

**THE TYNE MARINERS BENEVOLENT INSTITUTION  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2020**

**CHARITY NO: 229236  
HOMES ENGLAND NO: A3721**

# THE TYNE MARINERS BENEVOLENT INSTITUTION

## ASSOCIATION DETAILS

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### Secretaries and Principal Office

Hadaway & Hadaway  
Midland Chambers  
58 Howard Street  
North Shields  
Tyne & Wear  
NE30 1AL

### Auditor

MHA Tait Walker  
Chartered Accountants  
& Statutory Auditor  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

### Solicitors

Hadaway & Hadaway  
Midland Chambers  
58 Howard Street  
North Shields  
Tyne & Wear  
NE30 1AL

### Managing Agents

Tyne Housing Association Limited  
St Silas Church Building  
Clifford Street  
Byker  
Newcastle upon Tyne  
NE6 1PG

### Bankers

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

### Registration

Registered Charity Number	0229236
Homes England Number	A3721

# THE TYNE MARINERS BENEVOLENT INSTITUTION

## REPORT OF THE TRUSTEES

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The Trustees present their report and the audited financial statements for the year ended 31 December 2020.

#### Principal Activity

The principal activity of the Association is the provision of housing for occupation by ex-seafarers or their widows, and the provision of monthly pensions and other sums to ex-seafarers or their widows.

#### Members of the Board of Trustees

The Members of the Board of Trustees during the year ended 31 December 2020 were:-

R.I.D. Souter	- Chairman
M. Bird	- Treasurer / Vice Chairman
Captain S.C. Healy	- The Master of Trinity House
K. Barrie	
Captain A.J. Hogg	
Captain R. D. Nelson	
P. A. Dade	
L. Arkley	
Rev. G Evans	

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

The Tyne Mariners Benevolent Institution is a registered charity, registered with the Charity Commission (number 229236) and a Registered Social Landlord (number A3721) registered with Homes England.

The Tyne Mariners Benevolent Institution was established in accordance with the requirements of the Trust Deed dated 8<sup>th</sup> July 1902, last amended on 26<sup>th</sup> April 2006.

#### OBJECTIVES AND ACTIVITIES

1. To provide monthly pensions and other sums to ex-seafarers or their widows who have satisfied the criteria of financial need, period of sea service and residential qualification.
2. To make available residences at the Master Mariners Homes, North Shields for ex-seafarers or their widows who satisfy the criteria under objective 1 above or other persons in need who satisfy criteria approved by the Trustees.
3. To maintain the Master Mariners Homes to the necessary standard.
4. To administer the charity in accordance with Charity Commission guidelines, to keep proper accounting records and be responsible for investment policy.

The Tyne Mariners Benevolent Institution may not charge rent for dwellings, only a maintenance contribution sufficient to manage them and keep them in good repair. Wherever the terms "rent" and "tenant" are used, it is for convenience only and has no other significance.

The Tyne Mariners Benevolent Institution is governed by Trustees who are voluntary individuals, headed by the Chairman and Vice-Chairman of the Trustees. The charity is administered by Hadaway & Hadaway, solicitors of North Shields, who receive annual emoluments from the charity in recognition of their work for the year.

# THE TYNE MARINERS BENEVOLENT INSTITUTION

## REPORT OF THE TRUSTEES

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### ACHIEVEMENTS AND PERFORMANCE

The Tyne Mariners Benevolent Institution continues to provide accommodation at The Master Mariners Homes for seafarers and their families. The properties have almost been fully occupied throughout the year with some fluctuation but only two flats have been empty at any given time. We continue, however, to receive on a regular basis applications from individuals who are keen to take up occupation. The Trustees have continued to carry out ongoing repairs to the properties and to oversee the upkeep of the gardens. We had hoped to get planning permission to replace windows and doors but the planning department has refused this. We will, therefore, be undertaking essential repairs and decoration to the existing windows and doors during the course of the coming months.

The charity has been left a very substantial legacy in the will of Isobel Joan Batey, amounting to some £66,000. She lived near Corbridge Northumberland, had no direct descendants and was the wife of Frank Batey who owned Lawson-Batey Tugs on the river, ultimately Tyne Tugs. He was killed in 1975 after the IRA had thrown a nail bomb into Scott's Oyster Bar in London in 1975 where he was dining. His was the only fatality in that attack, but 15 were seriously injured. When the same gang returned to machine gun the same restaurant at a later date, the police gave chase and this resulted in the Balcombe Street siege. They eventually surrendered and then convicted of his murder, and that of seven others.

