

**The Coal Industry Social Welfare Organisation 2014**  
**(a charitable company limited by guarantee)**  
Consolidated financial statements  
For the year ended 31 December 2017

**Company no. 09113084**  
**Charity no. 1160157**

Registered office: The Old Rectory  
Rectory Drive  
Whiston  
Rotherham  
S60 4JG

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## Legal and administrative details

**Company registration number:** 09113084

**Charity registration number:** 1160157

**Registered office:**  
The Old Rectory  
Rectory Drive  
Whiston  
ROTHERHAM  
S60 4JG

**Chief Executive:** N M Didlock

**Directors and Trustees:**  
Reverend Canon R G Cooper      Chairman  
C D Ambler  
T L Fox  
J L Hattersley  
J G Humble  
C Kaye  
G Smith  
W T Thomas  
J Wood  
P M Carragher  
C Langrick

The directors of the charitable company are its trustees for the purpose of charity law.

**Senior Management:**  
Chief Executive – N M Didlock  
Finance Director – J Wallage

**Secretary:** N M Didlock

**Bankers:**  
Lloyds Bank PLC  
14 Church Street  
SHEFFIELD  
S1 1HP

## Legal and administrative details

**Solicitors:**

Irwin Mitchell LLP  
2 Millsands  
Riverside East  
SHEFFIELD  
S3 8DT

**Charity Specialist**

Brabners LLP  
Horton House  
Exchange Flags  
LIVERPOOL  
L2 3YL

**Investment manager:**

Rathbone Investment Management Limited  
8 Finsbury Circus  
LONDON  
EC2M 7AZ

**Auditor:**

Grant Thornton UK LLP  
Chartered Accountants  
Statutory Auditor  
2 Broadfield Court  
SHEFFIELD  
S8 0XF

## Report of the Trustees (incorporating the Strategic report)

The trustees, who are also the directors for the purpose of company law, present their Report along with the financial statements of the Charitable Company for the year ended 31 December 2017. The financial statements have been prepared in accordance with the accounting policies set out on pages 19 – 22 and comply with the Charitable Company's trust deed and applicable law.

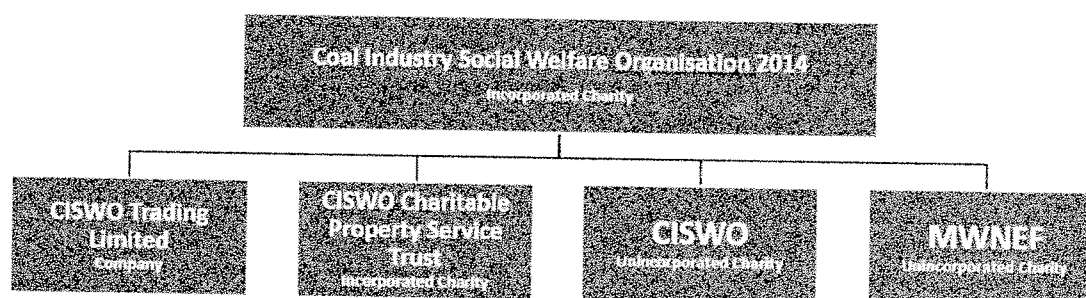
### Structure, Governance and Management

The Coal Industry Social Welfare Organisation is a company limited by guarantee (registered in England, company number 09113084) It operates throughout England, Wales and Scotland and is a charity registered in England and Wales (Charity Commission registration number 1160157).

The charitable company is governed by its Articles of Association which set out the charitable purposes of the organisation.

On 1 January 2015 the Coal Industry Social Welfare Organisation 2014 (CISWO 2014) was appointed to become the trustee of the Coal Industry Social Welfare Organisation (CISWO) and the Miners' Welfare National Educational Fund (MWNEF) and the sole member of the charitable companies, CISWO Community Accounting Wales CISWO Charitable Property Services Trust and the sole member of the incorporated entity CISWO Trading Limited.

CISWO Accounting Wales ceased trading on 31 December 2016, its activities have been continued by CISWO Trading Limited.



In 2017, the Board of Trustees and Senior Management Team undertook a strategy review and developed a new strategic plan to outline the direction of the organisation and set overall goals for the next 5 years to 2022. The vision and mission were also redefined to provide a clear foundation to underpin the organisation's decision making and objective setting;

#### *CISWO's Vision:*

*Enabling former coal miners and mining communities to reduce disadvantage.*

#### *CISWO's Mission:*

*Improving the lives of individuals and communities facing disadvantage due to the impact of the coal mining industry, through the provision of support, improvement of resources and protection of recreational land.*

## Report of the Trustees (incorporating the Strategic report)

### Board of Trustees

CISWO 2014 has 11 trustees comprising of 4 trade union trustees and 7 trustees appointed by virtue of their skills, experience and expertise. Trustee vacancies are filled through nomination from the appropriate trade union (National Union of Mineworkers, British Association of Colliery Management, National Association of Colliery Overmen, Deputies and Shotfirers, Union of Democratic Mineworkers) or recruited by the remaining trustees. New trustees receive an appropriate induction into the organisation co-ordinated through the Chief Executive and Human Resources Manager.

### Board Structure

The current Board structure includes;

#### *The Board of Trustees*

Responsible for:

- Professional, legal and financial governance of the charity
- The formulation and implementation of organisational strategy
- Overseeing the implementation of the strategy through operating plans and budgets and monitoring progress within this

#### *Finance and General Purpose Committee*

Responsible for:

- Overseeing and monitoring the financial position of the charity
- Appointing and overseeing the management of the investment portfolio of the charity

#### *Audit and Risk Committee*

Responsible for:

- Overseeing the charity's risk management systems and processes
- Reviewing the effectiveness of internal controls
- Receiving and reviewing the charity's annual accounts and report prior to full Board approval
- Considering any areas of risk identified through internal or external audit processes

During the course of 2017, the Board of trustees agreed to establish two new committees, Human Resources, Remuneration and Recruitment, and Quality and Impact. These committees will provide additional scrutiny to key areas of organisational business and will be established during 2018.

### Management

The Trustees delegate the management, implementation of strategy and overall leadership of the charity to the Chief Executive and a senior leadership team to include the Finance Director, Regional Managers, Estates Manager and Human Resources Manager.

The management of the organisation is structured into 4 regions; Scotland, North England, South England and Wales. These are supported from a central Head Office in Rotherham, South Yorkshire where central support functions are accommodated. During 2017, 89 staff were employed across the organisation.

### Policy

#### **Grants Policy**

CISWO awards financial support in the form of grants to meet specific needs, in line with the organisation's operational grants policy. These are available for mining beneficiaries including former miners and dependants of former miners where specific eligibility criteria are met. Grant awards are discretionary within criteria established by the Trustees of CISWO.

