note	Income and Expenditure Reserve £'000	Restricted Reserve £'000	Designated Reserve £'000	Total £'000
Balances as at 1 April 2023		23,406	1,467	2,644	27,517
Surplus for the Year		1,632	-	-	1,632
Release of Disposal Proceeds Fund				-	-
Actuarial loss on pension liability	22	(400)		-	(400)
Movement in Fair Value of Investments	14	42			42
Transfer of Designated Expenditure from Designated Reserve		(1)		1	0
Vesper Reserve added		558			558
Transfer of Restricted Expenditure from Unrestricted Reserve		2	(2)	-	-
Balance at 31 March 2024		25,239	1,465	2,645	29,349
Surplus for the Year		716	-	-	716
Release of Disposal Proceeds Fund		-	-	-	-
Actuarial loss on pension liability	22	(31)		-	(31)
Movement in Fair Value of Investments	14	(28)		-	(28)
Transfer of Designated Expenditure from Designated Reserve		484		(484)	-
Transfer of Restricted Expenditure from Unrestricted Reserve		(37)	37	-	-
Balance at 31 March 2025		26,343	1,502	2,161	30,006

The notes on pages 23 to 48 form an integral part of these financial statements

Statement of Cash Flows for the year ended 31st March 2025

	2025	2024
	£'000	£'000
Net Cash Generated From Operating Activities (see note i)	2,459	3,367
Cash Flow From Investing Activities		
Purchase of Tangible Fixed Assets	(2,183)	(1,199)
Proceeds From Sale of Tangible Fixed Assets	53	173
Grants Received	-	-
Interest Received	467	238
	(1,663)	(788)
Cash Flow From Financing Activities		
Interest Paid	(784)	(816)
New Secured Loans	-	-
Other net cashflow	(33)	(144)
Repayments of Borrowings	(1,369)	(802)
	(2,186)	(1,762)
Net Change in Cash and Cash Equivalents	(1,390)	817
Cash and Cash Equivalents at Beginning of the Year	9,637	8,820
Cash and Cash Equivalents at End of the Year	8,247	9,637

	2025	2024
	£'000	£'000
Note i		
Surplus for the year	716	1,632
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	2,020	2,003
Amortisation of grants	(450)	(450)
Decrease/(increase) in trade and other debtors	112	(72)
Increase/(decrease) in trade and other creditors	210	45
Pension costs less contributions payable	(444)	(366)
Profit (Loss) on disposal of tangible fixed assets	(45)	(47)
Release of winter reserve	-	-
Adjustments for investing or financing activities:		
Interest payable	830	881
Interest received	(490)	(260)
Net cash generated from operating activities	2,459	3,367

The notes on pages 23 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 Incorporated Registered Charity (No. 1191033), a Registered Social Housing Provider (No. 5125) and a Member of the National Association of Almshouses. As set out in the Board Report, Durham Aged Mineworkers' Homes Association became an Incorporated Registered Charity 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 2022. 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 Incorporated Charity and a member of the National Association of Almshouses, the Association is also a Private Registered Provider of Social Housing. 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, Homes for Aged Mineworkers & Other Workmen at Wingate Colliery and Vesper House Trust, 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 2025/26 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.

We continue to include in our updated 30 year financial plan 2025/26 plan, the costs of EPC works to bring our properties up to EPC level C in line with the UK Governments targets. The financial plan model has assumed that repair costs will rise above inflation by 0.50% in the years 2026/27 to 2029/30 followed by 0.5% for the following three year period. The Board have led on stress testing of the financial plan in March 2025 and are content that there is no detriment to going concern principles.

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 2025 was £8,247k.

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 22.

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, 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 or other eligible uses approved by Homes England. 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 the cost, less estimated residual value, on a straight line basis over 100 years. Individual components are depreciated over their expected useful life as follows:

Roof	40 years
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 2025 was £77,843k. 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 has been created to meet excess costs incurred in the event of severe winter weather. The current reserve is £60,000 and would be released in the event of significant winter storms and any resulting repair works.

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	2025 Operating Expenditure £'000	Operating Surplus £'000
Social Housing Lettings			
Housing Accommodation (Continuing Operation)	10,122	(9,110)	1,013
Total Social Housing lettings	10,122	(9,110)	1,013
Other Social Housing Activities			
Garages and Allotments (Continuing Operation)	-1	-	-1
Management Services (Continuing Operation)	31	(51)	(20)
Lease of Residential Home (Continuing Operation)	21	-	21
	50	(51)	0
	10,173	(9,161)	1,012
Profit/(Loss) on disposal of fixed assets			45
Operating Surplus			1,056

	Turnover £'000	2024 Operating Expenditure £'000	Operating Surplus £'000
Social Housing Lettings			
Housing Accommodation (Continuing Operation)	9,383	(7,189)	2,194
Total Social Housing lettings	9,383	(7,189)	2,194
Other Social Housing Activities			
Garages and Allotments (Continuing Operation)	1	-	1
Management Services (Continuing Operation)	34	(45)	(11)
Lease of Residential Home (Continuing Operation)	22	-	22
	57	(45)	12
	9,440	(7,234)	2,206
Release of disposal proceeds fund			-
Profit/(Loss) on disposal of fixed assets			47
Operating Surplus			2,253

4. Particulars of Income and Expenditure from Social Housing Lettings

	2025	2024
	Housing Accommodation £'000	Housing Accommodation £'000
Rent Receivable Net of Identifiable Service Charges and void losses	9,290	8,612
Service Charge Income	382	321
Amortised Government Grants	437	436
Other Grants	14	14
	<u>10,122</u>	<u>9,383</u>
Turnover From Social Housing Lettings		
Services	(444)	(276)
Management	(1,243)	(1,167)
Routine Maintenance	(4,651)	(3,481)
Planned Maintenance	(487)	(19)
Bad Debts	(10)	(15)
Water Rates	(328)	(293)
Impairment of Housing Properties	-	-
Depreciation of Housing Properties	(1,942)	(1,930)
Lease Costs	(5)	(8)
Other Costs	-	-
	<u>(9,110)</u>	<u>(7,189)</u>
Operating Expenditure on Social Housing Lettings		
Operating Surplus on Social Housing Lettings	<u>1,013</u>	<u>2,194</u>
Void Losses	<u>(159)</u>	<u>(151)</u>

5. Accommodation in Management and Development

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

	2024 No. of Properties	Additions	Disposals	Other	2025 No. of Properties
Social Housing					
General Housing:					
- Social Rent	1,546	-	(3)	(2)	1,541
- Affordable Rent	237	-	-	2	239
Shared Ownership Units	3	-	-	-	3
Leasehold Schemes for the Elderly	16	-	-	-	16
Total Owned	1,802	-	(3)	-	1,799
Accommodation Managed for Others	39	-	-	-	39
Total Managed	39	-	-	-	39
Total Owned and Managed	1,841	-	-	-	1,838
Accommodation in Development at the Year End	-				-

6. Operating Surplus

The operating surplus is arrived at after charging:

	2025 £'000	2024 £'000
Depreciation of Housing Properties (Note 12)	1,942	1,930
Depreciation of Other Tangible Fixed Assets (Note 13)	77	73
Fees Payable to the Association's Auditors for the Audit of the Financial Statements (excl VAT)	27	26
Fees Payable to the Association's Auditors for Other Services	-	-
Fees Payable for Internal Audit (excl. VAT)	16	9
Total Audit Services	43	35

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

	2025	2024
	£'000	£'000
Housing properties		
Disposal Proceeds	112	80
Carrying Value of Fixed Assets	(68)	(33)
Profit (Loss) on disposal	<u>45</u>	<u>47</u>
Capital Grant Recycled (Note 19)	65	30

All values above relate to Continuing Operations.

8. Interest Receivable

	2025	2024
	£'000	£'000
Bank Interest Receivable and Similar Income	490	260
	<u>490</u>	<u>260</u>

All values above relate to Continuing Operations.

9. Interest and Financing Costs

	2025	2024
	£'000	£'000
Defined Benefit Pension Charge	(60)	(56)
Loans and Bank Overdrafts	(770)	(825)
	<u>(830)</u>	<u>(881)</u>
Interest Payable Capitalised on Housing Properties Under Construction	-	-
	<u>(830)</u>	<u>(881)</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:

	2025	2024
Office Based Staff	26	25
Resident Managers and Care Staff	3	3
	<u>29</u>	<u>28</u>

10 b. Employee costs

	2025 £'000	2024 £'000
Wages and Salaries	1,173	1,006
Social Security Costs	117	96
Other Pension Costs	367	347
	<u>1,657</u>	<u>1,449</u>

Annual payments to 26 Residents Representatives totalling £5.9k are included within wages and salaries.

10 c. Termination benefits

During the year, the Association terminated the employment of one member of staff (2023/24: One). The table below sets out the total costs of termination benefits.

	Other agreed departures	
	2025 £'000	2024 £'000
Termination Benefits	<u>22</u>	<u>3</u>

All termination benefits agreed in 2024/25 (one: £22k were paid in full during the year (2023/24: £3k).

11. Key Management Personnel

11 a. Key Management Personnel costs

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

	2025 £'000	2024 £'000
Basic Salary	244	240
Benefits in Kind	4	3
Pension Contributions	80	89
	<u>327</u>	<u>333</u>

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

The full time equivalent number of staff who received emoluments:

	2025	2024
£60,000 to £70,000	0	1
£70,001 to £80,000	1	1
£80,001 to £90,000	0	0
£90,001 to £100,000	0	1
£100,001 to £110,000	1	0

The emoluments of the highest paid director, excluding pension contributions, were £101,237 (2023/24: £97,184).

11 c. Emoluments paid to Non Executive Directors

Emoluments paid to non-executive directors of the Association amounted to NIL (2023/24: NIL).

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 2024	103,942	180	180	104,301
Additions		158		158
Reclassifications				-
Works to existing properties	1,717			1,717
Disposals	(967)			(967)
At 31 March 2025	104,692	338	180	105,209
Depreciation				
At 1 April 2024	26,597	-	29	26,627
Depreciation charged in year	1,940		2	1,942
Released on disposal	(841)			(841)
At 31 March 2025	27,697	-	31	27,728
Net book value				
At 31 March 2025	76,995	338	148	77,482
At 31 March 2024	77,344	180	150	77,675

12 b. Expenditure on works to existing properties

	2025 £'000	2024 £'000
Improvement works capitalised	1,717	1,183
Amounts charged to income and expenditure	487	19
	2,204	1,202

During the financial year to 31st March 2025, DAMHA spent £1,157k on improving the energy performance of its homes. DAMHA has an EPC Improvements 'carve out' within its EBITDA MRI banking covenants with Royal Bank of Scotland. EBITDA MRI Interest cover for the year was, therefore, 245% versus a covenant minimum required of 110%.

12 c. Social housing assistance

	2025 £'000	2024 £'000
Total accumulated social housing grant received or receivable at 31 March	45,471	45,006
Recognised in the Statement of Comprehensive Income	(9,051)	(8,617)
Held as deferred income	36,420	36,388

12. Fixed assets - housing properties (continued)

12 d. Finance costs

	2025 £'000	2024 £'000
Aggregate amount of finance costs included in the cost of housing properties	22	20

12 e. Housing properties book value net of depreciation

	31 March 2025 £'000	31 March 2024 £'000
Freehold land and buildings	74,312	74,276
Long leasehold land and buildings	3,170	3,302
	<u>77,482</u>	<u>77,578</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 (2024: 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 2024	492	532	123	1,147
Additions		20	19	39
Disposals	-	-	-	-
At 31 March 2025	<u>492</u>	<u>552</u>	<u>142</u>	<u>1,186</u>
Depreciation				
At 1 April 2024	261	408	78	747
Charged in the year	9	61	7	77
Released on disposal	-	-	-	-
At 31 March 2025	<u>270</u>	<u>469</u>	<u>85</u>	<u>824</u>
Net book value				
At 31 March 2025	<u>222</u>	<u>83</u>	<u>56</u>	<u>362</u>
At 31 March 2024	<u>231</u>	<u>124</u>	<u>45</u>	<u>400</u>

14. Fixed Asset Investments

	31 March 2025 £'000	31 March 2024 £'000
Valuation		
At 1 April	1,736	1671
Additions	15	23
Movement arising on revaluation	28	42
At 31 March	<u>1,723</u>	<u>1,736</u>
	31 March 2025 £'000	31 March 2024 £'000
Listed Investments	<u>1,723</u>	<u>1,736</u>

15. Debtors

	31 March 2025 £'000	31 March 2024 £'000
Due within one year		
Rent and service charges receivable	83	188
Less provision for bad and doubtful debts	(84)	(76)
Net rental debtors	<u>-1</u>	<u>112</u>
Other debtors	16	14
Prepayments and accrued income	318	321
	<u>334</u>	<u>447</u>
Due after more than one year		
Prepayments and accrued income	<u>-</u>	<u>-</u>

16. Creditors: amounts falling due within one year

	31 March 2025 £'000	31 March 2024 £'000
Debt (Note 20)	798	1,396
THFC bond premium creditor (Note 21)	144	144
Trade creditors	399	102
Rent and service charges received in advance	27	39
Recycled capital grant fund (Note 19)	575	979
Deferred grant income (Note 18)	433	442
Other creditors	125	76
Accruals and deferred income	345	809
	<u>2,846</u>	<u>3,987</u>

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

	31 March 2025 £'000	31 March 2024 £'000
Debt (Note 20)	15,343	16,143
THFC bond premium creditor (Note 21)	2,513	2,669
Recycled capital grant fund (Note 19)	248	249
Unallocated capital grant*	304	304
Deferred grant income (Note 18)	35,986	35,946
	<u>54,395</u>	<u>55,311</u>

*There is an agreement in place with Homes England in respect of unallocated grant in respect of previously sold properties. The total value of this grant is currently £303.9k.

18. Deferred grant income

	31 March 2025 £'000	31 March 2024 £'000
At 1 April	36,388	36,788
Grant received in the year	532	74
Disposals in the year	(68)	(32)
Released to income in the year	(433)	(442)
At 31 March	<u>36,419</u>	<u>36,388</u>

	31 March 2025 £'000	31 March 2024 £'000
Amounts to be released within one year (Note 16)	433	442
Amounts to be released in more than one year (Note 17)	35,986	35,946
	<u>36,419</u>	<u>36,388</u>

19. Recycled capital grant fund

	31 March 2025 £'000	31 March 2024 £'000
At 1 April	1,229	1,214
Adjustment to Balance as per Homes England	-	-
Grants recycled	65	30
Interest accrued	62	59
Grant withdrawn	(532)	(74)
At 31 March	<u>823</u>	<u>1,229</u>
Amount of grant due for repayment	<u>575</u>	<u>1,055</u>

20. Debt analysis

20 a. Borrowings

	31 March 2025 £'000	31 March 2024 £'000
Due within one year		
Banks loans (Note 16)	798	1,396
	798	1,396
Due after more than one year		
Bank loans (Note 17)	15,343	16,143
	15,343	16,143
Total loans	16,141	17,539

20 b. Security

Loans are secured by fixed charges on individual properties.

20 c. Terms of repayment and interest rates

Housing Loans are secured by specific charges on the Association's housing properties. Approximately 80% (2023/24 : 81%) 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.

	31 March 2025 £'000	31 March 2024 £'000
Within one year or on demand	798	1,396
One year or more but less than two years	796	778
Two years or more but less than five years	2,452	2,396
Five years or more	12,095	12,968
	16,141	17,539

21 a Bond Premium

During 2022/23 bond funding was agreed with The Housing Finance Corporation. Additional cash receipts in excess of the £8m bond were received, representing the difference between the nominal interest rate, 5.20%, and the effective rate of 2.836%. This is held on the SOFP and released as a credit to loan interest over the term of the loan.

	31 March	31 March
	2025	2024
Total Bond Premium	2,813	2,956
Recognised in the Statement of Comprehensive Income	(156)	(143)
Held as deferred interest	2,657	2,813
Due within one year	144	144
Due after more than one year	2,513	2,669
	2,657	2,813

21 b Bond Issue Costs

The Association was subject to bond issue costs of £107.4k. This is held on the SOFP and released as a debit to bank charges over the term of the loan.

	31 March	31 March
	2025	2024
Total Bond Issue Costs	(99)	(104)
Recognised in the Statement of Comprehensive Income	5	5
Held as deferred interest	(94)	(99)
Due within one year	(5)	(5)
Due after more than one year	(89)	(94)
	(94)	(99)

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 now provides sufficient information to enable it to be accounted for 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.

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2025 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the full impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue. The Board has, however, considered our likely level of exposure and the legal costs involved in attempting to mitigate this risk and concluded that incurring legal costs to mitigate this risk may not be proportionate to the likely level of exposure although this remains under review.

The remaining disclosures in note 22 relate to the Defined Benefit Pension estimates provided by the actuary for the period 2024/25

22. Pensions (continued)

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

	31 March 2025	31 March 2024
	£'000	£'000
Fair value of plan assets	5,129	5,230
Present value of defined benefit obligation	(6,029)	(6,483)
Defined benefit (liability) to be recognised	(900)	(1,253)

Reconciliation of opening and closing balances of the defined benefit obligation

	31 March 2025	31 March 2024
	£'000	£'000
Defined benefit obligation at 1 April	6,483	6,273
Current service cost	93	114
Expenses	9	8
Interest expense	314	303
Contributions by plan participants		
Actuarial losses (gains) due to scheme experience	118	112
Actuarial losses (gains) due to changes in demographic assumptions	0	(75)
Actuarial losses (gains) due to changes in financial assumptions	(740)	(11)
Benefits paid and expenses	(248)	(241)
Defined benefit obligation at 31 March	6,029	6,483

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

	31 March 2025	31 March 2024
	£'000	£'000
Fair value of plan assets at 1 April	5,230	5,110
Interest income	263	255
Experience on plan assets (excluding amounts included in interest income) - (loss)/gain	(653)	(374)
Contributions by the employer	537	480
Contributions by plan participants		
Benefits paid and expenses	(248)	(241)
Fair value of plan assets at 31 March	5,129	5,230

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2024 to 31 March 2025 was £390,000 (2023/24: £119,000).

