



ANNUAL REPORT AND FINANCIAL ACCOUNTS

For the year ending 31 March 2023

Registered number: LH0869

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CHAIR'S REPORT

I am pleased to present Rockdale's annual report and accounts and to have the opportunity to provide an update on the Association's work in the past 12 months.

In common with many organisations in the housing and care sectors the past three years have proved very challenging. The COVID pandemic put a considerable strain on our care staff, having to look after our residents against a backdrop of new working procedures so that all could continue to be looked after and kept safe from risk of infection. And across Rockdale more widely, patterns of work were hugely affected by successive lockdowns and consequential working from home. With the decline of COVID I am happy to say we have seen a gradual return to normal, including in September the opening of the new sensory accessible gardens for Rockdale House attended by residents, their families and staff alike.

Our care home was inspected earlier this year by the Care Quality Commission and we were delighted to maintain our overall "Good" rating. This is great testimony to the leadership, professionalism, and hard work of our staff, particularly in such difficult conditions. External recognition also came through the award to Rockdale of a Sevenoaks Business Award in the Larger Business category. The recognition of our work in the wider community continues to be vital to Rockdale's future.

As the annual report sets out our finances continued to come under pressure in 2022/23. The financial statements show an operating deficit of £489,357 whilst the deficit before other comprehensive income was £655,685. We were fortunate that Reserves were sufficient to help us navigate through such a difficult period. But now, Trustees see the restoration of sound finances as a top priority. Over the course of 2023/24 we are working towards bringing operations back to at least a break-even position whilst in September 2023 a new 3–5-year strategy will be prepared setting out a path for Rockdale's longer-term future. This will include a focus on how we attract residents to Rockdale, the range of services offered to them and a new Fundraising Strategy to support our charitable aims.

In 2022/23 several projects delayed by the pandemic got underway. A new lift was installed at Beatrice Wilson House whilst the replacement of fire doors across the site was successfully completed. Many significant building projects are reflected in our 25-year planned maintenance programme. Expenditure on planned maintenance for the current year (2023/24) is scheduled to rise to 8% of income whilst funding of £108,000 has been earmarked for capital projects.

Like many similar organisations in the locality, recruitment and retention of staff has been difficult. As a result, staff wellbeing has been a key focus. Staff received a one-off bonus to help with the rising cost of living, we offered free lunches during the winter and finally we became a Living Wage Employer. We also applied for and were given a Government Sponsor Licence enabling us to recruit care staff from abroad. This is proving very successful.

Changes have also been made to the Senior Management Team. In January Claire Adams arrived as our Head of HR and Governance.

Board Governance is also undergoing change. Following an external review by Q5 Consulting a number of initiatives are underway to bring the Trustee Board into line with best practice. This includes a new formal sub-committee structure (Finance, Quality Assurance and Resident Engagement, and Business Development), the overhaul of our appointment procedures, introducing fixed Trustee periods of office and a review of our Risk Management procedures. These changes also saw the work of the former Care Committee taken over by the QA sub-Committee. I would like to thank those members of the former Care Committee for the many years of devoted work in support of Rockdale and its Residents.

I was also very pleased to welcome Alex Yew to the Board. We are fortunate to have such a broad range of knowledge and experience to support Rockdale moving forward.

Finally, on behalf of Trustee colleagues I would like to pay tribute to Chris Munday our CEO, the Senior Management Team and all staff who have worked so incredibly hard this year to support our residents through such challenging times.



Ian Grattidge
Chair of the Board of Trustees
.....²⁵ September 2023

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 2022/23 were:

Rents

		Rent 2022/23	Services 2022/23	Support 2022/23	Total monthly charges	
					2022/23	2021/22
Rockdale Road	Studio	£414.00	£273.59	£107.49	£795.08	£750.12
Rockdale Road	1 bedroom	£485.76	£300.94	£107.49	£894.19	£843.96
Stable Court	1 bedroom	£485.76	£256.44	£107.49	£849.69	£809.97
Rockdale House	Residential care home	£4,975.73	-	-	£4,975.73	£4,143.01

* 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:

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

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

- Aim to establish Rockdale House as a model of excellence in residential care.
- 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:

- 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.
- Account clearly for our charitable work through external reporting
- 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. The table below shows the Association's progress on major strategic activities during 2022/23.

