Accord Housing Association Limited

Financial Statements 2021

Contents

The Board, Executives, Advisors and Bankers

Board Members

- Elisabeth Buggins CBE – Chair
- Simon Eastwood
- Sean Pearce
- Ninder Johal
- Salma Reehana
- Gabrielle Berring[2]
- Jon Crockett – Deputy Chair[2]
- Dr Christopher Handy OBE[1]
- Mushtaq Khan[2]
- Stella Layton[2]
- Christina Patterson[2]

Company Secretary and Registered Office

Stuart Fisher

178 Birmingham Road
West Bromwich
West Midlands
B70 6QG

Bankers

Lloyds Banking Group
3rd Floor, 25 Gresham Street
London, EC2v 7HN

Santander UK Plc
1 Cornwall Street
Birmingham, B3 2DX

Registered Entities

Accord Housing Association Limited

Co-operative and Community Benefit Society
Registration Number 27052R

Homes England under the Housing Act 1996;
Registration Number LH3902

Accord Group Treasury Limited

Co-operative and Community Benefit Society
Registration Number 27057R

Executive Team

- **Dr Christopher Handy OBE (retired 31.03.21)**
  Chief Executive Officer
- **Maxine Espley**
  Executive Director of Care and Support
- **Stuart Fisher (resigned 30.07.21)**
  Executive Director of Resources
- **Mark Patchitt (resigned 17.05.21)**
  Acting Executive Director of Regeneration
- **Sara Woodall (resigned 30.07.21)**
  Executive Director of Communities

Registered Auditors

BDO LLP

Two Snowhill
Birmingham, B4 6GA

Funders

- Barclays Bank Plc
- Capita Mortgage Services
- Co-operative Bank
- Dexia Public Finance Group
- Lloyds Banking Group
- National Westminster Bank Plc
- Pension Insurance Corporation
- Santander UK Plc
- The Housing Finance Corporation (THFC)
- The Royal Bank of Scotland Plc
- Unity Trust Bank
- Yorkshire Building Society

1 Executive Director (retired 31.03.21)
2 Resigned 31.03.21

The information below relates to the Board and Executive in place from 1st April 2021 for Accord Housing Association Limited trading as GreenSquareAccord. This Board has responsibility for the financial statements for the year ended 31st March 2021.

Board Members

- Elisabeth Buggins CBE – Chair
- Robin Bailey – Deputy Chair[1]
- Pablo Andres[1]
- Mandy Clarke[1]
- Ruth Cooke (CEO)[1]
- Simon Eastwood
- Stuart Fisher (Deputy CEO)[2]
- Susan Goldsmith[1]
- David Greenhalgh[1]
- Ninder Johal
- Sean Pearce
- Salma Reehana

Executive Team

- **Ruth Cooke (appointed 01.04.21)**
  Chief Executive Officer
- **Stuart Fisher (resigned 30.07.21)**
  Chief Finance Officer and Deputy Chief Executive
- **Sophie Atkinson (appointed 12.07.21)**
  Executive Director of Governance
- **Iain Bacon (appointed 01.04.21, resigned 28.05.21)**
  Executive Director of Corporate Services
- **Rachel Crownshaw (appointed 01.04.21)**
  Executive Director of Customer and Transformation
- **Craig Currie (appointed 17.05.21)**
  Executive Director of Development
- **Maxine Espley**
  Executive Director of Care and Support
- **Trevor Graham (appointed 01.04.21)**
  Executive Director of Asset Management
- **Helen Moss (appointed 01.04.21)**
  Executive Director of People
- **Sara Woodall (resigned 30.07.21)**
  Executive Director of Communities

Company Secretary and Registered Office

Sophie Atkinson (appointed 12.07.21)
178 Birmingham Road, West Bromwich
West Midlands, B78 6QG

[1] Appointed 1st April 2021
[2] Resigned 30th July 2021

Chair's Statement

I am writing this at the end of what can only be described as a truly extraordinary year. And one, I guess we can all agree, we hope is never to be repeated.