Joan was previously married and lived with her first husband in Hong Kong during the World War II. He served in the Royal Artillery Company there. When the Japanese invaded HK, he was taken prisoner and died in the camp. She was interned for 4 1/2 years. So she had every reason to be embittered, but was actually one of life's charmers with a great sense of humour. She died 3 years ago aged 99 1/2 years. Frank Batey's solicitor and friend was Grenville March, partner in Hadaway's and one time Secretary to TMBI, hence the connection.

The Trustees are grateful for the continued support provided by The Merchant Navy Welfare Board and also Trinity House.

The Charity continues on a sound financial footing, providing accommodation and financial support for seafarers within the North East region. Whilst we continue to pay annuities to a regular number of recipients, there has been a slight reduction in the number of recipients during 2020.

#### FINANCIAL REVIEW

The financial statements presented for the year, show a surplus of £70,790 (2019 - £176,331) after the substantial decrease to the value of investments held which totalled £45,443 (2019 - £129,400 Increase). Transfers to designated reserves totalling £68,513 (2019 - £2,268) were made whilst transfers from the revaluation reserve were made to reflect the year end difference between historic cost and market value of investments.

Investments continued to be managed by UBS on a discretionary basis. Their performance is monitored regularly by the Trustees and has been considered satisfactory in comparison with agreed guidelines. Costs are controlled by the Secretaries and/or Managing Agents. Management accounts are reviewed by the Trustees quarterly. Note 2 shows that income has increased whilst costs have decreased compared to the previous year. The main reason for the increase in income is the receipt of a legacy totalling £66,245.

The Trustees consider the financial position of the Institution to be satisfactory.

The financial statements, which have been prepared in accordance with the Statement of Recommended Practice: Accounting by Registered Social Landlords (Update 2018), conform to current statutory requirements and comply with the Institution's governing documents.

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# THE TYNE MARINERS BENEVOLENT INSTITUTION

## REPORT OF THE TRUSTEES

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### VALUE FOR MONEY

The Registered charity is committed to being an effective and efficient social business achieving Value for Money ("VFM") in all its activities.

As the charity only has 30 units to achieve VFM, it benefits from the policies and procedures of Tyne Housing (the managing agent).

Regular inspections of the units are carried out to schedule planned maintenance, although that said, many of the improvements are carried out during void periods in order to avoid disruption where possible to the tenants.

Through the management agreements The Tyne Mariners Benevolent Institution have a cost-effective process of managing day to day repairs and the collection of the weekly maintenance charge.

Additional VFM is achieved by using, where appropriate, local contractors.

The regulator requires publication of The Value for Money (VfM) Metrics, which all registered providers are expected to publish within their annual accounts.

The metrics have been applied to The Tyne Mariners Benevolent Institution, which for the year ending 31 December 2020 are as follows:

Metric	2020	2019
Reinvestment	0.00%	8.84%
New supply delivered	0.00%	0.00%
Gearing	0.00%	0.00%
EBITDA (MRI)	0.00%	0.00%
Headline cost per unit	£2,863	£3,806
Operating margin (social)	39.71%	40.36%
Operating margin	21.77%	18.55%
Return on capital employed	3.65%	2.58%

#### RESERVES POLICY

The Trustees have established a policy to ensure that the charity's unrestricted revenue reserves funds, which are the free reserves of the charity, do not fall below the amount required to run the charity's activities for a year (approximately £210,000 to £225,000) should there be any call on the funds of the charity. The current balance of the charity's reserves is considered to be satisfactory by the Trustees.

The trustees have considered the financial position in light of the ongoing situation in relation to the Covid-19 virus and on conclusion of this work, given the strong cash and investment position, consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

#### RISK POLICY

Risk factors faced by the Charity moving forward relate to the maintenance and repair of the building at the Master Mariners Homes Tynemouth Road being a listed building of substantial age. The Trustees are aware of the continuing requirements to maintain the property which is subject to constant review. No substantial refurbishments will be required in the near future and the Charity is satisfied that the sound financial footing of the Charity mitigates any risks substantially.

The ability to pay annuities is a further risk faced by the Charity. With the continued support of Trinity House and the reserves held by the Charity and the decreasing number of recipients due to age factors the Charity is confident that payments will be maintained and the risk restricted.