Objective	Comments at year end 2023
To complete major projects including Webb's meadow courtyard project, Beatrice Wilson common room redecoration and Beatrice Wilson additional lift project.	Ongoing - The Beatrice Wilson lift project and fire doors replacement all completed this year. The Webb's Meadow courtyard project, delayed because of Covid, is now under consultation by residents with the aim to complete this project in 2023.
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 in February 2022. The finalised survey will enable a more detailed plan to be devised with Year 1 priorities being considered in 2023.
To maintain occupancy at budgeted levels in Rockdale House	Ongoing – Void levels in the care home continue to fluctuate. The Association is focussing strongly on retaining good quality staff, maintaining and improving the fabric of the Home and the care of residents and has marketing strategy for the Home.
To reduce the use of agency staff	Completed – Staffing at the home is now much improved with the use of agency staff declining towards the end of the financial year.
To seek new opportunities through the use of technology to improve the quality of care and support to residents.	Ongoing – The roll out of an electronic medication system had been placed on hold and is to be considered in 2024. Finance team are looking at ways of using electronic card machines to take payments from residents more easily.
Investigate opportunities to improve on our previous CQC rating and approaches for continual improvement.	Ongoing The new Quality Assurance Committee is working with the Home Manager to improve the care offered to residents.
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 are due for review. As part of Resident Engagement strategy will plan to involve residents and the Associations' principal contractors in the process. The review will commence 2023.

OPERATIONAL PERFORMANCE

The following statistics outline our performance in key areas:

Operational Metrics					
Measure	2019	2021-22	2023	Peer Quartile position	2023 Target
Homes					
Repairs completed within target (overall)	98	98	93	2	99
Emergency repairs completed within target	98	100	85	N/A	100
% of Rent loss through empty properties (excluding care home)	0.9	4.0	3.7	4	2
Services					
Satisfaction with overall services	96	96	96	2	98
Satisfaction with responsive repairs	96	96	98	2	99
Satisfaction - VFM rent	96	96	98	2	99
People					
Staff turnover	29.03	28.12	22.6	2	22%
Average days lost to sickness absence	5.3	10.06**	3.5	2	5
Average days lost due to short term sickness absence	2.3	1.98	2.0	2	1.75
Average days lost to long term sickness absence	2.9	2.55	1.5	2	2

**includes Covid-19 related sickness and isolation periods

Assets

The lost income arising from our 2022-23 void flats was £44,261 which equates to 3.7% of total Sevenoaks rented flats income, compared with our budgeted level of 4.0%. We carried out improvement works in all void flats 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 7 kitchens and 11 bathrooms.

During 2022/23 we spent £317,426 on planned maintenance projects and £223,988 on capital projects. 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 2022-23	Total % of void cost 2021-22	Total % of void cost 2020
Rented apartments	3.1%	6.3%	4.0%
Rockdale House	12.0%	23.0%	10.0%

In-House Maintenance

Our in-house maintenance staff carried out a total of 735 maintenance jobs in 2022/23, 1,113 requests were undertaken in the Sevenoaks apartments and 109 in the Care Home.

Outside Contractor Maintenance

In total 487 jobs were raised; 422 requests were undertaken in the Sevenoaks apartments and 65 in the Care Home. Performance failed to achieve targets due to several factors which include, delayed access to the House and some Contractors failing to notify formal completion dates which will be rectified for future orders.

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		2023	2021-22	2020	2019	2018
Emergency repairs		85.42%	100%	100%	100%	100%
Urgent Repairs		95.38%	100%	100%	100%	96.51%
Routine repairs		97.32%	92.61%	93.4%	94.34%	94.16%

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.

KEY STRATEGIC AND OPERATIONAL RISKS

Risk management is a fundamental element intrinsically linked to the Association's overall strategy and business planning activities. The highest rated key strategic risks affecting Rockdale Housing Association, as of 31st March 2023, are summarised in the table below. These risks, along with other key risks, are regularly reviewed, and the Board monitor risks at each board meeting.

