

**TYNE MARINERS' BENEVOLENT INSTITUTION**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2017**

**CHARITY NO: 229236**  
**HOMES & COMMUNITY AGENCY NO: A3721**

# 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

Tait Walker LLP  
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 & Communities Agency Number	A3721

# **TYNE MARINERS BENEVOLENT INSTITUTION**

## **REPORT OF THE TRUSTEES**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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The Trustees present their report and the audited financial statements for the year ended 31 December 2017.

#### **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 2017 were:-

R.I.D. Souter	- Chairman
M. Bird	- Treasurer / Vice Chairman
Captain S.C. Healy	- The Master of Trinity House
K. Barrie	(Appointed 07/09/2017)
Miss D. Erskine	
Captain A.J. Hogg	
Captain R. D. Nelson	
P. A. Dade	
Lt Cmdr A. S. Collier RNR	
A. R. Horn	
L. Arkley	

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

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

The 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 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.

# **TYNE MARINERS BENEVOLENT INSTITUTION**

## **REPORT OF THE TRUSTEES**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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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 been almost fully occupied this year, with voids being kept to a minimum. The Trustees have continued to carry out ongoing repairs. The Care Call System has been replaced at the Mariners Homes and we are grateful to Merchant Navy Welfare Board for granting us the cost of this in full.

The Trustees are also grateful for the continued support provided by Trinity House in London.

The Charity continues on a sound financial footing and the Charity continues to pay annuities to a regular number of recipients and 2017 has not seen any substantial reduction in the number of recipients. The Charity, therefore, continues to provide accommodation and financial support for seafarers within the North East region.

#### **FINANCIAL REVIEW**

The financial statements presented for the year, show a surplus of £91,926 (2016 - £155,826) after the substantial uplifts to the value of investments held which totalled £70,699 (2016: £109,630). Transfers to designated reserves totalling £3,480 (2016 - £3,480) 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. Costs are controlled by the Secretaries and/or Managing Agents. Management accounts are reviewed by the Trustees quarterly. Note 2 shows that costs have increased compared to the previous year, due to an increase in repairs and care call costs.

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 2014), conform to current statutory requirements and comply with the Institution's governing documents.

#### **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.

#### **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.

# **TYNE MARINERS BENEVOLENT INSTITUTION**

## **REPORT OF THE TRUSTEES**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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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.

#### **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 Cooperative and Community Benefit Societies Act 2014, Schedule 1 to the Housing and Regeneration Act 2008 and the Accounting Directions for Private Registered Providers of Social Housing April 2015.

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:

- 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;

# TYNE MARINERS BENEVOLENT INSTITUTION

## REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2017

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### STATEMENT OF TRUSTEES' RESPONSIBILITIES (CONTINUED)

- 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 2017 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 Tait Walker LLP as auditor for the ensuing year will be proposed at the annual general meeting.

The financial statements were approved by the trustees on 14.5.18 and signed on its behalf by:-



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

# **TYNE MARINERS' BENEVOLENT INSTITUTION**

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

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **Opinion**

We have audited the financial statements of the Tyne Mariners Benevolent Institution for the year ended 31 December 2017 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).

This report is made solely to the institution's members, as a body, in accordance with the Housing and Regeneration Act 2008, the Charities Act 2011 and the Co-operative and Community Benefit Societies Act 2014, s. 87. 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.

In our opinion, the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 December 2017 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 Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

### **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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the institution's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **TYNE MARINERS' BENEVOLENT INSTITUTION**

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

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **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 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 Trustees Report.

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 Trustees' responsibilities statement, 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.

### **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.



# TYNE MARINERS' BENEVOLENT INSTITUTION

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

### FOR THE YEAR ENDED 31 DECEMBER 2017

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As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Simon Brown ACA (Senior Statutory Auditor)

For and on behalf of

Tait Walker LLP

Chartered Accountants & Statutory Auditor

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS

Date:

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

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# TYNE MARINERS' BENEVOLENT INSTITUTION