## Report of the Trustees (incorporating the Strategic report)

Grant applications are advertised through the organisation's personal welfare service and through organisational literature and the website. Applications can be submitted at any point in the year following an assessment by a member of the personal welfare team to determine eligibility and need. Grants are considered within a wider package of intervention and are processed and submitted by a member of the personal welfare team on the client's behalf with their consent.

The Trustees delegate the responsibility for processing grant applications to the head office team with awards authorised by the Chief Executive under criteria established and reviewed by the full Board of Trustees.

### **Education Grants Policy**

Education grants are awarded in accordance with the educational grants policy which outlines eligibility criteria and application process. Eligible applicants include; those who are employed in the coal mining industry of Great Britain, persons who were employed in the industry and who have taken up full time further education within 5 years of having left the industry, persons who ceased to be employed due to age or disability; dependent sons, daughters or dependants of an employee or former employee of the industry who left the industry having completed 10 or more years' service. Grants are awarded on academic attainment, improvement and progression.

CISWO also contributes additional amounts to support students with living costs and where particular hardship can be evidenced.

The application process takes place between August and March each academic year and requires applicants to provide personal details alongside evidence of educational attainment, references and a personal statement.

The trustees confirm that they have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the charity's aims and objectives and future activities.

### **Activities, Achievements and Performance**

The objectives of the charity are the promotion of health, the relief of poverty and hardship, and the advancement of education and other charitable purpose for the benefit of all employees and former employees of the coal industry in the United Kingdom, employed in or formerly employed in any present or past coal mining area of the UK and of their relatives and dependents and of the communities in which they live within those areas.

The objectives of the charity are delivered through the subsidiary entities.

#### ***CISWO***

CISWO's core activities include; the provision of personal welfare support for former miners and their families including; advice, guidance, advocacy and grant assistance, provision of community based social inclusion activities, provision of the Miners' Retreat at Skegness (formerly the North Derbyshire Miners' Convalescent Home), Thornycroft day centre in Pontefract, and alms houses at two sites in Yorkshire; the preservation of recreational facilities in former mining communities; the provision of support to other mining charities including local miners' welfare charities, regional miners' welfare trust funds and miners' convalescent trusts; encouragement and support for participation in Higher Education through the provision of education grants for those working in the coal industry, former miners and their dependants.

#### ***Miners Welfare National Education Fund (MWNEF)***

Provides grant assistance to eligible persons to support them to take advantage of higher and further education.

#### ***CISWO (Trading) Limited***

Provides accounting services to mining related charities and their trading companies. The profits of this company are gifted to CISWO 2014.

#### ***CISWO Charitable Property Services Trust***

Assists local mining trusts that are required to dispose of charitable property with the aim of maximising the net proceeds of these disposals to apply to alternative charitable activity.

# Report of the Trustees (incorporating the Strategic report)

## Strategic Report

The new 5 year strategy, finalised in autumn 2017, outlines a commitment to the ongoing provision of services for former miners and mining communities. To achieve this, we have committed to four strategic goals and will measure progress against these.

**1 *Our services will make a real difference, and be of high quality, focusing on those individuals and families most in need. In 2017:***

- 10297 former miners or their families received individual support, an increase of 5% on the previous year.
- 15257 interventions were carried out during the year, a small increase on the 15201 delivered in 2016.
- 8292 home visits were undertaken, providing support to individuals within their own homes
- The organisation awarded 829 grants totalling £429,547 to former miners and their families for relief of need
- 1969 applications were supported / made to secure additional funds or financial support for individuals, achieving £4,890,845 income secured for beneficiaries. This is a marginal increase from £4,858,640 achieved in the previous year.
- Education grants were provided to 182 students totalling £288,215.

Alongside this, a new reporting framework for our personal welfare services was developed, enabling a standardised and transparent approach to monitoring and reporting of activity undertaken.

**2 *We will support other mining charities to deliver services where there is evidenced need.***

Practical support was provided to over 183 mining charities across England, Scotland and Wales to support the ongoing sustainability and development of charitable activities within former mining communities.

CISWO holds circa £400,000 of funds committed to supporting specific welfares to develop their facilities. £77,000 has been released to these welfares during the course of 2017.

In addition over £600,000 has been invested by the organisation to assist in ongoing sustainability of welfare charities or to assist in winding up charities where this is no longer feasible.

The organisation provided administrative and secretarial support to 13 regional grant making and convalescent trusts over the year supporting them in turn, to provide additional benefit for former mining communities and individuals.

**3 *We will secure the provision of recreational facilities where these are still needed and utilised by former coal mining communities***

The organisation has maintained ownership and retained recreational land for community use in over 221 sites across the United Kingdom totalling c.1500 acres. Recreational sites include all forms of recreation from playgrounds to leisure centres, access to fishing to football grounds and community centres to miners' welfares offering some form of recreational activity.

There are over 300 further sites, amounting to over 2000 acres where CISWO retains a legal entitlement or interest in retaining their future use for recreational purposes. This is property formerly held under mining charitable trusts that have been transferred to a tier of local government such as a local authority, or parish council.

The organisation invested over £30,000 to bring a local community recreation facility back in to use.

Preliminary work was undertaken to develop the organisation's Asset Management Policy to guide the management of the organisation's land assets, establishing clear policy principles by which we will manage land and buildings, to meet current and future community needs. This work will be finalised and ratified by the Board in 2018.



## Report of the Trustees (incorporating the Strategic report)

### **4** *We will secure the ongoing financial viability of the organisation to meet current and future needs*

In year savings of £600,000 have been achieved on the overall operational budget, leaving the organisation with a streamlined infrastructure well placed to deliver the new strategic plan.

Efficiencies were made within core infrastructure costs through a move to home based mobile working practices and subsequent streamlining of regional office buildings. An amalgamation of regional offices in the North and South England regions has resulted in the number of regional offices reducing from 6 to 4 in total across the UK.

Reductions in central administration and senior management resource were achieved during the course of the year.

In addition, investment was made in a new financial accounting system and further investment into IT equipment to support mobile working practices.

### **Activities in Scotland**

Scotland's dedicated personal welfare team provided support to 1345 individual clients, providing 1810 interventions during the year with 1318 home visits undertaken. Beneficiaries were supported to access an additional £583,935 income through increased benefits, grants and financial aid. An additional £28,832 was awarded by the organisation for relief of need.

Support to local mining charities continues, predominantly regarding management of declining income and disposal or reduction of charity assets.

### **Plans for the Future**

The new 5 year strategy will ensure that the organisation continues to develop and adapt to both the current needs of beneficiaries alongside anticipated future needs, ensuring support to the target population is available for as long as is needed and that service provision remains relevant. The new strategy shifts focus to areas of greatest need, be that individuals, communities or other organisations. Further emphasis is given to evidencing impact and outcomes across all areas of delivery, increasing the scope and reach of service provision, and securing resources for front line delivery through efficiencies and reductions in infrastructure costs.