Metric set by the Regulator	2020	2021-22	2023	Benchmarking Median	Benchmarking Quartile position
Reinvestment %	1.08	6.0	2.18	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 the 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	765	28	-1511	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. In 2022/23 the association incurred an operating deficit and a high level of capitalised major repairs.					
Headline Social housing cost per unit	7,330	10,767	13,277	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.					
Operating margin %	-5.95	-11.28	-12.83	9.6	4
Return on Capital Employed (ROCE) %	-1.4	-18.3	-4	-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 continued to decline since 2019 due to pressures on income and costs from the effect of Covid-19. In 2022/23 the association incurred a higher operating deficit than the previous 15-month period.					

Strategic Risk	Measures to mitigate risks
Failure to follow legislation and statutory framework inc Health & Safety	<p>There are regular Health & Safety meetings of key staff to discuss and check that all relevant Health & Safety procedures and policies are being followed.</p> <p>Staff receive regular training on Health & Safety</p> <p>The Head of Housing & Maintenance is a Health & Safety Champion to drive through good practice in this area.</p>
Failure to maintain positive regulatory judgement from CQC	<p>Mock CQC inspection held in November 2022 with a resulting action plan. Recommendations from action plan being implemented. Consultant appointed December 2022 to March 2023 to help drive up standards.</p> <p>Training on CQC requirements given to all staff regularly.</p> <p>Home Manager attends CQC training to understand better their requirements.</p> <p>Regular unannounced visits to the Home from Board with feedback and constructive criticism provided.</p>
Failure to comply with Care Home KPIs	<p>Regular discussion of KPIs at Home staff meetings and SMT</p> <p>Establishment of Quality Assurance committee to review KPIs in detail and assist in improvements to service</p> <p>Experienced Board members providing insight and challenge to Home manager and staff.</p>
Failure to recruit/retain skilled and motivated team	<p>Widening of network of recruitment pools particularly to include recruitment from overseas via the Government's Certificate of Sponsorship scheme</p> <p>Energy cost bonus paid to staff plus higher than budgeted pay rise</p> <p>Becoming a Living Wage Employer</p> <p>Review and improvement of compensation and benefits package</p> <p>Staff recruitment bonus</p>
Failure to ensure costs are kept within income	<p>Regular review of costs by SMT and Board. Strict procedures on staff ability to incur costs</p>

STATEMENT OF BOARD OF TRUSTEES' 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 Trustees 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.

As at 31 March 2023 the Board of Trustees consisted of ten non-executive members. All Trustees are £1 shareholders.

MEMBERSHIP OF BOARD AND COMMITTEES AS AT 31 MARCH 2023

Board Members		Appointed
Chair	Ian Grattidge	2015
	Jill Griffiths	2011
Deputy Chair	Sarah Heilbron	2013 (resigned April 2023)
	David McKee	2016
	Patricia Smith	2018
	Simon Constantine	2021 (resigned August 2023)
	Stephen Platt	2021
	Julie Philipps	2021
	Patricia Mayer	2021
	Alex Yew	28 October 2022
	Andrew Mickleburgh	30 January 2023
	Anna Keast	12 June 2023
Board subcommittees		
Finance, Audit & Risk	Andrew Mickleburgh Ian Grattidge & Alex Yew	
Quality Assurance	Pat Mayer, Jill Griffiths & David McKee	
Business Development	Julie Philipps, Steve Platt & Pat Smith	
Senior Staff	Christopher Munday, Chief Executive Officer	
	Claire Billis Deputy Chief Executive & Head of Housing & Maintenance	
	Christopher Charles-Webb, Head of Finance & Resources (resigned July 2023)	

Baz Bedrossian, Interim Head of Finance & resources (appointed June 2023)

Trupti Khristi, Home Manager

Claire Adams, Head of HR & Governance (appointed January 2023)

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 mis-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 2023.

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 March 2023 we were supporting 6 residents in Rockdale House and 54 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 the Board considers that the Association complies with all requirements of the Regulatory Framework.

During 2022/23 the Board recruited one new board member to help develop and drive the Association's strategy for the next 5 years. The Association understands the importance of Board regeneration and feels it is important for Trustees to have experience, knowledge and history of the Association to best serve the local community.

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

Qualified opinion

We have audited the financial statements of Rockdale Housing Association (the "Association") for the year ended 31 March 2023 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 on the comparative figures of the matter 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 2023 and of its 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 Co-operative and Community Benefit Societies Act 2014.