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

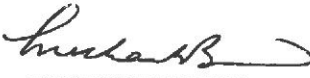
AS AT 31 DECEMBER 2017

		2017	2016
	Note	£	£
<b>TURNOVER</b>	<b>2</b>	<b>246,153</b>	<b>259,534</b>
Operating costs	2	(225,085)	(213,509)
<b>OPERATING SURPLUS</b>	<b>2/5</b>	<b>21,068</b>	<b>46,025</b>
Interest receivable	4	159	171
<b>SURPLUS / (DEFICIT) BEFORE TAX</b>		<b>21,227</b>	<b>46,196</b>
Taxation	6	-	-
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>		<b>21,227</b>	<b>46,196</b>
Other recognised gains / (losses) in the year: Change in fair value of investments		70,699	109,630
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>91,926</b>	<b>155,826</b>

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

Approved by the Board and signed on its behalf on 14.5.18

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

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

The notes on pages 12 to 22 form part of these financial statements.

# TYNE MARINERS' BENEVOLENT INSTITUTION

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

			2017		2016
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Housing properties	7		308,925		314,549
Other tangible fixed assets	8		11,222		13,202
Investments	9		1,291,471		1,230,229
			<u>1,611,618</u>		<u>1,557,980</u>
<b>CURRENT ASSETS</b>					
Debtors	10	35,859		23,284	
Cash and cash equivalents		151,178		137,172	
		<u>187,037</u>		<u>160,456</u>	
<b>CREDITORS: Amounts falling due within one year</b>	11	16,903		11,494	
<b>NET CURRENT ASSETS</b>			<u>170,134</u>		<u>148,962</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,781,752</u>		<u>1,706,942</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	12		359,297		376,413
<b>TOTAL NET ASSETS</b>			<u>1,422,455</u>		<u>1,330,529</u>
<b>CAPITAL AND RESERVES</b>					
Revaluation reserves	15	121,020		151,461	
Designated reserves	14	276,325		272,845	
Revenue reserves		<u>1,025,110</u>		<u>906,223</u>	
<b>TOTAL CAPITAL AND RESERVES</b>			<u>1,422,455</u>		<u>1,330,529</u>

The financial statements were approved by the Trustees on 14.5.18 and signed on its behalf by:-

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

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

The notes on pages 12 to 22 form part of these financial statements.

# TYNE MARINERS' BENEVOLENT INSTITUTION

## STATEMENT OF CHANGE IN RESERVES

AS AT 31 DECEMBER 2017

	Revaluation reserve	Designated reserves	Revenue reserves	Total Reserves
<b>Balance at 1 January 2016</b>	<b>45,247</b>	<b>269,365</b>	<b>860,091</b>	<b>1,174,703</b>
Surplus / (deficit) from statement of comprehensive income year ended 31 December 2016 – Total Comprehensive Income	-	-	155,826	155,826
Transfer from unrestricted reserves to designated reserves	-	3,480	(3,480)	-
Transfer from revaluation reserves to unrestricted reserves	106,214	-	(106,214)	-
<b>Balance at 31 December 2016</b>	<b>151,461</b>	<b>272,845</b>	<b>906,223</b>	<b>1,330,529</b>
Surplus / (deficit) from statement of comprehensive income year ended 31 December 2017 – Total Comprehensive Income	-	-	91,926	91,926
Transfer from unrestricted reserves to designated reserves	-	3,480	(3,480)	-
Transfer from unrestricted reserves to revaluation reserves	(30,441)	-	30,441	-
<b>Balance at 31 December 2017</b>	<b>121,020</b>	<b>276,325</b>	<b>1,025,110</b>	<b>1,422,455</b>

The notes on pages 12 to 22 form part of these financial statements.

# TYNE MARINERS' BENEVOLENT INSTITUTION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, Financial Reporting Standard 102 (FRS102), the Accounting Directions for Private Registered Providers of Social Housing April 2015 and the Statement of Recommended Practice Accounting by Registered Social Landlords, Update 2014 (SORP2014).

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

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 more important accounting policies 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.

(b) **Turnover**

Turnover represents rental income and service charges receivable net of rent and service charge losses from voids. Turnover is recognised as the period of rent 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.

(d) **Other Fixed Assets**

Fixtures & Fittings	15% Reducing balance
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The useful economic lives of all tangible fixed assets are reviewed annually.

# TYNE MARINERS' BENEVOLENT INSTITUTION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2017

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

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

Social Housing Grant (SHG) received as a capital contribution, in line with SORP2014 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) **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.

