



ANNUAL REPORT AND FINANCIAL ACCOUNTS

For the 15 months ended 31 March 2022

Registered number: LH0869

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CHAIR'S REPORT

I am delighted to present Rockdale's annual report and accounts, and to have the opportunity to provide an update on the recent challenges and how the Association rose to meet them. During 2021 the Board made a decision to change the financial year end for the Association to the 31 March and so this Annual Report and Accounts is for the period from 1 January 2021 to 31 March 2022.

Like everyone the Covid-19 pandemic continued to impact on everyone involved in Rockdale. We had to be quick to adapt to new ways of working as we sought to support our residents effectively whilst keeping our staff safe too.

I am immensely proud of our staff who worked incredibly hard to support our residents and keep essential services running. Their professionalism, dedication and reliance enabled them to rapidly adapt to emerging and changing situations. This has had a profound impact on our business, with non-essential staff working remotely for the last 15 months creating additional challenges and hurdles to overcome. Despite these difficulties we have continued to provide an effective service to all our residents, ensuring 24-hour on-site support service continued, adapted meal provision, maintained an emergency repair service and conducted key health and safety checks.

Given these challenges I am pleased to report that for the period ended 31 March 2022 shows an acceptable financial period overall for the Association. The financial statements show an operating deficit of £447,056 and a deficit before other comprehensive income of £492,769.

Due to the challenges of the pandemic some of our maintenance and refurbishment projects were placed on hold. But we did commence two key major projects: the upgrading and replacement of fire doors across our accommodation and the construction of a new lift at Beatrice Wilson House. Both of these projects will be completed in the next financial year.

We continued to carry out major works across the site in line with our 25-year planned maintenance programme. During 2022/23 we are forecasting to spend £391,000 on planned maintenance projects, which equates to 10.4% of our budgeted income from lettings. In addition, we are also forecasting to spend an additional £149,185 on capital projects, £51,248 of which is for the second lift in Beatrice Wilson House.

We strive to achieve value for money across all departments and undertake regular reviews in areas of high value costs such as those associated with repair work, maintenance contracts and utility costs. We work hard to negotiate cost effective contracts and have reviewed our supplier list in 2022 to deliver this key objective.

The period to 31 March 2022 saw major changes in the senior leadership of Rockdale. We said goodbye to our Chief Executive, Anita Cleugh, Head of Finance, Sue Baxter and Racheal O'Neill, Head of Maintenance. Claire Billis our Head of Housing took over as interim Chief Executive and Robert Kirton joined us as interim Head of Finance. I want to thank them for holding the fort so ably. In January 2022 Christopher Munday

joined as our new Chief Executive, Christopher Charles-Webb as our new Head of Finance & Resources and Trupti Khristi became our new Home Manager. Ros Ward stood down as interim Home Manager in March 2022. Claire Billis's role was redefined to be Head of Housing and Maintenance. I am pleased to report that the new leadership team are settling in well and we are already seeing them delivering value for Rockdale.

As a result of covid and its impact on elderly residents, voids in the care home worsened considerably in the period. Staffing and agency costs remained high, incurred due to ongoing difficulties with recruitment and covering Covid related absence as a result of staff needing to shield or self-isolate. The focus going forward will be filling empty rooms, recruitment of key Management roles, and reducing costs associated with the management of our care home.

In 2021/22, 33 rented apartments became available for re-let. 1 unit were offered to a transferring resident and 32 to residents from the waiting list. This continues to be higher than average and consequently the Association has seen increased refurbishment and void loss costs. We have also seen 9 leasehold apartments changed hands. Due to the Covid pandemic we encountered significant challenges with our lettings process due to lockdown and social distancing restrictions and to overcome these interim Assessment and Viewing Procedures were devised.

As we emerge from the pandemic our priority remains supporting Rockdale's residents and looking after the mental and physical wellbeing of our staff. Our operating environment has changed significantly and we are reviewing how we do things in the future. Like many housing organisations the longer-term focus will be on liquidity and the challenges around funding our charitable aims.

Finally, I would like to take this opportunity thank the Board, Care & Assessment Committee members, the Executive Team, and all Rockdale employees who have worked so incredibly hard this year in supporting our residents through very challenging times.

Ian Grattidge
Chair of the Board of Trustees
5 December 2022

STRATEGIC REPORT

The Sevenoaks and District Old People's Housing Association was founded in 1947 with the aim of providing suitable housing for older people of restricted means who were members of the working classes in Sevenoaks and elsewhere. Renamed Rockdale Housing Association Ltd in 1979, the Association is a community benefit society registered under the Co-operative and Community Benefit Societies Act 2014 (registered No.13507R), a registered provider of social housing as defined under the Housing and Regeneration Act 2008 (Registered No. LH0869), and an exempt charity.

Properties in Management

Rockdale House, Sevenoaks Registered Residential Care Home	48 rooms 2 short stay rooms
Rockdale Road, Sevenoaks	123 sheltered apartments for rent
Webbs Meadow, Sevenoaks	17 sheltered leasehold apartments 1 sheltered apartment for rent
Constant Meadow, Sevenoaks	10 sheltered leasehold apartments
Summerbank, Rockdale Road, Sevenoaks	10 sheltered leasehold apartments
Laurie House 1-19, Sevenoaks	19 sheltered leasehold apartments

The average monthly charges for the various types of properties during 2022 were:

Rents

		Rent	Services	Support	Total monthly charge	
		2021/22	2021/22	2021/22	2021/22	2020
Rockdale Road	Studio	£397.69	£249.17	£103.26	£750.12	£739.95
Rockdale Road	1 bedroom	£466.63	£274.07	£103.26	£843.96	£832.60
Stable Court	1 bedroom	£466.63	£240.08	£103.26	£809.97	£798.08
Rockdale House	Residential care home	£4,143.01	-	-	£3931.46	£3744.25

* Heating & hot water not included in services

STRATEGIC OBJECTIVES

Mission

Rockdale's mission is to provide affordable housing, care and other help to improve the quality of life for older people

We will:

1. Provide good quality homes and support services for older people which meet their changing needs. This means we will:

- Ø Provide well managed housing cost-effectively and to high standards
- Ø Consult with residents, tenants and leaseholders on the services provided
- Ø Regularly monitor, evaluate and strive to improve services
- Ø Provide efficient and responsive repair services, and make adequate provision for planned maintenance
- Ø Make the best use of our assets to maintain a sustainable community
- Ø Offer appropriate advice to services and welfare benefits

2. Offer high quality residential care. This means we will:

- Ø Aim to establish Rockdale House as a model of excellence in residential care
- Ø Recognise that the quality of residential care is dependent on the quality of the staff providing it, and thus place a high priority on the recruitment, training and retention of staff.

3. Sustain and develop our charitable work. This means we will:

- Ø Set aside such capacity and funding as can be afforded by the Association for the support of those who do not have the financial means to access our services
- Ø Account clearly for our charitable work through external reporting
- Ø Seek grants and donations for the support and expansion of our charitable work

The Board is responsible for the monitoring the Association's business plan activities.

During 2021/22, the Associations activities were severely impacted by the Covid-19 crisis and resulted in the majority of larger projects being postponed until the second half of 2021 and 2022. Many activities were also placed on hold whilst front line staff prioritised delivering essential services to residents and vital infection control measures.

The table below shows the Association's progress during 2021/22.