Basis for qualified opinion

During the prior year, 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, and as such our opinion on the financial statements for the period to 31 March 2022 was modified accordingly. Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current year's figures and the comparative figures.

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

In auditing the financial statements, we have concluded that the committee of management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the association's ability to continue as a going concern for a period of at least 12 months from the date when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The committee of management are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the comparative figures for 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 the comparative figures of 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 in respect of the prior period only, 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 applicable to the preparation of the financial statements of the association, and the procedures that management adopt to ensure compliance. We 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 2022.

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 an understanding of the association's procedures for ensuring compliance with laws and regulations ;
- Obtained and reviewed internal policy and procedure documents;
- Made enquiries of management and the trustees regarding whether they were aware of any actual or suspected incidences of non-compliance with laws and regulations;
- Obtained and reviewed meeting minutes;
- Obtained and reviewed correspondence with the regulator;
- Reviewed legal expenses accounts for indications of any possible non-compliance; and
- Reviewed the completeness and accuracy of any disclosures made in the financial statements.

We assessed the susceptibility of the association's financial statements to material misstatement, including considering how fraud might occur. This was performed by:

- Making an assessment of the association's control environment, systems and controls including identifying any weaknesses and considering the risk of management override of controls;
- Assessing the susceptibility of the association's financial statements to material misstatement, including considering how fraud could occur;
- Considering whether there are any incentives or opportunities for management to manipulate financial results;
- Obtaining and evaluating the trustees' assessment of the risk of fraud, and enquiring as to whether they are aware of any actual or suspected incidences of fraud; and
- Reviewing the accounting policies and accounting estimates for signs of management bias.
- Identifying key risks relating to irregularities as relating to revenue recognition, management override of controls and the estimates included in the pension provision.

We then designed audit procedures in response to the risks identified, including performing substantive testing on all material income streams, reviewing journal entries and accounting estimates in relation to management override and reviewing the assumptions included in the pension provision for reasonableness.

The audit has been planned and performed in accordance with auditing standards, however, because of the inherent limitations of audit procedures there remains a risk that we will not detect all irregularities, including those that may lead to material misstatements in the financial statements. There are inherent difficulties in detecting irregularities, and irregularities that result from fraud may be more difficult to detect than irregularities that result from error, for example due to concealment,

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 audit procedures are able to identify it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [\[www.frc.org.uk/auditorsresponsibilities\]](http://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 Ltd

Lindeyer Francis Ferguson Limited

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

Date: *25 September 2023*

ROCKDALE HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 12 months £	2022 15 months £
Turnover			
Income from lettings	3	3,678,123	3,950,092
Operating expenditure			
Direct property management and administration	3	(4,221,008)	(4,539,637)
		(542,885)	(589,545)
Other operating income		135,329	213,799
Other operating costs		(81,801)	(71,311)
Operating deficit for the period		(489,357)	(447,057)
Interest receivable and similar income	7	181,987	244,837
Interest payable and similar costs	8	(74,780)	(88,103)
Net gains / (losses) on investments	13	(273,535)	(202,446)
Deficit for the period	10	(655,685)	(492,769)
Other comprehensive income:			
Actuarial gains / (losses) on pension schemes		(69,000)	49,000
Total comprehensive income for the year		(724,685)	(443,769)

All activities are continuing activities.

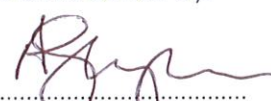
ROCKDALE HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	£	2023 £	£	2022 £
Fixed assets					
Housing properties	11		7,959,644		8,119,258
Other tangible fixed assets	12		119,384		124,473
Investments	13		2,228,316		2,525,513
			<u>10,307,344</u>		<u>10,769,244</u>
Current assets					
Trade and other debtors	14	149,930		231,327	
Cash and cash equivalents		2,377,859		2,688,073	
		<u>2,527,789</u>		<u>2,919,400</u>	
Creditors: amounts falling due within one year	15	(449,796)		(481,727)	
Net current assets			2,077,993		2,437,673
Total assets less current liabilities			12,385,337		13,206,917
Creditors: amounts falling due after more than one year	16	(1,723,575)		(1,769,470)	
Net assets excluding pension liability			10,661,762		11,437,447
Provisions for liabilities					
Defined benefit pension scheme liability	18	(708,000)		(759,000)	
Total net assets			9,953,762		10,678,447
Equity					
Called up share capital	19		54		54
Reserves:					
Restricted reserves	20		510,186		474,208
Income and expenditure reserve			9,443,522		10,204,185
Total equity			9,953,762		10,678,447