# THE TYNE MARINERS BENEVOLENT INSTITUTION

## REPORT OF THE TRUSTEES

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### **PUBLIC BENEFIT STATEMENT**

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. The charitable objectives also are set in order to provide a clear and demonstrable public benefit.

#### **PLANS FOR THE FUTURE**

The Institution will continue to provide support by way of payment of pensions to retired seafarers and their families and will continue a rolling programme of improvements to the Master Mariners Homes.

TMBI is fortunate in having Tyne Housing as managing agents. Their staff are very experienced in looking after elderly residents and have set up arrangements to ensure they receive any extra help required as a result of the pandemic.

The Trustees have approved abnormal expenditure on repairs and redecoration during 2021 which is estimated to cost some £35,000. It is to be expected that in a building of this age relatively major expense will occur from time to time. Adequate funds are available

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Cooperative and Community Benefit Societies Act 2014 and registered social housing legislation require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the institution and the result of the institution for that period. In preparing those financial statements, the Trustees are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on the going concern basis where it is appropriate to do so.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the institution and to enable them to ensure that the financial statements comply with the 'Accounting Standards in the United Kingdom, Financial Reporting Standard' (FRS 102), Cooperative and Community Benefit Societies Act 2014, the Accounting Directions for Private Registered Providers of Social Housing 2019, the Statement of Recommended Practice Accounting by Registered Social Landlords, update 2018 (SORP2018) and the Charities Act 2011.

The Trustees acknowledges its ultimate responsibility for ensuring that the institution has in place a system of controls that is appropriate to the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the institution or for publication;
- the maintenance of proper accounting records, and
- the safeguarding of assets against unauthorised use or disposition and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

It is the responsibility of the Trustees to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements include:

# THE TYNE MARINERS BENEVOLENT INSTITUTION

## REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2020

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- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Institution's assets;
- experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the Trustees to monitor the key business and financial objectives and risks and the progress towards financial objectives set for the year and the medium term; regular management accounts are prepared promptly providing relevant, reliable and up-to-date financial and other information; significant variances from budget are investigated as appropriate;
- all investment projects are subject to formal authorisation procedures by the Trustees;
- the Trustees reviews reports from the managing agents and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Institution;
- formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Trustees have reviewed the effectiveness of the system of internal financial control in existence in the Institution for the year ended 31 December 2020 and no weaknesses in internal financial control resulted in material losses, contingencies, or uncertainties which require disclosure in the financial statements or the auditors' report on the financial statements.

### Statement of Disclosure of Information to Auditors

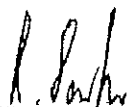
We, the Board members of the Institution who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Institution's auditors are unaware; and
- we have taken all the steps that we ought to have taken as Board members in order to make ourselves aware of any relevant audit information and to establish that the Institution's auditors are aware of that information.

### Auditor

A resolution to re-appoint MHA Tait Walker as auditor for the ensuing year will be proposed at the annual general meeting.

The financial statements were approved by the Trustees on 21/12/21 and signed on its behalf by:-

  
..... R. I. D. Souter - Chairman

# THE TYNE MARINERS BENEVOLENT INSTITUTION

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE TYNE MARINERS BENEVOLENT INSTITUTION

FOR THE YEAR ENDED 31 DECEMBER 2020

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### Opinion

We have audited the financial statements of The Tyne Mariners Benevolent Institution for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, the Statement of Changes in Reserves, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 as at 31 December 2020 and of its surplus for the year then 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, Co-operative and Community Benefit Societies Act 2014, the Accounting Direction for Private Registered Providers of Social Housing 2019 and the Statement of Recommended Practice Accounting by Registered Social Landlords, update 2018 (SORP2018).

### 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 director's 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements were authorised for issue.

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



# THE TYNE MARINERS BENEVOLENT INSTITUTION

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE TYNE MARINERS BENEVOLENT INSTITUTION

FOR THE YEAR ENDED 31 DECEMBER 2020

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### **Other information**

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The board is responsible for the other information. 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 of 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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**

In the light of the knowledge and understanding of the Institution and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the association;
- a satisfactory system of control has not been maintained over transactions; or
- the association's financial statements are not in agreement with the accounting records and returns;  
or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of the board**

As explained more fully in the Statement of Trustees' Responsibilities, the board is 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 board 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 board is responsible for assessing the Institution'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 board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

# THE TYNE MARINERS BENEVOLENT INSTITUTION

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE TYNE MARINERS BENEVOLENT INSTITUTION

FOR THE YEAR ENDED 31 DECEMBER 2020

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### **Auditor's responsibilities for the audit of the financial statements**

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.

