

Charity registration number 1123959

Company registration number 06343524 (England and Wales)

ROC SOLID LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

ROC SOLID LIMITED
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr D Butler
Mrs D Butler
Mr P Hetherington
Mrs S Bishop
Mr G Spencer
Ms N S Barnsley (Appointed 27 October 2021)
Mr M A Close (Appointed 27 October 2021)

Secretary

Mr D Butler

Charity number

1123959

Company number

06343524

Registered office

Hope House
Burnhope
Newton Aycliffe
County Durham
United Kingdom
DL5 7ER

Independent examiner

Azets Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
United Kingdom
TS22 5TB

Bankers

Lloyds Bank plc
19 Market Place
Durham
County Durham
United Kingdom
DH1 3NL

ROC SOLID LIMITED
(A COMPANY LIMITED BY GUARANTEE)
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ROC SOLID LIMITED
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

ROC Solid is a supported housing charity, housing and supporting people with a vulnerability who are at risk of homelessness and helping them take steps to greater independence.

Our 8 core values define who we are and how we work with people, they are at the heart of everything we do, these are:

- Integrity, Transparency and Respect
- The Rights of Children and Young People
- Diversity and Equality
- Working Together
- Listening and Consultation
- Learning and Personal Development
- Safeguarding
- Recognition

ROC Solid is a charity which offers accommodation and housing related support in the Northeast of England. ROC Solid aims to assist people to live independent lives by encouraging people to develop day to day life skills, leading to greater independence and helping them to take control of their own lives and ultimately making the successful transition to achieving their own tenancy and independence.

Our award-winning supported housing charity has its roots planted in safeguarding and good social work practice. Since 2007 it has provided support to people with a range of vulnerabilities who are homeless, or at risk of homelessness across County Durham and Teesside, this includes people who:

- Are young and pregnant
- Have children with child protection plans
- Are care leavers
- Have offending behaviours
- Have complex needs
- Are at risk of sexual exploitation
- Are survivors of modern-day slavery/human trafficking
- Have mental health challenges
- Are young asylum seekers

Durham services

Our service delivered in County Durham supports 53 people across 35 properties, of these, 8 flats are within a supported accommodation scheme supporting young people and with additional parent and child support. This scheme provides up to 8 hours per week to each flat.

The remaining properties are within the local communities and are supported with up to 5 hours a week each of outreach.

The support we provide can be for a variety of reasons, including living skills, budgeting skills, employment and training, appointments, parenting skills and benefit support.

ROC SOLID LIMITED
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Teesside services

Our service delivered in Teesside supports 39 people across 25 properties, of these properties 7 flats are within a supported accommodation scheme supporting 7 females with a variety of vulnerability and needs. This scheme supports up to 8 hours per week to each flat.

The remaining properties are within the local communities and are supported with up to 5 hours a week each of outreach.

The support we provide can be for a variety of reasons, including living skills, budgeting skills, employment and training, appointments, parenting skills and benefit support.

Public benefit

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit. The charity relies on the income from fees and charges to cover its costs, grants, donations and operating surpluses.

Affordability and access to our services is important to us and one which we constantly review, as are the costs associated with delivering our services.

Strategies employed to achieve the Charity's objectives will be to:

- Undertake regular service reviews to understand service take up and community need and pressures.
- Regular reviews of service capacity to deliver the service and adjust accordingly.
- Develop and provide a manageable range of services to support the promotion of independent living, wellbeing and engagement.
- Provide flexible levels of support and assistance to help people to remain as independent as possible and to manage their tenancies.
- Developing and delivering an outstanding model of employment and training options to ensure that we have the right people to deliver our services in a cost-effective and sustainable way. We aim to be an employer of choice.
- To be a centre of excellence for the services we deliver.

Achievements and performance

ROC Solid received over 370 referrals and on average was able to accommodate 16% of the referrals.

ROC Solid has supporting an average of 105 people over 60 properties in Durham and Teesside.

Across ROC Solid there has been 350 hours per week of staffing capacity to support the delivery of our services.

23% of those we supported successfully moved to semi-independent or fully independent living. This was an increase on last year at 15%.