The financial statements were approved and authorised for issue by the Board of Management on 2023 and are signed on its behalf by:


I Grattidge - Chairman


A Mickleburgh - Board Member


C Munday - Secretary

ROCKDALE HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2023

	<i>Called up share capital £</i>	<i>Restricted reserves £</i>	<i>Income and expenditure reserve £</i>	<i>Total £</i>
Balance at 1 January 2021	51	388,310	10,733,855	11,122,216
Shares issued during the year	3	-	(3)	-
Deficit per Statement of Comprehensive Income	-	-	(443,769)	(443,769)
Restricted reserves movement	-	85,898	(85,898)	-
Balance at 31 March 2022	54	474,208	10,204,185	10,678,447
Shares issued during the year	-	-	-	-
Deficit per Statement of Comprehensive Income	-	-	(724,685)	(724,685)
Restricted reserves movement	-	35,978	(35,978)	-
Balance at 31 March 2023	54	510,186	9,443,522	9,953,762

ROCKDALE HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

		2023 12 months £	2022 15 months £
	Note		
Net cash used in operating activities	A	(212,489)	(245,742)
Cash flows from investing activities			
Acquisition and construction of housing properties		(173,329)	(526,672)
Acquisition of other tangible fixed assets		(50,659)	(72,256)
Purchases of investments		(712,898)	(221,081)
Sales proceeds from investments		736,560	198,070
Interest and dividends received		120,693	136,513
Net cash used in investing activities		(79,633)	(485,426)
Cash flows from financing activities			
Interest paid		(16,440)	(20,776)
Repayments of borrowings		(1,652)	(2,049)
Share capital issued		-	3
Net cash used in financing activities		(18,092)	(22,822)
Change in cash and cash equivalents		(310,214)	(753,990)
Cash and cash equivalents at the start of the year		2,688,073	3,442,063
Cash and cash equivalents at the end of the year		2,377,859	2,688,073
A. Net cash used in operating activities			
Deficit for the period		(655,685)	(492,769)
Adjustments for:			
Depreciation and loss on disposal		388,691	471,754
Net gains / (losses) on investments		273,535	202,447
Amortised housing grant		(58,896)	(73,620)
Defined benefit pension cost		(120,000)	(157,000)
(Increase) in trade and other debtors		81,397	(57,572)
Increase / (decrease) in trade and other creditors		(17,278)	(41,376)
Interest and dividends received		(120,693)	(118,382)
Loan interest paid		16,440	20,776
Net cash used in operating activities		(212,489)	(245,742)

ROCKDALE HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

		Note	2023 12 months £	2022 15 months £
B. Analysis of changes in net debt	At 1 Apr 2022 £	Cash flows £	Non cash changes £	At 31 Mar 2023 £
Cash and bank deposits	2,688,073	(310,214)	-	2,377,859
Housing loan due within one year	(1,540)	1,652	(1,723)	(1,611)
Housing loan due after one year	(157,317)	-	1,723	(155,594)
	<u>2,529,216</u>	<u>(308,562)</u>	<u>-</u>	<u>2,220,654</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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

Basis of preparation

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 (SORP) for Social Housing Providers; and with the Accounting Direction for private registered providers of social housing in England. 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 nearest whole pound.

The financial statements have been prepared on the going concern basis under the historical cost convention with the exception of listed investments which are stated at fair value.

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2 Principal accounting policies continued

Tangible fixed assets - housing properties

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; and
- 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, internal lifts	15 years straight line
External lifts	20 years straight line

Assets in the course of 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.

Tangible fixed assets - other

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

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.

2 Principal accounting policies continued

Investments

Investments 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 and cash equivalents in the Statement of Financial Position.

Debtors and creditors due 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. Additionally under-recovered service charges are recognised in debtors in so far as the recovery of the balance is virtually certain.