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 have assessed the risk of material misstatement in respect of irregularities, including fraud. We have reviewed journal transactions, performed analytical review of the nominal data and undertaken transactional testing which has not identified any indication of fraud. Furthermore, we reviewed Board meeting minutes and held discussions with management who confirmed there had been no fraud identified during the year.

We discussed with management the policies and procedures regarding compliance with laws and regulations. We identified the following areas of laws and regulations that could reasonably be expected to have a material effect on the accounts: financial reporting legislation and health and safety. The audit procedures to identify non-compliance with laws and regulations, required by auditing standards, are limited to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence. We did not identify any instances of non-compliance to report.

The COVID-19 working environment increases the inherent risk of fraud. During the audit there were no events or conditions identified that indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# THE TYNE MARINERS BENEVOLENT INSTITUTION

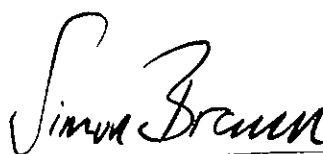
## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE TYNE MARINERS BENEVOLENT INSTITUTION

FOR THE YEAR ENDED 31 DECEMBER 2020

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### Use of the report

This report is made solely to the Institution's members, as a body, in accordance with the Charities Act 2011, the Co-operative and Community Benefit Societies Act 2014, s. 87 and the Accounting Direction for Private Registered Providers of Social Housing 2019 and the Statement of Recommended Practice Accounting by Registered Social Landlords, update 2018 (SORP2018). Our audit work has been undertaken so that we might state to the association's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

 11/5/2021

Simon Brown BA ACA DChA (Senior Statutory Auditor)

For and on behalf of

MHA Tait Walker

Chartered Accountants & Statutory Auditor

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS

Date:

MHA Tait Walker is a trading name of Tait Walker LLP.

Tait Walker LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**THE TYNE MARINERS BENEVOLENT INSTITUTION**

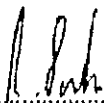
**STATEMENT OF COMPREHENSIVE INCOME (INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

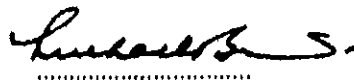
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>TURNOVER</b>	2	<b>312,774</b>	251,654
Operating costs	2	<b>(196,788)</b>	(204,972)
<b>OPERATING SURPLUS</b>	2/5	<b>115,986</b>	46,682
Interest receivable	4	<b>247</b>	249
<b>SURPLUS BEFORE TAX</b>		<b>116,233</b>	46,931
Taxation	6	-	-
<b>SURPLUS FOR THE YEAR</b>		<b>116,233</b>	46,931
Other recognised gains / (losses) in the year: Change in fair value of Investments		<b>(45,443)</b>	129,400
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>70,790</b>	176,331

The results for the year relate wholly to the continuing operations of the Association.

Approved by the Board and signed on its behalf on .....7/5/21.....

  
 .....  
 R. I. D Souter  
 Chairman

  
 .....  
 M. Bird  
 Treasurer / Vice Chairman

The notes on pages 14 to 23 form part of these financial statements.


# THE TYNE MARINERS BENEVOLENT INSTITUTION

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	£	2020 £	£	2019 £
<b>FIXED ASSETS</b>					
Housing properties	7		299,306		313,080
Other tangible fixed assets	8		6,892		8,108
Investments	9		1,208,500		1,274,130
			<u>1,514,698</u>		<u>1,595,318</u>
<b>CURRENT ASSETS</b>					
Debtors	10	12,314		26,850	
Cash and cash equivalents		395,218		199,592	
			<u>407,532</u>	<u>226,442</u>	
<b>CREDITORS: Amounts falling due within one year</b>	11	<u>61,040</u>		<u>14,244</u>	
<b>NET CURRENT ASSETS</b>			<u>346,492</u>		<u>212,198</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,861,190</u>		<u>1,807,516</u>
<b>CREDITORS: Amounts falling due after more than one year</b>					
	12		<u>307,949</u>		<u>325,065</u>
<b>TOTAL NET ASSETS</b>			<u>1,553,241</u>		<u>1,482,451</u>
<b>CAPITAL AND RESERVES</b>					
Revaluation reserves	15	28,437		91,337	
Designated reserves	14	350,586		282,073	
Revenue reserves		<u>1,174,218</u>		<u>1,109,041</u>	
<b>TOTAL CAPITAL AND RESERVES</b>			<u>1,553,241</u>		<u>1,482,451</u>

The financial statements were approved by the Trustees on 7/5/21 and signed on its behalf by:-

  
 .....  
 R. I. D Souter  
 Chairman

  
 .....  
 M. Bird  
 Treasurer / Vice Chairman

The notes on pages 14 to 23 form part of these financial statements.