Objective	Comments at year end 2020
To complete major projects including Webbs meadow courtyard project, Beatrice Wilson common room redecoration and Beatrice Wilson additional lift project	Ongoing- The lift project was severely delayed by the Covid pandemic and work began in November 21, due for completion July 22. Installation of the Fire Doors took place early 2022 and was completed after the year end. Design of the new entrance door to Laurie House was produced April 22, delays encountered due to contractor availability, installation still ongoing. Several design issues were identified for the Webbs Courtyard project which led to a review of the project. Further consultation to take place with new residents following increased sales at Akehurst Lane. Due to take place Quarter 2 2022
To produce a long-term plan to update the fabric of each building	Completed- The stock condition survey took place in late 2021 and was completed February 2022. The finalised survey will enable a more detailed plan to be devised with Year 1 priorities being considered in 2022.
To maintain occupancy at budgeted levels in Rockdale House	Ongoing – Void levels in the care home fluctuated throughout the period due to periods of time admissions were not allowed. Occupancy levels are now improving significantly.
To reduce the use of agency staff	Ongoing – Staff shortages associated with self -isolation and shielding made reducing agency staffing extremely challenging during the period. This activity has been carried forward to 2022/23 but may prove difficult to achieve until the later part of the period due to the Covid situation and the general recruitment crisis.
To seek new opportunities through the use of technology to improve the quality of care and support to residents.	Delayed – The roll out of an electronic medication system has been placed on hold and is unlikely to be considered until 2022/23. This is to allow the home to stabilize, recruit a new manager and full vacancies
Investigate opportunities to improve on our previous CQC rating and approaches for continual improvement	Ongoing This has proved difficult with the changes in leadership in the Home and the pressures on staffing. Going forward the Home manager will look for other opportunities for continuous improvement.

To introduce an environmental impact policy for approved contractors To look at the introduction of a recycling scheme for residents, with their involvement To start recording measurable recycling statistics	Delayed – The introduction of environmental policies and schemes have been put on hold until Covid restrictions are lifted in order to involve residents and the Associations' principal contractors in the process. This position will be reviewed in July 2023 when it is anticipated that the majority of restrictions will be lifted.
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OPERATIONAL PERFORMANCE

The following statistics outline our performance in key areas:

Operational Metrics					
Measure	2018	2019	2021-22	Peer Quartile position	2022 Target
Homes					
Current tenant arrears (rented flats) as % of annual rent due	1.4	1.1	1.3	2	1.1
Repairs completed within target	100	98	98	2	99
Emergency repairs completed within target	100	100	100	N/A	100
Cost per property pa - Housing Management £	-	646	691	3	-
Cost per property pa- Responsive repairs £	963	569	854	4	-
Cost per property pa- Major & Cyclical works £	1846	1743	1172	3	-
Average re-let time (in days)	56	35	60	4	45
% of Rent loss through empty properties (excluding care home)	2.6	0.9	4.0	4	2
Services					
Satisfaction with overall services	96	96	96	2	98
Satisfaction with responsive repairs	96	98	98	2	99
Satisfaction - VFM rent	96	98	98	2	99
People					
Staff turnover	26.59	29.03	28.12	2	22%
Average days lost to sickness absence	6.9	5.3	10.06**	2	5
Average days lost due to short term sickness absence	3.3	2.3	1.98	2	1.75
Average days lost to long term sickness absence	3.3	2.9	2.55	2	2

**includes Covid-19 related sickness and isolation periods

Assets

The lost income arising from our 2021-22 void flats was £ 93,987 which equates to 6.5% of total Sevenoaks rented flats income, compared with our budgeted level of 4.0%. We carried out improvement works in all void flats in order to continue to achieve our 100% decent home standard and ensure they remain attractive to let.

In addition to the decent home's maintenance expenditure, we carried out other major works around the site in accordance with our 25-year planned and capital

maintenance programme. This also included the installation of 5 kitchens and 7 bathrooms.

During 2021/22 we spent £197,798 on planned maintenance projects, £526,672 on capital projects and £158,658 on leasehold apartment works. This included the upgrading of flats to maintain our decent homes status, the refurbishment of the guest flat, fire door replacement programme and the Beatrice Wilson lift installation.

The loss of rent and service charges over the period as a whole (voids) expressed as a percentage of the gross debit (chargeable if all properties were fully occupied) was:

	Total % of void cost 2021-22	Total % of void cost 2020	Total % of void cost 2019
Rented apartments	6.3%	4.0%	0.09%
Rockdale House	23%	10%	15%

Our cost per unit spend for repairs, reactive, and planned maintenance decreased over the course of the period due to the impact of the national lockdown periods and Government restrictions on movement & activities for a considerable part of 2021/22 as a direct result of Covid-19.

Housing Management costs per property for the period have as expected shown an increase. This is partly due to the increased costs of personal protective clothing due to Covid-19

Maintenance

Our in-house maintenance staff carried out in total 975 maintenance jobs in 2021/22, 893 requests were undertaken in the Sevenoaks apartments and 82 in the Care Home. There was a slight reduction in the number of job request's early part of 2021, as only responding to emergency calls due to ongoing Covid-19 restrictions. From the Autumn we saw an increase, where routine repairs commenced.

Contractor attendance was initially restricted, responding to only urgent request and emergencies throughout early to mid-2021. The Association has seen an decrease in performance compared to 2019, this has mainly been due to delays in obtaining materials and the shortage of suitable contractors due to covid compared to previous years. Requests assessed as either emergency or urgent were attended and performance remains at 100%.

Our target time for carrying out repairs is 24 hours for emergency repairs, 5 working days for urgent repairs, and one calendar month for routine repairs.

The table below shows how we have performed compared to previous years.

Contractors	2021-22	2020	2019	2018	2017
Emergency repairs	100%	100%	100%	100%	100%
Urgent Repairs	100%	100%	100%	96.51%	93.58%
Routine repairs	92.61%	93.4%	94.34%	94.16%	95.90%

VALUE FOR MONEY

The Board acknowledges that it is ultimately responsible for ensuring compliance with the regulatory standard on Value for Money (VFM). The Board regularly receives a range of internal and external information providing adequate evidence to demonstrate compliance with the VFM standard.

Annually, the Association provides an assessment of its performance setting out how Rockdale is achieving Value for Money in delivering its purpose, objectives and services to residents and this can be found on our website www.rockdale.org.uk.

The Regulator of Social Housing issued a new Value for Money Standard in 2018, setting out specific requirements for registered providers to publish evidence within their statutory accounts of its value for money targets and metrics set out by the regulator, as well as setting out how performance compares to that of its peers.

Rockdale is a member of the Acuity benchmarking group for older people, the care home benchmarking group and the Sector Scorecard (administered by Housemark). A key focus for the Association is in understanding performance and costs in relation to our peers through regular benchmarking.

The Association demonstrates Value for Money by: -

- 🌟 Ensuring Value for Money is embedded through all decision-making processes
- 🌟 Setting clear strategic objectives
- 🌟 Having a framework of strategies, policies & processes in place to ensure optimal benefits are achieved from both assets and resources
- 🌟 Ensuring services are cost effective, efficient and customer driven.
- 🌟 Recruiting and retaining the best staff to deliver our services

Each year the Association provides an assessment of its performance setting out how we are achieving Value for Money in delivering our purpose, objectives and services to residents and this can be found on our website www.rockdale.org.uk.