When we began the financial year 2020/21 the Covid-19 pandemic was only just beginning; we had only been in lockdown for a few weeks. Little did most of us realise back then, just how much of an impact Covid-19 was going to have on the year ahead.

As you would expect, the financial results for the year have been impacted by the pandemic, which exacerbated an already challenging operating environment and uncertain economy.

I am pleased to report that we successfully navigated these challenges, drawing on our strong track record, financial stability, and robust financial management, to achieve an operating surplus of £25.1m and surplus before tax of £8.2m. Thanks also to the support of local government and our remarkable colleagues right across the organisation, we have been able to continue providing the homes, care and support services that our customers expect and rely on.

Throughout the year we have continued to support Homes England as a strategic partner, continuing to design, build and deliver much needed affordable new homes. Despite the challenging construction environment and relatively suppressed market, we completed 236 homes during 2020/21, with a further 484 homes under construction at the end of the financial year.

2020 will be forever regarded as one of the most challenging years in living memory. Yet it is also memorable because of the incredible teamwork and commitment of our colleagues.

As well as continuing to build new homes, where it was safe and in line with government guidance, our repairs and maintenance teams continued to carry out emergency repairs and maintenance in the homes of our existing tenants. These teams, like all our colleagues, adapted to new ways of working incredibly quickly.

Our Care and Support teams' responses to the Covid-19 challenges were truly inspiring. The teams worked tirelessly to ensure that all our customers received the very best care. We have over 100 care and support schemes, as well as hundreds of customers who receive care from us in their own homes. Time and again our teams stepped up and put the needs of our customers first and foremost as they worked long hours and extra shifts, and all while wearing additional PPE to help keep everyone as safe as possible. In previous reports I would have had to explain the term PPE but, as a result of Covid, it is a term everyone is now all too familiar with.

Accessing PPE was a challenge in itself, and yet another example of how colleagues across the entire organisation pulled together – from our procurement team, right through to our LoCaL Homes teams, who used the manufacturing facility space to co-ordinate stock of PPE and arrange delivery across the country.

Our construction team at LoCaL Homes even adapted their production process and designed and built purpose-made visiting pods. The visiting pods are individual, Covid secure visiting rooms, which we constructed at our care schemes to enable our customers to meet with friends and family. Seeing the joy and delight as customers got to meet their loved ones again was heart-warming.

I have always been proud to be a part of Accord, but never more so than during this last year. We entered the new financial year as a new, larger organisation. While working hard to deliver our homes and services throughout Covid, we were also busy preparing for our merger with GreenSquare.

Accord has always been an organisation that puts people first, that works alongside its colleagues, customers, and the wider community. I am incredibly proud of all that Accord has achieved and I am looking forward to us achieving even more as GreenSquareAccord.

While we have achieved some great successes, it is important not to become complacent. In bringing together two organisations we have been focused on harmonising structures, systems and processes. In doing so we will ensure best practice prevails and drive out inefficiencies. The initial integration of asset management functions identified some inconsistencies with property compliance data recording and reporting which we are working to resolve. The safety of our customers is of paramount importance to us, and we take our responsibilities as a landlord incredibly seriously. This is our number one corporate priority, and I am working closely with the rest of the Board and the Executive to ensure that this is fully resolved.

We chose to merge with GreenSquare because both organisations share the same values and ambitions for delivering good quality, safe homes and expanding and enhancing locally-focused services to customers.

This merger will mean we can build a stronger and more resilient organisation that's more 'future-proof' and ready to deal with future challenges. Put simply, we believe we can do more together across a larger operating area – and do it better – than we could on our own.

As we now embark on this new journey as GreenSquareAccord, I am looking forward to strengthening further our financial foundations; building on our legacy of Accord to build better lives together.

Elisabeth Buggins
Chair

Strategic Review

Introduction

The Board of Management (The Board) presents its strategic report and audited financial statements for Accord Housing Association (Accord) for the year ended 31 March 2021. The principal activity of Accord Housing Association during the financial year was the provision and management of housing and appropriate support services for people in need.