22. Pensions (continued)

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

	31 March 2025	31 March 2024
	£'000	£'000
Current service cost	93	114
Expenses	9	8
Net interest expense	51	48
Defined benefit costs recognised in the SoCI	153	170

Defined benefit costs recognised in Other Comprehensive Income

	31 March 2025	31 March 2024
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost) - (loss)/gain	(653)	(374)
Experience gains and losses arising on the plan liabilities - gain/(loss)	(118)	(112)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain/(loss)	0	75
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain/(loss)	740	11
Total amount recognised in other comprehensive income - gain/(loss)	(31)	(400)

Assets

	31 March 2025	31 March 2024
	£'000	£'000
Global Equity	574	521
Absolute Return	0	204
Distressed Opportunities	0	184
Credit Relative Value	0	171
Alternative Risk Premia	0	166
Liquid Alternatives	951	0
Emerging Markets Debt	-	68
Risk Sharing	0	306
Insurance-Linked Securities	16	27
Property	257	210
Infrastructure	1	529
Private Equity	5	4
Real Assets	614	0
Private Debt	0	206
Opportunistic Illiquid Credit	0	204
Private Credit	628	0
Credit	196	0
Investment Grade Credit	158	0
High Yield	0	1
Cash	70	103
Long Lease Property	1	34
Secure Income	86	156
Liability Driven Investment	1,553	2,129
Currency Hedging	8	(2)
Net Current Assets	11	9
Total assets	5,129	5,230

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 2025 % per annum	31 March 2024 % per annum
Discount Rate	5.82%	4.90%
Inflation (RPI)	3.10%	3.15%
Inflation (CPI)	2.79%	2.78%
Salary Growth	3.79%	3.78%

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

	31 March 2025	31 March 2024
	Life expectancy at age 65 (Years)	Life expectancy at age 65 (Years)
Male retiring at 31 March	20.5	20.5
Female retiring at 31 March	23.0	23.0
Male retiring in 20 years	21.7	21.8
Female retiring in 20 years	24.5	24.9

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 2025 No	31 March 2024 No
Number of members		
At 1 April 2024	9	9
Joining during the year	0	2
Leaving during the year	(2)	(2)
At 31 March 2025	<u>7</u>	<u>9</u>

Financial Commitments

24a. Capital commitments

Capital expenditure

Expenditure contracted for but not provided in the accounts

	31 March 2025 £'000	31 March 2024 £'000
	-	-
	-	-

24b. Operating Leases

The future minimum lease payments which the Association is committed to make under operating leases in respect of office equipment are as follows:

	31 March 2025 £'000	31 March 2024 £'000
within 1 year	5	5
Two to five years	12	14
Over 5 years	-	-
	17	19

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, 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 £'000	Brandon £'000	Cockfield £'000	Wingate £'000	Others £'000	Total £'000
At 31 March 2024	613	410	258	61	132	1,474
Surplus / (deficit) for the year	24	2	-	-	-	26
Revaluation of Investments		-	2	-	-	2
At 31 March 2025	637	412	260	61	132	1,502

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 a linked charity with the Association under a Uniting Direction of October 2017 and three managed Almshouse Charities linked 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.

Related Party Transactions

Andrew Thompson was previously an employee of Karbon Homes and resigned as a Board Member of DAMHA in April 2024. He was appointed as DAMHA Finance Director in September 2024

Durham Aged Mineworkers Homes Association works with Karbon Homes on its new homes development programme.

Karbon Homes help to identify suitable development schemes, liaise with Homes England on its behalf and manage the development programmes once underway.

In 2024/25 Durham Aged Mineworkers Homes Association paid invoices totalling £137,768 to Karbon Homes for preparatory work on new schemes and retentions due on previously completed schemes.

Andrew Thompson was not involved in the awarding of contracts to Karbon Homes.

26. Financial assets and liabilities

26 a. Categories of financial assets and financial liabilities

	31 March 2025 £'000	31 March 2024 £'000
Financial assets - loans and receivables:		
Investments	1,723	1,285
Trade and other debtors	15	124
Cash and cash equivalents	8,247	9,637
	9,985	11,046
Financial liabilities - Amortised cost:		
Trade and other creditors	524	181
Loans	16,141	17,539
	16,665	17,719

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 2025 £'000	31 March 2024 £'000
Floating rate on money market deposits	8,247	9,637
	8,247	9,637

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 2025 was:

	31 March 2025 £'000	31 March 2024 £'000
Fixed rate	12,884	14,160

The fixed rate financial liabilities have a weighted average interest rate of 4.44% (2024: 4.58%).

The debt maturity profile is shown in note 20.

27. Post balance sheet events

The Association has no post balance sheet events to declare.

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.

The following linked charities 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
- Vesper House Trust



**DURHAM AGED MINERWORKER'S
HOMES ASSOCIATION
DRAFT MANAGEMENT LETTER**

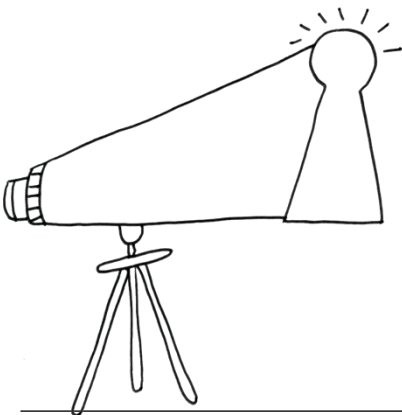
**BEEVER
AND
STRUTHERS**

CHARTERED ACCOUNTANTS
AND BUSINESS ADVISORS

Year ending 31 March 2025

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INTRODUCTION

Our audit of the financial statements of Durham Aged Mineworker's Homes Association ("the Association"), Brandon Colliery Aged Workers' Homes Association and William Russell Bequest is complete. The purpose of this letter is to bring to your attention the findings from our audit. We appreciate that you will already be aware of the majority of the matters contained in this letter.

In order to comply with the provisions of the International Standard on Auditing (ISA) 260 – 'Communication of Audit Matters with those Charged with Governance' by which we report to management on the findings of our audit, with particular reference to:

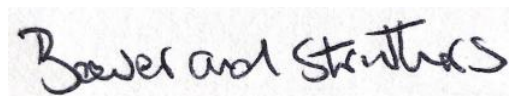
- views about the qualitative aspects of the Association's accounting policies and financial reporting;
- adjusted and unadjusted misstatements, apart from those which fall below the threshold for reporting to the Audit and Risk Committee as they are clearly trivial;
- matters specifically required by other International Auditing Standards to be communicated to those charged with governance (such as fraud and error);
- expected modifications to the auditor's report;
- material weaknesses in the accounting and internal control systems; and
- any other relevant and material matters relating to the audit.

We also take this opportunity to comment on the Association's performance for the year and to confirm our professional integrity, objectivity and independence.

We see effective communication with the Audit and Risk Committee as being a key part of our audit, and it is important that there is effective two way communication. We welcome any feedback or questions regarding the conduct of the audit process.

This report is not intended to cover every matter which came to our attention during the audit. We do not accept any responsibility for any reliance placed on it by third parties. Our procedures are designed to support our audit opinion and cannot be relied upon to identify any weakness in systems or controls which may exist.

We would like to take this opportunity to formally record our appreciation for the assistance and co-operation provided to us by the Finance Team who assisted us during the course of our audit.



Beever and Struthers

Date: 25 September 2025

INTRODUCTION

The following table summarises the key audit issues we identified as requiring specific consideration and the audit procedures we undertook in relation to them.

Audit Issue per Audit Plan Overview	Audit Procedures and Results
<p>Housing Properties and Development (Elevated audit risk)</p> <p>The key audit risk for housing properties is that the carrying value of new developments exceeds their recoverable amount and are therefore impaired. No impairment has been recognised in the year to date.</p> <p>The 30 November 2024 management accounts reflect £839k of costs capitalised to housing properties in the year to date.</p> <p>There is also a risk that development expenditure has been recorded in the incorrect accounting period, particularly in relation to invoices around the year-end.</p>	<p>Our testing confirmed that accruals were recorded as necessary for all material development expenditure incurred up to 31 March 2025. As part of our audit procedures, we evaluated and the key controls over development appraisal assumptions and reviewed both forecast and actual development spend compared to appraised costs to identify schemes where impairment could arise.</p> <p>We also assessed whether there was evidence of impairment, including reviewing the Association's own impairment assessments where a trigger for review existed. In addition, we tested the cut-off applied to capital invoices, ensuring that accruals were made for development expenditure incurred up to 31 March 2025 but not yet invoiced.</p>

SCOPE OF THE AUDIT WORK

Audit Issue per Audit Plan Overview	Audit Procedures and Results
<p>Housing Properties and Development (Elevated audit risk)</p> <p>In line with the Housing Statement of Recommended Practice ('Housing SORP'), the Association accounts for its properties on a component basis, with each major component assigned an individual useful economic life. Management exercise judgement in assessing where major repairs and improvement works constitute a repair or a replacement of a component, or a new component category. This judgement dictates the accounting treatment of the expenditure as either capital or revenue.</p> <p>Improvement works capitalised during 2024 were £1.18M.</p>	<p>The Association spent £158k on additions to housing properties and £1,717k on the replacement of components. The depreciation charge for the year was £1,942k.</p> <p>As part of the audit work we have:</p> <ul style="list-style-type: none"> • Tested the approval and recording of development expenditure, including the capitalisation of development overheads and interest on loans; • Tested a sample of additions, including expenditure on replaced components, to ensure they are recorded correctly; • Reviewed the useful economic lives of components to ensure they accord with best practice in the sector; • Agreed the movements in the housing properties note and the closing balances to the housing properties register; • Considered whether there is any evidence of impairment; • Performed a proof in total test on the depreciation charge in the year; • Tested a sample of properties from the property database to land registry deeds; • Tested a sample of grant additions in the year to ensure they are recorded correctly; and • Checked that accruals have been made for development expenditure incurred up to 31 March 2025 but not invoiced. <p>No issues relating to housing properties and development were identified during the audit.</p>

KEY AUDIT ISSUES

Audit Issue per Audit Plan Overview	Audit Procedures and Results
<p>Pensions</p> <p>The Association participates in the Social Housing Pension Scheme (SHPS). The assets of the scheme are held in separate trustee-administered funds.</p> <p>At 31 March 2024 the fair value of the employer assets was lower than the present value of the liabilities by £1.3m.</p> <p>The actuary of the scheme will value the pension liability for Section 28 of FRS 102 purposes, and this will be included in the financial statements at 31 March 2025.</p>	<p>The present value of the defined benefit obligation decreased from £6,483k at 31 March 2024 to £6,029k at 31 March 2025. The fair value of plan assets increased from £5,230k to £5,129k, resulting in an overall increase in the liability of £90k with the provision recognised in the Statement of Financial Position being £900k.</p> <p>As part of the audit work we:</p> <ul style="list-style-type: none">• Review the central methodology, including key assumptions, of the calculation of the SHPS actuarial valuation;• Review the central assurance methodology regarding SHPS;• Review the information provided by the Association to TPT Retirement Solutions to ensure completeness and accuracy;• Agree the SHPS pension disclosures to information provided by TPT Retirement Solutions; and• Agree the SHPS adjustments to the financial statements.

INDEPENDENCE

Ethics and Independence

In the UK and Ireland, auditors are subject to the ethical requirements of the Financial Reporting Council's 2019 Revised Ethical Standards for Auditors.

International Standard on Auditing (UK and Ireland) 260 *Communication with those Charged with Governance* and good practice require us to confirm the following to those charged with governance:

- We confirm that we are independent.
- We confirm that we are unaware of any relationships which may bear on our objectivity and independence.
- We have provided details below of any non-audit services provided to Cobalt Housing and the fees charged in relation to non-audit services.
- We confirm that we comply with the requirements of the Financial Reporting Council's Ethical standards in relation to the supply of non-audit services by an audit firm.

The Audit and Risk Committee should take an active role in considering whether the external auditor's independence might be impaired by the provision of non-audit services.

Non-Audit Services

We have not provided any non-audit services to the Association during 2024/25.

QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES AND FINANCIAL REPORTING

Accounting Policies

FRS102 requires that entities should review their accounting policies regularly to ensure that they are appropriate to its particular circumstances for the purposes of giving a true and fair view. The Audit and Risk Committee plays a key role in this process.

We have reviewed the Association's accounting policies and key judgement areas as stated in the financial statements in detail and confirm that we judge them to be appropriate to provide relevant, reliable, comparable and understandable information.

Accounting Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at year-end and the amounts reported for revenues and expenses during the year. Given its nature, this area is a key audit focus.

Key accounting estimates in the financial statements include:

- capitalisation of property development costs;
- categorisation of housing properties;
- useful lives of depreciation assets (housing properties and other fixed assets);
- valuation of the pension funds;
- impairment provisions; and
- level of bad debt provision against tenant arrears.

We confirm that these estimates have been made appropriately in line with our knowledge of the Association and the industry and are disclosed satisfactorily in the financial statements.

Financial Statement Disclosures

We confirm that we judge the disclosures throughout the financial statements to be neutral, consistent and provide sufficient clarity to the user.

Significant Matters Arising from the Audit

There were no significant matters arising from the audit that were discussed, or subject to correspondence with management.

Significant Difficulties Encountered During the Audit

There were no significant difficulties encountered during the audit.

Timing of Transactions

Our audit work confirmed that material transactions were recorded in the correct accounting periods. Accruals and prepayments were made for material items.

Going Concern

The financial statements have been prepared on a going concern basis. We have evaluated your assessment of the Association's ability to continue as a going concern and the disclosure made in the Board report and we confirm that this assumption is appropriate.

Strategic Report and Member Board Reports

We reviewed other information in the narrative reporting sections of the financial statements. We confirmed that there is no material inconsistency between it and the financial statements

MANAGEMENT REPRESENTATION LETTER AND AUDIT OPINION

Management Representation Letter

In accordance with ISA 580, we obtain written representation from management that they acknowledge their responsibility for preparing the accounts and have made all information available to us.

We present our management representation letter to the Board, to be signed off at the same time as the financial statements.

Audit Opinion

We provided an unqualified audit opinion on the financial statements for the Association, Brandon Colliery Aged Workers' Homes Association and William Russell Bequest for the year ended 31 March 2025.

AUDIT ADJUSTMENTS

Materiality

Our audit work is based upon an assessment of materiality to ensure there is no material misstatement contained in the financial statements. In assessing materiality we take into account both the materiality of the class to which the balance belongs and the overall impact of the balance on the income and expenditure account and balance sheet.

ISA 260 requires us to report to management on all uncorrected misstatements identified during the audit, and to include in this report how we have calculated materiality, and any misstatements identified during the audit which have been corrected.

Materiality may be revised throughout the course of the audit, where we become aware of information during the audit that would have resulted in a different determination of materiality at the outset.

We are not required to report on corrected or uncorrected misstatements we believe are clearly trivial.

Our assessment of materiality was based on the first draft accounts received prior to the audit and calculated using a benchmark at 2% of turnover. There were no adjustments identified during the audit which impacted our initial assessment of the benchmark.

Triviality is the value above which we report errors to you. A summary of the final assessment of materiality is as follows:

	Materiality £'000	Triviality £'000
Durham Aged Mineworker's Homes Association	203	10

Corrected Misstatements

There was a minor disclosure change relating to the split of the Recycled Capital Grant between short-term and long-term creditors in the financial statements. Other than this, no corrected misstatements of a non-trivial nature were identified as a result of our audit work on the Association's financial statements.

Uncorrected Misstatements

There were no uncorrected misstatements identified as a result of our audit work in the financial statements that are not of a trivial nature to the results of the Association

ACCOUNTING AND INTERNAL CONTROL SYSTEMS

ISA 265 requires that we report to those charged with governance any significant deficiencies in internal control that we identify in the course of our audit work. Significant deficiencies are those deficiencies that we have identified during the audit and concluded are of sufficient importance to merit being communicated to those charged with governance.

Audit Findings

The audit considered internal controls relevant to the preparation of the financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

2025 Audit Findings Letter

There are no recommendations to make.

2024 Audit Findings Letter

There were no recommendations for 2024 audit.



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INVESTORS IN PEOPLE
We invest in people Standard

HLB WE ARE AN INDEPENDENT MEMBER OF
THE GLOBAL ADVISORY
AND ACCOUNTING NETWORK

Pareto
ALL MATTERS FINANCIAL

**BEEVER
AND
STRUTHERS**

CHARTERED ACCOUNTANTS
AND BUSINESS ADVISORS

DURHAM AGED MINEWORKERS' HOMES ASSOCIATION

England & Wales - Charity number 1191033

Accounts

Beever and Struthers
Chartered Accountants
One Express, 1 George Leigh Street
Manchester
M4 5DL

Date:



P.O. Box 31
The Grove
168 Front Street
Chester le Street
County Durham
DH3 3YH

Tel: (0191) 388 1111
Fax: (0191) 388 2838
Email: info@damha.org.uk
www.damha.org.uk
Calls welcome via Text Relay Service

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of Durham Aged Mineworker's Homes Association ("the Association") for the year ended 31 March 2024 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the results and financial position of the in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and relevant social housing legislation.

We confirm, to the best of our knowledge and belief the following representations:

1. We are responsible for the preparation of financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and relevant social housing legislation, which give a true and fair view of the financial position of the Association as of 31 March 2024 and of the results of its operations and its cash flows for the year then ended and for making accurate representations to you.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
3. We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.
4. We have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements and these have been disclosed in accordance with the requirements of accounting standards.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of accounting standards.
6. All events since the balance sheet date which require disclosure or which would materially affect the amounts in the financial statements have been adjusted or disclosed in the financial statements.
7. We confirm that the financial statements are free of material misstatements, including omissions. All misstatements identified during the audit were corrected



Company Registered No. 12758375.
A Registered Charity No. 1191033.
Registered Housing Provider No. 5125.

8. We confirm that, having considered our expectations and intentions for the next twelve months, including the availability of working capital, the Association is a going concern. We confirm that the disclosures in the accounting policies are an accurate reflection of the reasons for our consideration that the financial statements should be drawn up on a going concern basis.
9. All accounting records and relevant information have been made available to you for the purpose of your audit. We have provided to you all other information requested and given unrestricted access to persons within the entity from whom you have deemed it necessary to obtain audit evidence / request information. All other records and related information including minutes of all management and board meetings have been made available to you.
10. All transactions undertaken by the Association have been properly reflected in the accounting records and are reflected in the financial statements.
11. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
12. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves management or employees who have significant roles in internal control, or others, where fraud could have a material effect on the financial statements.
13. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
14. We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the Association conducts its business and which could affect the financial statements. The Association has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.
15. We confirm that we have disclosed to you the identity of the Association's related parties and all related party relationships and transactions relevant to the Association that we are aware of.
16. The Association has satisfactory title to all assets, and there are no liens or encumbrances on the assets except for those disclosed in the financial statements.
17. There are no liabilities, contingent liabilities or guarantees to third parties other than those disclosed in the financial statements.

We confirm to the best of our knowledge and belief that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourselves that we can properly make each of the above representations to you.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each Board member has taken all the steps that they ought to have taken as a Board member in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

Signed on behalf of the Board by:

.....AK Row.....(Signature)

.....CHAIR.....(Position)

.....19/9/24.....(Date)

**Durham Aged Mineworkers' Homes
Association**

Trustees' report and accounts

31 March 2024

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2024

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

Charity Number: 1191033
Registered Provider Number: 5125
Company no: 12758375

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2024

The Board

Trustees

Anne Rowlands (Chair)		
Gillian Bramfitt (Vice Chair)		(N)
Kate Abson		(N)
Catherine Louise Buckton		(N)
Diane Carney		(A)
Mark Reid		(A)
Stephen Guy	Resigned September 2023	(N)
Andrew Thompson	Resigned April 2024	(A)
Nicholas Malyan	Appointed September 2023	(A)
Pauline Boll	Appointed September 2023	(A)&(N)

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

*Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2024*

Management Team and Advisors

Management Team Officers

Paul Mullis FCA	Chief Executive	
Nicola Local FCCA	Finance Director	Resigned June 2024
Michael Wright MCIOB	Operations Director	
Andrew Thompson FCCA	Finance Director	Appointed September 2024

External Auditor

Beever and Struthers
One Express, 1 George Leigh Street
Ancoats
Manchester
M4 5DL

Internal Auditor

TIAA - Appointed April 2023
Artillery House
Fort Fareham
Newgate Lane
Fareham
PO14 1AH

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

Trowers & Hamblins LLP
55 Princess Street
Manchester
M2 4EW

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 2024.

Status

Durham Aged Mineworkers' Homes Association was established in 1898. On midnight of 31st March 2021 the charity became a Company Limited by Guarantee (Number 12758375) and is administered by Articles of Association, which were adopted at that date. It is a Registered Charity (Number 1191033 - formerly Number 222673), Registered Housing Provider (Number 5125 - formerly 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 Directors of the Company and Trustees of the registered charity, and their details are set out on page 1. All Trustees 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 Trustee of the Charity and does not have the legal status of Director of the Company, but manages the day-to-day operations of the organisation under authority delegated by the Board.