Metric set by the Regulator	2019	2020	2021-22	Benchmarking Median	Benchmarking Quartile position
Reinvestment %	5.4	1.08	6.0	4.05	4
New supply delivered % (Social Housing units) (N.B. no Non-Social Housing units were supplied in the period)	0	0	0	2.40	4
Reinvestment into the existing stock has been lower than planned due to the effect of Covid -19 lockdowns on our building works program. The direction of future development projects is currently being considered in wake of the Pandemic					
Gearing %	0	0	0	2	Not available
Gearing is zero because the value of long-term loans is much smaller than the value of the housing stock.					
Earnings before interest, tax, depreciation, amortisation, (EBITDA MRI) as % of interest	502	765	28	927	Not available
EBITDA measures the level of operating surplus compared to interest payable, avoiding distortions from non-cash items such as depreciation but including costs of capital repairs. 2020 was closer to the benchmark median, due to reduced capital building works due to Covid-19 and an increase in interest received on investments. In 2021/22 the association incurred an operating deficit and a high level of capitalised major repairs.					
Headline Social housing cost per unit	7,955	7,330	10,767	5,413	Not available
This measure is shown for the rental flats and is higher than the benchmarking median as Rockdale provides support as well as housing to our tenants and it is recognised that provision to an older age group does increase these headline costs. The 2021/22 headline cost is higher than expected due to higher management costs as a result of Covid-19					
Operating margin %	-3.16	-5.95	-11.28	9.6	4
Return on Capital Employed (ROCE) %	10.7	-1.4	-18.3	-0.05	Not available
Both operating margin and ROCE assess the Association's profitability and ROCE also looks at the efficiency with which capital is used. The above two measures have declined since 2019 due to pressure on costs from the effect of Covid-19. Staff and agency costs were higher in 2020 due to extra pay awarded to staff working to care and support our residents and tenants. Extra costs were also incurred to cover staff who were self-isolating or sick and to provide suitable personal protective clothing. These costs affected the Care Home more significantly than the rental stock. In 2021/22 the association incurred a significantly higher deficit for the period as Income from Lettings rose by 24% but Operating costs by 32%.					

KEY STRATEGIC AND OPERATIONAL RISKS

Risk management is a fundamental element intrinsically linked to the Association's overall strategy and business planning activities. The key strategic risks affecting Rockdale Housing Association, as of 31st March 2022, are summarised in the table below. These risks are regularly reviewed, and the Board monitor risks at each board meeting.

Strategic Risk	Measures to mitigate risks
Impact of Brexit as the UK has left the EU on 31 December 2020	<ul style="list-style-type: none"> • The Association continues to receive advice from the Government and reviewed supply chains, checked for issues and reviewed business continuity plans. Registered Manager identifying possible links with local partners such as Health and the Local authority in the event of issues or ongoing problems in the care home. The Head of Finance reviewed the Associations finances, considering cash availability to ensure liquidity. • Political and fiscal policy may change which could impact residents and their income in future years, as a result to cuts in benefits and grants etc. The finance & housing teams have identified residents likely to be affected and are monitoring areas closely, stepping in quickly to assist where issues occur. In addition, the Association could experience issues with data sharing and access which may need to be considered in the future.
Impact of ongoing Coronavirus infections, resulting in severe staff shortages and inability to manage/provide services within the care home safely	<ul style="list-style-type: none"> • The Association has ensured that all staff have been offered and encouraged to take up a Covid vaccination. Information on how to book vaccinations. The introduction of mandatory requirements within the Care Home were introduced later 2021 and all staff are compliant. • Increased infection control measures are in place to prevent infection, including the use of high protection face masks Residents are required to undertake monthly PCR Covid testing. Lateral Flow (30minute) test are conducted twice a week for staff. These will also be in use for relative visits once visits are allowed to take place again. • Regular infection control cleaning takes place

<p>Long term financial implications of Covid on the Associations ability to fill vacant rooms in the care home</p>	<ul style="list-style-type: none"> • The Association is undertaking marketing campaigns now that restrictions are lifted to fill vacancies and attract new residents • Staff are maintaining rooms to a high standard to make them attractive to potential new residents. • Rockdale House staff are actively working to Increase “carehome.co.uk” satisfaction score to 9.5%
<p>Risk that the Association has inadequate fire policies and procedures in place to meet its obligations under Fire Safety requirements</p>	<ul style="list-style-type: none"> • An external qualified Fire consultant was appointed in 2017 to carry out 6 monthly reviews and to annual update the Associations Fire Risk Assessments (FRA). The last FRA was carried out in Dec 2020. Staff also conduct regular fire inspections and tests. • Items identified from the FRA are recorded on an action log along with required remedial works. Previously identified actions which were outstanding were the buggy store which has now been completed and the replacement of fire door has been completed.
<p>Not making the best use of the Associations assets either through investment or development opportunities and not maintaining existing housing provision.</p>	<ul style="list-style-type: none"> • Development feasibility study has been delayed due to Covid-19 restrictions. Ongoing discussions about the future development strategy will take place early 2023 with the final strategy document being reviewed by the newly appointed Senior Management Team.

STATEMENT OF BOARD OF MANAGEMENT’S RESPONSIBILITIES

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which provide a true and fair view of the state of affairs of the Association and of its income and expenditure for the period.

In preparing these financial statements the Board is required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial

statements; and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for the keeping of proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and enable it to ensure its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing & Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing England 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

The Board proactively review and manage potential risk exposure through the risk register and aim to mitigate this risk as much as possible

POLICY ON BOARD MEMBERSHIP

Membership to the Board of Management or Sub-Committee is based on the candidate's ability to provide considerable technical knowledge expertise and make a substantial contribution to the long-term wellbeing of the Association. Applications for membership to the Board or Committees should be in writing and will be individually determined by the Board based on the above criteria.

At 31 March 2022 the Board of Management consisted of nine non-executive members. All Trustees are £1 shareholders.

MEMBERSHIP OF BOARD AND COMMITTEES AS AT 31 MARCH 2022

Board Members			Appointed	Retired
	Roland Courtney	BSc MSc DIC	2015	October 2021
Chair	Ian Grattidge	MSPP, FCCA	2015	
	Jill Griffiths		2011	
Deputy Chair	Sarah Heilbron		2013	
	David McKee		2016	
	Gillian Shepherd-Coates		2016	June 2021
	Patricia Smith		2018	
	Simon Constantine		2021	
	Stephen Platt		2021	
	Julie Philipps		2021	
	Patricia Mayer		2021	
Care & Assessment Committee				
Chair	Sarah Heilbron			
Members	Meryl Edwards			
	Sara Thomson			
	Rachel Robbins			
	Gillian Roberts			
Senior Staff	Christopher Munday, Chief Executive (Appointed January 2022)			
	Christopher Charles-Webb, Head of Finance & Resources (Appointed January 2022)			

Claire Billis Head of Housing & Maintenance
(Appointed June 2020)

Trupti Khristi Head of Home (Appointed
January 2022)

Bankers	National Westminster Bank plc, 67 High Street, Sevenoaks, Kent TN13 1JY
Auditors	Lindeyer Francis Ferguson Ltd, North House, 198 High Street, Tonbridge, Kent TN9 1BE
Solicitors	Devonshires, Salisbury House, 30 Finsbury Circus, London, EC2M 5QY
Registered office	Rockdale Lodge, Rockdale Road, Sevenoaks, Kent, TN13 1JT
Statutory registration	Co-operative and Community Benefit Society (13507R) and the Regulator of Social Housing (LH0869)