In 2017, we established 4 strategic goals where we will seek to deliver transformative change. In 2018 we will progress these goals through the following activities;

### **1** *Our services will make a real difference, and be of high quality, focusing on those individuals and families most in need. We will;*

- Develop our personal welfare offer to increase the scope of our services towards those with the greatest need.
- Undertake a review of our human resources and operational policies to ensure they adhere to legal requirements and best practice.
- Review our grant giving policies to redirect funds to those most in need where the impact will be the greatest.
- Achieve the re-accreditation of the Investors in People award to evidence our commitment to supporting, leading and developing people.

## Report of the Trustees (incorporating the Strategic report)

**2** *We will support other mining charities to deliver services where there is evidenced need. We will:*

- Improve our central systems to provide a more streamlined response to our support services for other charities.
- Develop a support offer for miners' welfare charities, outlining the support available and outcomes to be achieved.
- Develop a new reporting framework to enable us to evidence the impact made with miners' welfare charities.

**3** *We will secure the provision of recreational facilities where these are still needed and utilised by former coal mining communities. We will:*

- Finalise our Asset Management Policy to define how we will manage the organisation's land assets, to meet current and future needs.
- Establish an annual property review process.
- Work with our tenants to ensure ongoing efficient use of recreational land.

**4** *We will secure the ongoing financial viability of the organisation to meet current and future needs. We will:*

- Continue to review organisational infrastructures to secure maximum efficiency and value for money.
- Undertake a review of key areas of our service delivery to define value for money.

### Financial review

The funds of the organisation have been applied in support of the strategic delivery plan. Supporting the plan requires:

***Expenditure to provide the structure to deliver the front line services.*** Main areas of expenditure are:

- Staff – our core activities are delivered through the staff base
- Direct grant expenditure
- Land management
- Infrastructure to support the services provided
- Direct service delivery at the Miners' Retreat and the Pontefract Centre

During 2017 significant reorganisation has taken place including the reduction in regional offices with a move to home based workers and reduced staffing levels. This has resulted in a reduction in expenditure of £645,233 whilst increasing the activity undertaken.

***Management of income.*** Main sources of income are:-

- Return on investment portfolio – dividend income and capital gains.
- Charitable activities – support to regional trusts funds, provision of services at the Miners' Retreat and the Pontefract Centre and through land interests, namely rent and charitable asset transfers.

Investment income yield was 4% measured against the opening valuation of the portfolio and the cost of generating this income remained at 0.42% of the value of the portfolio. Charitable activities income reduced from 2016 as income at both the Miners' Retreat and Pontefract Centre decreased. Additional income was received as 2 regional offices were vacated and sold resulting in a surplus of £369,921 included within "other income" in the financial statements.

A planned deficit budget resulted in expenditure exceeding income by £1,534,293 (when measured before accounting for the pension credit and capital gains on the investment portfolio), a significant improvement on the deficit of £2,439,546 in 2016.

## Report of the Trustees (incorporating the Strategic report)

In accordance with FRS 102 and the Charities SORP FRS 102, the liability relating to past service in the Industry Wide Coal Staff Superannuation Scheme has been accounted for as the present value of the agreed deficit contributions.

During the year, £352,000 was paid to the Scheme, consequently a reduction in the future liability has been recognised resulting in a credit of £323,074 in 2017 (2016: £1,327,153).

### Reserves

The unrestricted reserves of the charity, excluding the value of fixed assets, stood at £6,373,984 as at 31 December 2017. As part of the consideration in determining the reserves policy the trustees are mindful of the requirement to balance the needs of current and future beneficiaries. The charity is committed to providing long term sustainable services and is heavily reliant upon its investment income to enable it to deliver these services. The trustees therefore consider it necessary to continue to hold a high level of reserves to maintain the investment income. The reserves policy will be reviewed annually and expenditure budgets will be built around the strategic plan.

### Managing Change and Risk

The major risks to which the charity is exposed are:

- Investment return – maintaining adequate returns from the investment portfolio
- Capacity and capability to implement the strategic plan
- Ability to link strategic objectives with resource availability over the medium and long term

Controls have been identified to minimize and manage these and other risks. Trustees continually assess the process of change and risk. The Audit and Risk Management Committee examines management risk registers and undertake the formal review of the strategic registers on an annual basis. Specifically the investments of the organisation are managed by investment advisors, Rathbones Investment Management Limited. The performance of the funds is reviewed quarterly and monitored against agreed benchmarks by the Finance and General Purpose Committee. A detailed operational plan has been developed to deliver the organisation's strategic goals and progress against this plan is reported and monitored at each meeting of the Board of Trustees.

### Fundraising

CISWO does not undertake any fundraising activity or engage with any commercial fundraiser to undertake this activity on our behalf. Any funds received through occasional donations and gifts from individuals are unsolicited and have to date been unconditional in nature.

### Investment Policy and Objectives

The investments of the Charity are managed by Rathbones Investment Management Limited and constantly reviewed by the Trustees and by the Finance and General Purposes Committee composed of Trustee members.

The primary objectives are to ensure that the Funds maximize the long-term total returns within a medium level risk profile as well as meeting the withdrawal requirements of the charity.

Performance of the investments, which are compared against agreed benchmarks, are calculated by Rathbone Investment Management Limited and measured on a total return basis.

In 2017 the investment portfolio performance exceeded the benchmark, total return was 11.8% compared to the benchmark of 7.5%.

## Report of the Trustees (incorporating the Strategic report)

### Trustees' responsibility statement

The trustees (who are also directors of The Coal Industry Social Welfare Organisation 2014 for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP (FRS 102)
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Going concern

The trustees have prepared these accounts on the going concern basis. Forecasts have been reviewed for a period beyond 12 months from the date of signing these accounts and the trustees are satisfied that the charity will be able to meet all of its financial commitments.

## Report of the Trustees (incorporating the Strategic report)

### Auditor

Grant Thornton UK LLP have expressed their willingness to continue in office as auditor. They will be deemed reappointed for the next financial year in accordance with Section 487 (2) of the Companies Act 2006 unless the company received notice under Section 488 (1) of the Companies Act 2006.

ON BEHALF OF THE TRUSTEES



Reverend Canon R G Cooper  
Chair of Trustees  
24 May 2018



# Independent auditor's report to the members of The Coal Industry Social Welfare Organisation 2014 (a charitable company limited by guarantee)

## Opinion

We have audited the financial statements of The Coal Industry Social Welfare Organisation 2014 (a charitable company limited by guarantee) (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Group Charitable Company Statement of Financial Activities (incorporating the consolidated Income and Expenditure Account), the Group and Parent Charitable Company Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. 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 group's and parent charitable company's affairs as at 31 December 2017 and of the group's incoming resources and application of resources including, income and expenditure 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 Companies Act 2006.

## Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. 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 group and parent charitable company 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.

## Who we are reporting to

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company'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.



# Independent auditor's report to the members of The Coal Industry Social Welfare Organisation 2014 (a charitable company limited by guarantee)

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, set out on pages 3 to 11 other than the financial statements and our auditor's report thereon. 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.

## Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

## Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Annual Report.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit



# Independent auditor's report to the members of The Coal Industry Social Welfare Organisation 2014 (a charitable company limited by guarantee)

## **Responsibilities of trustees for the financial statements**

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 group and the parent charitable company'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 group or parent charitable company or to cease operations, or have 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.

A further description of our responsibilities for the audit of the financial statements is located 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.

A handwritten signature in black ink, appearing to read "P. Edwards".

Peter Edwards  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Sheffield  
24 May 2018



## Group charitable company statement of financial activities (incorporating the consolidated income and expenditure account)

	Note	Unrestricted Funds £	Endowment Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
<b>Income and endowments from:</b>						
Donations and Legacies	6	25,910	-	-	25,910	5,859
Charitable Activities	7	1,818,851	-	7,608	1,826,459	1,888,163
Other trading activities	8	173,015	-	-	173,015	171,113
Investments		1,181,450	-	-	1,181,450	1,231,844
Other Income		374,943	-	-	374,943	25,273
<b>Total Income</b>		<b>3,574,169</b>	<b>-</b>	<b>7,608</b>	<b>3,581,777</b>	<b>3,322,252</b>
<b>Expenditure on:</b>						
Investment Manager fee	10	125,402	-	-	125,402	125,897
Charitable Activities	11	4,658,037	-	9,557	4,667,594	4,308,748
<b>Total Expenditure</b>		<b>4,783,439</b>	<b>-</b>	<b>9,557</b>	<b>4,792,996</b>	<b>4,434,645</b>
<b>Net expenditure before investment gains</b>		<b>(1,209,270)</b>	<b>-</b>	<b>(1,949)</b>	<b>(1,211,219)</b>	<b>(1,112,393)</b>
Net gains on investments	14	2,137,732	-	-	2,137,732	3,130,524
<b>Net (expenditure)/income*</b>		<b>928,462</b>	<b>-</b>	<b>(1,949)</b>	<b>926,513</b>	<b>2,018,131</b>
Transfers between funds	12	(1,734,406)	1,713,888	20,518	-	-
<b>Net Movement in Funds</b>		<b>(805,944)</b>	<b>1,713,888</b>	<b>18,569</b>	<b>926,513</b>	<b>2,018,131</b>
<b>Reconciliation of funds</b>						
Balances brought forward at 1 January 2017		8,848,978	22,366,798	737,186	31,952,962	29,934,831
<b>Fund balances carried forward at 31 December 2017</b>		<b>8,043,034</b>	<b>24,080,686</b>	<b>755,755</b>	<b>32,879,475</b>	<b>31,952,962</b>

All of the activities of the Charitable Company are classed as continuing.

\*Information up to and including net income/expenditure represents the information required by the Companies Act 2006.

The accompanying accounting policies and notes on pages 18 - 34 form part of these financial statements.

## Group and parent company balance sheets

	Note	Group		Company	
		2017	2016	2017	2016
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13	2,019,520	2,195,807	-	-
Investments	14	30,442,908	29,528,973	-	-
		<u>32,462,428</u>	<u>31,724,780</u>	<u>-</u>	<u>-</u>
<b>Current assets</b>					
Stocks		4,834	4,699	-	-
Debtors: due within one year	15	251,509	263,986	38,100	20,264
Debtors: due after one year	15	643,587	832,247	-	-
Cash at bank and in hand	16	767,231	739,864	251	1,469
		<u>1,667,161</u>	<u>1,840,796</u>	<u>38,351</u>	<u>21,733</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>(1,077,305)</u>	<u>(1,121,119)</u>	<u>(7,414)</u>	<u>(15,028)</u>
<b>Net current assets</b>		<u>589,856</u>	<u>719,677</u>	<u>30,937</u>	<u>6,705</u>
<b>Creditors: amounts falling due after more than one year</b>	18	<u>(96,282)</u>	<u>(419,356)</u>	<u>-</u>	<u>-</u>
<b>Provisions for liabilities</b>	19	<u>(76,527)</u>	<u>(72,139)</u>	<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>32,879,475</u>	<u>31,952,962</u>	<u>30,937</u>	<u>6,705</u>
<b>Funds</b>					
Unrestricted funds	20	8,043,034	8,848,978	30,937	6,705
Endowment funds	20	24,080,686	22,366,798	-	-
Restricted funds	20	755,755	737,186	-	-
		<u>32,879,475</u>	<u>31,952,962</u>	<u>30,937</u>	<u>6,705</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 24 May 2018.

Reverend Canon R G Cooper

Chairman



Company number: 9113084  
Charity number: 1160157

The accompanying accounting policies and notes on pages 18 - 34 form part of these financial statements.

## Group statement of cash flows

	Note	2017 £	2016 £
<b>Cashflows from operating activities</b>			
Net cash used in operating activities	24	(2,796,299)	(3,694,562)
<b>Cashflows from investing activities</b>			
Returns on investments	25	1,181,450	1,231,844
<b>Cashflows from financing activities</b>			
Capital expenditure and financial investment	26	<u>1,642,216</u>	<u>2,943,328</u>
<b>Change in cash and cash equivalents in the reporting period</b>		27,367	480,610
<b>Cash and cash equivalents at the beginning of the reporting period</b>		739,864	259,254
<b>Cash and cash equivalents at the end of the reporting period</b>	27	<u><u>767,231</u></u>	<u><u>739,864</u></u>

The accompanying accounting policies and notes on pages 18 - 34 form an integral part of these financial statements.

## Notes to the financial statements

### 1 Charity information

The organisation is a charitable company limited by guarantee. It was incorporated on 2 July 2014 and registered as a charity on 26 January 2015. It has registered charity number 1160157 and company registration number 09113084.

The registered office is The Old Rectory, Rectory Drive, Whiston, Rotherham, S60 4JG.

### 2 Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards including Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in Sterling £'s.

#### Preparation of accounts - going concern basis

The principal financial risk facing the charity is its ability to generate sufficient income to cover expenditure incurred in fulfilling the objectives of the charity.

The trustees have reviewed the cash position of the charity and cash forecasts at the date of signing the accounts and are satisfied that the charity will be able to meet all of its financial commitments.

As a consequence, the trustees believe that the charity is well placed to manage its financial risks successfully despite the current uncertain economic outlook.

After making enquiries, the trustees have a reasonable expectation that the charity has adequate reserves to continue in operational existence for the foreseeable future. Accordingly, the trustees continue to adopt the going concern basis in preparing the accounts.