During the year, Accord continued the discussions highlighted in last year's report with GreenSquare Group. The Board are pleased to report that on 1st April 2021, Accord Housing Association merged with GreenSquare Group and its subsidiaries. The planning and execution of this, whilst also responding to the challenges of the coronavirus pandemic, was a key focus in the year.

This Strategic Report focuses on the performance of Accord pre-merger and the future plans of the merged organisation; GreenSquareAccord. The enlarged organisation will deliver better value for our customers and stakeholders, increase investment in existing homes and services and build more new homes.

Operating Environment

The operating environment during the financial year was extremely challenging following the outbreak of coronavirus in the UK in early 2020. This fast spreading, potentially fatal virus; declared a pandemic by the World Health Organisation in March 2020, dominated the political and economic agenda. The organisation responded quickly and managed the financial risks by closely monitoring cashflow and liquidity levels in line with our updated Treasury Strategy, accessing Government support schemes including Infection Protection Control grants and Coronavirus Job Retention Scheme and regular review of financial and operational performance.

The Government introduced a series of national, local, and tiered lockdowns and restrictions designed to stem the spread of the virus and ease the pressure on health services. Accord adapted quickly and continued to deliver core housing and care and support services throughout the disruption, adopting new, innovative service delivery methods to ensure the safety and protection of our customers and staff.

This year has reinforced the importance of our dynamic, person-centred care and support services which remain a key part of our wider service delivery and contribute greatly to our social purpose. Accord delivered over 3 million hours of care last year, in often extreme circumstances which is testament to the unwavering commitment of our staff and the strong links we have with Local Authorities, commissioners and health services.

UK Gross Domestic Product (GDP); a key indicator for the performance of the economy rose by 1.3% in the year to March 2021 having fell sharply in April 2020 in response to the pandemic. CPI, an inflation measure on which the majority of our annual rent uplifts are based, remains low due to the direct and indirect impact of the virus and is expected to level off at the Bank of England's target of 2% in the medium-term. The Bank of England base rate has been maintained at 0.1% since 19th March 2020 with any future rises expected to be small and steady to avoid stifling economic recovery.

Government support measures for employers helped to keep unemployment levels below 5% and the Budget 2021 included a range of other measures aimed at incentivising business spending and investment to stimulate the economy. The pandemic continues to have a material effect on the global economy with an outlook dependent on the evolution of the pandemic such as new variants. The UK economy is expected to recover materially in the near-term as covid restrictions ease and the vaccination programme is rolled out.

Two new pieces of legislation are set to come into force in the near future, both designed to improve the safety of homes for people and give greater clarity over accountability throughout the lifecycle of a building. The Building Safety Bill was published in July 2021 and will be followed by further legislation on its practical application and a new Building Safety Regulator to be established by the Health & Safety Executive to oversee the regime. The Fire Safety Act 2021 received Royal Assent in April 2021 and draws on the recommendations from phase 1 of the Grenfell Enquiry which examined the cause of the tragic fire in a tower block in 2019. Phase 2 of the enquiry commenced in 2020 with the outcomes set to be published in 2022 having been delayed by the pandemic which will inform secondary legislation.

In November 2020, the Ministry of Housing, Communities and Local Government published its Social Housing White Paper which sets out 7 commitments that social housing residents should expect from their landlord. The overarching themes are building and resident safety and resident voice. As early adopters of the Together with Tenants initiative, Accord has been working with our residents to test and shape the charter and share our learnings with other associations.

The housing market has seen prices increase by over 10% year on year and with pent up demand from recent lockdowns recent lockdowns and Government incentives through the Stamp Duty holiday, are likely to continue to rise in the short-term. The average house price is now almost £250k according to the Nationwide price index, and with a widening gulf between house price increases and wage rises many people find themselves priced out of home-ownership, increasing demand for affordable housing. Accord continues to be committed to the provision of affordable rented and low-cost home ownership properties and through the combined strength of the partnership with GreenSquare and our Strategic Partner status with Homes England have plans to increase new supply to c1000 new homes every year.