Investment Powers

The Articles of Association 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 Articles define the objects as:

To provide and maintain services and facilities for aged, infirm or disabled persons or those in financial need, with particular regard for the needs of the Original Beneficiaries.

For that purpose to provide and maintain:

- Social housing in the form of almshouses, which may be houses, bungalows, apartments or sheltered homes, for such persons who (except in the case of Original Beneficiaries or in other special cases to be approved by the Trustees) are primarily over the age of 50 at the time of appointment
- 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 £2,253k (2023: £2,105k) and an overall surplus for the year of £1,632k (2023: £1,266k).

Review of activities and achievements

We are pleased to be able to report continuing strong results for the Association, despite a year of high inflation and ongoing cost pressures. We are working in a challenging business environment, with international political events continuing to push inflation up to very high levels. Despite this, we continue to concentrate on providing the best service for our residents whilst making the best use of our resources.

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, focusing on the priorities and needs of our residents, and those who would like to become residents.

Our Five-year Corporate Strategy set out in 2022 details a strategic vision that is ambitious and facilitates a programme of long-term development of new homes, whilst addressing the government's carbon-reduction agenda.

Overall, our main Key Performance Indicators are those measuring residents' satisfaction. This is measured objectively in compliance with the Regulator of Social Housing's TSM Standard. In keeping with previous surveys, the Association scored very highly. The survey undertaken in September 2023 noted a slight improvement in overall satisfaction, with 94% of residents surveyed reporting they were either fairly, or very satisfied with the overall service provided by the Association, compared with 93% in 2022. This maintained a position towards the top of the 1st quartile of Registered Providers in the country for the year, out of those organisations undertaking the survey.

Satisfaction remained high across all main areas including 97.0% who were satisfied that their home was well maintained and safe to live in, 96.4% who were satisfied with how enquiries are dealt with and 96.1% who were satisfied that the Association treated its residents fairly and with respect and 96.6% being satisfied with the way the Association dealt with repairs and maintenance.

An area identified to be less satisfactory than others was the grass cutting and grounds maintenance service - where 29% of respondents identified issues. This was a known problematic area with the contractor experiencing difficulties recruiting sufficient staff to fulfill their obligations. Negotiations and discussions with the contractor took place during the year in conjunction with the Association's "Gardening Club" (a committee of residents which assists staff in discussing grounds maintenance performance) with a view to improving performance in the 2024/25 financial year and beyond.

Report of The Board (continued)

Review of activities and achievements continued

The majority of the Association's rents are "social rents" by definition and comply with government policy regarding rent setting. As part of the agreed funding mechanism for new homes built between 2011 and 2016, a proportion of stock let at Target Rent are converted to Affordable Rent on re-let as calculated by the Rents Standard. We currently have 237 (2023: 230) properties where the Maintenance Charge is now set at Affordable Rent levels. Due to the prevailing conditions of the housing market in the Durham Coalfield area, from time to time some Affordable Rents fall back below Target Rents. In this case, our maintenance charges revert to Social Rent levels as calculated on a property-by-property basis on relet.

Asset Management Strategy

Our existing homes continue to be maintained to a high standard, consistent with the needs of our residents who are primarily elderly, retired, and many of whom have additional vulnerabilities. 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.

However, having been in existence for 125 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 or changing legislation or standards. 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 in compliance with the Charities Act 2022 as and when vacancies arise in them. The financial capital released this way is recycled into our development programme for new homes. The sale of 3 bungalows were completed in 2023/24.

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 the National Housing Federation NHF Code of Governance 2020. Compliance with the Code is evidenced by an annual assessment carried out by the Board.

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

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 on external financial reporting, internal audit and risk.

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.

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 Executive 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.

Report of The Board (continued)

Health and Safety at Work

The Association takes its responsibilities for Health and Safety towards employees, contractors and the public seriously and monitors performance and risk accordingly. During the year ended 31st March 2024 there were no workplace injuries or lost-time events (2023: nil). Sickness absence decreased in the year with 0.86% of working days being lost due to sickness absence per employee. The Association continues to offer flexible working arrangements, which has been shown to reduce short-term absences.

The Association aims to maintain this excellent record and continues to invest in training and regular external review of policies, procedures, and practices accordingly.

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 2021/22 to improve the security of its data. In April 2023 we obtained the Cyber Security Essentials Plus accreditation; a third party verification that our computer systems are secure. This was retained in 2024. We continue to do all we can to reduce this risk going forward.

The Association continues to be exposed to uncertainty and risk due to the political instability in Europe. 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 inflation, costs 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 the National Housing Federation's recommended Code of Conduct. 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.

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.

Report of The Board (continued)

Consumer Standards

The Board asserts that the Association is working towards compliance with the new Consumer Standards which came into effect in April 2024. The Association has completed a self-assessment against the new Consumer Standards and believes we are largely in compliance. The Association has an action plan to address areas where we believe we are not yet achieving them, progress against which is routinely reported to the Board

Subsidiary Charities:

The Association manages four subsidiary almshouse charities, which were linked with Durham Aged Mineworkers Homes Association (No. 1191033) via a special resolution dated 8 October 2021. These charities are accounted for as Restricted Reserves within the Association's overall reserves, share common Trustees, and whose details are set out on page 46. 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 the 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 £75.40 (2023: £70.24)

- **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 had sufficient funds to meet ongoing obligations for day-to-day repairs, there was 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 2024, 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 7 two-bedroom, single-storey bungalows were all fully occupied throughout the year with average weekly maintenance contribution charges of £85.55 (2023: £79.06)

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 20 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 new VfM Strategy was approved in February 2023. The strategy recognises that VfM has been a fundamental ethos of the Association for a long time.

The Statement identified 4 objectives for VfM for the Association over the following 3 years:

- Maintain and improve resident satisfaction within budgetary restraints
- Review the efficiency of key processes
- Maintain high performance in key, recognised VfM indices
- Rationalising our stock

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

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)

Going Concern

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 2024 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.

Operating conditions have proved challenging over the last 4 years with Covid, Brexit, high inflation and scarcity of resources all impacting on costs. As a result maintenance costs per unit and operating costs as a percentage of turnover have substantially increased. Repairs requested by residents continue to be a priority, and the Association has sought to maintain standards and service levels despite the increases in unit costs experienced. This continues to be a challenge, however efficiencies have been identified across the organisation, and it remains our expectation to continue to meet long term planned maintenance programmes such that targets for exceeding the decent homes standard and achieving EPC-C and long term decarbonisation goals will be achieved.

Day-to-day maintenance costs again increased significantly in 2023/24. The Association employs local contractors and, in line with society as a whole, has found shortages of materials leading to increased costs. Our overall repairs cost increased by 8% (2023: 17%). We continue to tender all significant contracts for services and look to achieve the best value for money possible in this challenging environment.

Report of The Board (continued)

Repairs requested by residents continue to be an absolute priority however, and the Association has sought to maintain standards and service levels despite the increases in unit costs experienced. This continues to be a challenge although very recently CPI data across the UK economy has started to return to historic norms and pressure has eased a little. Contractual efficiencies have been identified across the organisation, and it remains our expectation that we will continue to meet our long term planned maintenance programme such that targets for exceeding the decent homes standard and achieving EPC-C and other long term decarbonisation goals will be achieved.

The arrears of maintenance charges continue to be low compared to our peers and we continue to be proactive in working with our residents to keep our arrears at a low level by working with them closely where problems are identified at an early stage.

No new homes were built during the year due to ongoing planning delays to a pipeline scheme, however, the Association remains committed to the planned development which is still expected to go ahead and to the development of new homes over the medium to long term. The Association is also actively exploring alternative options for viable new development schemes in the short to medium term.

Looking forward to 2024/25 we continue to face the challenge of inflation on our costs. We have allowed for expectations within our budget and anticipate real term savings across other budget areas.

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

Metric	2023/24	2022/23	2022/23	2021/22
	Outturn	Sector Quartile	Outturn	Outturn
1. Reinvestment %	1.52%	4	1.57%	4.68%
2a. New Supply Delivered Social Housing%	0.00%	n/a	0.00%	1.27%
2b. New Supply Delivered Non Social Housing %	0.00%	n/a	0.00%	0.00%
3. Gearing	10.19%	1	12.16%	16.77%
4. Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI)	347%	2	262%	424%
5. Headline Social Housing Cost per Unit	£3,516	1	£3,287	£3,122
6a. Operating Margin - Social Housing %	22.31%	1	22.84%	25.91%
6b. Operating Margin - All %	23.26%	1	22.87%	25.50%
7. Return on Capital Employed (ROCE) %	2.56%	2	2.34%	2.74%

Report of The Board (continued)

We have benchmarked our results against 22 near-peers in the North of England using the latest annualised data available from Housemark at the time of preparing this report: the 2022/23 financial year.

In 2022/23 we continued to perform well for most measurements. Reinvestment remains relatively low due to low relative planned maintenance spend per unit. However, our properties continue to be well maintained, with our ongoing, externally validated stock condition survey and low level of resident complaints underscoring the good condition in which our stock is maintained.

As well as the RSH metrics we subscribe to a Pulse report with Housemark. This report demonstrates that we perform well against our peers with high satisfaction levels with the overall service we provide.

Looking forward to 2024/25 we will work to reduce costs wherever possible within the difficult high inflation environment that we find ourselves in, whilst ensuring we continue to provide the high level of service that our residents have come to expect.

Alongside all Registered Providers we are anticipating the requirement for significant investment in our stock in order to comply with forthcoming regulations on EPC standards and the government's long term target of achieving net zero carbon emissions. We have established priorities for investment and have begun work accordingly. The priority for the Association remains maximising the opportunity for affordable warmth for our residents within the changing energy environment ahead.

Resident Satisfaction

The results of the latest customer satisfaction survey, conducted in July 2023, 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 benchmarking against our peers, the Association is seeking to maintain its high levels of satisfaction. The satisfaction of our residents and applicants, continues to be the main priority of the Association and continuous effort is focused on ensuring that performance in this area does not deteriorate.

The Association complies with the 2023 Tenant Satisfaction Measure Standard and reports surveys of residents perspectives accordingly. Our full results for 2023/24 are published on our website and can be downloaded from there "Annual Report to Residents 2023/24".

Provisional benchmarking has been undertaken with Housemark, in advance of the Regulator of Social Housing's review of the sector data and our results indicate that we are in the top quartile of performance for all measures collected.

This should come as no surprise as the Core Aim No.1 within our Corporate Strategy is to "Put the residents at the heart of everything we do and provide an appropriate and high quality and continually improving service." The Board pays tribute to our staff, residents' representatives, scrutiny panel and gardening club members, as well as all Trustees who have relentlessly focused on this primary objective for very many years.

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 2022. 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 was proposed at the Annual General Meeting.

Signed on behalf of the Trustees:



Chair
Anne Rowlands

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 2024 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 2024 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 2022 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.

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 14, 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 determines 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 intends 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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below

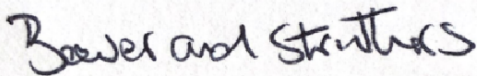
- We obtained an understanding of laws, regulations and guidance that affect the Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Charities Act 2011, 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 2022, 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.

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2024

- 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.

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.



Richard Graham ACA (Senior Statutory Auditor)

For and on behalf of

Beever and Struthers

Statutory Auditor

One Express

1 St George Leigh Street

Ancoats

Manchester

M4 5DL

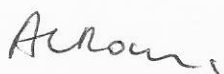
Date: 25.09.24

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2024

Statement of Comprehensive Income for the year ended 31st March 2024

		2024	2023
	Note	Total £'000	Total £'000
Turnover	3	9,440	8,791
Operating Expenditure	3	(7,234)	(6,778)
Release of Disposal Proceeds Fund		-	-
Profit/(Loss) on Disposal of Fixed Assets	7	47	92
Operating Surplus		<u>2,253</u>	<u>2,105</u>
Interest Receivable	8	260	77
Interest and Financing Costs	9	(881)	(916)
Surplus for the year		<u>1,632</u>	<u>1,266</u>
Actuarial Gain/(Loss) in Respect of Pension Schemes	22	(400)	(72)
Movement in Fair Value of Investments	14	42	(33)
Total Comprehensive Income for the Year		<u><u>1,274</u></u>	<u><u>1,161</u></u>

The financial statements were approved and authorised for issue by the Board on 19 September 2024 and signed on its behalf by:



Chair
Anne Rowlands



Chair of Audit Committee
Mark Reid

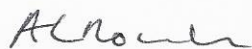
The Associations' results relate wholly to continuing activities and the notes on pages 23 to 48 form an integral part of these financial statements.

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2024

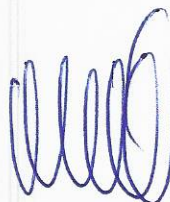
Statement of Financial Position as at 31st March 2024

	Note	31 March 2024 £'000	31 March 2023 £'000
Fixed Assets			
Tangible Fixed Assets	12,13	77,978	78,625
Investments	14	1,285	1,220
		<u>79,263</u>	<u>79,845</u>
Current Assets			
Trade and Other Debtors	15	445	271
Cash and Cash Equivalents		9,637	8,820
		<u>10,082</u>	<u>9,091</u>
Creditors: Amounts Falling Due Within One Year			
	16	(3,990)	(3,234)
Net Current Assets			
		<u>6,092</u>	<u>5,857</u>
Total Assets less Current Liabilities			
		<u>85,355</u>	<u>85,702</u>
Creditors: Amounts Falling due After More than one Year			
	17	(55,311)	(57,022)
Provisions for Liabilities			
Pension Liability	22	(1,253)	(1,163)
Total Net Assets			
		<u>28,791</u>	<u>27,517</u>
Reserves			
Income and Expenditure Reserve		24,681	23,406
Other Reserves	25	4,110	4,111
Total Reserves			
		<u>28,791</u>	<u>27,517</u>

The financial statements were approved and authorised for issue by the Board on 19 September 2024 and signed on its behalf by:



Chair
Anne Rowlands



Chair of Audit Committee
Mark Reid

The notes on pages 23 to 48 form an integral part of these financial statements

Statement of Changes in Reserves for the year ended 31st March 2024

	Note	Income and Expenditure Reserve £'000	Restricted Reserve £'000	Designated Reserve £'000	Total £'000
Balances as at 1 April 2022		22,185	1,452	2,719	26,356
Surplus for the Year		1,266	-	-	1,266
Release of Disposal Proceeds Fund					-
Actuarial loss on pension liability	22	(72)			(72)
Movement in Fair Value of Investments	14	(33)			(33)
Transfer of Designated Expenditure from Designated Reserve		75		(75)	-
Transfer of Restricted Expenditure from Unrestricted Reserve		(15)	15		-
Balance at 31 March 2023		23,406	1,467	2,644	27,517
Surplus for the Year		1,632	-	-	1,632
Release of Disposal Proceeds Fund					-
Actuarial loss on pension liability	22	(400)			(400)
Movement in Fair Value of Investments	14	42			42
Transfer of Designated Expenditure from Designated Reserve		(1)		1	-
Transfer of Restricted Expenditure from Unrestricted Reserve		2	(2)		-
Balance at 31 March 2024		24,681	1,465	2,645	28,791

The notes on pages 23 to 48 form an integral part of these financial statements

Statement of Cash Flows for the year ended 31st March 2024

	2024	2023
	£'000	£'000
Net Cash Generated From Operating Activities (see note i)	3,367	3,122
Cash Flow From Investing Activities		
Purchase of Tangible Fixed Assets	(1,199)	(1,421)
Proceeds From Sale of Tangible Fixed Assets	173	458
Grants Received	-	-
Interest Received	238	68
	(788)	(895)
Cash Flow From Financing Activities		
Interest Paid	(816)	(893)
New Secured Loans	-	8,000
Other net cashflow	(144)	2,436
Repayments of Borrowings	(802)	(5,090)
	(1,762)	4,453
Net Change in Cash and Cash Equivalents	817	6,680
Cash and Cash Equivalents at Beginning of the Year	8,820	2,140
Cash and Cash Equivalents at End of the Year	9,637	8,820

	2024	2023
	£'000	£'000
Note i		
Surplus for the year	1,632	1,266
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	2,003	1,970
Amortisation of grants	(450)	(451)
Decrease/(increase) in trade and other debtors	(72)	(2)
Increase/(decrease) in trade and other creditors	45	(61)
Pension costs less contributions payable	(366)	(347)
Profit (Loss) on disposal of tangible fixed assets	(47)	(92)
Release of winter reserve	-	-
Adjustments for investing or financing activities:		
Interest payable	881	916
Interest received	(260)	(77)
Net cash generated from operating activities	3,367	3,122

The notes on pages 23 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 Incorporated Registered Charity (No. 1191033), a Registered Social Housing Provider (No. 5125) and a Member of the National Association of Almshouses. As set out in the Board Report, Durham Aged Mineworkers' Homes Association became an Incorporated Registered Charity 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 2022. 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 Incorporated Charity and a member of the National Association of Almshouses, the Association is also a Private Registered Provider of Social Housing. 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 2024/25 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.

There is expected to be an additional cost of materials going forward due to high inflation and for the first time in the 2024/25 plan we have included costs of EPC works to bring our properties up to EPC level C. The Business Plan model has assumed that repair costs will rise above inflation by 0.50% in 2024/25 followed by 0.5% for the following three year period. All costs have been fully stress tested without detriment to going concern in May 2024.

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 2024 was £9,637k.

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 22.

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, 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 2024 was £77,978k. 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 has been created to meet excess costs incurred in the event of severe winter weather. The current reserve is £60,000 and would be released in the event of significant winter storms.