(i) **Rent Arrears and Advances**

In accordance with the Accounting Direction April 2015, 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 is considered to be material, then the rent arrears debtor is adjusted to its net present value.

# TYNE MARINERS' BENEVOLENT INSTITUTION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2017

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

	2017			2016		
	Turnover	Operating costs	Operating surplus	Turnover	Operating costs	Operating surplus
	£	£	£	£	£	£
Social Housing Lettings (note B)	159,735	(106,641)	53,094	158,976	(106,039)	52,937
Activities other than Social Housing Activities (note C)	86,418	(118,444)	(32,026)	100,558	(107,470)	(6,912)
<b>TOTAL</b>	<b>246,153</b>	<b>(225,085)</b>	<b>21,068</b>	<b>259,534</b>	<b>(213,509)</b>	<b>46,025</b>

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

	2017	2016
	£	£
<b>Income</b>		
Rent receivable net of voids	142,619	141,860
Amortised social housing grant	17,116	17,116
<b>Turnover from Social Housing Lettings</b>	<b>159,735</b>	<b>158,976</b>
<b>Operating expenditure</b>		
Management	34,738	36,154
Bad debts	(690)	2,949
General repairs	20,740	15,567
Services	38,773	38,305
Depreciation on housing properties	11,100	10,735
Depreciation on other fixed assets	1,980	2,329
<b>Operating expenditure on Social Housing Lettings</b>	<b>106,641</b>	<b>106,039</b>
<b>Operating surplus on Social Housing Lettings</b>	<b>53,094</b>	<b>52,937</b>
<b>Void Losses</b>	<b>5,861</b>	<b>2,582</b>
(being rental income lost as a result of property not being let)		

# TYNE MARINERS' BENEVOLENT INSTITUTION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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

	2017	2016
Income	£	£
Donations: Trinity House, London	38,850	38,850
Tyne & Blyth Shipping & Mercantile Benevolent Fund	-	31,615
Grant: Merchant Navy Welfare Board	12,890	-
Other income	-	-
Investment income	34,678	30,093
<b>Turnover from other activities</b>	<b>86,418</b>	<b>100,558</b>
 <b>Operating expenditure</b>		
Pension payments	84,530	90,461
Donations	-	250
Management	19,894	15,336
Care call system	12,890	-
National association fees	450	283
Other legal fees	680	1,140
<b>Operating expenditure on other activities</b>	<b>118,444</b>	<b>107,470</b>
 <b>Operating deficit on other activities</b>	<b>(32,026)</b>	<b>(6,912)</b>



# TYNE MARINERS' BENEVOLENT INSTITUTION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 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 2017 (2016 £nil). The Institution has no other paid Executive Officers.

The total expenses reimbursed to the Trustees not chargeable for UK income tax during 2017 was £Nil (2016: £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.

#### 4. INTEREST RECEIVABLE

	2017	2016
	£	£
Bank interest receivable	159	171
	<u>159</u>	<u>171</u>

# TYNE MARINERS BENEVOLENT INSTITUTION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 5. OPERATING SURPLUS

	2017	2016
	£	£
The operating surplus for the year is stated after charging:		
Depreciation on housing properties	11,100	10,735
Depreciation on other fixed assets	1,980	2,329
Amortisation of social housing grant	(17,116)	(17,116)
Auditor's remuneration	5,460	5,340
Auditor's – other services	300	300

#### 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	2017	2016
	£	£
Gross cost		
At 1 January	880,553	880,553
Additions	5,476	-
Disposals	(15,000)	-
At 31 December	871,029	880,553
Depreciation		
At 1 January	566,004	555,269
Charge	11,100	10,735
Disposals	(15,000)	-
At 31 December	562,104	566,004
Net book value 31 December	308,925	314,549

# TYNE MARINERS BENEVOLENT INSTITUTION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 8. OTHER FIXED ASSETS

	2017 £	2016 £
Cost		
At 1 January & 31 December	<u>41,867</u>	<u>41,867</u>
Depreciation		
At 1 January	28,665	26,336
Charge	<u>1,980</u>	<u>2,329</u>
At 31 December	<u>30,645</u>	<u>28,665</u>
<b>Net book value 31 December</b>	<u><b>11,222</b></u>	<u><b>13,202</b></u>