STATEMENT OF INTERNAL FINANCIAL CONTROLS

The Board acknowledge their ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the Association or for publication
- the maintenance of proper accounting records, and
- the safeguarding of assets against unauthorised use or disposition
- It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial miss-statement or loss. Key elements include ensuring that:
 - 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 Association's assets
 - experienced and suitably qualified staff take responsibility for key business functions. Annual appraisal procedures have been established to maintain standards of performance
 - forecasts and budgets are prepared which allow the Board and senior staff to monitor the key business risks, the financial objectives and progress towards financial plans set for the year. In the medium term, regular management accounts are prepared promptly, providing relevant, reliable, up-to-date

financial and other information highlighting significant variances from budgets which are investigated as appropriate

- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures
- the Board reviews reports from the senior staff and from the external auditors to provide reasonable assurance that control procedures are in place and that they are being followed. This includes a general review of the major risks facing the Association at each Board meeting
- actions required to rectify any weaknesses identified from the above reports are dealt with on an individual basis. In all cases these actions will be recorded, monitored and reported to the Board
- the Board proactively reviews and manages potential risk exposure through the risk register with an aim for risk mitigation

The Board has reviewed the effectiveness of the internal financial control systems in existence within the Association for the period ending 31 March 2022.

Other than the issues raised in the auditor's report there were no additional weaknesses found in internal financial controls which resulted in material losses, contingencies or uncertainties or which required disclosure in the financial statements or in the auditors' report on the financial statements.

STATEMENT OF PUBLIC BENEFIT

The Association refers to the Charity Commission's general guidance on public benefit when reviewing its mission statement and in planning future activities.

Originally founded to assist the local people of Sevenoaks in need of affordable housing and or care, this ethos remains a fundamental part of Rockdale's culture today and we continue to charitably support some residents who need our housing, support and care but who may not have the financial means to access it. The Association does this in a variety of ways including keeping our fees as low as possible and accepting local authority residents at reduced rates, supplemented by our own funds. At 31 December 2022 we were supporting 8 residents in Rockdale House and 60 sheltered housing residents.

COMPLIANCE WITH THE GOVERNANCE AND FINANCIAL VIABILITY STANDARD

The Association has adopted the principles and provisions of the National Housing Federation ('NHF') Code of Governance 2005 and has carried out a compliance self-assessment against the requirements of the Regulator of Social Housing's Governance and Financial Viability Standards. The Board considers that the Association complies with all requirements of the Regulatory Framework.

During 2021/22 the Board recruited four new board members to help develop and drive the Associations strategy for the next 5 years. The Association understands the importance of Board regeneration it also feels it is important for Trustees to have experience, knowledge and history of the Association to best serve the local community. The Board is also planning an external review of governance and board

effectiveness in 2022/23 and is setting up new Board subcommittees to provide better focus, oversight and support for our key operational issues.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROCKDALE HOUSING ASSOCIATION

Qualified opinion

We have audited the financial statements of Rockdale Housing Association for the period ended 31 March 2022 which comprise the statement of comprehensive income, statement of financial position, statement of changes in reserves, 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, except for the possible effects of the matters described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2022 and of its income and expenditure for the 15 month period 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 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 2019.

Basis for qualified opinion

During the period the Association experienced significant staff changes in the finance team. As a result of this, the staff in place during the audit were unable to provide all of the information and explanations we requested for the purposes of our audit in respect of the completeness of care home fee income of £3,216,116, the accuracy of care home voids forming part of the total voids of £716,106, and the application of restricted income of £130,265. We were unable to satisfy ourselves by alternative means as to whether these amounts are free from material misstatement. Consequently, we were unable to determine whether any adjustment to these amounts was necessary.

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 qualified 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 of Management's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board of Management have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association'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.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Board of Management is responsible for the other information. Our opinion on the financial statements does not cover the other information and 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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the completeness of care home fee income of £3,216,116, the accuracy of care home voids forming part of the total voids of £716,106, and the application of restricted income of £130,265. We have concluded that where the other information refers to these amounts, it may be materially misstated for the same reason.

Matters on which we are required to report by exception

Arising solely from the limitation on the scope of our work relating to income, voids and restricted funds, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether a satisfactory system of control over transactions has been maintained or adequate accounting records have been kept.

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you

if, in our opinion:

- the financial statements are not in agreement with the books of account.

Responsibilities of the Board of Management

As explained more fully in the Board of Management's responsibilities statement set out on page 11, the Board of Management 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 of Management 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 Board of Management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Management either intends to liquidate the Association 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory framework applying to the Association and the procedures that management adopt to ensure compliance, and have considered the extent to which non-compliance might have a material effect on the financial statements, and in particular we identified: The 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 2019.

We have also identified other laws and regulations that do not have a direct effect on the amounts or disclosures within the financial statements, but for which compliance is fundamental to the Association's operations, including Employment Law, Health and Safety Law, the General Data Protection Regulation, and regulations relating to safeguarding vulnerable people with the key legislature being Safeguarding Vulnerable Groups Act 2006.

Having reviewed the laws and regulations applicable to the Association, we designed and performed audit procedures to obtain sufficient appropriate audit evidence. Specifically, we:

- Assigned an engagement team to the audit with particular familiarity in dealing with registered providers of social housing;
- Obtained and reviewed internal policies and procedures and external guidance;
- Reviewed external assessments in relation to the provision of housing for vulnerable adults i.e., Care Quality Commission inspections;
- Ensured DBS checks were in place for a sample of staff;
- Made enquiries of the Board of Trustees, reviewed meeting minutes, and enquired regarding reported incidents and accidents during the period; and
- Reviewed the completeness and accuracy of associated disclosures made in the financial statements.

We assessed the susceptibility of the Association's financial statements to material misstatement and fraud, and in doing so we:

- Assessed the systems and controls in place, and whether any weaknesses were identified which could suggest or allow fraud;
- Considered how fraud might occur, and considered whether management have incentives and opportunities to manipulate the financial results (including overriding controls);
- Evaluated management's assessment of risk of fraud and whether they are aware of any actual or suspected fraud;
- Identified key risks of fraud as revenue recognition and cut-off, staff costs, the calculation of the pension liability and management override of controls; and
- Designed and performed audit procedures to obtain sufficient appropriate audit evidence including reviewing journals, challenging assumptions and accounting estimates, and performing substantive testing on income and staff costs.

The audit has been planned and performed in such a way as to best identify risks of material misstatement, however the inherent limitations of audit procedures means that there remains a risk that material misstatements may not be identified. In particular we are aware of the inherent difficulties in detecting irregularities, and irregularities that result from fraud may be more difficult to detect than irregularities that result from error, due for example, to override of controls, collusion or misrepresentations. In addition, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Association's members, as a body, in accordance with

section 87 of the Co-operative and Community Benefit Societies Act 2014. 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 auditors' 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.