21% of those we supported were able to find full or part time employment.

During the period April 2021 – March 2022 we received the following donations:

	£
CD Sport	3,979
GAMP	7,212
Lockett Trust	1,000
Zedra Trust	2,000
Other	1,150
	<hr/>
	15,341
	<hr/>

ROC SOLID LIMITED
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Financial review

The principle funding sources for the charity are through contractual arrangements with statutory services provided by the Local Authorities of Durham County Council and Stockton Borough Council. Some small provision was received from other sources including grants and donations.

The finance team consists of an Accountant, Finance Manager, and Finance Assistant.

The Group has a 20-year financial standing, underpinned by a series of checks and balances through our SAGE line 50, Webroster and Charms systems.

Cash flow forecasts are produced monthly along with monthly P&L accounts split by service. These are discussed at Board level along with reasons for any fluctuations.

The team undertakes daily monitoring and checking of all bank accounts. Chartered Accountants Azets prepare our final year end accounts.

The Group re-invests part of its profit into business development. This includes developing current services and expanding into new areas within the scope of the skills and experience of the management team.

The net incoming resources for the year amounted to £(45,220) deficit (2021 - £109,934 surplus). The amount carried forward in unrestricted general reserve now stands at a surplus of £234,221 (2021 - £270,735) and a restricted reserve surplus of £53,635 (2021 - £62,341). Charitable activities income of £995,347 an increase of 6.1% on previous year.

Reserves and designated funds

In line with Charity Commission guidance, the Trustees consider readily realisable (free) reserves to be the amount of reserves that are easily converted into cash should the need arise. This therefore excludes restricted funds, designated funds, and any part of unrestricted funds not readily available for spending.

Trustees are responsible for determining the correct level of free reserves required by ROC Solid based on a consideration of the needs of the business, the risk of potentially volatile donation income, and declines in contractual or grant income from statutory bodies.

The normal policy of the management committee is to ensure that all expenses are fully funded and that reserves are hopelessly sufficient to cover our expenditure commitments for 6 months.

Excluding depreciation, the policy currently provides for reserves of £500,000. At the balance sheet date, actual reserves are £234,000 (2021 - £270,000).

The trustees are satisfied with the level of reserves in the current year and aim to attain the levels set by our policy. However, this will not be achieved to the detriment of the people we are set up to support.

Our employees

During the period April 2021 – March 2022:

- ROC Solid employee headcount was 13.
- 92% of employees were engaged on a full-time contract and 8% employees on part time contracts (including bank staff).
- Absence levels remain very low at less than 2%, mainly due to COVID-19 related sickness. This is below the national NHS North-East and Yorkshire absence rate. The HR team continued to support line managers with effective absence management procedures.

We continue to be committed to safe and effective recruitment, selection and retention processes of all employees. Our approach includes taking up of two written references, initial and annual Disclosure & Barring Service checks and an ongoing appraisal, supervision, and training programme.

ROC SOLID LIMITED
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Principal risks and uncertainties

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Operational risk

To minimise risk all staff are required to achieve a minimum level of qualification in Health and Social Care Children. They are supervised regularly and have an annual appraisal when their competence is assessed and any training identified to enhance performance. All staff receive a personal development plan and access our internal training programme. Our services are fully insured and we have comprehensive policies within our Employee Handbook, including whistleblowing.

Reputational risk

Business reputation can be broadly defined as a set of collectively held beliefs about a company's ability to satisfy the interests of its various stakeholders (CRR 2007). We believe our good reputation is key to our success. The drivers we have put in place for maintaining a good reputation include:

- Providing effective leadership, business strategy, clearly defined aims and objectives.
- Having clear open communication pathways.
- Believing staff are our greatest asset; carefully selected, subject to DBS checks, references and a six-month probation period a five-day induction process and 20 hours of shadowing before they can work alone and are encouraged to develop within their role.
- Managing quality through a framework of key performance indicators, which are monitored monthly and reported on annually.
- Dealing with complaints through a robust complaints, compliments and representations procedure.
- Achieving excellent outcomes for children young people and their families, measured via 360degree feedback and outcomes trackers.
- Achieving Investors in Children Gold award evidences that we listen to our service users and what they say impacts upon the development of our services.