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	2024 Operating Expenditure £'000	Operating Surplus £'000
Social Housing Lettings			
Housing Accommodation (Continuing Operation)	9,383	(7,189)	2,194
Total Social Housing lettings	9,383	(7,189)	2,194
Other Social Housing Activities			
Garages and Allotments (Continuing Operation)	1	-	1
Management Services (Continuing Operation)	34	(45)	(11)
Lease of Residential Home (Continuing Operation)	22	-	22
	57	(45)	12
	9,440	(7,234)	2,206
Profit/(Loss) on disposal of fixed assets			47
Operating Surplus			2,253

	Turnover £'000	2023 Operating Expenditure £'000	Operating Surplus £'000
Social Housing Lettings			
Housing Accommodation (Continuing Operation)	8,736	(6,738)	1,998
Total Social Housing lettings	8,736	(6,738)	1,998
Other Social Housing Activities			
Garages and Allotments (Continuing Operation)	2	-	2
Management Services (Continuing Operation)	32	(40)	(8)
Lease of Residential Home (Continuing Operation)	21	-	21
	55	(40)	15
	8,791	(6,778)	2,013
Release of disposal proceeds fund			-
Profit/(Loss) on disposal of fixed assets			92
Operating Surplus			2,105

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4. Particulars of Income and Expenditure from Social Housing Lettings

	2024	2023
	Housing Accommodation £'000	Housing Accommodation £'000
Rent Receivable Net of Identifiable Service Charges and void losses	8,612	8,024
Service Charge Income	321	261
Amortised Government Grants	436	437
Other Grants	14	14
	<hr/>	<hr/>
Turnover From Social Housing Lettings	9,383	8,736
	<hr/>	<hr/>
Services	(276)	(241)
Management	(1,167)	(1,035)
Routine Maintenance	(3,481)	(3,137)
Planned Maintenance	(19)	(95)
Bad Debts	(15)	(24)
Water Rates	(293)	(277)
Impairment of Housing Properties	-	-
Depreciation of Housing Properties	(1,930)	(1,922)
Lease Costs	(8)	(7)
Other Costs	-	-
	<hr/>	<hr/>
Operating Expenditure on Social Housing Lettings	(7,189)	(6,738)
	<hr/>	<hr/>
Operating Surplus on Social Housing Lettings	2,194	1,998
	<hr/>	<hr/>
Void Losses	(151)	(155)
	<hr/>	<hr/>

5. Accommodation in Management and Development

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

	2023 No. of Properties	Additions	Disposals	Other	2024 No. of Properties
Social Housing					
General Housing:					
- Social Rent	1,551	-	(3)	(7)	1,541
- Affordable Rent	230	-	-	7	237
Shared Ownership Units	3	-	-	-	3
Leasehold Schemes for the Elderly	16	-	-	-	16
Total Owned	1,800	-	(3)	-	1,797
Accommodation Managed for Others	44	-	-	-	44
Total Managed	44	-	-	-	44
Total Owned and Managed	1,844	-	-	-	1,841
Accommodation in Development at the Year End	-				-

6. Operating Surplus

The operating surplus is arrived at after charging:

	2024 £'000	2023 £'000
Depreciation of Housing Properties (Note 12)	1,930	1,922
Depreciation of Other Tangible Fixed Assets (Note 13)	73	48
Fees Payable to the Association's Auditors for the Audit of the Financial Statements	31	23
Fees Payable to the Association's Auditors for Other Services	-	-
Fees Payable for Internal Audit	11	11
Total Audit Services	42	34

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

	2024 £'000	2023 £'000
Housing properties		
Disposal Proceeds	80	417
Carrying Value of Fixed Assets	(33)	(325)
Profit (Loss) on disposal	<u>47</u>	<u>92</u>
Capital Grant Recycled (Note 19)	30	134

All values above relate to Continuing Operations.

8. Interest Receivable

	2024 £'000	2023 £'000
Bank Interest Receivable and Similar Income	<u>260</u>	<u>77</u>
	<u>260</u>	<u>77</u>

All values above relate to Continuing Operations.

9. Interest and Financing Costs

	2024 £'000	2023 £'000
Defined Benefit Pension Charge	(56)	(42)
Loans and Bank Overdrafts	(825)	(874)
Interest Payable Capitalised on Housing Properties Under Construction	<u>(881)</u>	<u>(916)</u>
	-	-
	<u>(881)</u>	<u>(916)</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:

	2024	2023
Office Based Staff	25	24
Resident Managers and Care Staff	3	3
	<u>28</u>	<u>27</u>

10 b. Employee costs

	2024 £'000	2023 £'000
Wages and Salaries	1,006	860
Social Security Costs	96	85
Other Pension Costs	347	318
	<u>1,449</u>	<u>1,263</u>

Annual payments to 28 Residents Representatives totalling £7.6k are included within wages and salaries.

10 c. Termination benefits

During the year, the Association terminated the employment of 1 member of staff (2022/23: None). The table below sets out the total costs of termination benefits.

	Other agreed departures	
	2024 £'000	2023 £'000
Termination Benefits	<u>3</u>	-

All termination benefits agreed in 2023/24 (one: £3k were paid in full during the year (2022/23: None)).

11. Key Management Personnel

11 a. Key Management Personnel costs

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

	2024 £'000	2023 £'000
Basic Salary	240	215
Benefits in Kind	3	3
Pension Contributions	89	85
	<u>333</u>	<u>303</u>

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

The full time equivalent number of staff who received emoluments:

	2024	2023
£50,000 to £60,000		1
£60,000 to £70,000	1	1
£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 £97,184 (2022/23: £92,407).

11 c. Emoluments paid to Non Executive Directors

Emoluments paid to non-executive directors of the Association amounted to NIL (2022/23: NIL).

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 2023	103,083	39	180	103,302
Additions		141		141
Reclassifications				-
Works to existing properties	1,183			1,183
Disposals	(465)			(465)
At 31 March 2024	103,801	180	180	104,161
Depreciation				
At 1 April 2023	24,971	-	29	25,000
Depreciation charged in year	1,930			1,930
Released on disposal	(347)			(347)
At 31 March 2024	26,554	-	29	26,583
Net book value				
At 31 March 2024	77,247	180	151	77,578
At 31 March 2023	78,112	39	151	78,302

12 b. Expenditure on works to existing properties

	2024 £'000	2023 £'000
Improvement works capitalised	1,183	1,230
Amounts charged to income and expenditure	19	95
	1,202	1,325

12 c. Social housing assistance

	2024 £'000	2023 £'000
Total accumulated social housing grant received or receivable at 31 March	45,006	44,964
Recognised in the Statement of Comprehensive Income	(8,617)	(8,175)
Held as deferred income	36,388	36,789

12. Fixed assets - housing properties (continued)

12 d. Finance costs

	2024 £'000	2023 £'000
Aggregate amount of finance costs included in the cost of housing properties	<u>20</u>	<u>18</u>

12 e. Housing properties book value net of depreciation

	31 March 2024 £'000	31 March 2023 £'000
Freehold land and buildings	74,276	75,000
Long leasehold land and buildings	3,302	3,302
	<u>77,578</u>	<u>78,302</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 (2023: 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 2023	492	396	108	996
Additions		136	15	150
Disposals				
At 31 March 2024	<u>492</u>	<u>532</u>	<u>123</u>	<u>1,146</u>
Depreciation				
At 1 April 2023	251	350	72	673
Charged in the year	10	58	6	73
Released on disposal				
At 31 March 2024	<u>261</u>	<u>408</u>	<u>78</u>	<u>746</u>
Net book value				
At 31 March 2024	<u>231</u>	<u>124</u>	<u>45</u>	<u>400</u>
At 31 March 2023	<u>241</u>	<u>46</u>	<u>36</u>	<u>323</u>

14. Fixed Asset Investments

	31 March 2024 £'000	31 March 2023 £'000
Valuation		
At 1 April		829
Additions	1,220	424
Movement arising on revaluation	23	(33)
At 31 March	<u>1,285</u>	<u>1,220</u>
	31 March 2024 £'000	31 March 2023 £'000
Listed Investments	<u>1,285</u>	<u>1,220</u>

15. Debtors

	31 March 2024 £'000	31 March 2023 £'000
Due within one year		
Rent and service charges receivable	187	123
Less provision for bad and doubtful debts	(76)	(50)
Net rental debtors	<u>111</u>	<u>73</u>
Other debtors	13	4
Prepayments and accrued income	321	194
	<u>445</u>	<u>271</u>
Due after more than one year		
Prepayments and accrued income	-	-

16. Creditors: amounts falling due within one year

	31 March 2024 £'000	31 March 2023 £'000
Debt (Note 20)	1,396	834
THFC bond premium creditor (Note 21)	144	139
Trade creditors	102	111
Rent and service charges received in advance	39	51
Recycled capital grant fund (Note 19)	979	1,053
Deferred grant income (Note 18)	442	451
Other creditors	79	91
Accruals and deferred income	809	504
	<u>3,990</u>	<u>3,234</u>

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

	31 March 2024 £'000	31 March 2023 £'000
Debt (Note 20)	16,143	17,507
THFC bond premium creditor (Note 21)	2,669	2,713
Recycled capital grant fund (Note 19)	249	161
Unallocated capital grant*	304	304
Deferred grant income (Note 18)	35,946	36,337
	<u>55,311</u>	<u>57,022</u>

*There is an agreement in place with Homes England in respect of unallocated grant in respect of previously sold properties. The total value of this grant is currently £303.9k.

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18. Deferred grant income

	31 March 2024 £'000	31 March 2023 £'000
At 1 April	36,788	37,470
Grant received in the year	74	-
Disposals in the year	(32)	(231)
Released to income in the year	(442)	(451)
At 31 March	<u><u>36,388</u></u>	<u><u>36,788</u></u>

Amounts to be released within one year (Note 16)
Amounts to be released in more than one year (Note 17)

	31 March 2024 £'000	31 March 2023 £'000
	442	451
	35,946	36,337
	<u><u>36,388</u></u>	<u><u>36,788</u></u>

19. Recycled capital grant fund

	31 March 2024 £'000	31 March 2023 £'000
At 1 April	1,214	1,199
Adjustment to Balance as per Homes England	-	(145)
Grants recycled	30	134
Interest accrued	59	26
Grant withdrawn	(74)	-
At 31 March	<u><u>1,229</u></u>	<u><u>1,214</u></u>
Amount of grant due for repayment	<u><u>978</u></u>	<u><u>989</u></u>

20. Debt analysis

20 a. Borrowings

	31 March 2024 £'000	31 March 2023 £'000
Due within one year		
Banks loans (Note 16)	1,396	834
	<u>1,396</u>	<u>834</u>
Due after more than one year		
Bank loans (Note 17)	16,143	17,507
	<u>16,143</u>	<u>17,507</u>
Total loans	<u>17,539</u>	<u>18,341</u>

20 b. Security

Loans are secured by fixed charges on individual properties.

20 c. Terms of repayment and interest rates

Housing Loans are secured by specific charges on the Association's housing properties. Approximately 81% (2022/23 : 81%) 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.

	31 March 2024 £'000	31 March 2023 £'000
Within one year or on demand	1,396	834
One year or more but less than two years	778	1,433
Two years or more but less than five years	2,396	2,486
Five years or more	12,968	13,588
	<u>17,539</u>	<u>18,341</u>

21 a Bond Premium

During 2022/23 bond funding was agreed with The Housing Finance Corporation. Additional cash receipts in excess of the £8m bond was received, representing the difference between the nominal interest rate, 5.20%, and the effective rate of 2.836%. This is held on the SOFP and released as a credit to loan interest over the term of the loan.

	31 March	31 March
	2024	2023
Total Bond Premium	2,956	3,040
Recognised in the Statement of Comprehensive Income	(143)	(84)
Held as deferred interest	<u>2,813</u>	<u>2,956</u>
Due within one year	144	144
Due after more than one year	<u>2,669</u>	<u>2,812</u>
	<u>2,813</u>	<u>2,956</u>

21 b Bond Issue Costs

The Association was subject to bond issue costs of £107.4k. This is held on the SOFP and released as a debit to bank charges over the term of the loan.

	31 March	31 March
	2024	2023
Total Bond Issue Costs	(104)	(107)
Recognised in the Statement of Comprehensive Income	5	3
Held as deferred interest	<u>(99)</u>	<u>(104)</u>
Due within one year	(5)	(5)
Due after more than one year	<u>(94)</u>	<u>(99)</u>
	<u>(99)</u>	<u>(104)</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 now provides sufficient information to enable it to be accounted for 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.

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the full impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue. The Board has, however, considered our likely level of exposure and the legal costs involved in attempting to mitigate this risk and concluded that incurring legal costs to mitigate this risk may not be proportionate to the likely level of exposure although this remains under review.

The remaining disclosures in note 22 relate to the Defined Benefit Pension estimates provided by the actuary for the period 2023/24

22. Pensions (continued)

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

	31 March 2024	31 March 2023
	£'000	£'000
Fair value of plan assets	5,230	5,110
Present value of defined benefit obligation	(6,483)	(6,273)
Defined benefit (liability) to be recognised	(1,253)	(1,163)

Reconciliation of opening and closing balances of the defined benefit obligation

	31 March 2024	31 March 2023
	£'000	£'000
Defined benefit obligation at 1 April	6,273	10,028
Current service cost	114	180
Expenses	8	8
Interest expense	303	268
Contributions by plan participants	-	-
Actuarial losses (gains) due to scheme experience	112	(667)
Actuarial losses (gains) due to changes in demographic assumptions	(75)	(15)
Actuarial losses (gains) due to changes in financial assumptions	(11)	(2,492)
Benefits paid and expenses	(241)	(1,037)
Defined benefit obligation at 31 March	6,483	6,273

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

	31 March 2024	31 March 2023
	£'000	£'000
Fair value of plan assets at 1 April 2023	5,110	8,632
Interest income	255	234
Experience on plan assets (excluding amounts included in interest income) - (loss)/gain	(374)	(3,268)
Contributions by the employer	480	549
Contributions by plan participants	-	-
Benefits paid and expenses	(241)	(1,037)
Fair value of plan assets at 31 March 2024	5,230	5,110

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2023 to 31 March 2024 was £119,000 (2022/23: £3,034,000).

22. Pensions (continued)

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

	31 March 2024	31 March 2023
	£'000	£'000
Current service cost	114	180
Expenses	8	8
Net interest expense	48	34
Defined benefit costs recognised in the SoCI	170	222

Defined benefit costs recognised in Other Comprehensive Income

	31 March 2024	31 March 2023
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost) - (loss)/gain	(374)	(3,268)
Experience gains and losses arising on the plan liabilities - gain/(loss)	(112)	667
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain/(loss)	75	15
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain/(loss)	11	2,492
Total amount recognised in other comprehensive income - gain/(loss)	(400)	(94)

Assets

	31 March 2024	31 March 2023
	£'000	£'000
Global Equity	521	95
Absolute Return	204	55
Distressed Opportunities	184	155
Credit Relative Value	171	193
Alternative Risk Premia	166	9
Fund of Hedge Funds	68	-
Emerging Markets Debt	306	27
Risk Sharing	27	376
Insurance-Linked Securities	210	129
Property	529	220
Infrastructure	4	584
Private Debt	206	227
Opportunistic Illiquid Credit	204	219
High Yield	1	18
Opportunistic Credit	-	-
Cash	103	37
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	34	154
Secured Income	156	235
Liability Driven Investment	2,129	2,354
Currency Hedging	(2)	10
Net Current Assets	9	13
Total assets	5,230	5,110

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 2024 % per annum	31 March 2023 % per annum
Discount Rate	4.90%	4.87%
Inflation (RPI)	3.15%	3.19%
Inflation (CPI)	2.78%	2.75%
Salary Growth	3.78%	3.75%

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

	31 March 2024	31 March 2023
	Life expectancy at age 65 (Years)	Life expectancy at age 65 (Years)
Male retiring at 31 March	20.5	21.0
Female retiring at 31 March	23.0	23.4
Male retiring in 20 years	21.8	22.2
Female retiring in 20 years	24.9	24.9

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 2024 No	31 March 2023 No
Number of members		
At 1 April 2023	9	9
Joining during the year	2	3
Leaving during the year	(2)	(3)
At 31 March 2024	<u>9</u>	<u>9</u>

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2024

Financial Commitments

24a. Capital commitments

Capital expenditure

Expenditure contracted for but not provided in the accounts

31 March 2024 £'000	31 March 2023 £'000
---------------------------	---------------------------

-	-
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>

24b. Operating Leases

The future minimum lease payments which the Association is committed to make under operating leases in respect of office equipment are as follows:

within 1 year
 Two to five years
 Over 5 years

31 March 2024 £'000	31 March 2023 £'000
---------------------------	---------------------------

5	-
14	-
-	-
<u>19</u>	<u>-</u>
<u>19</u>	<u>-</u>

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 £'000	Brandon £'000	Cockfield £'000	Wingate £'000	Others £'000	Total £'000
At 31 March 2023	608	409	257	61	132	1,467
Surplus / (deficit) for the year	(4)	1	-	-	-	(3)
Revaluation of Investments	-	-	1	-	-	1
At 31 March 2024	604	410	258	61	132	1,465

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 a linked charity with the Association under a Uniting Direction of October 2017 and three managed Almshouse Charities linked 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.

Related Party Transactions

Andrew Thompson was previously an employee of Karbon Homes and resigned as a Board Member of DAMHA in April 2024. He was appointed as DAMHA Finance Director in September 2024

Durham Aged Mineworkers Homes Association works with Karbon Homes on it's new homes development programme.

Karbon Homes help to identify suitable development schemes, liase with Homes England on it's behalf and manage the development programmes once underway.

In 2023/24 Durham Aged Mineworkers Homes Association paid invoices totalling £122,369 to Karbon Homes for preparatory work on new schemes and retentions due on previously completed schemes.

Andrew Thompson was not involved in the awarding of contracts to Karbon Homes.

26. Financial assets and liabilities

26 a. Categories of financial assets and financial liabilities

	31 March 2024 £'000	31 March 2023 £'000
Financial assets - loans and receivables:		
Investments	1,285	1,220
Trade and other debtors	124	77
Cash and cash equivalents	9,637	8,820
	<u>11,046</u>	<u>10,117</u>
Financial liabilities - Amortised cost:		
Trade and other creditors	181	202
Loans	17,539	18,341
	<u>17,720</u>	<u>18,543</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 2024 £'000	31 March 2023 £'000
Floating rate on money market deposits	9,637	8,820
	<u>9,637</u>	<u>8,820</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 2024 was:

	31 March 2024 £'000	31 March 2023 £'000
Fixed rate	14,160	14,850

The fixed rate financial liabilities have a weighted average interest rate of 4.58% (2023: 3.15%) and the weighted average period for which it is fixed is 8 years (2023: 9 years).

The debt maturity profile is shown in note 20.

27. Post balance sheet events

The Association has no post balance sheet events to declare.

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.

The following linked charities 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



**DURHAM AGED MINERWORKER'S
HOMES ASSOCIATION
DRAFT MANAGEMENT LETTER**

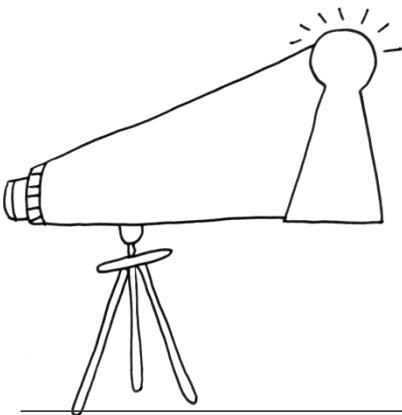
Year ending 31 March 2024

**BEEVER
AND
STRUTHERS**

CHARTERED ACCOUNTANTS
AND BUSINESS ADVISORS

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INTRODUCTION

Our audit of the financial statements of Durham Aged Mineworker's Homes Association ("the Association"), Brandon Colliery Aged Workers' Homes Association and William Russell Bequest is complete. The purpose of this letter is to bring to your attention the findings from our audit. We appreciate that you will already be aware of the majority of the matters contained in this letter.

In order to comply with the provisions of the International Standard on Auditing (ISA) 260 – 'Communication of Audit Matters with those Charged with Governance' by which we report to management on the findings of our audit, with particular reference to:

- views about the qualitative aspects of the Association's accounting policies and financial reporting;
- adjusted and unadjusted misstatements, apart from those which fall below the threshold for reporting to the Audit and Risk Committee as they are clearly trivial;
- matters specifically required by other International Auditing Standards to be communicated to those charged with governance (such as fraud and error);
- expected modifications to the auditor's report;
- material weaknesses in the accounting and internal control systems; and
- any other relevant and material matters relating to the audit.

We also take this opportunity to comment on the Association's performance for the year and to confirm our professional integrity, objectivity and independence.

We see effective communication with the Audit and Risk Committee as being a key part of our audit, and it is important that there is effective two way communication. We welcome any feedback or questions regarding the conduct of the audit process.

This report is not intended to cover every matter which came to our attention during the audit. We do not accept any responsibility for any reliance placed on it by third parties. Our procedures are designed to support our audit opinion and cannot be relied upon to identify any weakness in systems or controls which may exist.

We would like to take this opportunity to formally record our appreciation for the assistance and co-operation provided to us by the Finance Team who assisted us during the course of our audit.