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.

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 stated 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.

Restricted reserves

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

2 Principal accounting policies continued

Critical judgements and key sources of estimation uncertainty

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 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.

ROCKDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3 Income and expenditure in relation to Social Housing

	2023	2022
	£	£
Care home fees receivable	2,826,523	3,216,116
Rents receivable	659,074	784,929
Service charges receivable	549,553	634,159
Support charges receivable	236,786	278,576
Amortised Social Housing Grant	58,896	73,620
	<u>4,330,832</u>	<u>4,987,400</u>
Less: voids, losses and charitable contributions (see Note 4)	(652,709)	(1,037,308)
Income from lettings	3,678,123	3,950,092
Direct property operating costs:		
Staff costs (see Note 6)	2,456,877	2,746,553
Maintenance costs	597,409	566,925
Depreciation and loss on disposal	388,691	470,374
Utilities, rates and insurance	302,084	244,931
Other costs	475,947	510,854
	<u>4,221,008</u>	<u>4,539,637</u>
Operating expenditure	4,221,008	4,539,637
Operating deficit from Social Housing activities	(542,885)	(589,545)

4 Voids, losses and charitable contributions

	2023	2022
	£	£
Voids due to vacancies	382,200	716,106
Charitable contributions to fees and support charges	281,196	322,686
Write offs and other losses	(10,687)	(1,484)
	<u>652,709</u>	<u>1,037,308</u>

ROCKDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

5 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.

The total emoluments of key management personnel, including National Insurance and employer's pension contributions, were £283,648 (2022: £331,874). The remuneration paid to the highest paid director, excluding National Insurance and employer's pension contributions, was £78,662 (2022: £48,892).

The Chief Executive is an ordinary member of the Social Housing Pensions Scheme.

The numbers of staff with remuneration more than £60,000 was as follows:

£60,000 - £70,000 - One (2022: Two)
£70,000 - £80,000 - One (2022: None)
£80,000 - £90,000 - One (2022: None)

Emoluments totalling £3,000 were paid in the year to two members on the Board of Management for a one-off project.

6 Staff costs

	2023 £	2022 £
Staff costs comprised:		
Wages and salaries	1,946,584	2,393,865
Agency staff	328,462	169,846
Employer's National Insurance contributions	164,746	151,655
Employer's pension contributions	76,383	103,549
	<u>2,516,175</u>	<u>2,818,915</u>
Home Help staff included in Other operating costs	(59,298)	(72,362)
Per Note 3	<u>2,456,877</u>	<u>2,746,553</u>

The average number of persons employed during the year was 85 (2022: 91) on a headcount basis or 54 (2022: 79) on a full-time equivalent basis.

ROCKDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

7 Interest receivable and similar income

	2023 £	2022 £
Deposit interest receivable	30,394	9,547
Dividends receivable	90,299	108,835
Charitable donations and bequests	25,315	26,964
Leasehold Properties Sinking Fund Income	35,979	99,491
	<u>181,987</u>	<u>244,837</u>

8 Interest payable and similar costs

	2023 £	2022 £
Fundraising, publicity and awareness costs	25,108	36,002
Investment management fees	14,115	16,325
Net interest expense on defined benefit pensions	19,117	15,000
Loans payable wholly or partly after five years	16,440	20,776
	<u>74,780</u>	<u>88,103</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 Operating deficit for the period

	2023 £	2022 £
This is stated after charging / (crediting):		
Depreciation - tangible fixed assets	388,691	470,374
Loss on disposal of tangible fixed assets	-	1,380
Auditors' remuneration, including irrecoverable VAT:		
- in their capacity of Auditors	12,444	11,100
- in other capacity	2,040	516
	<u></u>	<u></u>

ROCKDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11 Tangible fixed assets - Housing properties