Purpose and Mission

Accord's primary objective is to provide homes and services to people in need, whilst at the same time ensuring that sufficient income is generated from its activities to meet its operating costs, interest costs and funding covenants. Our business strategy provides a clear balance between growth, value for money and excellent customer service. Our strong track record of prudent financial management will ensure that we continue to meet the needs of existing customers as well as supporting the government in its appetite to increase the supply of new homes. GreenSquareAccord will continue to provide housing and care and support services along with regeneration projects and commercial services where returns will be ploughed back into delivering our social purpose.

The organisation owns a diverse portfolio of properties which are located predominantly across the West Midlands region with a concentration in Walsall, Birmingham, Wolverhampton, Sandwell and Dudley. The remaining stock is located across smaller towns and localities in the region. Asset management decisions are made on an informed basis to ensure the greatest returns on investment, utilising local property and market intelligence. The development of new homes continues to be a fundamental objective, committing almost £40m in the year to developing new and maintaining existing housing properties across the combined portfolio.

By adopting a rigorous approach to financial planning with prudent assumptions, we are well placed to meet the needs of our business whilst remaining financially strong. Our finances are managed through the annual budget and the monthly corporate financial reporting process. Accord keeps the Board engaged through regular updates on matters of financial performance and financial/business planning.

During the year Accord has built on its strengths to maintain its position as a leading, effective, and innovative housing organisation. We have continued to manage our resources efficiently to ensure we meet the demands of today whilst readying the organisation for integration with GreenSquare Group.

Our mission was to be strong and diverse and to make the most of our strengths to deliver positive outcomes, improving life chances for our customers and the wider communities which we serve.
We are a values driven organisation with a strong social purpose. Our values inform our activities, decisions, and policies.

Commitment – we put our customers and our people at the heart of everything we do;
Communities – we help create communities where people want to live;
Innovation – we are optimistic, passionate, and forward-thinking and we deliver better value every day.

Corporate Objectives

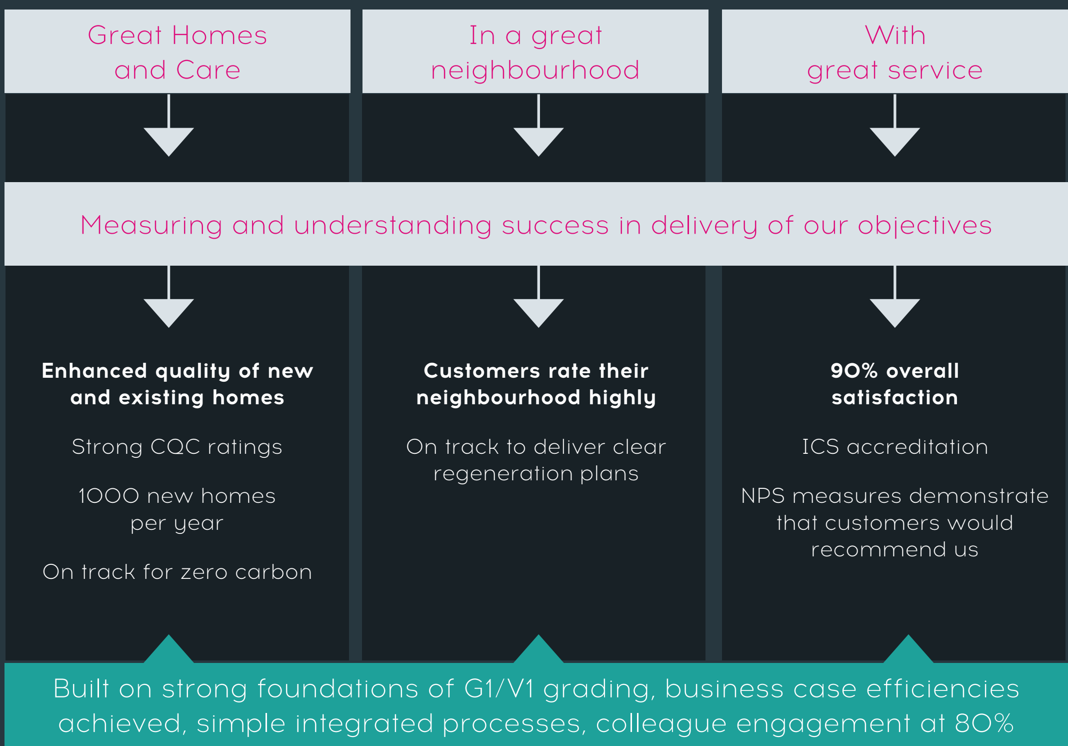
In April 2021 Accord Housing Association merged with GreenSquare Group. While legally the organisation remains Accord Housing Association, from April 2021 it began trading as GreenSquareAccord. GreenSquareAccord's objectives and strategy are set out in its five-year Corporate Plan 2021-26 and will be reviewed and approved annually by the Board.