Beever and Struthers

Date: 25 September 2024

KEY AUDIT ISSUES

The following table summarises the key audit issues we identified as requiring specific consideration and the audit procedures we undertook in relation to them.

Audit Issue per Audit Plan Overview	Audit Procedures and Results
<p>Housing Properties-Asset Management</p> <p>Asset Management is of significance in terms of planning future works to ensure that tenant homes are adequately maintained.</p> <p>The 31 December 2023 management accounts reflect £995k of costs capitalised to housing properties in the year to date.</p> <p>The audit risks include:</p> <ul style="list-style-type: none"> • maintenance spend is not adequately planned, budgeted and monitored; • additions, including expenditure on replaced components, are not authorised or are not recorded correctly; • additions to housing properties are not complete; • the carrying amount of housing properties at the year-end is impaired; • components which have been replaced are not removed from the carrying value; • the depreciation charge is incorrectly calculated; and grant is not recognised correctly and amortised on an appropriate basis. <p>This is an area we discussed at the audit planning meeting, and the challenge of allocating grant across properties where there is little historic information available to the Association.</p>	<p>The Association spent £141k on additions to housing properties and £1,183k on the replacement of components. The depreciation charge for the year was £1,928k.</p> <p>As part of the audit work we have:</p> <ul style="list-style-type: none"> • Tested the approval and recording of development expenditure, including the capitalisation of development overheads and interest on loans; • Tested a sample of additions, including expenditure on replaced components, to ensure they are recorded correctly; • Reviewed the useful economic lives of components to ensure they accord with best practice in the sector; • Agreed the movements in the housing properties note and the closing balances to the housing properties register; • Considered whether there is any evidence of impairment; • Performed a proof in total test on the depreciation charge in the year; • Tested a sample of properties from the property database to land registry deeds; • Tested a sample of grant additions in the year to ensure they are recorded correctly; and • Checked that accruals have been made for development expenditure incurred up to 31 March 2024 but not invoiced. <p>No issues relating to housing properties and development were identified during the audit.</p>

KEY AUDIT ISSUES

Audit Issue per Audit Plan Overview	Audit Procedures and Results
<p>Assessment of Fraud Risk</p> <p>ISA 240 “The Auditor’s responsibility to consider fraud” requires us to consider the risk of fraud and the impact that this has on our audit approach. There is a presumed significant risk of fraud in two areas:</p> <p>Revenue Recognition</p> <p>Material misstatements due to fraudulent reporting often result from an overstatement of revenues, for example through premature revenue recognition or recording fictitious revenues. The auditor therefore presumes that there are risks of fraud in revenue recognition and considers which types of revenue may give rise to fraud risks.</p> <p>The main income stream for the Association is rental income. The processing of rent charges is highly automated and rent changes are restricted. We therefore have initially assessed the risk of fraud in the recognition of rental income as low and expect to rebut the assumption that this area is a significant risk. Recognition of income from other sources is less automated and is judged to be a significant risk.</p> <p>Management Override</p> <p>Under ISA 240 there is a presumed risk of management override of the system of internal controls.</p> <p>Material misstatements can arise from management overriding the controls which are in place or by manipulating the results to achieve targets and the expectations of the stakeholders.</p>	<p>Our audit is designed to provide reasonable assurance that the accounts are free from material misstatement whether caused by fraud or error. In particular, we reviewed revenue recognition and management control override.</p> <p>As part of the audit planning:</p> <ul style="list-style-type: none"> • We met management to discuss fraud related risks and the risk of material misstatement in the financial statements; • We reviewed the work of internal audit; and • We reviewed the anti-fraud policies. <p>During the audit fieldwork, we performed sample testing on income from rents and service charges and other material sources of income. We also performed analytical review on the material income streams and tested the cut off on the rent debit.</p> <p>Our audit did not highlight any errors in relation to revenue recognition.</p> <p>As part of our year-end audit work we sample tested journals using data analytics to identify those journals exhibiting high risk characteristics. The sample of journals was agreed to supporting documentation and appeared reasonable.</p> <p>Our review of key estimates and judgements in the financial statements indicated that they had been made on a reasonable basis and showed no evidence of management bias.</p>
<p>Treasury Management</p> <p>At 31 March 2023, the Association had drawn loans amounting to £18.3m. Loans are held with a variety of lenders, including Yorkshire Bank, CAF Bank and the Royal Bank of Scotland.</p> <p>We will review covenant reporting by management throughout the audit. At our audit planning meeting we noted no reported issues on compliance with loan covenants.</p> <p>During our audit procedures we will corroborate key variances to budget to ensure they are not the result of any control weaknesses.</p>	<p>As part of the audit work we have:</p> <ul style="list-style-type: none"> • Obtained all current loan agreements and covenant definitions across the Association; • Reviewed the Association’s Treasury Management Policy; • Agreed the loans held to external loan confirmation from the funders; • Tested the detailed calculations for loan covenant compliance prepared by management at the year-end. <p>We identified an over-amortisation on the old bond premiums of £11,969 which was subsequently corrected in the financial statements. There were no other issues identified in our work.</p>

KEY AUDIT ISSUES

Audit Issue per Audit Plan Overview	Audit Procedures and Results
<p>Key Judgements and Estimates</p> <p>The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the year-end and the amounts reported for revenues and expenses during the year.</p> <p>ISA 540 “Auditing Accounting Estimates and Related Disclosures” also places additional emphasis on scepticism in the audit process, with its importance increasing when accounting estimates are subject to a greater degree of estimation uncertainty or are affected to a greater degree by complexity, subjectivity, or other inherent risk factors.</p>	<p>During the audit, we identified all accounting estimates that were included in the financial statements and reviewed the calculations behind these estimates.</p> <p>The accounting estimates that were identified were:</p> <ul style="list-style-type: none">• Useful lives of depreciable assets (housing properties);• Useful lives of depreciable assets (other fixed assets).• Bad debt provision;• Impairment review;• Repair accruals;• Valuation of the SHPS deficit;• Going concern; and• Grant amortisation. <p>After completing audit testing and reviewing the calculations used, no issues were identified regarding the accounting estimates.</p>

KEY AUDIT ISSUES

Audit Issue per Audit Plan Overview	Audit Procedures and Results
<p>Pensions</p> <p>The Association participates in the Social Housing Pension Scheme (SHPS). The assets of the scheme are held in separate trustee-administered funds.</p> <p>At 31 March 2023 the fair value of the employer assets was lower than the present value of the liabilities by £1.1m.</p> <p>The actuary of the scheme will value the pension liability for Section 28 of FRS 102 purposes, and this will be included in the financial statements at 31 March 2024.</p>	<p>The present value of the defined benefit obligation increased from £6,273k at 31 March 2023 to £6,483k at 31 March 2024. The fair value of plan assets increased from £5,110k to £5,230k, resulting in an overall increase in the liability of £90k with the provision recognised in the Statement of Financial Position being £1,253k.</p> <p>As part of the audit work we:</p> <ul style="list-style-type: none">• Review the central methodology, including key assumptions, of the calculation of the SHPS actuarial valuation;• Review the central assurance methodology regarding SHPS;• Review the information provided by the Association to TPT Retirement Solutions to ensure completeness and accuracy;• Agree the SHPS pension disclosures to information provided by TPT Retirement Solutions; and• Agree the SHPS adjustments to the financial statements. <p>The work is complete with no issues to note.</p>

INDEPENDENCE

Ethics and Independence

In the UK and Ireland, auditors are subject to the ethical requirements of the Financial Reporting Council's 2019 Revised Ethical Standards for Auditors.

International Standard on Auditing (UK and Ireland) 260 *Communication with those Charged with Governance* and good practice require us to confirm the following to those charged with governance:

- We confirm that we are independent.
- We confirm that we are unaware of any relationships which may bear on our objectivity and independence.
- We have provided details below of any non-audit services provided to Cobalt Housing and the fees charged in relation to non-audit services.
- We confirm that we comply with the requirements of the Financial Reporting Council's Ethical standards in relation to the supply of non-audit services by an audit firm.

The Audit and Risk Committee should take an active role in considering whether the external auditor's independence might be impaired by the provision of non-audit services.

Non-Audit Services

We have not provided any non-audit services to the Association during 2023/24.

QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES AND FINANCIAL REPORTING

Accounting Policies

FRS102 requires that entities should review their accounting policies regularly to ensure that they are appropriate to its particular circumstances for the purposes of giving a true and fair view. The Audit and Risk Committee plays a key role in this process.

We have reviewed the Association's accounting policies and key judgement areas as stated in the financial statements in detail and confirm that we judge them to be appropriate to provide relevant, reliable, comparable and understandable information.

Accounting Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at year-end and the amounts reported for revenues and expenses during the year. Given its nature, this area is a key audit focus.

Key accounting estimates in the financial statements include:

- capitalisation of property development costs;
- categorisation of housing properties;
- useful lives of depreciation assets (housing properties and other fixed assets);
- valuation of the pension funds;
- impairment provisions; and
- level of bad debt provision against tenant arrears.

We confirm that these estimates have been made appropriately in line with our knowledge of the Association and the industry and are disclosed satisfactorily in the financial statements.

Financial Statement Disclosures

We confirm that we judge the disclosures throughout the financial statements to be neutral, consistent and provide sufficient clarity to the user.

Significant Matters Arising from the Audit

There were no significant matters arising from the audit that were discussed, or subject to correspondence with management.

Significant Difficulties Encountered During the Audit

There were no significant difficulties encountered during the audit.

Timing of Transactions

Our audit work confirmed that material transactions were recorded in the correct accounting periods. Accruals and prepayments were made for material items.

Going Concern

The financial statements have been prepared on a going concern basis. We have evaluated your assessment of the Association's ability to continue as a going concern and the disclosure made in the Board report and we confirm that this assumption is appropriate.

Strategic Report and Member Board Reports

We reviewed other information in the narrative reporting sections of the financial statements. We confirmed that there is no material inconsistency between it and the financial statements

MANAGEMENT REPRESENTATION LETTER AND AUDIT OPINION

Management Representation Letter

In accordance with ISA 580, we obtain written representation from management that they acknowledge their responsibility for preparing the accounts and have made all information available to us.

Audit Opinion

We provided an unqualified audit opinion on the financial statements for the Association, Brandon Colliery Aged Workers' Homes Association and William Russell Bequest for the year ended 31 March 2024.

AUDIT ADJUSTMENTS

Materiality

Our audit work is based upon an assessment of materiality to ensure there is no material misstatement contained in the financial statements. In assessing materiality we take into account both the materiality of the class to which the balance belongs and the overall impact of the balance on the income and expenditure account and balance sheet.

ISA 260 requires us to report to management on all uncorrected misstatements identified during the audit, and to include in this report how we have calculated materiality, and any misstatements identified during the audit which have been corrected.

Materiality may be revised throughout the course of the audit, where we become aware of information during the audit that would have resulted in a different determination of materiality at the outset.

We are not required to report on corrected or uncorrected misstatements we believe are clearly trivial.

Our assessment of materiality was based on the first draft accounts received prior to the audit and calculated using a benchmark at 2% of turnover. There were no adjustments identified during the audit which impacted our initial assessment of the benchmark.

Triviality is the value above which we report errors to you. A summary of the final assessment of materiality is as follows:

	Materiality £'000	Triviality £'000
Durham Aged Mineworker's Homes Association	188	9

Corrected Misstatements

We identified the following misstatements that were corrected:

- An over-amortisation on old bond premiums of £11,969

Disclosure points

A minor disclosure matter regarding operating leases has been brought to management's attention for consideration in the financial statements. Management is currently reviewing these leases for inclusion in the financial statements.

Uncorrected Misstatements

There were no uncorrected misstatements identified as a result of our audit work in the financial statements that are not of a trivial nature to the results of the Association

ACCOUNTING AND INTERNAL CONTROL SYSTEMS

ISA 265 requires that we report to those charged with governance any significant deficiencies in internal control that we identify in the course of our audit work. Significant deficiencies are those deficiencies that we have identified during the audit and concluded are of sufficient importance to merit being communicated to those charged with governance.

Audit Findings

The audit considered internal controls relevant to the preparation of the financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

2024 Audit Findings Letter

There are no recommendations to make.

2023 Audit Findings Letter

There were no recommendations for 2023 audit.



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www.beeverstruthers.co.uk

DURHAM AGED MINEWORKERS' HOMES ASSOCIATION

England & Wales - Charity number 1191033

Accounts

**Durham Aged Mineworkers' Homes
Association**

Trustees' report and accounts

31 March 2023

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2023

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Registered office:

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

Charity Number: 1191033

Registered Provider Number: 5125

The Board

Trustees

Anne Rowlands (Chair)		
Gillian Bramfitt (Vice Chair)		(N)
Kate Abson		(N)
Catherine Louise Buckton		(N)
Diane Carney	Appointed September 2022	(A)
Stephen Guy	Retired September 2023	(N)
Mark Reid		(A)
Andrew Thompson	Appointed May 2022	(A)
Paul Nilsen	Retired May 2022	(A)
Steve Fergus	Retired September 2022	(A)
Ian Youll	Retired March 2023	(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
David Graham BSc Quantity Surveyor	Operations Director

External Auditor

Beever and Struthers
One Express, 1 George Leigh Street
Manchester
M4 5DL

Internal Auditor

Azets	TIAA
Bulman House	Artillery House
Regent Centre	Fort Fareham
Gosforth	Newgate Lane
Newcastle-upon-Tyne	Fareham
NE3 3LS	PO14 1AH

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

Trowers & Hamblins LLP
55 Princess Street
Manchester
M2 4EW

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 2023.

Status

Durham Aged Mineworkers' Homes Association was established in 1898. On midnight of 31st March 2021 the charity became a Company Limited by Guarantee (Number 12758375) and is administered by Articles of Association, which were adopted at that date. It is a Registered Charity (Number 1191033 - formerly Number 222673), Registered Housing Provider (Number 5125 - formerly 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 Directors of the Company and Trustees of the registered charity, and their details are set out on page 1. All Trustees 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 Trustee of the Charity and does not have the legal status of Director of the Company, but manages the day-to-day operations of the organisation under authority delegated by the Board.

Investment Powers

The Articles of Association 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 Articles define the objects as:

To provide and maintain services and facilities for aged, infirm or disabled persons or those in financial need, with particular regard for the needs of the Original Beneficiaries.

For that purpose to provide and maintain:

- Social housing in the form of almshouses, which may be houses, bungalows, apartments or sheltered homes, for such persons who (except in the case of Original Beneficiaries or in other special cases to be approved by the Trustees) are primarily over the age of 50 at the time of appointment
- 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 £2,105k (2022: £2,156k) and an overall surplus for the year of £1,266k (2022: £1,651k).

Review of activities and achievements

We are pleased to be able to report continuing strong results for the Association, despite a year of high inflation and ongoing post-lockdown disruption. We are working in a challenging environment for business, with international political events continuing to push inflation up to very high levels. Despite this we continue to concentrate on providing the best service for our residents whilst making the best use of our resources.

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, focusing on the priorities and needs of our residents, and those who would like to become residents.

Our Corporate Strategy 2022 details a strategic vision that is ambitious and facilitates a programme of long term development of new homes, whilst addressing the government's carbon-reduction agenda.

Our existing homes continue to be maintained to a high standard, consistent with the needs of our residents who are primarily elderly, retired, and many of whom have additional vulnerabilities. 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 2022 noted a slight decline in that 93% of residents were either fairly satisfied or very satisfied with the overall service provided by the Association, compared with 94% in 2019. This nevertheless maintained a position towards the top of the 1st quartile of Registered Providers in the country for the year out of those undertaking the survey.

Satisfaction remained high across all main areas including 97.0% who were satisfied that their home was well maintained and safe to live in, 96.4% who were satisfied with how enquiries are dealt with and 96.1% who were satisfied that the Association treated its residents fairly and with respect and 96.6% being satisfied with the way the Association dealt with repairs and maintenance.

An area identified to be problematic was the grounds maintenance service where 29% of respondents identified issues. This is a known area of difficulty with contractors experiencing difficulties recruiting sufficient staff to fulfill their obligations. This is an ongoing situation with efforts continuing to seek to address the problem.

The majority of the Association's rents are "social rents" by definition and comply with government policy regarding rent setting. 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 230 (2022: 227) properties where the Maintenance Charge is now set at "Affordable Rent" levels.

Asset Management Strategy

Having been in existence for 125 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 2022/2023 10 house sales were completed.

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 the National Housing Federation NHF Code of Governance 2020. Compliance with the Code is evidenced by an annual assessment carried out by The Board.

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

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 on external financial reporting, internal audit and risk.

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.

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 Executive 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.

Report of The Board (continued)

Health and Safety at Work

The Association takes its responsibilities for Health and Safety towards employees, contractors and the public seriously and monitors performance and risk accordingly. During the year ended 31st March 2023 there were no workplace injuries or lost-time events (2022: nil). There were 258.5 days lost (equates to a rate of 698.64 days lost per 100 employees) due to sickness (2022: 179.0 days lost, 483.78 days lost per 100 employees).

Sickness increased in the year as 8% of staff experienced long term sickness. The Association continues to offer flexible working arrangements, which has been shown to reduce short term absences.

The Association aims to maintain this excellent record and continues to invest in training and regular external review of policies, procedures, and practices accordingly.

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 2021/22 to improve the security of its data. In April 2023 we obtained the Cyber Security Essentials Plus 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 due to the political instability in Europe. 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 inflation, costs 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 the National Housing Federation's recommended Code of Conduct. 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 were linked with Durham Aged Mineworkers Homes Association (No. 1191033) via a special resolution dated 8 October 2021. These charities are accounted for as Restricted Reserves within the Association's overall reserves, share common Trustees, and whose details are set out on page 46. 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 £70.24 (2022: £67.47)

- **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 2023, 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 £79.06 (2022: £75.95)

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 new VfM Strategy was approved in February 2023. The strategy recognises that VfM has been a fundamental ethos of the Association for a long time.

The Statement identified 4 objectives for VfM for the Association over the next 3 years:

- Maintain and improve resident satisfaction within budgetary restraints
- Review the efficiency of key processes
- Maintain high performance in key, recognised VfM indices
- Rationalising our stock

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 2022, 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 benchmarking against our peers, the Association is seeking to maintain its high levels of satisfaction. The 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;

Report of The Board (continued)

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

Whilst there is competition between these priorities, and there is often a need to compromise, this does not apply to maintaining financial viability. The latest update to the 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 2023 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.

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

	2023	2022	2021	2020
Operating costs as a percentage of turnover	55.62%	51.96%	52.55%	48.86%
Housing management costs per unit	£287.82	£289.84	£264.89	£257.10
Maintenance costs per unit	£1,007.34	£859.19	£710.21	£660.12
Routine repairs completed on time	98.46%	99.03%	n/a	99.22%
Repairs satisfaction	92.60%	90.50%	90.50%	92.60%
Average re-let time(days)	68.8	70.4	69.8	49.3
Current resident maintenance charge arrears	£29k	£29k	£1k	£48k
New homes developed	0	23	13	43
Redundant homes sold	10	0	4	12

Operating conditions have proved challenging over the last 4 years with Covid, Brexit, hyper inflation and scarcity of resources all impacting on costs. As a result maintenance costs per unit and operating costs as a percentage of turnover have substantially increased. Repairs requested by residents continues to be a priority, and the Association has sought to maintain standards and service levels despite the increases in unit costs experienced. This continues to be a challenge, however efficiencies have been identified across the organisation, and it remains our expectation to continue to meet long term planned maintenance programmes such that targets for exceeding the decent homes standard and achieving EPC-C and long term decarbonisation goals will be achieved.