#### Basis of consolidation

The group financial statements consolidate those of The Coal Industry Social Welfare Organisation 2014 and of its subsidiary undertakings (see note 33). Subsidiaries are defined as entities where the parent charity has control and derives financial benefit and are consolidated on a line by line basis.

### 3 Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been exercised are detailed below.

- The organisation does not value its freehold interest in certain land site (see Interests in Land below) within the balance sheet for the following reasons:
  - a) The existence of a legal charge over the site, together with the long lease in place, substantially reduces any potential value.
  - b) The sites are held for active recreational usage not as investment properties. It is the organisation's aim to maintain active recreational usage at each site and where a lease ends to try and secure a new tenant willing to carry on the recreational usage of the site.
  - c) It would be very difficult to establish a valuation for the site given the above and in those circumstances the costs of valuation cannot be seen to be justified.

## Notes to the financial statements

### 3 Significant judgements and estimates (continued)

- Where a charity undergoing formal wind-up and/or land disposal, governed under a mining trust where the organisation has the right to any residual assets, there may be costs associated with such a wind-up. Where the trust does not have the resources to meet these costs (often where the only asset is land which may take a considerable period of time to dispose of) the organisation may provide funding to pay for the costs of disposal to be claimed back from the ultimate realisation of the mining trusts' assets. These cost advances are treated as debtors.

These debtors are reviewed by the executive and periodically by the Finance & General Purpose Committee. If recoverability is in doubt, full provision is made against the debtor.

### 4 Principal accounting policies

#### Fund accounting

The charity maintains various types of funds (funds are detailed in note 20) as follows:

##### Restricted funds

Restricted funds represent grants and donations received which are allocated by the donor for specific purposes.

##### Endowment funds

The Capital Endowment Fund represents the initial £10m grant by the British Coal Corporation to the charity. Income can be drawn but capital has to be retained.

The Permanent Endowment Fund represents fixed assets that cannot be realised for revenue purposes.

The King's Silver Jubilee and Coronation Cottages Permanent Endowment Fund represents the properties transferred into the King's Silver Jubilee and Coronation Cottages trust together with any proceeds received on subsequent disposals.

##### Unrestricted funds

Designated funds are amounts that have been set aside at the discretion of the trustees.

The Unrestricted Fund represents unrestricted income which is expendable at the discretion of the trustees in furtherance of the objects of the charity.

#### Income

All income is recognised in the statement of financial activities when the conditions for receipt have been met and there is probable assurance of receipt. Income from donations and grants, including capital grants, is included in income when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.
- When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in income of restricted funds when receivable.
- Where a claim for repayment of income tax has or will be made, such income is grossed up for the tax recoverable.

## Notes to the financial statements

### 4 Principal accounting policies (continued)

#### Donations

Donations and all other receipts from fundraising are reported gross and the related fundraising costs are reported in other expenditure.

#### Trading Income

Trading income is the amount receivable for services provided, excluding value added tax where applicable.

#### Investment income

Investment income is accounted for when receivable. Tax recoverable relating to investment income is accounted for in the same period as the related income.

#### Charitable expenditure

Charitable expenditure includes all expenditure directly related to the objects and activities of the charity.

#### Costs of generating funds

Costs of generating funds comprises costs attributable to managing the investment portfolio and raising investment income.

#### Operating leases

Operating lease rentals are charged to the statement of financial activities in equal amounts over the lease term.

#### Grants payable

Grants payable are accounted for when the trustees have accepted a legal or moral obligation to make the grant.

#### Support costs

Support costs are those costs that are necessary to deliver a charitable activity but do not themselves produce or constitute the output of the charitable activity. Support costs are allocated to unrestricted funds.

#### Governance costs

Governance costs includes administrative costs relating to expenditure incurred in the management of the charity's assets, organisational administration, and compliance with constitutional and statutory requirements. Governance costs are allocated to unrestricted funds.

#### Investments

Investments are stated at market value. Investment gains and losses are shown in the appropriate section of the statement of financial activities.

#### Tangible fixed assets and depreciation

Tangible assets are stated at cost, net of depreciation.

Depreciation is provided on a straight line basis to write off the cost of fixed assets over their estimated useful lives at the following rates:

Freehold property	3% - 10% per annum
Freehold property – King's Silver Jubilee and Coronation Cottages	The properties were transferred to the Trust at a nominal value of £1 each and are stated in the balance sheet at this value.
Leasehold property	2% per annum
Furniture and equipment	10% per annum
Computers and related equipment	20% per annum
Motor vehicles	25% per annum

## Notes to the financial statements

### 4 Principal accounting policies (continued)

#### Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. No such loss has been identified.

#### Stocks

Stocks are stated at the lower of cost and net realisable value.

#### Interests in land

Prior to the privatisation of the coal industry British Coal Corporation had a number of sites in active recreational use. In 1998 following privatisation the freehold interest in these sites was transferred to the Coal Industry Social Welfare Organisation. The transfer involved 231 sites totalling 1,430 acres. The sites were let under formal leases to recreational tenants at nominal rents.

A condition of transfer of these recreational sites from British Coal Corporation was that a charge be placed on each of the sites for a duration of 20 years. If the land was sold during that period the Coal Authority would be entitled to 80% of the sale proceeds (after disposal costs). The charge ceases in 2018. Consideration will be given during 2018 to the future accounting treatment of these sites which are not presently recognised on the balance sheet (see note 3).

#### Charitable Asset Transfers

Charitable asset transfers relates to proceeds from the dissolution of mining charities where the organisation is entitled to the residual proceeds under the governing instrument of the mining charity concerned. Such income from these transfers is only recognised when received.

#### Pension costs

The charity contributes to the Industry Wide Coal Staff Superannuation Scheme, a defined benefit scheme. Payments are made in accordance with instructions given by an independent actuary and charged to the statement of financial activities.

The scheme is a multi employer defined benefit scheme, but is being accounted for as a defined contribution scheme as the employer is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Past deficits on the scheme are being funded under a repayment plan. The repayment plan is being recognised in accordance with the requirement of FRS 102.

#### Taxation

The fund is a registered charity and is potentially exempt from taxation in respect of income and capital gains received within categories covered by Part 11, Chapter 3, CTA 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes and as such has no liability to tax on its charitable activities.

#### Redundancy and termination payments

All redundancy and termination payments, including ex-gratia payments and amounts in lieu of notice are charged or accrued as incurred.

#### Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## Notes to the financial statements

### 4 Principal accounting policies (continued)

#### Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### Investments in subsidiaries

The consolidated financial statements incorporate the financial statements of the Charitable Company and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of the entities so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

#### Financial instruments

The charitable group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognized at transaction value and subsequently measured at their settlement value, representing amortised cost, as follows:

Financial instrument	-	Measurement on initial recognition
Cash	-	Cash held
Debtors	-	Settlement amount after any trade discounts
Creditors	-	Settlement amount after any trade discounts (assuming normal credit terms apply)

### 5 Net expenditure

#### Group

Net expenditure is stated after charging:	2017	2016
	£	£
Auditor's remuneration – audit of financial statements	19,725	20,050
Auditor's remuneration – audit related assurance services	-	2,400
Depreciation on tangible fixed assets	125,977	160,652
Net (loss)/profit on disposal of tangible fixed assets	368,129	4,230
Rentals under operating leases	19,917	23,182

### 6 Donations and Legacies

#### Group

Grants and donations received during the year were as follows:

	2017	2016
	£	£
Other grants and donations	25,910	5,859



## Notes to the financial statements

### 7 Charitable Activities

Group	2017	2016
	£	£
Support Grants	189,792	183,459
Social Work Income	14,782	18,072
The Miners' Retreat, Skegness	492,132	575,648
Pontefract Centre	260,594	290,851
Charitable Asset Transfers	625,658	584,199
Interests in Land	243,501	235,934
	<u>1,826,459</u>	<u>1,888,163</u>

### 8 Other Trading Activities

Group	2017	2016
	£	£
Provision of Accountancy Services	<u>173,015</u>	<u>171,113</u>

### 9 Trustees and employees

Group	2017	2016
	£	£
Wages and salaries	2,132,259	2,413,245
Social security costs	181,567	217,324
Pensions	626,244	642,463
	<u>2,940,070</u>	<u>3,273,032</u>
<b>Emoluments and employees over £60,000</b>	<b>Number</b>	<b>Number</b>
£60,000 - £69,999	1	1
£70,000 - £79,999	-	1
£80,000 - £89,999	<u>1</u>	<u>-</u>

The average number of employees during the year was:

Headquarters	13	15
Areas	42	52
Pontefract	14	14
Skegness	<u>20</u>	<u>22</u>
	<u>89</u>	<u>103</u>

No trustees (2016: none) received any remuneration from the charity in the year. Total expenses reimbursed to the trustees at cost for the year ended 31 December 2017 including indemnity insurance were £14,967 (2016: £22,039) for 11 trustees.

All Directors are trustees and all trustees are Directors.

The total employee benefits of the key management personnel of the charity were £166,744 (2016: £211,907). During the year redundancy and termination payments were made totalling £40,322 (2016: £100,519).

## Notes to the financial statements

### 10 Investment Manager fees

#### Group

	2017	2016
	£	£
Investment Manager Fees	<u>125,402</u>	<u>125,897</u>

### 11 Charitable Activities

#### Group

A summary of the major cost components is given below:

	2017	2016
	£	£
Community Welfare Services and Services to other charities	514,247	553,766
Services to personal beneficiaries	969,061	1,092,162
Grants to personal beneficiaries	720,089	839,829
The Miners' Retreat, Skegness	564,388	585,590
Pontefract Centre	416,391	456,033
Interests in Land	234,519	202,987
Costs in support of Charitable Activities	1,471,004	1,737,886
Governance Costs	<u>100,969</u>	<u>167,648</u>
	4,990,668	5,635,901
Decrease in repayment plan pension liability	(323,074)	(1,327,153)
	<u>4,667,594</u>	<u>4,308,748</u>

### 12 Transfers between funds

#### Group

#### Summary

	Unrestricted fund £	Endowment funds £	Restricted funds £	Total 2017 £	Total 2016 £
MWNEF	(20,518)	-	20,518	-	-
CISWO Income	<u>(1,713,888)</u>	<u>1,713,888</u>	-	-	-
<b>Total</b>	<u>(1,734,406)</u>	<u>1,713,888</u>	<u>20,518</u>	<u>-</u>	<u>-</u>

#### MWNEF and CISWO – Unitised Fund Investments

The whole of the investments are held within a unitised fund managed by Rathbones. Each quarter the unitised fund is analysed between that part which represents unrestricted fund holdings, restricted funds and that which represents endowment funds. For the statutory accounts purposes the whole of the income and gains are deemed to be unrestricted and then a transfer is made reflecting the growth in net asset value of the endowment fund and restricted fund based on the quarterly movements of the unitised fund.

## Notes to the financial statements

### 13 Tangible fixed assets

#### Group

	Freehold property £	Leasehold property £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2017	2,802,151	73,087	906,382	106,443	3,888,063
Additions	-	-	6,824	-	6,824
Disposals	(282,850)	-	(75,554)	-	(358,404)
At 31 December 2017	<u>2,519,301</u>	<u>73,087</u>	<u>837,652</u>	<u>106,443</u>	<u>3,536,483</u>
<b>Depreciation</b>					
At 1 January 2017	841,218	37,375	716,092	97,571	1,692,256
Charge for the year	65,304	1,339	50,482	8,872	125,997
Disposals	(235,374)	-	(65,916)	-	(301,290)
At 31 December 2017	<u>671,148</u>	<u>38,714</u>	<u>700,658</u>	<u>106,443</u>	<u>1,516,963</u>
<b>Net book amount</b>					
At 31 December 2017	<u>1,848,153</u>	<u>34,373</u>	<u>136,994</u>	<u>-</u>	<u>2,019,520</u>
At 31 December 2016	<u>1,960,933</u>	<u>35,712</u>	<u>190,290</u>	<u>8,872</u>	<u>2,195,807</u>

Included within freehold property are properties originally included at valuation which was used as deemed cost; at Skegness the property was included at a valuation of £300,000, at Pontefract the property was included at £575,000 and two houses which were included in fixed assets at a valuation of £310,000. (No further valuation of the properties has been carried out as the trustees believe that there is no material difference between the deemed cost and the current net book value).

#### Company

The charitable company had no tangible fixed assets at 31 December 2017 or 31 December 2016.

## Notes to the financial statements

### 14 Investments and Investment income

#### Group

##### Quoted UK Stock Exchange Investments

	2017	2016
	£	£
Market value at 1 January 2017	28,419,574	28,721,391
Additions at cost	3,489,160	2,256,922
Disposal proceeds	(4,663,758)	(5,689,263)
Net investment gain	2,137,732	3,130,524
Market value at 31 December 2017	<u>29,382,708</u>	<u>28,419,574</u>
Historical cost at 31 December 2017	<u>19,528,658</u>	<u>19,878,712</u>

The difference between market value and historical costs is included within unrestricted funds and endowments.

#### Funds held by Investment Managers

	2017	2016
	£	£
Investments comprise the following:		
Investments listed on a stock exchange	29,382,708	28,419,574
Cash deposits held as part of investment portfolio	1,060,200	1,109,399
Total investments	<u>30,442,908</u>	<u>29,528,973</u>

#### Company

The Charitable Company had no investments, other than its interest in subsidiaries (see note 33) at 31 December 2017 or 31 December 2016.