Building on the strengths and successes of both Accord and GreenSquare, GreenSquareAccord was created to deliver its purpose of 'Building Better Lives'. Building Better Lives means that GreenSquareAccord exists to provide the homes and the related care services that enable people to achieve their full potential.

GreenSquareAccord is committed to delivering more for its customers and communities, both now and in the future. It will achieve this by being an actively developing and tenant-focused landlord, and as a major provider of care, support, and a range of local initiatives to address social injustice and inequality.

GreenSquareAccord is committed to empowering people through tenant-led, co-operative and mutual housing – creating diverse neighbourhoods where each individual, family and community has the best opportunities to live independently.

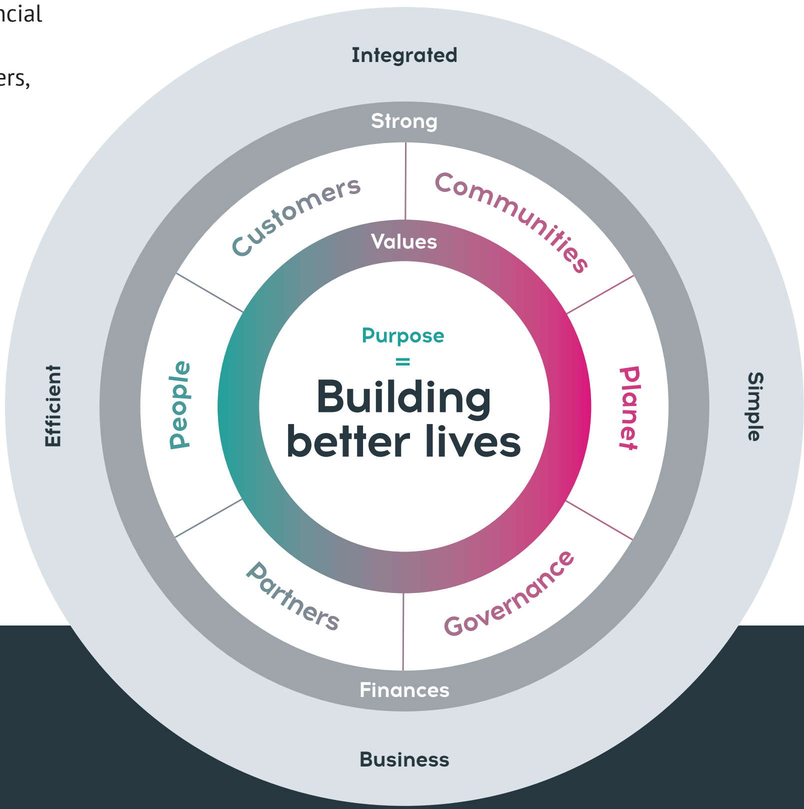
Through development it will create quality new homes and sustainable communities where people can enjoy happiness, health, and prosperity – the vital foundations for successful and fulfilling lives. Where other services can no longer deliver, when opportunities dry up, when funding is unavailable, GreenSquareAccord will remain the organisation that can, and will, help the people in the greatest need. Strong financial management is integral to GreenSquareAccord being able to deliver on its future strategic promises and key objectives.