Report of The Board (continued)

Maintenance costs increased in 2022/23. The Association employs local contractors and in line with society as a whole has found shortages of materials leading to increased costs. Inflation to March 2023 was 10.1% and our underlying repairs cost has increased by 17%. We continue to tender all services and look to achieve the best value for money possible in this challenging environment.

98.53% of repairs were completed on time. A favourable result given challenges around supplies. A repairs satisfaction percentage of 92.60% reflects that on the whole we continued to meet our customers expectations.

Average re-let times are improving from a historical high. The relet time at 31st March 2023 is 68.77 calendar days. Work is ongoing, as the Association continues to investigate options to improve the attractiveness of the sheltered schemes.

Arrears of maintenance charges continue to be low compared our peers and we continue to be proactive in working with our residents to keep our arrears at a low level by working with them closely where problems are identified at an early stage.

No new homes were built during the year, however, the Association remains committed to the development of new homes over the medium to long term.

Looking forward to 2023/24 we continue to face the challenge of inflation on our costs. We have allowed for expectations within our budget and anticipate real term savings across other budget areas.

Following delays on a prospective development scheme, due to planning issues, we anticipate activity returning towards the end of the 2023/24 financial year.

Report of The Board (continued)

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

Metric	Sector Quartile 2021/22	2022/23 Outturn	2021/22 Outturn	2020/21 Outturn
1. Reinvestment %	3	1.57%	4.68%	2.96%
2a. New Supply Delivered Social Housing%	2	0.00%	1.27%	0.73%
2b. New Supply Delivered Non Social Housing %	n/a	0.00%	0.00%	0.00%
3. Gearing	1	12.16%	16.77%	16.36%
4. Earnings Before Interest, Tax, Depreciation ,Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %	1	262%	424%	493%
5. Headline Social Housing Cost per Unit	1	£3,287	£3,122	£2,927
6a. Operating Margin - Social Housing %	2	22.84%	25.91%	25.21%
6b. Operating Margin - All %	2	22.87%	25.50%	31.51%
7. Return on Capital Employed (ROCE) %	2	2.34%	2.74%	3.35%

We have benchmarked our results against 18 peers with 1500 to 2000 properties in the North of England using the latest data available from Housemark - the 2021/22 financial year.

As at 2021/22 we continued to perform in the top two quartiles for most measurements. We have improved our position from the 4th to the 3rd quartile for reinvestment costs, with our stock condition survey validating our belief in the good condition of our stock.

We appear in the 2nd quartile for new supply delivered, improving from the 3rd quartile last year. 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.

As well as the RSH metrics we subscribe to a Pulse report with Housemark. This report demonstrates that we perform well against our peers with high satisfaction levels with the overall service we provide

Looking forward to 2023/24 we will work to reduce costs wherever possible within the difficult high inflation environment that we find ourselves in, whilst ensuring we continue to provide the high level of service that our residents have come to expect.

Alongside all Registered Providers we are anticipating the requirement for significant investment in our stock in order to comply with forthcoming regulations on EPC standards and the government's long term target of achieving net zero carbon emissions. We have established priorities for investment and have begun work accordingly. The priority for the Association remains maximising the opportunity for affordable warmth for our residents within the changing energy environment ahead.

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 2022. 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:



Vice Chair
Gillian Bramfitt
21 September 2023

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 2023 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 2023 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 2022 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.

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 14, 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 determines 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 intends 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:

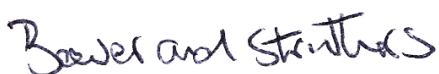
- We obtained an understanding of laws, regulations and guidance that affect the Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Charities Act 2011, 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 2022, 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.

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2023

- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risk 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.

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.



Richard Graham ACA (Senior Statutory Auditor)

For and on behalf of

Beever and Struthers
Statutory Auditor
One Express
1 George Leigh Street
Manchester
M4 5DL

Date: 22 September 2023

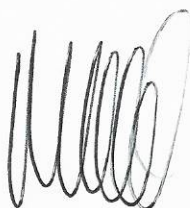
Statement of Comprehensive Income for the year ended 31st March 2023

		2023	2022
	Note	Total £'000	Total £'000
Turnover	3	8,791	8,454
Operating Expenditure	3	(6,778)	(6,253)
Release of Disposal Proceeds Fund		-	-
Profit/(Loss) on Disposal of Fixed Assets	7	92	(45)
Operating Surplus		<u>2,105</u>	<u>2,156</u>
Interest Receivable	8	77	21
Interest and Financing Costs	9	(916)	(526)
Surplus for the year		<u>1,266</u>	<u>1,651</u>
Actuarial Gain/(Loss) in Respect of Pension Schemes	22	(72)	443
Movement in Fair Value of Investments	14	(33)	51
Total Comprehensive Income for the Year		<u><u>1,161</u></u>	<u><u>2,145</u></u>

The financial statements were approved and authorised for issue by the Board on 21 September 2023 and signed on its behalf by:



Vice Chair
Gillian Bramfitt



Trustee
Mark Reid

The Associations' results relate wholly to continuing activities and the notes on pages 23 to 48 form an integral part of these financial statements.

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2023

Statement of Financial Position as at 31st March 2023

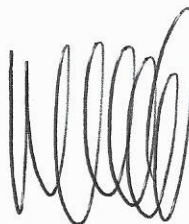
	Note	31 March 2023 £'000	31 March 2022 £'000
Fixed Assets			
Tangible Fixed Assets	12,13	78,625	79,626
Investments	14	1,220	829
		79,845	80,455
Current Assets			
Trade and Other Debtors	15	271	268
Cash and Cash Equivalents		8,820	2,140
		9,091	2,408
Creditors: Amounts Falling Due Within One Year			
	16	(3,234)	(4,122)
Net Current Assets		5,857	(1,714)
Total Assets less Current Liabilities		85,702	78,741
Creditors: Amounts Falling due After More than one Year			
	17	(57,022)	(50,989)
Provisions for Liabilities			
Pension Liability	22	(1,163)	(1,396)
Total Net Assets		27,517	26,356
Reserves			
Income and Expenditure Reserve		23,406	22,185
Restricted Reserve	25	1,467	1,452
Designated Reserve		2,644	2,719
Total Reserves		27,517	26,356

The financial statements were approved and authorised for issue by the Board on 21 September 2023 and signed on its behalf by:

Vice Chair
Gillian Bramfitt



Trustee
Mark Reid



The notes on pages 23 to 48 form an integral part of these financial statements

Statement of Changes in Reserves for the year ended 31st March 2023

	Note	Income and Expenditure Reserve £'000	Restricted Reserve £'000	Designated Reserve £'000	Total £'000
Balances as at 1 April 2021		20,004	1,413	2,824	24,241
Surplus for the Year		1,651	-	-	1,651
Release of Disposal Proceeds Fund					-
Actuarial gain on pension liability	22	443	-	-	443
Movement in Fair Value of Investments	14	47	4	-	51
Transfer of Designated Expenditure from Designated Reserve		75	-	(105)	(30)
Transfer of Restricted Expenditure from Unrestricted Reserve		(35)	35	-	-
Balance at 31 March 2022		22,185	1,452	2,719	26,356
Surplus for the Year		1,266	-	-	1,266
Release of Disposal Proceeds Fund					-
Actuarial loss on pension liability	22	(72)	-	-	(72)
Movement in Fair Value of Investments	14	(33)	-	-	(33)
Transfer of Designated Expenditure from Designated Reserve		75	-	(75)	-
Transfer of Restricted Expenditure from Unrestricted Reserve		(15)	15	-	-
Balance at 31 March 2023		23,406	1,467	2,644	27,517

The notes on pages 23 to 48 form an integral part of these financial statements

Statement of Cash Flows for the year ended 31st March 2023

	2023	2022
	£'000	£'000
Net Cash Generated From Operating Activities (see note i)	3,122	3,209
Cash Flow From Investing Activities		
Purchase of Tangible Fixed Assets	(1,421)	(3,485)
Proceeds From Sale of Tangible Fixed Assets	458	(55)
Grants Received	-	184
Interest Received	68	18
	(895)	(3,339)
Cash Flow From Financing Activities		
Interest Paid	(893)	(487)
New Secured Loans	8,000	2,000
Other net cashflow	2,436	-
Repayments of Borrowings	(5,090)	(2,532)
	4,453	(1,019)
Net Change in Cash and Cash Equivalents	6,680	(1,148)
Cash and Cash Equivalents at Beginning of the Year	2,140	3,288
Cash and Cash Equivalents at End of the Year	8,820	2,140

	2023	2022
	£'000	£'000
Note i		
Surplus for the year	1,266	1,651
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	1,970	1,914
Amortisation of grants	(451)	(447)
Decrease/(increase) in trade and other debtors	(2)	(93)
Increase/(decrease) in trade and other creditors	(61)	(168)
Pension costs less contributions payable	(347)	(168)
Profit (Loss) on disposal of tangible fixed assets	(92)	45
Release of winter reserve	-	(30)
Adjustments for investing or financing activities:		
Interest payable	916	526
Interest received	(77)	(21)
Net cash generated from operating activities	3,122	3,209

The notes on pages 23 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 Incorporated Registered Charity (No. 1191033), a Registered Social Housing Provider (No. 5125) 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 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 2022. 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 Incorporated 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 2022/23 and therefore we consider it appropriate to continue to prepare the financial statements on a going concern basis. The Association's 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.

There is expected to be an additional cost of materials going forward due to high inflation. The Business Plan model has assumed that repair costs will rise above inflation by 2.50% in 2023/24 followed by 1% for the following three year period. All costs have been fully stress tested without detriment to going concern in May 2023.

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 2023 was £8,820.

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 22.

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 2023 was £322k. 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 has been created to meet excess costs incurred in the event of severe winter weather. Prior to the recent storms this provision sat at £50,000. The current reserve is £20,000 following significant storm damage in the year.

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	2023 Operating Expenditure £'000	Operating Surplus £'000
Social Housing Lettings			
Housing Accommodation (Continuing Operation)	8,736	(6,738)	1,998
Total Social Housing lettings	8,736	(6,738)	1,998
Other Social Housing Activities			
Garages and Allotments (Continuing Operation)	2	-	2
Management Services (Continuing Operation)	32	(40)	(8)
Lease of Residential Home (Continuing Operation)	21	-	21
	55	(40)	15
	8,791	(6,778)	2,013
Profit/(Loss) on disposal of fixed assets			92
Operating Surplus			2,105

	Turnover £'000	2022 Operating Expenditure £'000	Operating Surplus £'000
Social Housing Lettings			
Housing Accommodation (Continuing Operation)	8,391	(6,217)	2,174
Total Social Housing lettings	8,391	(6,217)	2,174
Other Social Housing Activities			
Garages and Allotments (Continuing Operation)	11	-	11
Management Services (Continuing Operation)	31	(36)	(5)
Lease of Residential Home (Continuing Operation)	21	-	21
	63	(36)	27
	8,454	(6,253)	2,201
Release of disposal proceeds fund			-
Profit/(Loss) on disposal of fixed assets			(45)
Operating Surplus			2,156

4. Particulars of Income and Expenditure from Social Housing Lettings

	2023	2022
	Housing Accommodation £'000	Housing Accommodation £'000
Rent Receivable Net of Identifiable Service Charges	8,179	7,778
Service Charge Income	261	294
Amortised Government Grants	437	434
Other Grants	14	14
Turnover From Social Housing Lettings	8,891	8,520
Services		
Management	(241)	(175)
Routine Maintenance	(1,035)	(1,181)
Planned Maintenance	(3,137)	(2,648)
Bad Debts	(95)	(75)
Water Rates	(24)	(9)
Impairment of Housing Properties	(277)	(249)
Depreciation of Housing Properties	-	-
Lease Costs	(1,922)	(1,873)
Other Costs	(7)	(7)
Operating Expenditure on Social Housing Lettings	(6,738)	(6,217)
Operating Surplus on Social Housing Lettings	2,153	2,303
Void Losses	(155)	(129)

5. Accommodation in Management and Developing

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

	2022 No. of Properties	Additions	Disposals	Other	2023 No. of Properties
Social Housing					
General Housing:					
- Social Rent	1,564	-	(10)	(3)	1,551
- Affordable Rent	227	-	-	3	230
Shared Ownership Units	3	-	-	-	3
Leasehold Schemes for the Elderly	16	-	-	-	16
Total Owned	1,810	-	(10)	-	1,800
Accommodation Managed for Others	44	-	-	-	44
Total Managed	44	-	-	-	44
Total Owned and Managed	1,854	-	-	-	1,844
Accommodation in Development at the Year End	-				-

6. Operating Surplus

The operating surplus is arrived at after charging:

	2023 £'000	2022 £'000
Depreciation of Housing Properties (Note 12)	1,922	1,873
Depreciation of Other Tangible Fixed Assets (Note 13)	48	41
Fees Payable to the Association's Auditors for the Audit of the Financial Statements	23	22
Fees Payable to the Association's Auditors for Other Services	-	-
Fees Payable for Internal Audit	11	10
Total Audit Services	34	32

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

	2023	2022
	£'000	£'000
Housing properties		
Disposal Proceeds	417	-
Carrying Value of Fixed Assets	(325)	(45)
Profit (Loss) on disposal	<u>92</u>	<u>(45)</u>
Capital Grant Recycled (Note 19)	(134)	-

All values above relate to Continuing Operations.

8. Interest Receivable

	2023	2022
	£'000	£'000
Bank Interest Receivable and Similar Income	<u>77</u>	<u>21</u>
	<u>77</u>	<u>21</u>

All values above relate to Continuing Operations.

9. Interest and Financing Costs

	2023	2022
	£'000	£'000
Defined Benefit Pension Charge	42	49
Loans and Bank Overdrafts	<u>874</u>	<u>499</u>
	<u>916</u>	<u>548</u>
Interest Payable Capitalised on Housing Properties Under Construction	<u>-</u>	<u>(22)</u>
	<u>916</u>	<u>526</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:

	2023	2022
Office Based Staff	24	23
Resident Managers and Care Staff	3	3
	<u>27</u>	<u>26</u>

10 b. Employee costs

	2023 £'000	2022 £'000
Wages and Salaries	860	872
Social Security Costs	85	85
Other Pension Costs	318	288
	<u>1,263</u>	<u>1,245</u>

Annual payments to 47 Residents Representatives totalling £10.9k are included within wages and salaries.

10 c. Termination benefits

During the year, the Association terminated the employment of no members of staff (2021/22: 0). 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	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Termination Benefits	-	-	-	-

All termination benefits agreed in 2022/23 (None) were paid in full during the year (2021/22: None).

11. Key Management Personnel

11 a. Key Management Personnel costs

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

	2023	2022
	£'000	£'000
Basic Salary	215	240
Benefits in Kind	3	3
Pension Contributions	85	58
	<u>303</u>	<u>301</u>

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

The full time equivalent number of staff who received emoluments:

	2023	2022
£60,000 to £70,000	1	1
£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 £92,407 (2021/22: £98,570).

11 c. Emoluments paid to Non Executive Directors

Emoluments paid to non-executive directors of the Association amounted to NIL (2021/22: NIL) and reimbursement for expenses amounted to £365 (2021/22: NIL)

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 2022	102,833	77	180	103,090
Additions	-	40		40
Reclassifications	78	(78)		-
Works to existing properties	1,230			1,230
Disposals	(1,058)			(1,058)
At 31 March 2023	103,083	39	180	103,302
Depreciation				
At 1 April 2022	23,786	-	27	23,813
Depreciation charged in year	1,920		2	1,922
Released on disposal	(735)			(735)
At 31 March 2023	24,971	-	29	25,000
Net book value				
At 31 March 2023	78,112	39	151	78,302
At 31 March 2022	79,047	77	153	79,277

12 b. Expenditure on works to existing properties

	2023 £'000	2022 £'000
Improvement works capitalised	1,230	1,367
Amounts charged to income and expenditure	95	75
	1,325	1,442

12 c. Social housing assistance

	2023 £'000	2022 £'000
Total accumulated social housing grant received or receivable at 31 March	44,964	45,813
Recognised in the Statement of Comprehensive Income	(8,175)	(7,791)
Held as deferred income	36,789	38,022

12. Fixed assets - housing properties (continued)

12 d. Finance costs

	2023 £'000	2022 £'000
Aggregate amount of finance costs included in the cost of housing properties	<u>18</u>	<u>61</u>

12 e. Housing properties book value net of depreciation

	31 March 2023 £'000	31 March 2022 £'000
Freehold land and buildings	75,000	75,975
Long leasehold land and buildings	3,302	3,302
	<u>78,302</u>	<u>79,277</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 (2022: 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 2022	492	388	94	974
Additions	-	8	14	22
Disposals	-	-	-	-
At 31 March 2023	<u>492</u>	<u>396</u>	<u>108</u>	<u>996</u>
Depreciation				
At 1 April 2022	241	316	68	625
Charged in the year	10	34	4	48
Released on disposal	-	-	-	-
At 31 March 2023	<u>251</u>	<u>350</u>	<u>72</u>	<u>673</u>
Net book value				
At 31 March 2023	<u>241</u>	<u>46</u>	<u>36</u>	<u>323</u>
At 31 March 2022	<u>251</u>	<u>72</u>	<u>26</u>	<u>349</u>

14. Fixed Asset Investments

	2023 £'000	2022 £'000
Valuation		
At 1 April	829	774
Additions	424	4
Movement arising on revaluation	(33)	51
At 31 March	<u>1220</u>	<u>829</u>
	31 March 2023 £'000	31 March 2022 £'000
Listed Investments	<u>1220</u>	<u>829</u>

15. Debtors

	31 March 2023 £'000	31 March 2022 £'000
Due within one year		
Rent and service charges receivable	123	77
Less provision for bad and doubtful debts	(50)	(28)
Net rental debtors	<u>73</u>	<u>49</u>
Other debtors	4	7
Prepayments and accrued income	<u>194</u>	<u>212</u>
Due after more than one year		
Prepayments and accrued income	-	-
	<u><u>271</u></u>	<u><u>268</u></u>

16. Creditors: amounts falling due within one year

	31 March 2023 £'000	31 March 2022 £'000
Debt (Note 20)	834	1,528
THFC bond premium creditor (Note 21)	139	-
Trade creditors	111	324
Rent and service charges received in advance	51	68
Recycled capital grant fund (Note 19)	1,053	1,130
Deferred grant income (Note 18)	451	453
Other creditors	91	60
Accruals and deferred income	504	559
	<u><u>3,234</u></u>	<u><u>4,122</u></u>

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

	31 March 2023 £'000	31 March 2022 £'000
Debt (Note 20)	17,507	13,903
THFC bond premium creditor (Note 21)	2,713	-
Recycled capital grant fund (Note 19)	161	69
Unallocated recycled capital grant (Note 19)	304	-
Deferred grant income (Note 18)	<u>36,337</u>	<u>37,017</u>
	<u><u>57,022</u></u>	<u><u>50,989</u></u>

18. Deferred grant income

	31 March 2023 £'000	31 March 2022 £'000
At 1 April	37,470	37,733
Grant received in the year	-	184
Disposals in the year	(231)	-
Released to income in the year	(451)	(447)
At 31 March	36,788	37,470
	2023 £'000	2022 £'000
Amounts to be released within one year (Note 16)	451	453
Amounts to be released in more than one year (Note 17)	36,337	37,017
	36,788	37,470

19. Recycled capital grant fund

	31 March 2023 £'000	31 March 2022 £'000
At 1 April	1,199	1,197
Adjustment to Balance as per Homes England	(145)	-
Grants recycled	134	-
Interest accrued	26	2
Grant withdrawn	-	-
At 31 March	1,214	1,199
Amount of grant due for repayment	989	-

An adjustment has been made in the current year to recycled capital grant values held in the fund, following the sale of property within some schemes held by the Association. This has been agreed in discussion with Homes England. The total value of unallocated RCGF is currently £303.9k. This value is shown as unallocated RCGF in Note 17.