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## STATEMENT OF CHANGE IN RESERVES

AS AT 31 DECEMBER 2020

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	Revaluation reserve	Designated reserves	Revenue reserves	Total Reserves
<b>Balance at 1 January 2019</b>	<b>(18,681)</b>	<b>279,805</b>	<b>1,044,996</b>	<b>1,306,120</b>
Surplus / (deficit) from statement of comprehensive income year ended 31 December 2019 – Total Comprehensive Income	-	-	176,331	176,331
Transfer from unrestricted reserves to designated reserves	-	2,268	(2,268)	-
Transfer from revaluation reserves to unrestricted reserves	110,018	-	(110,018)	-
<b>Balance at 31 December 2019</b>	<b>91,337</b>	<b>282,073</b>	<b>1,109,041</b>	<b>1,482,451</b>
Surplus / (deficit) from statement of comprehensive income year ended 31 December 2019 – Total Comprehensive Income	-	-	70,790	70,790
Transfer from unrestricted reserves to designated reserves	-	68,513	(68,513)	-
Transfer to revaluation reserves from unrestricted reserves	(62,900)	-	62,900	-
<b>Balance at 31 December 2020</b>	<b>28,437</b>	<b>350,586</b>	<b>1,174,218</b>	<b>1,553,241</b>

The notes on pages 14 to 23 form part of these financial statements.

# THE TYNE MARINERS BENEVOLENT INSTITUTION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. PRINCIPAL ACCOUNTING POLICIES

The Tyne Mariners Benevolent Institution is a registered charity in England and Wales, registered with the Charity Commission (number 229236) and a Registered Social Landlord (number A3721) registered with Homes England. Its registered office is Hadaway & Hadaway, Midland Chambers, 58 Howard Street, North Shields, Tyne & Wear, NE30 1AL.

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, Financial Reporting Standard 102 (FRS102), the Charities Act 2011, the Accounting Directions for Private Registered Providers of Social Housing 2019 and the Statement of Recommended Practice Accounting by Registered Social Landlords, Update 2018 (SORP2018).

In accordance with FRS102 PBE3.3A the Trustees confirm that this Registered Social Housing Provider is a Public Benefit Entity (PBE).

The trustees have considered the financial position in light of the ongoing situation in relation to the Covid-19 virus and on conclusion of this work, given the strong cash and investment position, consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

The Trustees have chosen to utilise the exemptions available under paragraph 1.11 of FRS102 and have therefore chosen not to prepare a cashflow statement and supporting notes.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, are set out in paragraphs (a) to (l) below:

##### (a) Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include investments at fair value.

These financial statements are prepared in sterling which is the functional currency of the entity.

##### (b) Turnover

Turnover represents resident contributions and service charges receivable net of any losses from voids. It also includes income received from investments and grants. Turnover is recognised in the period that the income is due.

##### (c) Housing Properties, Fixed Assets and Depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation.

Major components of housing properties, such as the internal fittings and heating components, have been accounted for and depreciated separately from the housing structure, over their expected useful economic lives.

Depreciation is charged on a straight line basis at rates anticipated to write off the cost of the asset, over the expected useful economic lives of the assets as follows:

Land	Not depreciated
Housing Properties	
Structure	50 years
Roof	50 years
Kitchens	15 years
Bathrooms	15 years
Doors	40 years
Windows	40 years
Boilers	10 years

None of the Institution's housing properties are considered to be investment properties.

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# THE TYNE MARINERS BENEVOLENT INSTITUTION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. ACCOUNTING POLICIES *(continued)*

##### (d) Other Fixed Assets

Fixtures & Fittings                      15% Reducing balance

The useful economic lives of all tangible fixed assets are reviewed annually.

##### (e) Social Housing Grant and Other Grants

Social Housing Grant (SHG) received as a capital contribution, in line with SORP2018 and the 'accruals method', is held separately as a creditor due more than one year, unless part of the SHG relates to a disposal of property and becomes recycled or repayable, in which case it is apportioned to creditors due less than one year accordingly. The 'accruals method' is applied as the RSHP holds all social housing properties at their historic cost.