Surrounded by robust values and a strong financial position, GreenSquareAccord is committed to putting customers, communities, people, partners, governance and the planet are at heart of what we do.

The diagram to the right shows the key components of the Corporate Plan that will enable GreenSquareAccord to deliver its purpose of Building Better Lives.

Strong finances from legacy organisations Accord and GreenSquare are essential for GreenSquareAccord to deliver its five-year Strategic Plan. The key targets and objectives across the six strands of our Strategic Plan for the next five years are:



Customers

We will ensure that:

- Quality and safety are at the heart of our services
- Person-centred care and support is key to what we do
- We provide great services for those in the most need

Measurements of our success:

- Our customers will view GreenSquareAccord as the best landlord/care provider
- Our properties and neighbourhoods will meet high safety and quality standards
- All of our properties will be truly affordable to those in the greatest need
- Customers will feel that our services are truly local and personalised
- We will be providing more homes for more people through building 1,000 homes a year across a range of affordable tenures
- Our new homes will meet zero carbon fabric standard
- All of our CQC registered services are rated either Good or Outstanding and we have a Care and Support business able to thrive in a post-Covid world
- We will have contributed to preventing and tackling homelessness
- We will understand what our customers' future needs and aspirations are and have plans in place to meet these

Communities

We will create strong communities:

- Delivering a range of community investment initiatives, accessing external funding where appropriate
- Create neighbourhoods where people want to live and work
- Continue to offer services to work with the most marginalised, and look to offer these services across our entire geography
- Invest in more resilient neighbourhoods
- Deliver regeneration in its broadest sense

Measurements of our success:

- Our customers tell us that they are proud of their neighbourhood, and customers actively choose to live and stay in their neighbourhoods
- We have clear plans for the regeneration of our most challenging areas and have started to deliver these plans
- We have used our supply chain to create employment opportunities in our communities, as well as maximising social value from our procurement
- We can show the impact we have made on a range of social indicators

People

Great people create a great organisation:

- We will need to attract and retain the best people.
- Diverse organisations deliver better outcomes for customers

Measurements of our success:

- We have an employer proposition which attracts, retains and develops the best people
- Our workforce, and in particular our leadership, reflects the communities we serve
- We offer a range of employment opportunities for our customers and in local communities
- Employee engagement and participation is high, and we have achieved external accreditation as a great place to work
- We celebrate success and the role our people have in making us successful

Partners

GreenSquareAccord will work with a range of partners. We will:

- Work with our tenants and other customers to design and shape services, and to build on the success of existing co-operatives and community-led housing
- Work with commissioners and customers to develop and deliver new models of care and support
- Work with a range of partners to improve our neighbourhoods and access external funding
- Work with stakeholders to advocate for our services and our ways of working
- Work with Matrix Partners to deliver more homes

Governance

A simple robust governance structure underpins the delivery of a great service:

- Our organisation, particularly at senior levels should be representative of the customers we serve
- Working with customers to shape services and monitor performance is at the heart of what we do

Measurements of our success:

- We have a simplified group structure which appropriately manages the risk between social housing, care and support and commercial activity
- We have achieved the standards set out in Together with Tenants
- Our Board and senior leadership team are as diverse as the communities we serve
- We continue to achieve a G1 governance rating and are fully compliant with our chosen Code of Governance

Planet

We are an organisation that seeks to minimise our impact on our planet. We will:

- Work to deliver the decarbonisation agenda both through our own organisation but also through our properties
- Understand how LoCaL Homes can support us in this agenda and grow its activities where appropriate
- Work with our customers and communities to help support carbon-neutral initiatives

Measurements of our success:

- Developed a clear, funded strategy for de-carbonisation of our properties
- Developed clear targets and delivery plans for the first stage of this strategy
- Reduced the environmental impact we have as an organisation and as employer fully compliant with our chosen Code of Governance

Financial Review

Overview

The year ended 31 March 2021 was incredibly challenging with the coronavirus pandemic impacting on both financial and operational performance. Accord's history of rigorous financial management helped the association to navigate these unprecedented pressures and still deliver both an increased turnover and substantial operating surplus. The merger with GreenSquare will build on this financial stability to ensure we drive more value for our customers and continue to invest in our communities, services, and properties.