Risk management

Our services are inspected and monitored regularly by the services we hold contracts with including local authorities and Ofsted. If any compliance issues arise we put an action plan in place to ensure necessary standards are met, this could include policy revisions, procedural updates or additional training to make sure we meet required industry and regulatory standards. ROC Solid is undertaking a period of preparation for the upcoming new Ofsted regulations for supported accommodation. ROC Solid welcome the regulations and have offered to be part of the initial pilot scheme.

ROC Solid has developed an approach to good governance that includes the development of a strategic risk register and a risk management strategy which reviews the risks that the charity faces and has established a system and procedures to mitigate those risks. An overall organisational risk management plan will be presented to the Board of Trustees in early 2023.

Operational risk assessments are carried out regularly and recorded in relation to individual service users and clients, events and activities, staff, visitors, and commercial activities. The service has a Business Continuity Plan. The trustees will review the risk log and mitigating actions on a regular basis.

ROC SOLID LIMITED
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Plans for future periods

ROC Solid will be aiming to continue to deliver its award winning and outstanding service to an ever-increasing need and in line with our aims and objectives outlined above. Mindful of the current funding challenges, and without compromising high quality, we will be aiming to develop and replicate our services within other areas where needs are identified. The focus for this will be the North East initially.

Our key focus for the forthcoming year is ensuring that we are able to continue to run our services, maintain income levels and support staff and those we provide services to.

We will be reviewing and planning for increased income from other sources including grants and contracts with statutory providers.

Structure, governance and management

ROC Solid is a charitable company limited by guarantee, incorporated on 15 August 2007 and as a charity on 6 May 2008.

ROC Solid is a company governed by its memorandum and articles of association. The main document governing the conduct of the Trust's activities is the charity's constitution. It is a registered charity with the Charity Commission.

ROC SOLID does not have a share capital and the guaranteed liability of each member (trustee) is limited to £1. No member of the Board has an interest in shares required to be registered and reported under the Companies Act 2006.

ROC SOLID is overseen by a Board of Trustees, which consists of seven Trustees led by the Chair, and they all provide governance to the organisation. The Trustees formally meet as a Board at least four times a year to discuss, challenge and review the activities of ROC Solid.

The Trustees act on a voluntary basis and receive no remuneration for the performance of their duties. Trustee indemnity insurance is in place and paid for by ROC Solid.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr D Butler	
Mrs D Butler	
Mr P Hetherington	
Mrs S Bishop	
Mr G Spencer	
Ms N S Barnsley	(Appointed 27 October 2021)
Mr M A Close	(Appointed 27 October 2021)

Trustee appointment, induction and training

Trustees are recruited in line with the Trustee Recruitment Policy to ensure suitability for office, based on experience, skills, and knowledge. Trustees also have to present themselves for reappointment in line with the Memorandum and Articles of Association.

Members can be recommended by the board for election as a director/trustee or notice has to be left at the registered office, not less than 3 or more than 21 days before the AGM, by a member giving their intention of proposing a person and that person also has to submit a notice stating that they are willing to be elected.

Succession planning is a key focus for ROC Solid Trustees. Once appointed, trustees are expected to, as part of their induction processes, spend time with the professional staff to give a comprehensive overview of the company.

ROC SOLID LIMITED
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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

New trustees are provided with key documentation to allow them to understand the role and responsibilities of the trustee function. An induction process is in place and additional relevant training is available for all trustees. Trustees are expected to visit our services and take part in communal activities and events. Trustees must also agree to adhere to our Code of Conduct, Data Protection Policy, Declaration of Interests requirements and undertake regular DBS checks.

Trustees undertake a regular review of their effectiveness against the Charity Governance Code as well as reviewing their skills mix.

Trustees hold office for three years from the date of their appointment at the end of which they shall be eligible for re-appointment for one or more further terms of three years each but having served their maximum term of office of nine consecutive years shall not be eligible for re-appointment until one year after their retirement as a ROC Solid Trustee.