The SHG is then amortised in line with the depreciation of the 'structure' component of the housing properties and released over 50 years (2%). The amortisation released in respect of the SHG is recognised in the Statement of Comprehensive Income as 'Income'.

SHG received towards revenue expenditure is matched against that expenditure by being included in turnover in the Income and expenditure account. The related expenditure is included under operating costs. SHG is recognised in the same period as the related expenditure provided the conditions for its receipt have been satisfied and there is reasonable assurance that the grant will be received.

SHG received and not matched by development expenditure or relevant expenditure in the Income and expenditure account is included in current liabilities. The amount of SHG in advance is calculated by reference to the aggregate of all schemes in the SHG funded development programme.

Other grants received (in respect of costs incurred) are shown as donations and recognised as Income in the year of receipt.

##### (f) Taxation

The Institution is exempt from paying tax.

##### (g) Designated Reserves

Designated reserves are part of unrestricted reserves which have been earmarked by the Board for a particular purpose. Such designations may be reversed by future Board decisions. Expenditure cannot be directly set against designated reserves but is taken through the Income and expenditure account. A transfer is then made from designated reserves as appropriate.

The Registered Social Housing Provider (RSHP) designates those reserves set aside for future major repairs on all of its housing properties. The amounts set aside are based on a stock condition survey of the RSHP's housing properties and represents the expenditure that cannot be met from the RSHP's future rental income stream. The designated reserve is the amount that the Board estimates is required for future major repairs.

##### (h) Revaluation Reserve

The Revaluation Reserve, whilst shown separately, is part of the general revenue reserves and is a memo of the difference in investments value between the historic cost and the fair value. The reserve can be both positive and negative as a result.



# THE TYNE MARINERS BENEVOLENT INSTITUTION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

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**1. ACCOUNTING POLICIES** *(continued)*

**(i) Financial Instruments**

A financial instrument is a contract that gives rise to a financial asset or liability within the financial statements of the Institution. The committee of management have reviewed the financial instruments held within the Institution's financial statements and consider them to be 'basic' and as such are recognised at their transactional value.

**(j) Rent Arrears and Advances**

In accordance with the Accounting Direction 2019, rent arrears and advances are not net-off and are presented as part of debtors and creditors respectively. Where a payment plan has been entered into for rent arrears, which are considered to be material, then the rent arrears debtor is adjusted to its net present value.

# THE TYNE MARINERS BENEVOLENT INSTITUTION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### 2. (A) TURNOVER, OPERATING COSTS AND OPERATING SURPLUS FOR THE YEAR

	2020			2019		
	Turnover	Operating costs	Operating surplus	Turnover	Operating costs	Operating surplus
	£	£	£	£	£	£
Social Housing Lettings (note B)	171,466	(103,380)	68,086	166,953	(99,576)	67,377
Activities other than Social Housing Activities (note C)	141,308	(93,408)	47,900	84,701	(105,396)	(20,695)
<b>TOTAL</b>	<b>312,774</b>	<b>(196,788)</b>	<b>115,986</b>	<b>251,654</b>	<b>(204,972)</b>	<b>46,682</b>

### (B) PARTICULARS OF TURNOVER AND OPERATING EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	2020	2019
	£	£
<b>Income</b>		
Rent receivable net of voids	154,350	149,837
Amortised social housing grant	17,116	17,116
<b>Turnover from Social Housing Lettings</b>	<b>171,466</b>	<b>166,953</b>
<b>Operating expenditure</b>		
Management	36,413	35,844
Bad debts	2,513	(781)
General repairs	13,736	10,745
Services	35,728	39,910
Depreciation on housing properties	13,774	12,427
Depreciation on other fixed assets	1,216	1,431
<b>Operating expenditure on Social Housing Lettings</b>	<b>103,380</b>	<b>99,576</b>
<b>Operating surplus on Social Housing Lettings</b>	<b>68,086</b>	<b>67,377</b>
<b>Void Losses</b>	<b>2,883</b>	<b>4,480</b>
(being rental income lost as a result of property not being let)		

# THE TYNE MARINERS BENEVOLENT INSTITUTION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### 2. (C) PARTICULARS OF TURNOVER AND OPERATING EXPENDITURE FROM OTHER ACTIVITIES