.....
Lindeyer Francis Ferguson Limited

Chartered Accountants
Statutory Auditors
North House
198 High Street
Tonbridge
Kent TN9 1BE

Date:

Rockdale Housing Association Ltd
STATEMENT of COMPREHENSIVE INCOME
for the 15 MONTHS ENDED 31st MARCH 2022

		15 months to 31 March 2022	12 months to 31 December 2020
	Note	£	£
TURNOVER			
Income from Lettings	3	3,950,092	3,191,699
OPERATING EXPENDITURE			
Direct Property Management and Administration	3	<u>(4,539,637)</u>	<u>(3,434,049)</u>
		(589,545)	(242,350)
Other Operating Income		213,799	100,286
Other Operating Costs		<u>(71,311)</u>	<u>(54,437)</u>
OPERATING DEFICIT		(447,056)	(196,501)
Interest Receivable and Other Income	7	244,837	159,025
Interest Payable and Other Costs	8	(88,103)	(85,598)
Net (losses) / gains on investments		(202,447)	24,439
DEFICIT FOR THE PERIOD	10	(492,769)	(98,635)
OTHER COMPREHENSIVE INCOME			
Actuarial gains / (losses) in respect of pension schemes		<u>49,000</u>	<u>(220,000)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(443,769)</u>	<u>(318,635)</u>

The turnover and deficit for the current and previous years relate to continuing activities

_____	I Grattidge - Chairman
_____	S Heilbron - Deputy Chairman
_____	C Mundy - Secretary

Rockdale Housing Association Ltd
STATEMENT OF FINANCIAL POSITION as at 31st MARCH 2022

	Note	31 March 2022		31 December 2020	
		£	£	£	£
FIXED ASSETS					
Housing Properties	11		8,119,258		8,005,367
Other tangible fixed assets	12		124,473		111,189
Investments	13		<u>2,525,513</u>		<u>2,704,949</u>
			10,769,244		10,821,505
CURRENT ASSETS					
Trade and other debtors	14	231,327		191,887	
Cash and cash equivalents		<u>2,688,072</u>		<u>3,442,063</u>	
		2,919,399		3,633,950	
CREDITORS					
Amounts falling due within one year	15	<u>(481,727)</u>		<u>(508,119)</u>	
NET CURRENT ASSETS			<u>2,437,672</u>		<u>3,125,831</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			13,206,916		13,947,336
CREDITORS					
Amounts falling due after more than one year	16,17		<u>(1,769,470)</u>		<u>(1,860,120)</u>
NET ASSETS EXCLUDING PENSION LIABILITY			11,437,446		12,087,216
PROVISIONS FOR LIABILITIES					
Defined benefit pension scheme liability	18		<u>(759,000)</u>		<u>(965,000)</u>
TOTAL NET ASSETS			<u>10,678,447</u>		<u>11,122,216</u>
EQUITY					
Called-up share capital	19		54		51
Reserves:					
Restricted reserves	20		474,208		388,310
Income and Expenditure reserve			<u>10,204,185</u>		<u>10,733,855</u>
			<u>10,678,447</u>		<u>11,122,216</u>

The financial statements on page 22 to 40 were approved by and authorised for issue by the Board of Management on and were signed on its behalf by

I Grattidge - Chairman

S Heilbron - Deputy Chairman

C Mundy - Secretary

Rockdale Housing Association Ltd
 STATEMENT OF CHANGES IN RESERVES
 for the 15 MONTHS ENDED 31st MARCH 2022

	Called up share capital	Restricted Reserves	Income and Expenditure Reserve	Total
	£	£	£	£
Balance at 1 January 2020	50	374,007	11,066,793	11,440,850
Share issued during the year	1	-	-	1
(Deficit) from Statement of Comprehensive Income	-	-	(318,635)	(318,635)
Restricted Reserves Income and Expenditure	-	14,303	(14,303)	-
Balance at 31 December 2020	51	388,310	10,733,855	11,122,216
Balance at 1 January 2021	51	388,310	10,733,855	11,122,216
Share issued during the year	3	-	(3)	-
(Deficit) from Statement of Comprehensive Income	-	-	(443,769)	(443,769)
Restricted Reserves Income and Expenditure	-	85,898	(85,898)	-
Balance at 31 March 2022	54	474,208	10,204,185	10,678,447

Rockdale Housing Association Ltd
STATEMENT OF CASH FLOWS
for the 15 MONTHS ENDED 31st MARCH 2022

	15 months to 31 March 2022 £	12 months to 31 December 2020 £
Cash flows from operating activities		
Operating (deficit)/ surplus for the year	(492,769)	(98,635)
Adjustments for:		
Depreciation of tangible fixed assets	470,374	355,522
Loss on disposal of tangible fixed assets	1,380	1,034
(Loss)/Gain on fixed asset investments	202,447	(24,439)
Amortised social housing grant	(73,620)	(58,896)
Difference in net pension expense and contributions paid	(157,000)	(118,000)
Change in trade and other debtors	(57,572)	(41,436)
Change in trade and other creditors	(41,376)	42,753
Interest payable	20,776	16,741
Interest and dividends receivable	(118,382)	(97,315)
	<u>247,027</u>	<u>75,964</u>
Net cash from operating activities	(245,742)	(22,671)
Cash flows from investing activities		
Acquisition & construction of properties	(526,672)	(86,814)
Purchases of other fixed assets	(72,256)	(64,952)
Purchases of investments	(221,081)	(1,061,286)
Sale proceeds from investments	198,070	405,000
Interest and dividends received	136,513	100,152
	<u>(485,426)</u>	<u>(707,900)</u>
Cash flows from financing activities		
Interest paid	(20,776)	(16,809)
Repayments of borrowings	(2,049)	(1,284)
Share Capital issued	3	1
	<u>(22,822)</u>	<u>(18,092)</u>
Net change in cash and cash equivalents	(753,991)	(748,663)
Cash and cash equivalents at start of year	<u>3,442,063</u>	<u>4,190,726</u>
Cash and cash equivalents at end of year	<u><u>2,688,072</u></u>	<u><u>3,442,063</u></u>

Notes to the cash flow statement

	At 1 Jan 2021 £	Cash flows £	Non-cash changes	At 31 Mar 2022 £
a. Analysis of changes in net debt				
Cash and bank deposits	3,442,063	(753,991)		2,688,072
Debts due within 1 year (housing loan)	(1,420)	1,280	(1,540)	(1,540)
Debts due after 1 year (housing loan)	(159,623)		1,540	(157,317)
Total	<u>3,281,020</u>	<u>(752,711)</u>	-	<u>2,529,215</u>

Rockdale Housing Association Ltd for the 15 MONTHS ENDED 31st MARCH 2022

1. STATUS

Rockdale Housing Association Limited is registered under the Co-operative and Community Benefit Societies Act 2014 as an exempt charity (No. 13507R) and a private registered provider of social housing in the United Kingdom registered with the Regulator of Social Housing (No.LH0869) under the Housing Act 1996. The Association is a Public benefit entity (PBE) as defined in the glossary of FRS 102.

The Association's registered address is Rockdale Lodge, Rockdale Road, Sevenoaks, Kent, TN13 1JT. The nature of the Association's operations is given in the Director's Report.

2. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102, the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102); the Statement of Recommended Practice for Social Housing Providers 2018 update; and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the Co-operative and Community Benefit Societies Act 2014. The financial statements are prepared in pounds sterling which is the functional currency of the Association and are rounded to the

The principal accounting policies of the Association are set out in paragraphs (a) to (l) below.

(a) Basis of Accounting

These financial statements have been prepared on the going concern basis under the historical cost convention.