During 2021, no trustee reached the end of their term of office or resigned, and two (2) new trustees were appointed on 27 October 2021.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The trustees' report was approved by the Board of Trustees.



Mr D Butler
Trustee

Date: 2/11/2022

ROC SOLID LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022

The trustees, who are also the directors of ROC Solid Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

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

ROC SOLID LIMITED
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF ROC SOLID LIMITED

I report to the trustees on my examination of the financial statements of ROC Solid Limited (the charity) for the year ended 31 March 2022.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Azets Audit Services

Azets Audit Services

Joanne Regan FCA
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB
United Kingdom

Dated: 2 November 2022

ROC SOLID LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	Restricted funds 2021 £	Total 2021 £
<u>Income from:</u>						
Donations and legacies	2	2,150	13,191	15,341	5,400	51,850
Charitable activities	3	980,006	-	980,006	932,651	932,651
Total income		982,156	13,191	995,347	938,051	984,501
<u>Expenditure on:</u>						
Charitable activities	4	1,018,670	21,897	1,040,567	861,840	874,567
Net (expenditure)/income for the year/ Net movement in funds		(36,514)	(8,706)	(45,220)	76,211	109,934
Fund balances at 1 April 2021		270,735	62,341	333,076	194,524	223,142
Fund balances at 31 March 2022		234,221	53,635	287,856	270,735	333,076

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ROC SOLID LIMITED
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	8		363,071		323,090
Current assets					
Debtors	9	117,865		113,427	
Cash at bank and in hand		163,211		258,031	
		<u>281,076</u>		<u>371,458</u>	
Creditors: amounts falling due within one year	11	<u>(171,264)</u>		<u>(158,169)</u>	
Net current assets			109,812		213,289
Total assets less current liabilities			<u>472,883</u>		<u>536,379</u>
Creditors: amounts falling due after more than one year	12		(185,027)		(203,303)
Net assets			<u>287,856</u>		<u>333,076</u>
Income funds					
Restricted funds	14	53,635		62,341	
Unrestricted funds		234,221		270,735	
		<u>287,856</u>		<u>333,076</u>	

ROC SOLID LIMITED
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 2/11/2022



Mr D Butler
Trustee

Company registration number 06343524

ROC SOLID LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	17		3,872		204,406
Investing activities					
Purchase of tangible fixed assets		(69,003)		(25,640)	
Net cash used in investing activities			(69,003)		(25,640)
Financing activities					
Repayment of borrowings		(6,663)		(6,217)	
Proceeds of new bank loans		-		50,000	
Repayment of bank loans		(23,026)		(1,064)	
Net cash (used in)/generated from financing activities			(29,689)		42,719
Net (decrease)/increase in cash and cash equivalents			(94,820)		221,485
Cash and cash equivalents at beginning of year			258,031		36,546
Cash and cash equivalents at end of year			163,211		258,031

ROC SOLID LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

ROC Solid Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Hope House, Burnhope, Newton Aycliffe, County Durham, DL5 7ER, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

ROC SOLID LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost relating to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Fixtures and fittings	20% reducing balance
Computers	33% straight line
Motor vehicles	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ROC SOLID LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

ROC SOLID LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Donations and gifts	<u>2,150</u>	<u>13,191</u>	<u>15,341</u>	<u>5,400</u>	<u>46,450</u>	<u>51,850</u>

Restricted income represents income gifted for the purpose of leisure activities and specific capital projects.

3 Charitable activities

	Young persons support	Young persons rent	Total	Total
	2022 £	2022 £	2022 £	2021 £
Sales within charitable activities	<u>237,906</u>	<u>742,100</u>	<u>980,006</u>	<u>932,651</u>
Analysis by fund:				
Unrestricted funds	<u>237,906</u>	<u>742,100</u>	<u>980,006</u>	<u>932,651</u>
Year ended 31 March 2021				
Unrestricted funds	<u>216,357</u>	<u>716,294</u>		<u>932,651</u>