	<i>Freehold properties under shared ownership £</i>	<i>Freehold properties for letting £</i>	<i>Freehold offices £</i>	<i>Total £</i>
Cost				
At 1 April 2022	166,247	11,716,082	236,135	12,118,464
Additions	-	173,329	-	173,329
Disposals	-	(25,894)	-	(25,894)
At 31 March 2023	166,247	11,863,517	236,135	12,265,899
Depreciation				
At 1 April 2022	69,223	3,797,294	132,689	3,999,206
Charge for the year	3,332	325,683	3,928	332,943
Eliminated on disposal	-	(25,894)	-	(25,894)
At 31 March 2023	72,555	4,097,083	136,617	4,306,255
Net book value				
At 31 March 2023	93,692	7,766,434	99,518	7,959,644
At 31 March 2022	97,024	7,918,788	103,446	8,119,258

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 were released during 2022-23 and the leases are currently in the process of being assigned to the association. During the year, the association has continued to negotiate settlement of the outstanding retention with Balfour Beatty. After agreeing an offset for post completion remedial works the balance stands at £65,948. This sum is shown under Creditors in Note 15.

ROCKDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12 Tangible fixed assets - other

	<i>Plant, machinery, fixtures & equipment £</i>	<i>Computer hardware & software £</i>	<i>Total £</i>
Cost			
At 1 April 2022	348,134	84,954	433,088
Additions	16,721	33,938	50,659
Disposals	-	(50,826)	(50,826)
At 31 March 2023	364,855	68,066	432,921
Depreciation			
At 1 April 2022	247,917	60,698	308,615
Charge for the year	32,667	23,081	55,748
Eliminated on disposal	-	(50,826)	(50,826)
At 31 March 2023	280,584	32,953	313,537
Net book value			
At 31 March 2023	84,271	35,113	119,384
At 31 March 2022	100,217	24,256	124,473

ROCKDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13 Investments

	2023 £	2022 £
Fair value at 1 April 2022	2,525,513	2,704,949
Additions at cost	712,898	221,080
Disposals at fair value	(817,201)	(214,683)
Change in fair value	(192,894)	(185,833)
Fair value at 31 March 2023	2,228,316	2,525,513
Disposals sales proceeds	736,560	198,070
Total realised and unrealised gains / (losses)	(273,535)	(202,446)
Investments comprise:		
Fixed interest bonds and gilts	1,891,064	2,218,670
UK equities	59,685	84,597
Alternative investments (infrastructure)	277,567	195,681
Property	-	26,565
	2,228,316	2,525,513

14 Trade and other debtors

	2023 £	2022 £
Rent receivable	47,334	130,260
Other debtors and prepayments	102,596	101,067
	149,930	231,327

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Housing loans - Orchardbrook Limited	1,611	1,540
Trade creditors	100,551	110,952
Other tax and social security	43,186	44,691
Pension contributions	453	22,037
Social Housing Grants deferred	58,896	73,620
Balfour Beatty retention	65,948	77,091
Accruals and deferred income	174,495	151,796
Other creditors	4,656	-
	449,796	481,727

ROCKDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

16 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Housing loans - Orchardbrook Limited: long term	155,594	157,317
Social Housing Grants deferred: long term	1,567,981	1,612,153
	<u>1,723,575</u>	<u>1,769,470</u>

17 Social Housing Grants deferred

	2023 £	2022 £
At 1 April 2022	1,685,773	1,759,393
Amortisation for the year	(58,896)	(73,620)
At 31 March 2023	<u>1,626,877</u>	<u>1,685,773</u>

18 Pension obligations

The housing association 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 before 28 February 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

18 Pension obligations continued

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 2022. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2023 to 29 February 2024 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 value of defined benefit obligation

	2023	2022
	£	£
Fair value of plan assets	3,065,000	4,239,000
Present value of defined benefit obligation	(3,773,000)	(4,998,000)
	<u>(708,000)</u>	<u>(759,000)</u>

Reconciliation of fair value of plan assets

	2023	2022
	£	£
Fair value of plan assets at start of period	4,239,000	4,757,000
Interest income	117,000	79,000
Experience on plan assets (excluding amounts included in interest income)	(1,224,000)	(563,000)
Contributions by the employer	145,000	180,000
Benefits paid and expenses	(212,000)	(214,000)
	<u>3,065,000</u>	<u>4,239,000</u>

The actual return on plan assets (including any changes in share of assets) over the year was £603,000 (2022: £484,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