	2020	2019
	£	£
<b>Income</b>		
Donations: Trinity House, London	38,850	38,850
Donations - General	1,322	-
Grant: Merchant Navy Welfare Board	-	-
Legacy	66,245	-
Investment income	34,891	45,851
<b>Turnover from other activities</b>	<b>141,308</b>	<b>84,701</b>
<b>Operating expenditure</b>		
Pension payments	84,411	79,680
Management	7,860	24,142
National association fees	621	795
Other legal fees	-	-
Sundries	516	779
<b>Operating expenditure on other activities</b>	<b>93,408</b>	<b>105,396</b>
<b>Operating surplus/ deficit on other activities</b>	<b>47,900</b>	<b>(20,695)</b>

### 3. STAFF, KEY MANAGEMENT PERSONNEL, DIRECTORS' EMOLUMENTS AND RELATED PARTIES

No employee earned more than £60,000. As the Institution has no employees, it has no Key Management Personnel. The Trustees are defined as the Board of Management and therefore could be classed as Key Management Personnel. None of the Board of Management received any emoluments during 2020 (2019: £Nil). The Institution has no other paid Executive Officers.

The total expenses reimbursed to the Trustees not chargeable for UK income tax during 2020 was £Nil (2019: £Nil).

Where Trustees are tenants, tenancies are on normal commercial terms.

The administration and management of the Association was carried out by Hadaway & Hadaway and Tyne Housing Association Limited.

There were no related party transactions.

### 4. INTEREST RECEIVABLE

	2020	2019
	£	£
Bank interest receivable	247	249
	<u>247</u>	<u>249</u>

# THE TYNE MARINERS BENEVOLENT INSTITUTION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### 5. OPERATING SURPLUS

	2020	2019
	£	£
The operating surplus for the year is stated after charging:		
Depreciation on housing properties	13,774	12,426
Depreciation on other fixed assets	1,216	1,431
Amortisation of social housing grant	(17,116)	(17,116)
Auditor's remuneration	6,000	6,000

### 6. TAXATION

No liability to taxation arises from the surplus arising from rent from members as the Institution is entitled to relief under S642 of the Corporation Taxes Act 2010.

### 7. TANGIBLE FIXED ASSETS

Housing properties – freehold	2020	2019
	£	£
Gross cost		
At 1 January	801,210	871,029
Additions	-	27,681
Disposals	-	(97,500)
At 31 December	801,210	801,210
Depreciation		
At 1 January	488,130	573,204
Charge	13,774	12,426
Disposals	-	(97,500)
At 31 December	501,904	488,130
Net book value 31 December	299,306	313,080

### 8. OTHER FIXED ASSETS

	2020	2019
	£	£
Cost		
At 1 January & 31 December	41,867	41,867
Depreciation		
At 1 January	33,759	32,328
Charge	1,216	1,431
At 31 December	34,975	33,759
Net book value 31 December	6,892	8,108

# THE TYNE MARINERS BENEVOLENT INSTITUTION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### 9. INVESTMENTS

	2020	2019
	£	£
Fair value:		
As at 1 January	1,274,130	1,147,945
Additions	712,105	312,936
Disposals at opening market value	(745,716)	(298,795)
Unrealised (loss) / gain in period	(62,900)	110,018
Difference between gain on market value and gain on historical cost	30,881	2,026
At 31 December	<u>1,208,500</u>	<u>1,274,130</u>
UK Equities	644,924	638,748
Non UK Equities	194,061	193,229
UK Bonds	335,259	403,025
Non UK Bonds	-	-
Money Market Time	34,256	39,128
	<u>1,208,500</u>	<u>1,274,130</u>
<b>(b) Historic Cost</b>		
As at 1 January	1,182,794	1,166,627
Additions	712,105	312,936
Disposals	(714,834)	(296,769)
As at 31 December	<u>1,180,065</u>	<u>1,182,794</u>
<b>(c) Realised Gain / (Losses)</b>		
	2020	2019
	£	£
On Cost	17,457	19,382
Less: Difference between gains / (losses) arising in both cost and fair value	13,424	(17,356)
	<u>30,881</u>	<u>2,026</u>
Gain / (loss) realised: Difference between proceeds and fair value disposals	<u>30,881</u>	<u>2,026</u>
<b>(d) Unrealised Gain / (Loss) on Fair Value</b>		
	2020	2019
	£	£
Per investment note	(62,900)	110,018
Realised gain / (loss) on cost	17,457	19,382
Other recognised gains / (losses) in Statement of Comprehensive Income	<u>45,443</u>	<u>129,400</u>