### 15 Debtors

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
<b>Due within one year:</b>				
Trade debtors	141,809	145,171	-	-
Car loans	55,257	59,303	-	-
Due from CISWO (Trading) Limited	-	-	38,100	20,264
Amounts due from Regional Trust and Convalescent Funds	24,799	29,096	-	-
Prepayments	25,389	25,456	-	-
Other debtors	4,255	4,960	-	-
	<u>251,509</u>	<u>263,986</u>	<u>38,100</u>	<u>20,264</u>
<b>Due after more than one year:</b>				
Miners Welfare Schemes - Non land related	36,465	62,028	-	-
Miners Welfare Schemes - Debtors related to land disposals	607,122	770,219	-	-
	<u>643,587</u>	<u>832,247</u>	<u>-</u>	<u>-</u>
<b>Total debtors as at 31 December</b>	<u>895,096</u>	<u>1,096,233</u>	<u>38,100</u>	<u>20,264</u>

## Notes to the financial statements

### 16 Analysis of cash and cash equivalents

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Total cash in hand	767,231	739,864	251	1,469

### 17 Creditors: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Funds held on behalf of third parties to CISWO order	401,433	429,419	-	-
Due to CISWO	-	-	4,253	10,923
Other creditors and accruals	252,940	268,426	3,161	4,105
Social security and other taxes	70,932	71,274	-	-
Repayment Plan: Pension Liability (note 18)	352,000	352,000	-	-
	<u>1,077,305</u>	<u>1,121,119</u>	<u>7,414</u>	<u>15,028</u>

Funds held on behalf of third parties to the Coal Industry Social Welfare Organisations order represent sale proceeds from the partial disposal of freehold land held on mining trusts where the governing instrument specifies that the disposal proceeds shall be held to the order of CISWO. In 2017 the sum of £401,433 was held by CISWO in relation to such disposals (2016: £429,419). The mining trusts from whom the disposal income was generated accepts that the organisation has the right to hold these funds but where these funds are due to be reapplied back to the original mining trust for project/capital work the organisation regards the holding of such sums as being temporary pending this work. As such it is deemed to be prudent as treating such sums as funds held for the benefit of the originating third party and therefore create a balancing creditor entry. Where there is no likelihood of any further sums being remitted to the original mining trust then a decision would be made by the Trustees to release these funds to the organisation's own reserves.

### 18 Creditors: amounts falling due after one year

#### Group

CISWO participates in the Industry Wide Coal Staff Superannuation Scheme. At the year end a repayment plan had been agreed to fund past deficits on the scheme as follows:

	2017	2016
	£	£
Repayment Plan: Pension Liability	<u>96,282</u>	<u>419,356</u>

A revised repayment plan began on 1 January 2017 it requires the organisation to pay a sum of £29,333 per month for a period of 1 year and 4 months until April 2019.

## Notes to the financial statements

### 19 Provisions for liabilities

#### Group

	Holiday pay accrual £	Total provisions £
Balance at 1 January 2017	72,139	72,139
Arising in the year	4,388	4,388
Balance at 31 December 2017	<u>76,527</u>	<u>76,527</u>

The holiday pay provision represents holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the salary cost payable for the period of absence.

### 20 Analysis of net assets between funds

#### Group

	Unrestricted fund £	Endowment funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b>Fixed assets</b>					
Tangible fixed assets	1,669,050	350,470	-	2,019,520	2,195,807
Investments	6,280,024	23,532,694	630,190	30,442,908	29,528,973
	<u>7,949,074</u>	<u>23,883,164</u>	<u>630,190</u>	<u>32,462,428</u>	<u>31,724,780</u>
<b>Current assets</b>					
Stock	4,834	-	-	4,834	4,699
Debtors: due within one year	251,509	-	-	251,509	263,986
Debtors: due after one year	643,587	-	-	643,587	832,247
Cash	444,144	197,522	125,565	767,231	739,864
	<u>1,344,074</u>	<u>197,522</u>	<u>125,565</u>	<u>1,667,161</u>	<u>1,840,796</u>
<b>Current liabilities</b>					
Amounts falling due within one year	(1,077,305)	-	-	(1,077,305)	(1,121,119)
<b>Net current assets</b>	<u>266,769</u>	<u>197,522</u>	<u>125,565</u>	<u>589,856</u>	<u>719,677</u>
Creditors: amounts falling due greater than one year	(96,282)	-	-	(96,282)	(419,356)
Provisions for liabilities	(76,527)	-	-	(76,527)	(72,139)
<b>Net assets</b>	<u>8,043,034</u>	<u>24,080,686</u>	<u>755,755</u>	<u>32,879,475</u>	<u>31,952,962</u>

## Notes to the financial statements

### 20 Analysis of net assets between funds (continued)

#### Company

	Unrestricted fund £	Total 2017 £	Total 2016 £
<b>Current assets</b>			
Debtors	38,100	38,100	20,264
Cash	251	251	1,469
	<u>38,351</u>	<u>38,351</u>	<u>21,733</u>
<b>Current liabilities</b>			
Amounts falling due within one year	(7,414)	(7,414)	(15,028)
	<u>30,937</u>	<u>30,937</u>	<u>6,705</u>
<b>Net current assets</b>			
	<u>30,937</u>	<u>30,937</u>	<u>6,705</u>
<b>Net assets</b>			
	<u>30,937</u>	<u>30,937</u>	<u>6,705</u>

#### Endowment funds

##### Group

	Endowment Fund £	Permanent Endowment Fund £	King's Silver Jubilee and Coronation Cottages Permanent Endowment Fund £	Total 2017 £	Total 2016 £
<b>Fixed assets</b>					
Tangible fixed assets	-	350,464	6	350,470	350,470
Investments	23,532,694	-	-	23,532,694	21,818,806
<b>Current assets</b>					
Cash at bank	-	-	197,522	197,522	197,522
<b>At 31 December</b>	<u>23,532,694</u>	<u>350,464</u>	<u>197,528</u>	<u>24,080,686</u>	<u>22,366,798</u>

## Notes to the financial statements

### 20 Analysis of net assets between funds (continued)

#### Restricted funds

Group	King's Silver Jubilee and Coronation Cottages Restricted Fund	Four Collieries Fund	Derbyshire Miners Allocation Fund	North Derbyshire NUM	MWNEF	Total 2017	Total 2016
	£	£	£	£	£	£	£
<b>Fixed assets</b>							
Investments	-	-	-	314,576	315,614	630,190	609,672
<b>Current assets</b>							
Cash at bank	40,930	44,392	36,695	3,548	-	125,565	127,514
At 31 December	40,930	44,392	36,695	318,124	315,614	755,755	737,186

The net assets of the charity are represented by the following funds:

#### Unrestricted Fund

This is the core operational fund of the charity through which all its operational work is channelled.

#### Endowment Fund (Endowment Fund)

This is the core investment reserve fund of the charity. It comprises the former Capital Endowment Fund of CISWO and the Endowment Fund of CIBT.