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4 Charitable activities

	2022 £	2021 £
Staff costs	456,021	360,476
Rates and water	34,706	33,437
Insurance	11,497	13,731
Light and heat	9,997	7,666
Advertising	2,000	22
Telephone	5,118	5,781
Postage and stationery	821	644
Sundry expenses	6,501	14,078
Bank charges	155	361
Repairs	70,760	47,155
Subscriptions	4,726	2,488
Travelling	14,760	6,888
Rent	317,858	325,200
Cleaning	7,296	3,251
House set up costs	5,560	(114)
Other charitable expenditure	13,625	10,536
	<u>961,401</u>	<u>831,600</u>
Share of support costs (see note 5)	29,022	23,168
Share of governance costs (see note 5)	50,144	19,799
	<u>1,040,567</u>	<u>874,567</u>
Analysis by fund		
Unrestricted funds	1,018,670	861,840
Restricted funds	21,897	12,727
	<u>1,040,567</u>	<u>874,567</u>

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5 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Depreciation	29,022	-	29,022	23,168	-	23,168
Audit fees	-	3,690	3,690	-	3,367	3,367
Legal and professional	-	37,286	37,286	-	7,831	7,831
Bank loan interest	-	9,168	9,168	-	8,601	8,601
	<u>29,022</u>	<u>50,144</u>	<u>79,166</u>	<u>23,168</u>	<u>19,799</u>	<u>42,967</u>
Analysed between Charitable activities	<u>29,022</u>	<u>50,144</u>	<u>79,166</u>	<u>23,168</u>	<u>19,799</u>	<u>42,967</u>

Governance costs includes payments to the auditors of £3,690 (2021 - £3,367) for independent examination.

6 Trustees

No payments were made to trustees.

7 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	<u>15</u>	<u>13</u>
Employment costs	2022 £	2021 £
Wages and salaries	417,859	330,657
Social security costs	29,939	23,234
Other pension costs	8,223	6,585
	<u>456,021</u>	<u>360,476</u>

During the year, the company subcontracted staff from a related party as disclosed in note 16. The cost was £37,413 (2021: £31,230) and is included in wages and salaries above.

There were no employees whose annual remuneration was more than £60,000.

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FOR THE YEAR ENDED 31 MARCH 2022

8 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 April 2021	306,934	9,358	22,723	67,310	406,325
Additions	61,787	-	7,216	-	69,003
At 31 March 2022	368,721	9,358	29,939	67,310	475,328
Depreciation and impairment					
At 1 April 2021	29,353	3,829	14,644	35,609	83,235
Depreciation charged in the year	7,374	1,146	4,484	16,018	29,022
At 31 March 2022	36,727	4,775	19,128	51,627	112,257
Carrying amount					
At 31 March 2022	331,994	4,583	10,811	15,683	363,071
At 31 March 2021	277,581	5,729	8,079	31,701	323,090

9 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	59,200	62,093
Other debtors	53,996	47,927
Prepayments and accrued income	4,669	3,407
	117,865	113,427

10 Loans and overdrafts

	2022 £	2021 £
Bank loans	164,708	187,734
Other loans	46,859	53,522
	211,567	241,256
Payable within one year	26,540	37,953
Payable after one year	185,027	203,303
Amounts included above which fall due after five years:		
Payable by instalments	75,541	65,664

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FOR THE YEAR ENDED 31 MARCH 2022

10 Loans and overdrafts

(Continued)

One bank loan is secured by a fixed charge on 254 Marsh House Avenue, Billingham. At the balance sheet date £123,000 was outstanding for repayment on this loan.

The remaining loans are unsecured.

11 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	10	19,500	28,320
Other borrowings		7,040	9,633
Other taxation and social security		9,586	5,504
Deferred income	13	7,974	8,761
Trade creditors		25,500	15,938
Other creditors		10,972	20,346
Accruals and deferred income		90,692	69,667
		<u>171,264</u>	<u>158,169</u>

12 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	10	145,208	159,414
Other borrowings		39,819	43,889
		<u>185,027</u>	<u>203,303</u>

13 Deferred income

	2022 £	2021 £
Other deferred income	<u>7,974</u>	<u>8,761</u>

Deferred income relates to housing and other support received at the balance sheet date for services provided after the year end.