Financial highlights

Statement Of Comprehensive Income	2021 £000	2020 £000
Turnover	130,646	124,958
Operating costs	(106,228)	(98,787)
Disposal of properties	657	5,140
Operating surplus	**25,075**	**31,311**
Net interest and taxation	(16,861)	(17,366)
Net surplus	**8,124**	**13,945**
Key Financial Metrics		
Operating margin (inc. property sales)	19.2%	25.1%
EBITDA MRI	140.4%	155.8%
Chief Executive pay as % of turnover	0.2%	0.2%

The organisation generated an operating surplus of £25.1m for the year ended 31st March 2021; £6.2m lower than in the prior year largely driven by property disposals returning to usual levels following the significant increase in 2020 as a result of taking part in the Voluntary Right to Buy Midlands Pilot which as well as driving an increase in sales volumes, allowed us to recover the tenant discount from Homes England.

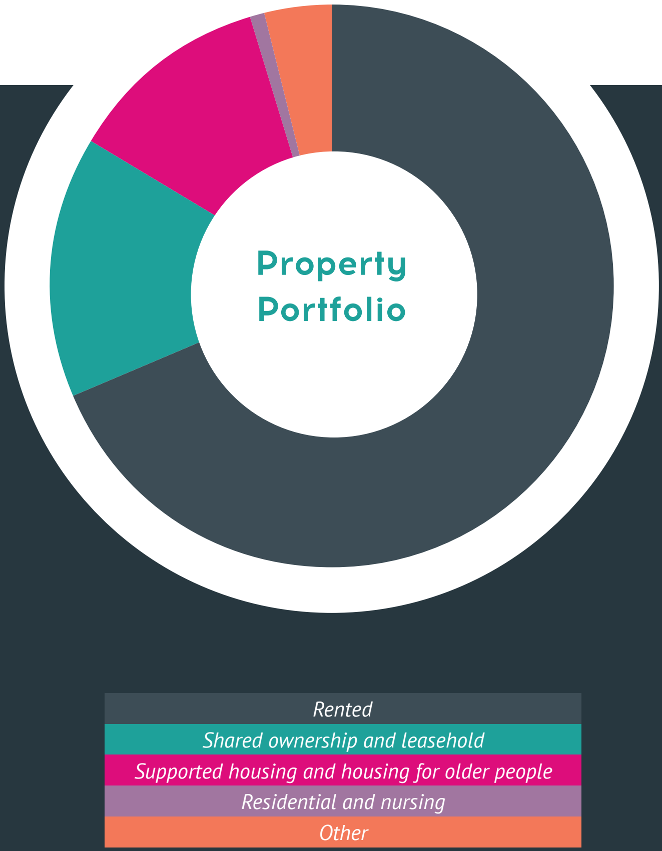
Overall turnover increased by £5.7m (4.6%) compared to 2020 with half of this attributable to social housing lettings and half being attributable to non-social housing activities such as domiciliary care. Operating costs also increased because of cost inflation, cost pressures from covid on care and support and maintenance and costs incurred to facilitate the merger with GreenSquare.

The net surplus was £8.2m after net interest costs of £16.9m including £0.5m of merger related costs. The reduction in borrowings costs was a result of robust treasury management and close cashflow management throughout the year along with lower capital spend due to a slowdown in development activity as a result of covid restrictions.