#### Permanent Endowment Fund (Endowment Fund)

This fund is comprised solely of fixed assets that cannot be realised for revenue purposes.

#### King's Silver Jubilee and Coronation Cottages Permanent Endowment Fund (Endowment Fund)

The Charity Commission Scheme which linked this charity to the organisation required the properties to be separately identified together with the proceeds received upon any subsequent disposals.

#### King's Silver Jubilee and Coronation Cottages Restricted Fund (Restricted Fund)

This fund is to be applied in meeting the costs of administering and managing the King's Silver Jubilee and Coronation Cottages properties.

#### Four Collieries Fund (Restricted Funds)

This fund was established by gift transfer from the United Collieries Benevolent Fund and is to be used for the relief of hardship in the East Midlands Coalfield.

#### Derbyshire Miners Allocated Fund (Restricted Funds)

The funds were transferred to the Coal Industry Social Welfare Organisation during 2006. The funds are to be used at the discretion of the Trustees of the Coal Industry Social Welfare Organisation to benefit the mining communities of Derbyshire.

#### North Derbyshire NUM Fund

The funds were transferred to the Coal Industry Social Welfare Organisation in 2015. The funds are to be used at the discretion of the Trustees to benefit the mining communities of North Derbyshire.

#### Miner's Welfare National Education Fund

The fund is held upon trust for the purpose of making grants to assist eligible candidates to undertake courses of higher education.



## Notes to the financial statements

### 21 Industry wide coal staff superannuation scheme

The charity contributes to the Industry Wide Coal Staff Superannuation Scheme, a defined benefit scheme for the benefit of the employees. The assets of the scheme are administered by Pension Scheme Trustees in a fund independent from that of the charity.

The charity's contributions are affected by a surplus or deficit in the scheme but the charity is unable to identify its share of the assets and liabilities when they choose.

The charity has applied the multi-employer exemption to account for the scheme as a defined contribution scheme.

The pension cost for the year was £352,000 (2016: £352,000). The Repayment Plan pension liability is included in notes 17 and 18.

### 22 Related party transactions

During the year the Coal Industry Social Welfare Organisation paid expenses on behalf of CISWO 2014. At the year end an amount of £4,253 (2016: £10,923) was owed to the Coal Industry Social Welfare Organisation.

### 23 Operating lease commitments

The total lease commitments under non-cancellable operating leases are:

Group	Land and Buildings 2017 £	Other 2017 £	Land and Buildings 2016 £	Other 2016 £
Leases which expire in less than one year	11,108	8,810	10,308	14,930
Leases which expire within two to five years	33,324	7,736	41,232	1,397
	<u>44,432</u>	<u>16,546</u>	<u>51,540</u>	<u>16,237</u>

#### Company

The Company had no operating lease commitments at 31 December 2017 or 31 December 2016.

### 24 Reconciliation of changes in resources to net cash outflow from operating activities

	2017 £	2016 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		
Net movement in funds	926,512	2,018,131
Adjustments for:		
Investment income	(1,181,450)	(1,231,844)
Investment gain	(2,137,732)	(3,130,524)
Depreciation	125,997	160,652
Loss/(Profit) on sale of tangible fixed assets	(368,129)	4,230
Decrease in stock	(135)	748
Decrease/(Increase) in debtors	201,137	6,730
Decrease in creditors	(366,887)	(1,508,647)
Decrease/(Increase) in provision	4,388	(14,038)
Net cash used in operating activities	<u>(2,796,299)</u>	<u>(3,694,562)</u>

## Notes to the financial statements

### 25 Returns on investments

	2017 £	2016 £
Investment income received	<u>1,181,450</u>	<u>1,231,844</u>

### 26 Capital expenditure and financial investment

	2017 £	2016 £
Purchase of tangible fixed assets	(6,824)	(232,350)
Sale of tangible fixed assets	425,244	15,325
Purchase of fixed asset investments	(3,489,161)	(2,256,922)
Sale of fixed asset investments	4,663,758	5,689,263
Decrease in fixed asset investment bank balances	<u>49,199</u>	<u>(271,988)</u>
	<u>1,642,216</u>	<u>2,943,328</u>

### 27 Reconciliation of net cash flows to movement in net debt

	2017 £	2016 £
Increase in cash for the year	27,367	480,610
Net funds at 1 January	<u>739,864</u>	<u>259,254</u>
Net funds at 31 December	<u>767,231</u>	<u>739,864</u>

### 28 Analysis of cash and cash equivalents

	At 1 January 2017 £	Cash flows £	At 31 December 2017 £
Cash in hand	<u>739,864</u>	<u>27,367</u>	<u>769,231</u>
Total cash and cash equivalents	<u>739,864</u>	<u>27,367</u>	<u>769,231</u>

### 29 Contingent liabilities and capital commitments

There were no contingent liabilities or capital commitments as at 31 December 2017 and 31 December 2016.

## Notes to the financial statements

### 30 Financial instruments

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Carrying amount of financial assets				
Measured at amortised cost				
Trade debtors	141,809	145,171	-	-
Amounts owed by subsidiary undertakings	-	-	38,100	20,264
Other debtors	723,643	920,646	-	-
	<u>865,452</u>	<u>1,065,817</u>	<u>38,100</u>	<u>20,264</u>
Carrying amount of financial liabilities				
Measured at amortised cost				
Other creditors	135,610	122,174	-	-
Funds held on behalf of third parties	401,433	429,419	-	-
Trade creditors	12,938	12,057	-	-
Amounts owed to subsidiary undertakings	-	-	4,253	10,923
	<u>549,981</u>	<u>563,650</u>	<u>4,253</u>	<u>10,923</u>

### 31 Charitable Company results

The charity has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income and expenditure account in the accounts.

The results of the charity are summarised below:

	2017	2016
	£	£
Total income	38,100	20,264
Total expenditure	<u>(13,868)</u>	<u>(25,138)</u>
Net income/(expenditure)	<u>24,232</u>	<u>(4,874)</u>

### 32 Liabilities of members

Under the Articles of Association all members undertake to contribute to the assets of the Charitable Company such an amount as may be required, not exceeding £1, in the event of it being wound up.

## Notes to the financial statements

### 33 Subsidiary undertakings

At 31 December 2017 the Charitable Company controlled the following entities:

	Country of incorporation / registration	Company number	Charity number	OSCR number	Reserves £	Results for the financial year £
Coal Industry Social Welfare Organisation	England	-	1015581	SCO39529	32,343,696	1,037,649
Miners' Welfare National Education Fund	England	-	313246	SCO38771	504,880	(112,655)
Coal Industry Social Welfare Organisation (Trading) Limited	England	03153888	-	-	-	38,100
CISWO Charitable Property Services Trust	England	09263738	1163041	-	-	-