#### 9. INVESTMENTS

	2017 £	2016 £
Fair value:		
As at 1 January	1,230,229	1,103,756
Additions	605,806	416,058
Disposals at opening market value	(579,152)	(387,180)
Unrealised (loss) / gain in period	(30,441)	106,214
Difference between gain on market value and gain on historical cost	<u>65,029</u>	<u>(8,619)</u>
At 31 December	<u>1,291,471</u>	<u>1,230,229</u>
UK Equities	682,306	386,896
Non UK Equities	196,652	304,352
UK Bonds	371,762	500,057
Non UK Bonds	1,623	1,553
Money Market Time	<u>39,128</u>	<u>36,921</u>
	<u>1,291,471</u>	<u>1,230,229</u>
<b>(b) Historic Cost</b>		
As at 1 January	1,078,769	1,058,510
Additions	605,806	416,058
Disposals	(514,123)	(395,799)
Other Movement	-	-
As at 31 December	<u>1,170,452</u>	<u>1,078,769</u>

# TYNE MARINERS BENEVOLENT INSTITUTION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

### 9. INVESTMENTS *(continued)*

#### (c) Realised Gain / (Losses)

	2017	2016
	£	£
On Cost	101,140	3,416
Less: Difference between gains / (losses) arising in both cost and fair value	(137,252)	(15,451)
Gain / (loss) realised: Difference between proceeds and fair value disposals	(36,112)	(12,035)

#### (d) Unrealised Gain / (Loss) on Fair Value

	2017	2016
	£	£
Per investment note	(30,441)	106,214
Realised gain / (loss) on cost	101,140	3,416
Other recognised gains / (losses) in Statement of Comprehensive Income	70,699	109,630

### 10. DEBTORS

	2017	2016
	£	£
Amounts falling due within one year:		
Rent arrears (gross)	5,799	5,690
Less: bad debt provision	(4,048)	(4,944)
Other debtors	26,261	15,165
	28,012	15,911
Prepayments and accrued income	7,847	7,373
	35,859	23,284

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

	2017	2016
	£	£
Rent in advance	4,100	3,153
Accruals	12,803	8,341
	16,903	11,494

# TYNE MARINERS BENEVOLENT INSTITUTION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2017

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

	2017	2016
	£	£
Social Housing Grant (amortised cost)	<u>359,297</u>	<u>376,413</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

	2017	2016
	£	£
<b>Amounts received:</b>		
At 1 January & 31 December	<u>855,818</u>	<u>855,818</u>
<b>Amortisation:</b>		
At 1 January	479,405	462,289
Released during year	17,116	17,116
On disposals	-	-
Transfer	-	-
At 31 December	<u>496,521</u>	<u>479,405</u>
<b>Carrying value:</b>		
At 31 December	<u>359,297</u>	<u>376,413</u>

#### 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:

	2017	2016
	£	£
In five years or more	<u>359,297</u>	<u>376,413</u>

# TYNE MARINERS BENEVOLENT INSTITUTION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 14. DESIGNATED RESERVES

				2017	2016
	Capital Account	Cyclical Repairs and Maintenance	Contingencies Fund	Total	Total
	£	£	£	£	£
As at 1 January 2016	82,095	123,320	67,430	<b>272,845</b>	269,365
Transfer from revenue reserve	-	3,480	-	<b>3,480</b>	3,480
As at 31 December 2017	82,095	126,800	67,430	<b>276,325</b>	272,845

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

#### *Cyclical Repairs and Maintenance*

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

#### *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 trustees have transferred the annual amount only this year.

#### 15. REVALUATION RESERVE

	2017	2016
	£	£
Opening Balance	<b>151,461</b>	45,247
Unrealised gains / (losses) in period	<b>(30,441)</b>	106,214
Closing Balance	<b>121,020</b>	151,461

The trustees have transferred the unrealised gains / (losses) on the investments to 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 (2016: £nil).

#### 17. CONTINGENT LIABILITIES

There are no contingent liabilities (2016: £nil).

# **TYNE MARINERS BENEVOLENT INSTITUTION**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **18. RELATED PARTY TRANSACTIONS**

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

#### **19. ACCOMMODATION MANAGED BY OTHERS**

	<b>2017</b>	<b>2016</b>
General needs housing units	<b>30</b>	<b>30</b>

#### **20. ULTIMATE CONTROLLING PARTY**

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