20. Debt analysis

20 a. Borrowings

	2023	2022
	£'000	£'000
Due within one year		
Banks loans (Note 16)	834	1,528
	<u>834</u>	<u>1,528</u>
 Due after more than one year		
Bank loans (Note 17)	17,507	13,903
	<u>17,507</u>	<u>13,903</u>
 Total loans	<u><u>18,341</u></u>	<u><u>15,431</u></u>

20 b. Security

Loans are secured by fixed charges on individual properties.

20 c. Terms of repayment and interest rates

Housing Loans are secured by specific charges on the Association's housing properties. Approximately 81% (2021/22 : 56%) 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.

	2023	2022
	£'000	£'000
Within one year or on demand	834	1,528
One year or more but less than two years	1,433	1,081
Two years or more but less than five years	2,486	3,826
Five years or more	13,588	8,996
	<u>18,341</u>	<u>15,431</u>

21 a Bond Premium

During 2022/23 bond funding was agreed with The Housing Finance Corporation. Additional funding in excess of the £8m bond was received, representing the difference between the nominal interest rate, 5.20%, and the effective rate of 2.836%. This is held on the SOFP and released as a credit to loan interest over the term of the loan.

Total Bond Premium	3,040	-
Recognised in the Statement of Comprehensive Income	(84)	-
Held as deferred interest	2,956	0
Due within one year	144	-
Due after more than one year	2,812	-
	2,956	0

21 b Bond Issue Costs

The Association was subject to bond issue costs of £107.4k. This is held on the SOFP and released as a debit to bank charges over the term of the loan.

Total Bond Issue Costs	(107)	-
Recognised in the Statement of Comprehensive Income	3	-
Held as deferred interest	(104)	0
Due within one year	(5)	-
Due after more than one year	(99)	-
	(104)	0

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.

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue. The Association has mitigated this risk by engaging the services of Trowers and Hamlins LLP to protect their position in the event of a liability.

The remaining disclosures in note 22 relate to the Defined Benefit Pension estimates provided by the actuary for the period 2022/23

22. Pensions (continued)

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

	31 March 2023 £'000	31 March 2022 £'000
Fair value of plan assets	5,110	8,632
Present value of defined benefit obligation	(6,273)	(10,028)
Defined benefit (liability) to be recognised	(1,163)	(1,396)

Reconciliation of opening and closing balances of the defined benefit obligation

	31 March 2023 £'000	31 March 2022 £'000
Defined benefit obligation at 1 April	10,028	10,416
Current service cost	180	288
Expenses	8	8
Interest expense	268	227
Contributions by plan participants	-	-
Actuarial losses (gains) due to scheme experience	(667)	232
Actuarial losses (gains) due to changes in demographic assumptions	(15)	(157)
Actuarial losses (gains) due to changes in financial assumptions	(2,492)	(771)
Benefits paid and expenses	(1,037)	(215)
Defined benefit obligation at 31 March	6,273	10,028

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

	31 March 2023 £'000	31 March 2022 £'000
Fair value of plan assets at 1 April 2020	8,632	8,458
Interest income	234	186
Experience on plan assets (excluding amounts included in interest income) - (loss)/gain	(3,268)	(253)
Contributions by the employer	549	456
Contributions by plan participants	-	-
Benefits paid and expenses	(1,037)	(215)
Fair value of plan assets at 31 March 2021	5,110	8,632

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2022 to 31 March 2023 was £3,034,000 (2021/22: £67,000).

22. Pensions (continued)

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

	2023 £'000	2022 £'000
Current service cost	180	288
Expenses	8	8
Net interest expense	34	41
Defined benefit costs recognised in the SoCI	222	337

Defined benefit costs recognised in Other Comprehensive Income

	31 March 2023 £'000	31 March 2022 £'000
Experience on plan assets (excluding amounts included in net interest cost) - (loss)/gain	(3,268)	(253)
Experience gains and losses arising on the plan liabilities - gain/(loss)	667	(232)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain/(loss)	15	157
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain/(loss)	2,492	771
Total amount recognised in other comprehensive income - gain/(loss)	(94)	443

Assets

	31 March 2023 £'000	31 March 2022 £'000
Global Equity	95	1,657
Absolute Return	55	346
Distressed Opportunities	155	309
Credit Relative Value	193	287
Alternative Risk Premia	9	285
Fund of Hedge Funds	-	-
Emerging Markets Debt	27	251
Risk Sharing	376	284
Insurance-Linked Securities	129	201
Property	220	233
Infrastructure	584	615
Private Debt	227	221
Opportunistic Illiquid Credit	219	290
High Yield	18	74
Opportunistic Credit	-	31
Cash	37	29
Corporate Bond Fund	-	576
Liquid Credit	-	-
Long Lease Property	154	222
Secured Income	235	322
Liability Driven Investment	2,354	2,409
Currency Hedging	10	(34)
Net Current Assets	13	24
Total assets	5,110	8,632

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 2023 % per annum	31 March 2022 % per annum
Discount Rate	4.87%	2.79%
Inflation (RPI)	3.19%	3.59%
Inflation (CPI)	2.75%	3.20%
Salary Growth	3.75%	4.20%

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	31 March 2023	31 March 2022
	Life expectancy at age 65 (Years)	Life expectancy at age 65 (Years)
Male retiring at 31 March	21.0	21.1
Female retiring at 31 March	23.4	23.7
Male retiring in 20 years	22.2	22.4
Female retiring in 20 years	24.9	25.2

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 2023 No	31 March 2022 No
Number of members		
At 1 April	9	20
Joining during the year	2	9
Leaving during the year	(3)	(20)
At 31 March	<u>8</u>	<u>9</u>

24. Capital commitments

	31 March 2023 £'000	31 March 2022 £'000
Capital expenditure		
Expenditure contracted for but not provided in the accounts	-	-
	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>

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 £'000	Brandon £'000	Cockfield £'000	Wingate £'000	Others £'000	Total £'000
At 31 March 2022	609	394	257	61	131	1,452
Surplus for the year	-	15	-	-	-	15
Revaluation of Investments	-	-	-	-	-	-
At 31 March 2023	609	409	257	61	131	1,467

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 a linked charity with the Association under a Uniting Direction of October 2017 and three managed Almshouse Charities linked 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.

Related Party Transactions

Board Members Andrew Thompson and Mark Reid are employees of Karbon Homes.

Durham Aged Mineworkers Homes Association works with Karbon Homes on its development programme

Karbon Homes help to identify suitable development schemes, liaise with Homes England on its behalf and manage the development programmes once underway.

In 2022/23 Durham Aged Mineworkers Homes Association paid invoices totalling £113,809 to Karbon Homes for retentions due on previously completed schemes.

Neither Board Member is involved in the awarding of contracts to Karbon Homes.

26. Financial assets and liabilities

26 a. Categories of financial assets and financial liabilities

	31 March 2023 £'000	31 March 2022 £'000
Financial assets - loans and receivables :		
Investments	1,220	829
Trade and other debtors	77	56
Cash and cash equivalents	8,820	2,140
	<u>10,117</u>	<u>3,025</u>
Financial liabilities - Amortised cost		
Trade and other creditors	202	384
Loans	18,341	15,431
	<u>18,543</u>	<u>15,815</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 2023 £'000	31 March 2022 £'000
Floating rate on money market deposits	8,820	2,140
	<u>8,820</u>	<u>2,140</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 2023 was:

	2023 £'000	2022 £'000
Fixed rate	14,850	8,654
	<u>14,850</u>	<u>8,654</u>

The fixed rate financial liabilities have a weighted average interest rate of 3.15% (2022: 3.7%) and the weighted average period for which it is fixed is 9 years (2022: 6 years).

The debt maturity profile is shown in note 20.

27. Post balance sheet events

The Association has no post balance sheet events to declare.

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.

The following linked charities 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

DURHAM AGED MINEWORKERS' HOMES ASSOCIATION

England & Wales - Charity number 1191033

Accounts

**Durham Aged Mineworkers' Homes
Association**

Trustees' report and accounts

31 March 2022

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2022

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Registered office:

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

Charity Number: 1191033

Registered Provider Number: 5125

The Board

Trustees

Anne Rowlands (Chair)	Appointed September 2021	
Gillian Bramfitt (Vice Chair)		(N)
Steve Fergus		(A)
Stephen Guy		(N)
Mark Reid		(A)
Ian Youll	Appointed September 2021	(A)
Kate Abson	Appointed September 2021	(N)
Catherine Louise Buckton	Appointed September 2021	(N)
Andrew Thompson	Appointed May 2022	(A)
Paul Hewitson	Retired September 2021	(A)
Barbara Christie (Chair)	Retired September 2021	(N)
Lesley Armstrong	Retired September 2021	
Paul Nilsen	Retired May 2022	(A)

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

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2022

Management Team and Advisors

Management Team Officers

Paul Mullis FCA	Chief Executive
Nicola Local FCCA	Finance Director
David Graham BSc Quantity Surveyor	Operations Director

External Auditor

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

Internal Auditor

Azets
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

Trowers & Hamlins LLP
55 Princess Street
Manchester
M2 4EW

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 2022.

Status

Durham Aged Mineworkers' Homes Association was established in 1898. On midnight of 31st March 2021 the charity became a Company Limited by Guarantee (Number 12758375) and is administered by Articles of Association, which were adopted at that date. It is a Registered Charity (Number 1191033 - formerly Number 222673), Registered Housing Provider (Number 5125 - formerly 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 Directors of the Company and Trustees of the registered charity, and their details are set out on page 1. All Trustees 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 Trustee of the Charity and does not have the legal status of Director of the Company, but manages the day-to-day operations of the organisation under authority delegated by the Board.

Investment Powers

The Articles of Association 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 Articles define the objects as:

To provide and maintain services and facilities for aged, infirm or disabled persons or those in financial need, with particular regard for the needs of the Original Beneficiaries.
For that purpose to provide and maintain:

- Social housing in the form of almshouses, which may be houses, bungalows, apartments or sheltered homes, for such persons who (except in the case of Original Beneficiaries or in other special cases to be approved by the Trustees) are primarily over the age of 50 at the time of appointment
- 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 £2,156k (2021: £2,593k) and an overall surplus for the year of £1,651k (2021: £2,016k).

Review of activities and achievements

At midnight on 31st March 2021 Durham Aged Mineworkers' Homes Association became 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 are pleased to be able to report continuing strong results for the Association, despite a year of high inflation and post lockdown costs. We are certainly working in a challenging environment at present with international political events also pushing inflation up to higher levels than we have seen for many years. Despite this we continue to concentrate on providing the best service for our residents whilst making the best use of our resources.

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 124 (2021: 114) 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 227 (2021: 197) properties on affordable rents.

Asset Management Strategy

Having been in existence for 124 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 2021/2022 no house sales were completed due to delays at the Land Registry following the transfer of homes on Incorporation.

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 2020. 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 still in process and at 31st March only 1 Trustee remained with a term 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 has a wealth of experience of the community it serves, professional skills and a high degree of enthusiasm and commitment.

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.

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 Executive 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.

Report of The Board (continued)

Health and Safety at Work

The Association takes its responsibilities for Health and Safety towards employees, contractors and the public seriously and monitors performance and risk accordingly. During the year ended 31st March 2022 there were no workplace injuries or lost-time events (2021: nil). There were 179 days lost (equates to a rate of 483.78 days lost per 100 employees) due to sickness (2021: 177.50 days lost, 522 days lost per 100 employees).

Increased access to flexible working arrangements, a facility which was developed and extended during the Covid "lockdown" periods of recent years, has seen a reduction in the long-term trend for sickness absence compared to historical norms.

The Association aims to maintain this excellent record and continues to invest in training and regular external review of policies, procedures, and practices accordingly.

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 due to the political instability in Europe. 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 inflation, costs 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 the National Housing Federation's recommended Code of Conduct. 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 were linked with Durham Aged Mineworkers Homes Association (No. 1191033) via a special resolution dated 8 October 2021. These charities 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 £67.47 (2021: £66.47)

• **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 £75.95 (2021: £74.83)

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 14.

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 2022 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 2021, 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>Budget</i>				
	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
Operating costs as a percentage of turnover	54.10%	51.96%	52.55%	48.86%	49.47%
Housing management costs per unit	£291.48	£289.84	£264.89	£257.10	£289.03
Maintenance costs per unit	£848.89	£859.19	£710.21	£660.12	£674.91
Routine repairs completed on time	99.00%	99.03%	n/a	99.22%	99.38%
Repairs satisfaction	90.00%	90.50%	90.50%	92.60%	90.80%
Average re-let time(days)	35	70.4	69.8	49.3	44.8
Current resident maintenance charge arrears	£62k	£29k	£1k	£48k	£201k
New homes developed	0	23	13	43	5
Redundant homes sold	10	0	4	12	28

It has been a difficult and unsettled year with the recovery from lockdown, coupled with high inflation. Operating costs per unit have increased, however there were residual incorporation costs, coupled with costs for securing new funding. The Association has worked hard to modernise and update its governance and as such there are additional costs associated with employing compliance staff and providing third party assurance to the Board on important areas such as Health & Safety and cyber security.

Report of The Board (continued)

Housing management costs have increased due to the additional payroll costs. We have also seen rises on Insurance following increased costs for cyber insurance. The Association will tender it's insurance policies in the upcoming year to ensure that we are still achieving value for money.

Cyber security continues to be a large risk and as such we have tightened security wherever possible and faced increased costs to do so. We will continue to review our security systems and invest where necessary to ensure we keep up to date with ever changing risks.

The return of staff to the office and a general return to the status quo has meant that training costs have increased in the year. It is vital to the health and safety of our staff that we engage them in ongoing training.

Maintenance costs increased in 2021/22. The Association employs local contractors and in line with society as a whole has found shortages of materials leading to increased costs. Inflation to March 2022 was 7% and our underlying repairs cost has increased by 7%. We continue to tender all services and look to achieve the best value for money possible in this challenging environment.

99.03% of repairs were completed on time. A light decrease from pre pandemic levels but a favourable result given challenges around supplies. 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. The relet time on our bungalows is 56.4 days, while the relet time in our sheltered schemes is 182.3 days. 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 in the previous year due to the timing of housing benefit payments and a refund adjustment to some residents. We continue to be proactive in working with our residents to keep our arrears at a low level.

During the financial year, the Association completed and let 23 new two-bedroom bungalows, partially funded by Homes England. The Association remains committed to the development of new homes every year over the medium to long term.

Looking forward to 2022/23 we are facing the challenges of increasing inflation on our costs. We hope that we won't see the severe storms of 2021/22 and therefore our maintenance cost per unit will decrease slightly.

We continue to have a target of 35 relet days. This has proved challenging recently due to increasing difficulties letting at our Sheltered Schemes. We currently have a project underway to look at how we can address this issue.

With the transfer of our properties from the unincorporated charity to the Incorporated charity now complete, we will be able to move forward with the sale of our redundant properties. We therefore have a target of 10 sales in 2022/23.

Following delays on a prospective development scheme, due to planning issues, we will not be completing any new developments in 2022/23.

Report of The Board (continued)

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

Metric	Sector Quartile 2020/21	2022/23 Targets	2021/22 Outturn	2021/22 Budget	2020/21 Outturn	2019/20 Outturn
1. Reinvestment %	4	3.95%	4.68%	5.50%	2.96%	8.68%
2a. New Supply Delivered Social Housing%	3	0.00%	1.27%	1.30%	0.73%	2.42%
2b. New Supply Delivered Non Social Housing %	n/a	0.00%	0.00%	0.00%	0.00%	0.00%
3. Gearing	1	13.22%	16.77%	17.28%	16.36%	17.64%
4. Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA)	1	390%	424%	491%	493%	385%
5. Headline Social Housing Cost per Unit	1	£3,095	£3,122	£2,796	£2,927	£2,788
6a. Operating Margin - Social Housing %	3	25.65%	25.91%	29.57%	25.21%	29.31%
6b. Operating Margin - All %	1	25.98%	25.50%	29.57%	31.51%	29.47%
7. Return on Capital Employed (ROCE) %	2	2.44%	2.74%	3.06%	3.35%	2.98%

We have benchmarked our results against 15 peers with 1500 to 2000 properties.

As at 2020/21 we continued to perform in the top two quartiles for most measurements. We were in the 4th quartile for reinvestment costs, however a 2021 Savills survey confirmed that our stock is in very good condition and well maintained.

We appear in the 3rd quartile for new supply delivered. 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.

As well as the RSH metrics we subscribe to a Pulse report with Housemark. This report demonstrates that we perform well against our peers with high satisfaction levels with the overall service we provide

Looking forward to 2022/23 we will work to reduce costs wherever possible within the difficult high inflation environment that we find ourselves in, whilst ensuring we continue to provide the high level of service that our residents have come to expect. The targets set by our Board above reflect this.

Alongside all Registered Providers we are anticipating the requirement for significant investment in our stock in order to comply with forthcoming regulations on EPC standards and the government's long term target of achieving net zero carbon emissions. We will be establishing priorities for investment and have commissioned survey work accordingly. The priority for the Association will be maximising the opportunity for affordable warmth for our residents within the changing energy environment ahead.

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

15 September 2022

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 2022 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 2022 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.

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

1

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.

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2022

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.

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.

Beever and Struthers

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

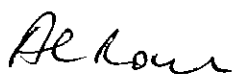
Date: *22 September 2022*

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2022

Statement of Comprehensive Income for the year ended 31st March 2022

		2022	2021
	Note	Total £'000	Total £'000
Turnover	3	8,454	8,227
Operating Expenditure	3	(6,253)	(6,141)
Release of Disposal Proceeds Fund		0	492
Profit/(Loss) on Disposal of Fixed Assets	7	(45)	15
Operating Surplus		<u>2,156</u>	<u>2,593</u>
Interest Receivable	8	21	22
Interest and Financing Costs	9	(526)	(599)
Surplus for the year		<u>1,651</u>	<u>2,016</u>
Actuarial Gain/(Loss) in Respect of Pension Schemes	22	443	(1,213)
Movement in Fair Value of Investments	14	51	123
Total Comprehensive Income for the Year		<u><u>2,146</u></u>	<u><u>926</u></u>

The financial statements were approved and authorised for issue by the Board on 15 September 2022 and signed on its behalf by:



Chair

Trustee



The Associations' results relate wholly to continuing activities and the notes on pages 23 to 47 form an integral part of these financial statements.