# THE TYNE MARINERS BENEVOLENT INSTITUTION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 9. INVESTMENTS (continued)

At the 31<sup>st</sup> December 2020 the following individual investments market value exceeded 5% of the total portfolio market valuation:

Columbia Thread Inv UK Fund Class Z	280,828
Jo Hambro Cap Mgmt UK Equity	313,586

#### 10. DEBTORS

	2020	2019
	£	£
Rent arrears (gross)	12,302	11,225
Less: bad debt provision	(7,790)	(6,857)
Other debtors	219	14,319
Prepayments and accrued income	7,583	8,163
	<u>12,314</u>	<u>26,850</u>

#### 11. CREDITORS: Amounts falling due within one year

	2020	2019
	£	£
Rent in advance	4,683	3,355
Accruals	10,060	10,890
Other Creditor	46,297	
	<u>61,040</u>	<u>14,244</u>

#### 12. CREDITORS: Amounts falling due after more than one year, including convertible debts

	2020	2019
	£	£
Social Housing Grant (amortised cost)	<u>307,949</u>	<u>325,065</u>

The Social Housing Grant is amortised in line with the life of the 'structure' component, at a rate of 2%, and released as 'income' to the Statement of Comprehensive Income on that basis.

#### SOCIAL HOUSING GRANT

	2020	2019
	£	£
<b>Amounts received:</b>		
At 1 January & 31 December	855,818	855,818
<b>Amortisation:</b>		
At 1 January	530,753	513,637
Released during year	17,116	17,116
At 31 December	<u>547,869</u>	<u>530,753</u>
<b>Carrying value:</b>		
At 31 December	<u>307,949</u>	<u>325,065</u>

# THE TYNE MARINERS BENEVOLENT INSTITUTION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 13. FINANCIAL INSTRUMENTS

The Institution considers that its financial instruments comprise the Social Housing Grant (SHG); as such it is included as a liability within the financial statements. As the Institution has no intention to dispose of its housing properties the SHG will not become repayable. As a result, the total balance of the SHG creditor is presented as falling due in five years or more. The financial instruments are repayable as follows:

	2020	2019
	£	£
In five years or more	<u>307,949</u>	<u>325,065</u>

#### 14. DESIGNATED RESERVES

	Capital Account	Cyclical Repairs and Maintenance	Contingencies Fund	2020 Total	2019 Total
	£	£	£	£	£
As at 1 January 2020	82,095	132,548	67,430	282,073	279,805
Transfer from revenue reserve	66,245	2,268	-	68,513	2,268
As at 31 December 2020	<u>148,340</u>	<u>134,816</u>	<u>67,430</u>	<u>350,586</u>	<u>282,073</u>

From time to time, the Institution received donations in the form of legacies. Where the amount received is £1,000 or more, the Trustees consider it appropriate to credit the amount received to a designated reserve entitled Capital Account. During the year, a legacy was received totalling £66,245 and the full balance has been transferred to the capital account.

#### *Cyclical Repairs and Maintenance*

The annual transfer of £3,480 has been made to be utilised when the cyclical repairs are undertaken.

The Trustees have reduced the fund balance by £1,212 which relates to the depreciation charge incurred annually in relation to the recently purchased boilers.

#### *Contingencies (Extraordinary Repairs) Fund*

The contingencies (extraordinary repairs) fund was established under an Order of the Board of Charity Commissioners of England and Wales, dated 10<sup>th</sup> November 1982.

# THE TYNE MARINERS BENEVOLENT INSTITUTION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 15. REVALUATION RESERVE

	2020	2019
	£	£
Opening Balance	91,337	(18,681)
Unrealised gains / (losses) in period	(62,900)	110,018
Closing Balance	<u>28,437</u>	<u>91,337</u>

The Trustees have transferred the unrealised gains / (losses) on the investments (as per Note 9) from the revaluation reserve in line with the current accounting policy.

### 16. CAPITAL COMMITMENTS

There is no capital expenditure which has been contracted for, but not provided in the financial statements (2019: £nil).

### 17. CONTINGENT LIABILITIES

There are no contingent liabilities (2019: £nil).

### 18. RELATED PARTY TRANSACTIONS

There have been no transactions with any related parties in the year.

### 19. ACCOMMODATION MANAGED BY OTHERS

	2020	2019
General needs housing units	<u>30</u>	<u>30</u>

### 20. ULTIMATE CONTROLLING PARTY

In the opinion of the Trustees there is no ultimate controlling party.