(b) Turnover

Turnover is measured at the fair value of the consideration received or receivable. Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, and revenue grants.

(c) Pension Costs

The pension scheme is a defined benefit multi-employer scheme. Information regarding the Association's underlying assets and liabilities has been provided by the pension scheme administrators and the scheme assets and liabilities have been included in the Association's financial statements at fair value as detailed in note 18.

Rockdale Housing Association Ltd
for the 15 MONTHS ENDED 31st MARCH 2022

(d) Fixed Assets - Housing, Land and Buildings

Housing properties are stated at cost which includes the following:

- Costs of acquiring land and buildings including legal fees;
- Development expenditure including consultants' fees;
- Interest charged on the mortgage loans raised to finance the scheme;
- Expenditure on improvements including consultants' fees;
- Amounts equal to allowances for administration and supervision of schemes approved for Social Housing Grant (SHG).

Any invoices and architects' certificates relating to capital expenditure incurred in the year are included in the financial statements for the year at gross value before retentions, provided that the dates of issue or valuation are prior to the year end.

Depreciation is provided on housing properties, excluding land, so as to write off the net cost less estimated residual value of each asset over its remaining estimated useful life. Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter, as follows:

Main fabric/structure	50 years straight line
Roof	25-50 years straight line
Windows, bathrooms, heating systems	20 years straight line
Kitchens	15 years straight line
External lifts	20 years straight line

Assets under construction are carried at cost and are not depreciated until they are brought into use. Expenditure on improvements is only capitalised where it results in incremental future benefits such as increased rental income, reduced maintenance costs, a significant extension in the useful economic life of the asset or a major component is replaced. Works to existing properties are treated as improvements where they comply with this policy.

(e) Other Fixed Assets

Tangible fixed assets other than housing properties are stated at cost less accumulated depreciation. Depreciation is calculated to write off the cost over the estimated useful economic life at the following rates:

Fixtures, fittings, machinery and equipment,	5 years straight line
Computers and IT equipment	3 years straight line

(f) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each accounting reference date. The key indicators considered are declines in market value, physical damage, changes in demand and contamination issues (e.g. the identification of asbestos requiring removal), among others. If such indicators exist, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds the recoverable amount, an impairment loss is recognised in the statement of comprehensive income.

(g) Investments

These are measured at fair value as follows:

UK quoted securities and Unit Trusts are valued at the mid-market price quoted by the London Stock Exchange. Overseas securities are valued at the mid-market or last traded price on the relevant stock exchange.

OEICs are valued at the price calculated by the OEIC Manager on the valuation date. Unquoted securities are valued at prices obtained from accredited sources.

Cash balances held by the Investment Company are shown in Cash in the Statement of Financial Position.

(h) Debtors and Creditors Receivable / Payable Within One Year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income.

Unutilised contributions made by leaseholders to service charges are provided for in creditors due within one year, in so far as reductions will be made to future service charge contributions in respect of these. Additionally under-recovered service charges are recognised in debtors in so far as the recovery of the balance is virtually certain.

(i) Loans and Borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

(j) Social Housing Grants

Social Housing Grants (SHG) are included in deferred income and then released to income on a systematic basis using the accrual method. This amortisation is calculated on a pro rata basis over the expected useful life (as shown in note (d) above) of the housing properties' structure and their individual components (excluding land).

SHG is repayable under certain circumstances, primarily following the sale of the property, but will normally be restricted to net proceeds of sale. The grants are reflected in the financial statements once payment has been approved.

(k) Restricted Reserves

Restricted reserves are those reserves which are subject to external restrictions governing their use.

(l) Critical accounting policies

In many cases, the accounting treatment of a particular transaction in these financial statements is specifically dictated by FRS 102 and does not require judgment in its application. In other cases management's judgement may be required in choosing a particular policy. Where the choice of a particular policy could materially affect the numbers disclosed in these financial statements then we consider these to be critical accounting policies.

The critical accounting policies and important estimates used in the preparation of these accounts are set out below:

A key source of estimation uncertainty arises from the Multi-employer defined benefit pension scheme valuations of liabilities. The key assumptions used in the actuarial calculations include the discount rate, inflation rate, salary growth and the life expectancy of the staff members.

Useful economic lives of tangible assets:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets and these are re-assessed annually. They are amended when necessary to reflect current estimates, based on future developments, economic utilisation and the physical condition of the assets. Note 2(d) gives the current useful economic lives for each class of assets.

As an example of the potential effect of a change in estimate, we have assessed that the structure of our buildings and certain roofs have an expected useful life of 50 years. If, however, we re-assessed and reduced this to 40 years, this would have resulted in extra depreciation of £103,196 being charged in these accounts.

Rockdale Housing Association Ltd for the 15 MONTHS ENDED 31st MARCH 2022

3. INCOME AND EXPENDITURE for Social Housing

	2022	2020
Fees receivable	3,216,116	2,249,617
Rents receivable	784,929	617,645
Service charges receivable	634,159	506,857
Support charges receivable	278,576	221,951
Amortised Social Housing Grant	<u>73,620</u>	<u>58,896</u>
	4,987,400	3,654,966
Less: Voids, Losses and Charitable Contributions (Note 4)	<u>(1,037,308)</u>	<u>(463,267)</u>
Income from Lettings	3,950,092	3,191,699
Direct Property Operating Costs:		
Staff costs (Note 6)	(2,746,553)	(2,230,703)
Maintenance costs	(566,925)	(266,992)
Depreciation	(470,374)	(355,522)
Utilities, rates and insurance	(244,931)	(199,974)
Other costs	<u>(510,854)</u>	<u>(380,858)</u>
Operating Expenditure	<u>(4,539,637)</u>	<u>(3,434,049)</u>
Operating deficit from Social Housing Activities	<u><u>(589,545)</u></u>	<u><u>(242,350)</u></u>

Rockdale Housing Association Ltd
for the 15 MONTHS ENDED 31st MARCH 2022

4. VOIDS, LOSSES AND CHARITABLE CONTRIBUTIONS

	2022	2020
Voids due to vacancies	716,106	255,599
Charitable contributions to fees and support charges	322,686	207,540
Write offs and other losses	(1,484)	128
	<u>£1,037,308</u>	<u>£463,267</u>

5. EMOLUMENTS PAID TO KEY MANAGEMENT PERSONNEL

Key Management Personnel are defined as the people responsible for planning and directing the activities of Rockdale Housing Association, comprising the Chief Executive, the Head of Finance, the Head of Maintenance, the Home Manager and the Housing Manager. The highest paid director is the person who reports directly to the Board.

Details of emoluments paid to Key Management Personnel are given below:

	2022	2020
Remuneration paid on behalf of Key Management Personnel, including national insurance and pension contributions	<u>£331,874</u>	<u>£298,114</u>
Remuneration to the highest paid director, excluding national insurance and pension contributions	<u>£48,892</u>	<u>£59,006</u>

The Chief Executive is an ordinary member of the Social Housing Pensions Scheme the details of which are shown in Note 18.

During the year 2 members of staff were paid more than £70,000 (2020: 2 members of staff were paid more than £60,000). In the previous year emoluments totalling £3,000 were paid in the year to two members on the Board of Management for a one-off project. There were none in the current year.