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2022

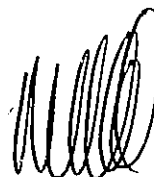
Statement of Financial Position as at 31st March 2022

		31 March 2022 £'000	31 March 2021 £'000
	Note		
Fixed Assets			
Tangible Fixed Assets	12,13	79,625	77,816
Investments	14	829	774
		80,454	78,590
Current Assets			
Trade and Other Debtors	15	268	175
Cash and Cash Equivalents		2,140	3,288
		2,408	3,463
Creditors: Amounts Falling Due Within One Year	16	(4,121)	(4,740)
Net Current Assets		(1,713)	(1,277)
Total Assets less Current Liabilities		78,742	77,314
Creditors: Amounts Falling due After More than one Year	17	(50,989)	(51,114)
Provisions for Liabilities			
Pension Liability	22	(1,396)	(1,958)
Total Net Assets		26,357	24,242
Reserves			
Income and Expenditure Reserve		22,186	20,004
Restricted Reserve	25	1,452	1,413
Designated Reserve		2,719	2,824
Total Reserves		26,357	24,242

The financial statements were approved and authorised for issue by the Board on 15 September 2022 and signed on its behalf by:



Chair



Trustee

The notes on pages 23 to 47 form an integral part of these financial statements

Durham Aged Mineworkers' Homes Association
 Trustees' report and accounts
 Year ended 31st March 2022

Statement of Changes in Reserves for the year ended 31st March 2022

	Note	Income and Expenditure Reserve £'000	Restricted Reserve £'000	Designated Reserve £'000	Total £'000
Balances as at 1 April 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 gain 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
Surplus for the Year		1,651	-	-	1,651
Release of Disposal Proceeds Fund			-	-	0
Actuarial loss on pension liability	22	443	-	-	443
Movement in Fair Value of Investments	14	47	4	-	51
Transfer of Designated Expenditure from Designated Reserve		75	-	(105)	(30)
Transfer of Restricted Expenditure from Unrestricted Reserve		(35)	35	-	-
Balance at 31 March 2022		22,186	1,452	2,719	26,357

The notes on pages 23 to 47 form an integral part of these financial statements

Durham Aged Mineworkers' Homes Association
Trustees' report and accounts
Year ended 31st March 2022

Statement of Cash Flows for the year ended 31st March 2022

	2022	2021
	£'000	£'000
Net Cash Generated From Operating Activities (see note I)	3,209	3,651
Cash Flow From Investing Activities		
Purchase of Tangible Fixed Assets	(3,485)	(3,128)
Proceeds From Sale of Tangible Fixed Assets	(55)	78
Grants Received	184	896
Interest Received	18	18
	<u>(3,339)</u>	<u>(2,137)</u>
Cash Flow From Financing Activities		
Interest Paid	(487)	(579)
New Secured Loans	2,000	-
Repayments of Borrowings	(2,532)	(1,079)
	<u>(1,019)</u>	<u>(1,658)</u>
Net Change in Cash and Cash Equivalents	(1,148)	(144)
Cash and Cash Equivalents at Beginning of the Year	3,288	3,432
Cash and Cash Equivalents at End of the Year	<u>2,140</u>	<u>3,288</u>

	2022	2021
	£'000	£'000
Note I		
Surplus for the year	1,651	2,016
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	1,914	1,878
Amortisation of grants	(447)	(445)
Decrease/(increase) in trade and other debtors	(93)	26
Increase/(decrease) in trade and other creditors	(168)	292
Pension costs less contributions payable	(168)	(185)
Profit (Loss) on disposal of tangible fixed assets	45	(15)
Disposal Proceeds Fund	0	(492)
Release of winter reserve	(30)	0
Adjustments for Investing or financing activities:		
Interest payable	526	599
Interest received	(21)	(22)
Net cash generated from operating activities	<u>3,209</u>	<u>3,651</u>

The notes on pages 23 to 47 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 Incorporated Registered Charity (No. 1191033), a Registered Social Housing Provider (No. 5125) 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 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 2022/23 and therefore we consider it appropriate to continue to prepare the financial statements on a going concern basis. The Association's 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.

There is expected to be an additional cost of materials going forward due to high inflation. The Business Plan model has assumed that repair costs will rise above inflation by 2.50% in 2023/24 followed by 1% for the following three year period. All costs have been fully stress tested without detriment to going concern in June 2022.

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 2022 was £2,140.

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 administered 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 has been created to meet excess costs incurred in the event of severe winter weather. Prior to the recent storms this provision sat at £50,000. The current reserve is £20,000 following significant storm damage in the year.

(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	2022 Operating Expenditure £'000	Operating Surplus £'000
Social Housing Lettings			
Housing Accommodation (Continuing Operation)	8,391	(6,217)	2,174
Total Social Housing lettings	8,391	(6,217)	2,174
Other Social Housing Activities			
Garages and Allotments (Continuing Operation)	11	-	11
Management Services (Continuing Operation)	31	(36)	(5)
Lease of Residential Home (Continuing Operation)	21	-	21
	63	(36)	27
	8,454	(6,253)	2,201
Release of disposal proceeds fund			0
Profit/(Loss) on disposal of fixed assets			(45)
Operating Surplus			2,156

	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

4. Particulars of Income and Expenditure from Social Housing Lettings

	2022	2021
	Housing Accommodation £'000	Housing Accommodation £'000
Rent Receivable Net of Identifiable Service Charges	7,778	7,495
Service Charge Income	294	345
Amortised Government Grants	434	431
Other Grants	14	14
Turnover From Social Housing Lettings	8,520	8,285
Services	(175)	(214)
Management	(1,188)	(1,239)
Routine Maintenance	(2,648)	(2,475)
Planned Maintenance	(75)	(81)
Bad Debts	(9)	(4)
Water Rates	(249)	(244)
Impairment of Housing Properties	-	-
Depreciation of Housing Properties	(1,873)	(1,849)
Other Costs	-	-
Operating Expenditure on Social Housing Lettings	(6,217)	(6,106)
Operating Surplus on Social Housing Lettings	2,303	2,179
Void Losses	(129)	(121)

5. Accommodation in Management and Developing

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

	2022 No. of Properties	2021 No. of Properties
Social Housing		
General Housing:		
- Social Rent	1,564	1,571
- Affordable Rent	227	197
Shared Ownership Units	3	3
Leasehold Schemes for the Elderly	16	16
Total Owned	1,810	1,787
Accommodation Managed for Others	44	44
Total Managed	44	44
Total Owned and Managed	1,854	1,831
Accommodation In Development at the Year End	-	23

6. Operating Surplus

The operating surplus is arrived at after charging:

	2022 £'000	2021 £'000
Depreciation of Housing Properties (Note 12)	1,873	1,849
Depreciation of Other Tangible Fixed Assets (Note 13)	41	29
Auditors' Remuneration (excluding VAT)		
Fees Payable to the Association's Auditors for the Audit of the Financial Statements	22	26
Fees Payable to the Association's Auditors for Other Services	-	-
Fees Payable for Internal Audit	10	10
Total Audit Services	32	36

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

	2022 £'000	2021 £'000
Housing properties		
Disposal Proceeds	0	137
Carrying Value of Fixed Assets	(45)	(122)
Profit (Loss) on disposal	<u>(45)</u>	<u>15</u>
Capital Grant Recycled (Note 19)	0	(59)
Disposal Proceeds Fund (Note 20)	<u>0</u>	<u>0</u>

All values above relate to Continuing Operations.

8. Interest Receivable

	2022 £'000	2021 £'000
Bank Interest Receivable and Similar Income	21	22
	<u>21</u>	<u>22</u>

All values above relate to Continuing Operations.

9. Interest and Financing Costs

	2022 £'000	2021 £'000
Defined Benefit Pension Charge	49	27
Loans and Bank Overdrafts	499	583
	<u>548</u>	<u>610</u>
Interest Payable Capitalised on Housing Properties Under Construction	(22)	(11)
	<u>526</u>	<u>599</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:

	2022	2021
Office Based Staff	23	22
Resident Managers and Care Staff	3	3
	<u>26</u>	<u>25</u>

10 b. Employee costs

	2022 £'000	2021 £'000
Wages and Salaries	872	886
Social Security Costs	85	82
Other Pension Costs	288	174
	<u>1,245</u>	<u>1,141</u>

Annual payments to 53 Residents Representatives totalling £12.4k are included within wages and salaries

10 c. Termination benefits

During the year, the Association terminated the employment of no members of staff (2020/21: 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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Termination Benefits	-	-	-	9

All termination benefits agreed in 2021/22 (None) were paid in full during the year (2020/21: £9k).

11. Key Management Personnel

11 a. Key Management Personnel costs

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

	2022	2021
	£'000	£'000
Basic Salary	240	232
Benefits In Kind	3	3
Pension Contributions	58	58
	<u>301</u>	<u>292</u>

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

The full time equivalent number of staff who received emoluments:

	2022	2021
£60,000 to £70,000	1	1
£70,001 to £80,000	1	1
£80,001 to £90,000	-	-
£90,001 to £100,000	1	1

The emoluments of the highest paid director, excluding pension contributions, were £98,570 (2020/21: £95,672).

11 c. Emoluments paid to Non Executive Directors

Emoluments paid to non-executive directors of the Association amounted to NIL (2020/21: NIL) and reimbursement for expenses amounted to NIL (2020/21: £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 2021	98,631	1,159	180	99,970
Additions		2,346		2,346
Reclassifications	3,428	(3,428)		-
Works to existing properties	1,367			1,367
Disposals	(593)			(593)
At 31 March 2022	102,833	77	180	103,090
Depreciation				
At 1 April 2021	22,463	-	25	22,488
Depreciation charged in year	1,871		2	1,873
Released on disposal	(549)			(549)
At 31 March 2022	23,786	-	27	23,813
Net book value				
At 31 March 2022	79,047	77	153	79,277
At 31 March 2021	76,168	1,159	155	77,482

12 b. Expenditure on works to existing properties

	2022 £'000	2021 £'000
Improvement works capitalised	1,367	0
Amounts charged to income and expenditure	75	81
	1,442	81

12 c. Social housing assistance

	2022 £'000	2021 £'000
Total accumulated social housing grant received or receivable at 31 March	45,813	45,077
Recognised in the Statement of Comprehensive Income	(7,791)	(7,344)
Held as deferred income	38,022	37,733

12. Fixed assets - housing properties (continued)

12 d. Finance costs

	2022 £'000	2021 £'000
Aggregate amount of finance costs included in the cost of housing properties	<u>61</u>	<u>48</u>

12 e. Housing properties book value net of depreciation

	31 March 2022 £'000	31 March 2021 £'000
Freehold land and buildings	75,975	74,190
Long leasehold land and buildings	3,302	3,292
	<u>79,277</u>	<u>77,482</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 (2021: 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 2021	492	443	102	1,037
Additions	0	43	13	56
Disposals	0	(98)	(21)	(119)
At 31 March 2022	<u>492</u>	<u>388</u>	<u>94</u>	<u>973</u>
Depreciation				
At 1 April 2021	231	386	86	703
Charged in the year	10	28	3	41
Released on disposal		(98)	(21)	(119)
At 31 March 2022	<u>241</u>	<u>316</u>	<u>68</u>	<u>625</u>
Net book value				
At 31 March 2022	<u>251</u>	<u>72</u>	<u>26</u>	<u>348</u>
At 31 March 2021	<u>261</u>	<u>57</u>	<u>16</u>	<u>334</u>

14. Fixed Asset Investments

	2022 £'000	2021 £'000
Valuation		
At 1 April	774	647
Additions	4	4
Movement arising on revaluation	51	123
At 31 March	<u>829</u>	<u>774</u>
	31 March 2022 £'000	31 March 2021 £'000
Listed Investments	<u>829</u>	<u>774</u>

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15. Debtors

	31 March 2022 £'000	31 March 2021 £'000
Due within one year		
Rent and service charges receivable	77	41
Less provision for bad and doubtful debts	(28)	(25)
Net rental debtors	<u>49</u>	<u>16</u>
Other debtors	7	3
Prepayments and accrued income	<u>212</u>	<u>156</u>
Due after more than one year		
Prepayments and accrued income	-	-
	<u>268</u>	<u>175</u>

16. Creditors: amounts falling due within one year

	31 March 2022 £'000	31 March 2021 £'000
Debt (Note 21)	1,528	2,495
Trade creditors	324	90
Rent and service charges received in advance	68	203
Recycled capital grant fund (Note 19)	1,130	283
Deferred grant income (Note 18)	453	1,001
Other creditors	60	81
Accruals and deferred income	558	587
	<u>4,121</u>	<u>4,740</u>

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

	31 March 2022 £'000	31 March 2021 £'000
Debt (Note 21)	13,903	13,468
Recycled capital grant fund (Note 19)	69	914
Deferred grant income (Note 18)	<u>37,017</u>	<u>36,732</u>
	<u>50,989</u>	<u>51,114</u>

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18. Deferred grant income

	31 March 2022 £'000	31 March 2021 £'000
At 1 April	37,733	37,610
Grant received in the year	184	619
Disposals in the year	0	(51)
Released to Income in the year	(447)	(445)
At 31 March	<u><u>37,470</u></u>	<u><u>37,733</u></u>
	2022 £'000	2021 £'000
Amounts to be released within one year (Note 16)	453	1,001
Amounts to be released in more than one year (Note 17)	37,017	36,732
	<u><u>37,470</u></u>	<u><u>37,733</u></u>

19. Recycled capital grant fund

	31 March 2022 £'000	31 March 2021 £'000
At 1 April	1,197	1,198
Grants recycled	0	59
Interest accrued	2	7
Grant withdrawn	0	(67)
At 31 March	<u><u>1,199</u></u>	<u><u>1,197</u></u>
Amount of grant due for repayment	<u><u>283</u></u>	<u><u>-</u></u>

20. Disposal proceeds fund

	2022 £'000	2021 £'000
At 1 April	0	492
Net sales proceeds recycled	0	0
Release of disposal proceeds fund	0	(492)
At 31 March	<u>0</u>	<u>0</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

	2022 £'000	2021 £'000
Due within one year		
Banks loans (Note 16)	1,528	2,495
	<u>1,528</u>	<u>2,495</u>
Due after more than one year		
Bank loans (Note 17)	13,903	13,468
	<u>13,903</u>	<u>13,468</u>
Total loans	<u>15,431</u>	<u>15,963</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 56% (2020/21 : 70%) 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.

	2022 £'000	2021 £'000
Within one year or on demand	1,528	2,495
One year or more but less than two years	1,081	1,446
Two years or more but less than five years	3,826	3,575
Five years or more	8,996	8,447
	<u>15,431</u>	<u>15,963</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.

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

The remaining disclosures in note 22 relate to the Defined Benefit Pension estimates provided by the actuary for the period 2021/22.

22. Pensions (continued)

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

	31 March 2022	31 March 2021
	£'000	£'000
Fair value of plan assets	8,632	8,458
Present value of defined benefit obligation	(10,028)	(10,416)
Defined benefit (liability) to be recognised	(1,396)	(1,958)

Reconciliation of opening and closing balances of the defined benefit obligation

	31 March 2022	31 March 2021
	£'000	£'000
Defined benefit obligation at 1 April	10,416	8,313
Current service cost	288	174
Expenses	8	7
Interest expense	227	197
Contributions by plan participants	--	
Actuarial losses (gains) due to scheme experience	232	(205)
Actuarial losses (gains) due to changes in demographic assumptions	(157)	38
Actuarial losses (gains) due to changes in financial assumptions	(771)	2,147
Benefits paid and expenses	(215)	(255)
Defined benefit obligation at 31 March	10,028	10,416

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

	31 March 2022	31 March 2021
	£'000	£'000
Fair value of plan assets at 1 April 2020	8,458	7,410
Interest income	186	177
Experience on plan assets (excluding amounts included in interest income) - (loss)/gain	(253)	767
Contributions by the employer	456	359
Contributions by plan participants	--	
Benefits paid and expenses	(215)	(255)
Fair value of plan assets at 31 March 2021	8,632	8,458

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2021 to 31 March 2022 was £67,000 (2020/21: £944,000).

22. Pensions (continued)

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

	2022	2021
	£'000	£'000
Current service cost	288	174
Expenses	8	7
Net interest expense	41	20
Defined benefit costs recognised in the SoCI	337	201

Defined benefit costs recognised in Other Comprehensive Income

	31 March 2022	31 March 2021
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost) - (loss)/gain	(253)	767
Experience gains and losses arising on the plan liabilities - gain/(loss)	(232)	205
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain/(loss)	157	(38)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain/(loss)	771	(2,147)
Total amount recognised in other comprehensive income - gain/(loss)	443	(1,213)

Assets

	31 March 2022	31 March 2021
	£'000	£'000
Global Equity	1,657	1,348
Absolute Return	346	467
Distressed Opportunities	309	244
Credit Relative Value	287	266
Alternative Risk Premia	285	319
Fund of Hedge Funds	0	1
Emerging Markets Debt	251	341
Risk Sharing	284	308
Insurance-Linked Securities	201	203
Property	233	176
Infrastructure	615	564
Private Debt	221	202
Opportunistic Illiquid Credit	290	215
High Yield	74	253
Opportunistic Credit	31	232
Cash	29	0
Corporate Bond Fund	576	500
Liquid Credit	0	101
Long Lease Property	222	166
Secured Income	322	352
Liability Driven Investment	2,409	2,149
Currency Hedging	(34)	0
Net Current Assets	24	51
Total assets	8,632	8,458

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 2022 % per annum	31 March 2021 % per annum
Discount Rate	2.79%	2.17%
Inflation (RPI)	3.59%	3.28%
Inflation (CPI)	3.20%	2.86%
Salary Growth	4.20%	3.86%

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	31 March 2022	31 March 2021
	Life expectancy at age 65 (Years)	Life expectancy at age 65 (Years)
Male retiring at 31 March	21.1	21.6
Female retiring at 31 March	23.7	23.5
Male retiring in 20 years	22.4	22.9
Female retiring in 20 years	25.2	25.1

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 2022 No	31 March 2021 No
Number of members		
At 1 April	20	20
Joining during the year	9	1
Leaving during the year	(20)	(1)
At 31 March	<u>9</u>	<u>20</u>

24. Capital commitments

	31 March	31 March
	2022	2021
	£'000	£'000
Capital expenditure		
Expenditure contracted for but not provided in the accounts	-	2,557
	<u>-</u>	<u>2,557</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 2021	593	375	253	61	131	1,413
Surplus for the year	16	19	-	-	-	35
Revaluation of Investments	-	-	4	-	-	4
At 31 March 2022	609	394	257	61	131	1,452

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 a linked charity with the Association under a Uniting Direction of October 2017 and three managed Almshouse Charities linked 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.

Related Party Transactions

In May 2022, Andrew Thompson, Group Assistant Director (Finance) at Karbon Homes was appointed to the Board of Durham Aged Mineworkers Homes Association.

Durham Aged Mineworkers Homes Association works with Karbon Homes on its development programme. Karbon Homes help to identify suitable development schemes, liaise with Homes England on its behalf, and manage the development programmes once underway.

In 2021/22 Durham Aged Mineworkers Homes Association paid invoices totalling £2,016,316 to Karbon Homes for its development project at Wheatley Hill.

26. Financial assets and liabilities

26 a. Categories of financial assets and financial liabilities

	31 March 2022 £'000	31 March 2021 £'000
Financial assets - loans and receivables :		
Investments	829	774
Trade and other debtors	56	19
Cash and cash equivalents	2,140	3,288
	<u>3,025</u>	<u>4,081</u>
Financial liabilities - Amortised cost		
Trade and other creditors	384	171
Loans	15,431	15,963
	<u>15,815</u>	<u>16,135</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 2022 £'000	31 March 2021 £'000
Floating rate on money market deposits	2,140	3,288
	<u>2,140</u>	<u>3,288</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 2022 was:

	2022 £'000	2021 £'000
Fixed rate	8,654	11,215

The fixed rate financial liabilities have a weighted average interest rate of 3.7% (2021: 4.1%) and the weighted average period for which it is fixed is 6 years (2021: 6 years).

The debt maturity profile is shown in note 21.

27. Post balance sheet events

The Association has no post balance sheet events to declare.

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.

The following linked charities 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