18 Pension obligations continued**Reconciliation of defined benefit obligation**

	2023	2022
	£	£
Defined benefit obligation at start of period	4,998,000	5,722,000
Expenses	6,000	8,000
Interest expense	136,000	94,000
Actuarial losses due to scheme experience	41,000	155,000
Actuarial gains due to changes in demographic assumptions	(10,000)	(70,000)
Actuarial gains due to changes in financial assumptions	(1,186,000)	(697,000)
Benefits paid and expenses	(212,000)	(214,000)
	<u>3,773,000</u>	<u>4,998,000</u>

Defined benefit cost recognised in the Statement of Comprehensive Income

	2023	2022
	£	£
Expenses	6,000	8,000
Net interest expense	19,000	15,000
	<u>25,000</u>	<u>23,000</u>

Defined benefit cost recognised in Other Comprehensive Income

	2023	2022
	£	£
Experience on plan assets (excluding amounts included in net interest cost)	(1,224,000)	(563,000)
Experience gains and losses arising on the plan liabilities	(41,000)	(155,000)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation	10,000	70,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation	1,186,000	697,000
	<u>(69,000)</u>	<u>49,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

18 Pension obligations continued

	2023	2022
	£	£
Assets comprise:		
Global Equity	57,000	813,000
Absolute Return	33,000	170,000
Distressed Opportunities	93,000	152,000
Credit Relative Value	116,000	141,000
Alternative Risk Premia	6,000	140,000
Emerging Markets Debt	16,000	123,000
Risk Sharing	226,000	140,000
Insurance-Linked Securities	77,000	99,000
Property	132,000	114,000
Infrastructure	350,000	302,000
Private Debt	136,000	109,000
Opportunistic Illiquid Credit	131,000	142,000
High Yield	11,000	37,000
Opportunistic Credit	-	15,000
Cash	22,000	14,000
Corporate Bond Fund	-	283,000
Liquid Credit	-	-
Long Lease Property	92,000	109,000
Secured Income	141,000	158,000
Liability Driven Investment	1,412,000	1,183,000
Currency hedging	6,000	(17,000)
Net current sssets	8,000	12,000
	<u>3,065,000</u>	<u>4,239,000</u>
	2023	2022
	%	%
Key actuarial assumptions:		
Discount Rate	4.90%	2.78%
Inflation RPI	3.21%	3.73%
Inflation CPI	2.69%	3.26%
Salary Growth	3.69%	4.26%

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

ROCKDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

18 Pension obligations continued

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies at the age of 65 years:

	2023 Years	2022 Years
Male retiring in 2023	21.1	21.1
Female retiring in 2023	23.7	23.7
Male retiring in 2040	22.4	22.4
Female retiring in 2040	25.2	25.2

19 Share capital

	2023 #	2022 #
Shares of £1 each issued and fully paid at beginning of year	54	51
Shares issued during year	-	3
	<u>54</u>	<u>54</u>

20 Restricted reserves

	At 1 Apr 2022 £	Income £	Expenditure £	At 31 Mar 2023 £
Current year:				
Akehurst Lane Reserves	430,931	32,585	-	463,516
Summerbank Reserves	14,574	9	-	14,583
Laurie House 1-11 Reserves	28,291	7	-	28,298
Laurie House 12-19 Reserves	412	3,377	-	3,789
	<u>474,208</u>	<u>35,978</u>	<u>-</u>	<u>510,186</u>
Prior year:				
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	-	130,265	(130,265)	-
	<u>388,310</u>	<u>229,774</u>	<u>(143,876)</u>	<u>474,208</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.

ROCKDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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:

	2023 £	2022 £
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	108,000	149,185

22 Operating lease commitments

At 31 March 2023 the association had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Not later than one year	11,006	9,007
Later than one and not later than five years	25,426	16,513
	36,432	25,520

23 Accommodation under management

Number of units in management at the beginning and end of the year:

	At 1 Apr 2022 #	Change in the year #	At 31 Mar 2023 #
Sheltered apartments for rent:- Housing for older people	124	-	124
Care home:- Providing personal care under the Care Standards Act 2000	48	-	48
Leasehold properties:- Shared Ownership	27	-	27
Leasehold properties:- Fully owned by Lessee	29	-	29
	228	-	228

24 Capital commitments

At 31 March 2023 the association had contracted capital commitments of £Nil (2022: £54,248).