6. EMPLOYEE INFORMATION

	2022	2020
The average number of full time equivalent persons (working 37 hours per week), employed during the year was	<u>79</u>	<u>74</u>
The average number of persons employed during the year was	<u>91</u>	<u>86</u>

Staff costs included in other operating costs during the year amounted to:

Wages and Salaries	2,563,711	2,049,527
Social Security Costs	151,655	142,678
Other Pension Costs	103,549	93,504
	<u>£2,818,915</u>	<u>£2,285,709</u>

Staff costs include £169,846 for agency staff, (2020: £115,843).

A reconciliation of the total above to total staff costs in note 3 is shown overleaf.

Rockdale Housing Association Ltd for the 15 MONTHS ENDED 31st MARCH 2022

6. EMPLOYEE INFORMATION (Continued)

	2022	2020
Reconciliation of Staff Costs on prior page to Note 3:		
Staff Costs as above	2,818,915	2,285,709
Included in Note 3 in headings other than Staff costs:		
Home Help staff and health insurance included in		
Other costs	<u>(72,362)</u>	<u>(55,006)</u>
Staff Costs per Note 3	<u><u>£2,746,553</u></u>	<u><u>£2,230,703</u></u>

7. INTEREST RECEIVABLE AND OTHER INCOME

	2022	2020
Deposit interest receivable	9,547	14,800
Investment income receivable	108,835	82,515
Charitable donations and bequests	26,964	24,847
Leasehold Properties Sinking Fund Income	<u>99,491</u>	<u>36,863</u>
	<u><u>£244,837</u></u>	<u><u>£159,025</u></u>

8. INTEREST PAYABLE AND OTHER COSTS

	2022	2020
Fundraising, publicity and awareness costs	36,002	28,567
Investment management fees	16,325	25,290
Net interest expense on defined benefit pensions	15,000	15,000
Loans payable wholly or partly after five years	<u>20,776</u>	<u>16,741</u>
	<u><u>£88,103</u></u>	<u><u>£85,598</u></u>

9. TAXATION

The Association is an exempt charity, registered under the Co-operative and Community Benefit Societies Act 2014, number 13507R, and by virtue of Section 505 of the Income and Corporation Taxes Act 1988 is therefore exempt from liability to taxation on its income and gains

10. DEFICIT FOR THE PERIOD

	2022	2020
Deficit for the period is after charging:		
Depreciation - tangible fixed assets	470,374	355,522
Loss on disposal of tangible fixed assets	1,380	634
Auditors' remuneration, including irrecoverable VAT:		
- in the capacity of Auditors	11,100	10,100
- in other capacity	516	2,008

Rockdale Housing Association Ltd for the 15 MONTHS ENDED 31st MARCH 2022

11. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	Freehold Housing Properties under Shared Ownership	Freehold Housing Properties Held for Letting	Freehold Offices	Total
COST				
At 1st January 2021	168,276	11,213,547	236,135	11,617,958
Additions	-	526,672	-	526,672
Transfers	(2,029)	2,029	-	-
Disposals	-	(26,166)	-	(26,166)
At 31st March 2022	<u>£166,247</u>	<u>£11,716,082</u>	<u>£236,135</u>	<u>£12,118,464</u>
DEPRECIATION				
At 1st January 2021	65,929	3,418,883	127,779	3,612,591
Charge for year	4,165	403,706	4,910	412,781
Transfers	(871)	871	-	-
Disposals	-	(26,166)	-	(26,166)
At 31st March 2022	<u>£69,223</u>	<u>£3,797,294</u>	<u>£132,689</u>	<u>£3,999,206</u>
NET BOOK VALUE				
At 1st January 2021	<u>£102,347</u>	<u>£7,794,664</u>	<u>£108,356</u>	<u>£8,005,367</u>
At 31st March 2022	<u>£97,024</u>	<u>£7,918,788</u>	<u>£103,446</u>	<u>£8,119,258</u>

As noted in the previous year's financial statements, a charge and a pending charge existed in favour of Balfour Beatty over three of the Association's properties. These charges are to be released and the leases re-assigned to the association.

The building of a new lift for the tenants in the Beatrice Wilson flats was planned for completion in 2020, but had to be rescheduled to 2022-23 due to the Covid-19 lockdown restrictions. The works were completed on 26 July 2022 and the remaining capital commitment at the period end is disclosed in Note 24.

Rockdale Housing Association Ltd
for the 15 MONTHS ENDED 31st MARCH 2022

12. OTHER FIXED ASSETS

	Plant, Machinery, Fixtures & Equipment	Computer Hardware & Software	Total
COST			
At 1st January 2021	316,260	70,216	386,476
Additions	56,864	15,393	72,257
Disposals	(24,990)	(655)	(25,645)
At 31st March 2022	<u>£348,134</u>	<u>£84,954</u>	<u>£433,088</u>
DEPRECIATION			
At 1st January 2021	235,211	40,076	275,287
Charge for year	36,698	20,895	57,593
Released on disposal	(23,992)	(273)	(24,265)
At 31st March 2022	<u>£247,917</u>	<u>£60,698</u>	<u>£308,615</u>
NET BOOK VALUE			
At 1st January 2021	<u>£81,049</u>	<u>£30,140</u>	<u>£111,189</u>
At 31st March 2022	<u>£100,217</u>	<u>£24,256</u>	<u>£124,473</u>

13. INVESTMENTS

	2022	2020
Fixed interest bonds and gilts	2,218,670	2,436,989
UK equities	84,597	91,300
Alternative investments (infrastructure)	195,681	176,660
Property	26,565	-
	<u>£2,525,513</u>	<u>2,704,949</u>

Investment funds are shown at fair value: Quoted securities and unit trusts are valued at the mid-market or last traded price on the relevant stock exchange. Further information on the basis of valuations are given in Principal Accounting Policies 2(g) on page 28.

	Investments	Cash held	Total
Market value at 1 January 2021	2,704,949	80,894	2,785,843
Additions at cost	221,080	(221,080)	-
Disposal proceeds	(198,070)	198,070	-
Realised loss on disposal of investments	(16,614)	-	(16,614)
Fair value gain on investments	(185,833)	-	(185,833)
Net Income for transfer	-	(20,805)	(20,805)
Market value at 31 March 2022	<u>£2,525,512</u>	<u>£37,079</u>	<u>£2,562,591</u>

Cash balances held with the Investment portfolio are analysed within cash and cash equivalents.

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14. DEBTORS: Due within one year

	2022	2020
Interest receivable	-	18,132
Rent receivable	130,260	34,764
Other debtors and prepayments	101,067	138,991
	<u>£231,327</u>	<u>£191,887</u>

15. CREDITORS: Amounts falling due within one year

	Note	2022	2020
PAYE and National Insurance		44,691	31,397
Pension contributions		22,037	23,779
Social Housing Grants Deferred	17	73,620	58,896
Social Housing Grant for repayment		-	62,150
Balfour Beatty retention		77,091	77,091
Accruals		151,796	132,387
Covid Grants prepaid		-	33,730
Other creditors		112,492	88,689
		<u>£481,727</u>	<u>£508,119</u>

16. CREDITORS: Amounts falling due after more than one year

	Note	2022	2020
Social Housing Grants Deferred	17	1,612,153	1,700,497
Housing loans - Orchardbrook Limited		157,317	159,623
		<u>£1,769,470</u>	<u>£1,860,120</u>

The loan from Orchardbrook Limited is repayable from 1985 over 60 years with fixed interest of 10.375%, and is secured by a first legal charge over the relevant properties. The amount of loan repayable within one year is included in other creditors in note 15.