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FOR THE YEAR ENDED 31 MARCH 2022

13 Deferred income

(Continued)

	2022	2021
	£	£
Deferred income is included within:		
Current liabilities	<u>7,974</u>	<u>8,761</u>
Deferred income at 1 April 2021	8,761	-
Released from previous periods	(8,761)	-
Resources deferred in the year	<u>7,974</u>	<u>8,761</u>
Deferred income at 31 March 2022	<u>7,974</u>	<u>8,761</u>

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 1 April 2021	Incoming resources	Resources expended	Balance at 31 March 2022
	£	£	£	£	£	£	£
Vehicle fund	19,028	1,250	(3,447)	16,831	2,000	(12,953)	5,878
Leisure and activities	1,173	5,200	(1,200)	5,173	11,191	(6,126)	10,238
Capital fund	8,417	27,000	-	35,417	-	(1,420)	33,997
Covid income	-	13,000	(8,080)	4,920	-	(1,398)	3,522
	<u>28,618</u>	<u>46,450</u>	<u>(12,727)</u>	<u>62,341</u>	<u>13,191</u>	<u>(21,897)</u>	<u>53,635</u>

The Vehicle Fund is made up of donations from County Durham Community Foundation, Zedra Trust, DCR Allen Charitable Trust, Sir John Priestman Charity Trust, 1989 Willan Charitable Trust, The Hobson Charity and The Sydney Black Charitable Trust. The fund will be written down over the life of the asset.

The leisure and activities fund is made up of small donations received for specific activities.

The capital fund comprises donations from County Durham Community Foundation, Kings Church Darlington and private donations for capital investment purposes. The fund will be written down over the life of the assets.

Covid income represents support received from County Durham Community Foundation, National Lottery and GAMP to provide food hampers and other support during Covid.

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FOR THE YEAR ENDED 31 MARCH 2022

15 Analysis of net assets between funds

	Unrestricted fund 2022 £	Restricted fund 2022 £	Total 2022 £	Unrestricted fund 2021 £	Restricted fund 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	323,196	39,875	363,071	270,842	52,248	323,090
Current assets/ (liabilities)	96,052	13,760	109,812	203,196	10,093	213,289
Long term liabilities	(185,027)	-	(185,027)	(203,303)	-	(203,303)
	<u>234,221</u>	<u>53,635</u>	<u>287,856</u>	<u>270,735</u>	<u>62,341</u>	<u>333,076</u>

16 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

	Income 2022 £	2021 £	Purchases 2022 £	2021 £
Other related parties	-	-	321,321	319,719
	<u>-</u>	<u>-</u>	<u>321,321</u>	<u>319,719</u>
	<u>-</u>	<u>-</u>	<u>321,321</u>	<u>319,719</u>
	Wages recharges 2022 £	2021 £	Other 2022 £	2021 £
Other related parties	37,413	31,230	5,572	10,739
	<u>37,413</u>	<u>31,230</u>	<u>5,572</u>	<u>10,739</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2022 £	2021 £
Other related parties	10,243	4,034

Related parties are ROC Family Support Limited, ROC Housing Management Limited and DDB Property 7 Limited, companies in which some of the trustees have financial control. Transactions comprise costs recharged.

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17	Cash generated from operations	2022	2021
		£	£
	(Deficit)/surplus for the year	(45,220)	109,934
	Adjustments for:		
	Depreciation and impairment of tangible fixed assets	29,022	23,168
	Movements in working capital:		
	(Increase)/decrease in debtors	(4,438)	68,039
	Increase/(decrease) in creditors	25,295	(5,496)
	(Decrease)/increase in deferred income	(787)	8,761
	Cash generated from operations	3,872	204,406
18	Analysis of changes in net debt	At 1 April 2021	Cash flowsAt 31 March 2022
		£	£
	Cash at bank and in hand	258,031	(94,820)
	Loans falling due within one year	(37,953)	11,413
	Loans falling due after more than one year	(203,303)	18,276
		<u>16,775</u>	<u>(65,131)</u>