17. SOCIAL HOUSING GRANTS DEFERRED

	Note	2022	2020
At 1st January 2021	15, 16	1,759,393	1,818,289
Amortisation for the year		(73,620)	(58,896)
Social Housing Grants Deferred at 31st March 2022		£1,685,773	£1,759,393
Less amount included in Creditors due within one year:		<u>(73,620)</u>	<u>(58,896)</u>
At 31st December - Creditors due after more than one year		<u>£1,612,153</u>	<u>£1,700,497</u>

Total cumulative grants received as at 31 March 2022 were £3,307,808.

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18. PENSION OBLIGATIONS

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

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The scheme is classified as a 'last-man standing' arrangement. Therefore the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the scheme.

For financial years ending on or before 28 February 2019, it was not possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for the relevant accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2021. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2022 to 28 February 2023 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)

	2022	2020
Fair value of plan assets	4,239,000	4,757,000
Present value of defined benefit obligation	4,998,000	5,722,000
Surplus (deficit) in plan and defined benefit (liability) to be recognised	<u>(759,000)</u>	<u>(965,000)</u>

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18. PENSION OBLIGATIONS continued

DEFINED BENEFIT OBLIGATION	1 January 2021 to 31 March 2022
Defined benefit obligation at start of period	5,722,000
Current service cost	-
Expenses	8,000
Interest expense	94,000
Contributions by plan participants	-
Actuarial losses (gains) due to scheme experience	155,000
Actuarial losses (gains) due to changes in demographic assumptions	(70,000)
Actuarial losses (gains) due to changes in financial assumptions	(697,000)
Benefits paid and expenses	<u>(214,000)</u>
Defined benefit obligation at end of period	<u><u>£4,998,000</u></u>

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR
VALUE OF PLAN ASSETS

	1 January 2021 to 31 March 2022
Fair value of plan assets at start of period	4,757,000
Interest income	79,000
Experience on plan assets (excluding amounts included in interest income)	(563,000)
Contributions by the employer	180,000
Contributions by plan participants	-
Benefits paid and expenses	<u>(214,000)</u>
Defined benefit obligation at end of period	<u><u>£4,239,000</u></u>

The actual return on plan assets (including any changes in share of assets) over the year was £484,000.

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF
COMPREHENSIVE INCOME (SoCI)

	1 January 2021 to 31 March 2022
Current service cost	-
Expenses	8,000
Net interest expense	15,000
Defined benefit costs recognised in statement of comprehensive income (SoCI)	<u><u>£23,000</u></u>

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18. PENSION OBLIGATIONS continued	Gain/ (loss):
DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME	2022
Experience on plan assets (excluding amounts included in net interest cost)	(563,000)
Experience gains and losses arising on the plan liabilities	(155,000)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation	70,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation	697,000
Total actuarial gains and losses, and Total amount recognised in other comprehensive income	49,000

ASSETS	2022	2020
Global Equity	813,000	760,000
Absolute Return	170,000	226,000
Distressed Opportunities	152,000	114,000
Credit Relative Value	141,000	124,000
Alternative Risk Premia	140,000	164,000
Fund of Hedge Funds	-	1,000
Emerging Markets Debt	123,000	198,000
Risk Sharing	140,000	169,000
Insurance-Linked Securities	99,000	117,000
Property	114,000	93,000
Infrastructure	302,000	290,000
Private Debt	109,000	108,000
Opportunistic Illiquid Credit	142,000	111,000
High Yield	37,000	147,000
Opportunistic Credit	15,000	112,000
Cash	14,000	47,000
Corporate Bond Fund	283,000	275,000
Liquid Credit	-	54,000
Long Lease Property	109,000	73,000
Secured Income	158,000	158,000
Liability Driven Investment	1,183,000	1,405,000
Currency hedging	(17,000)	-
Net Current Assets	12,000	11,000
Total Assets	4,239,000	4,757,000

KEY ASSUMPTIONS	2022	2020
	% per annum	% per annum
Discount Rate	2.78	1.34
Inflation RPI	3.73	3.02
Inflation CPI	3.26	2.48
Salary Growth	4.26	3.48

Allowance for commutation of pension for cash at retirement: 75% of maximum allowance.

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18. PENSION OBLIGATIONS continued

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies at the age of 65 Years:

	Expectancy:
Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring in 2042	22.4
Female retiring in 2042	25.2

19. SHARE CAPITAL

	2022	2020
Shares of £1 each issued and fully paid at beginning of year	51	50
Shares issued during year	3	1
Balance at 31st March 2022	<u>£54</u>	<u>£51</u>

20. RESTRICTED RESERVES

	At 1st January 2021	Income	Expenditure	At 31st March 2022
Akehurst Lane Reserves	368,367	75,508	(£12,944)	430,931
Summerbank Reserves	14,803	1	(£230)	14,574
Laurie House 1-11 Reserves	4,544	24,000	(£253)	28,291
Laurie House 12-19 Reserves	596	-	(£184)	412
Covid-related Grants (see below)	-	130,265	(£130,265)	-
Total	<u>£388,310</u>	<u>£229,774</u>	<u>(£143,876)</u>	<u>£474,208</u>
2020				
Akehurst Lane Reserves	370,053	18,704	(20,390)	368,367
Summerbank Reserves	7,945	8,291	(1,433)	14,803
Laurie House 1-11 Reserves	5,300	3	(759)	4,544
Laurie House 12-19 Reserves	(9,291)	11,780	(1,893)	596
Covid-related Grants (see below)	-	48,268	(48,268)	-
Total	<u>£374,007</u>	<u>£87,046</u>	<u>(£72,743)</u>	<u>£388,310</u>

These reserves are only expendable in the management and maintenance of the specific blocks of Leasehold apartments as indicated. They comprise the sinking fund as specified in the leases.

The Covid-related Infection Control and Rapid Testing Grants were received from the Department of Social Health and Care for the purpose of supporting infection control measures to reduce the risk of Covid-19 infection in the Care Home at Rockdale House.

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21. DESIGNATED RESERVES

Certain funds have been set aside within unrestricted funds by the Board for management purposes and called designated reserves. The Board feel it is useful to give information on these funds as disclosed below:

	2022	2020
Planned Maintenance Fund:		
Funds set aside for future planned maintenance expenditure	1,142,514	1,142,514
Capital Reserve Fund:		
Funds set aside for future capital expenditure	<u>149,185</u>	<u>149,185</u>

22. OPERATING LEASE COMMITMENTS

At 31 March 2022 the association had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2020
Not later than one year	9,007	11,006
Later than one and not later than five years	<u>16,513</u>	<u>25,426</u>
Total Commitments to end of lease period	<u>£25,520</u>	<u>£36,432</u>

23. ACCOMMODATION IN MANAGEMENT

Number of units in management at the beginning and end of the period@

	At 1st January 2021	Movement in year	At 31st March 2022
Sheltered apartments for rent:- Housing for older people	123	1	124
Care home:- Providing personal care under the Care Standards Act 2000	48	-	48
Leasehold properties:- Shared Ownership	28	(1)	27
Leasehold properties:- Fully owned by Lessee	29	-	29
	<u>228</u>	-	<u>228</u>

During the period the freehold element of one shared ownership property was purchased by the Association.