Statement Of Financial Position	2021 £000	2020 £000
Fixed assets	970,472	947,684
Net current assets	5,738	6,361
Long-term liabilities and provisions	(801,779)	(781,657)
Net assets	**174,431**	**172,388**
Reserves	**174,431**	**172,388**
Key Financial Metrics		
Units owned/managed	13,504	13,315
Gearing	43.3%	49.4%
Average cost of finance	3.72%	3.65%

Fixed assets increased by £22.8m (2.4%) as a result of investment in new properties through our development programme; investment in our existing properties through our planned maintenance programme including kitchens, bathrooms and central heating replacements and investment in other fixed assets such as computer software.

Net current assets are £0.6m lower than the prior year predominantly due to movement in working capital and a reduction in cash which was bolstered at the end of last financial year to mitigate against potential cashflow risks following the outbreak of coronavirus in March 2020. Long-term liabilities are £20.1m higher predominantly due to capital grant receipts, movement in pension liability and a marginal increase in borrowings to fund the development programme.



	Turnover		Operating Surplus	
	2021 £000	2020 £000	2021 £000	2020 £000
General needs	49,677	48,267	21,627	22,430
Supported and housing for older people	15,476	15,351	4,041	3,805
Residential care homes	13,460	12,129	(449)	106
Shared ownership	2,390	2,366	93	356
Total social housing lettings	**81,003**	**78,113**	**25,312**	**26,697**
First tranche shared ownership sales	440	175	57	24
Other social housing activities	2,099	2,460	(269)	4,416
Total social housing activities	**83,542**	**80,748**	**25,100**	**31,137**
Non-social housing activities	47,104	44,210	1,841	1,324
Amortisation of non-tangible assets	-	-	(1,666)	(1,666)
Merger costs	-	-	(857)	0
Total	**130,646**	**124,958**	**24,418**	**30,795**

Of the £130.6m of income generated last year, 64% (£83.5m) was from social housing activities and 36% (£47.1m) was from non-social housing activities and although turnover has increased by £5.7m since last year the proportion of social to non-social activities is largely the same.

Circa 97% of our social housing income comes from lettings which generate healthy margins, with surpluses reinvested back into our services and properties. Other social housing activity is predominantly the provision of housing related support to ensure that our customers can live independently and sustain their tenancy as well as property sales through statutory Right to Buy and Right to Acquire. The operating surplus in 2020 was substantially higher than in 2021 due to the Voluntary Right to Buy scheme noted above.

Non-social housing activities includes the provision of nursing care, domiciliary and outreach services, children's nurseries, and our LoCaL Homes factory. Income from domiciliary care services increased in the year and were well supported throughout the pandemic by local authorities.

Treasury and funding

Treasury activities are controlled by the Chief Finance Officer with the assistance of external consultants as required and are carried out in accordance with policies approved by the Board. The purpose of the treasury management function within Accord is to ensure that adequate cost-effective funding is always available and that exposure to financial risk is minimised. The key risks managed by the treasury function are interest rate risk and liquidity risk.

Treasury management activity is subject to regular review by internal auditors and treasury specialists. Treasury activity is closely monitored on a regular basis and compliance with covenant conditions continues to be met with no breaches in the year. Quarterly monitoring information and management accounts are submitted in accordance with funder and regulatory requirements. Short-, medium- and longer-term liquidity requirements are monitored through ongoing forecasting and the financial planning process. It is the association's policy to balance the cash held by repaying debt as far as possible, whilst ensuring sufficient access to funding facilities to cover investment and business development plans.

Review of the year

Total borrowings reduced by net £17.0m in the year and were £482.5m at the year end. In addition, we had £54.8m of secured revolving credit facilities; £20m of which were undrawn at the year end and a £12m undrawn loan facility which will be used to fund new developments.

In June 2020 we secured and drew the final £25m deferred tranche of the 2018 private placement from Pension Insurance Corporation (PIC) along with a further tranche of £30m agreed in 2019. We also replaced and secured an expiring £10m revolving facility with Lloyds with a £20m 5-year facility with the same funder.

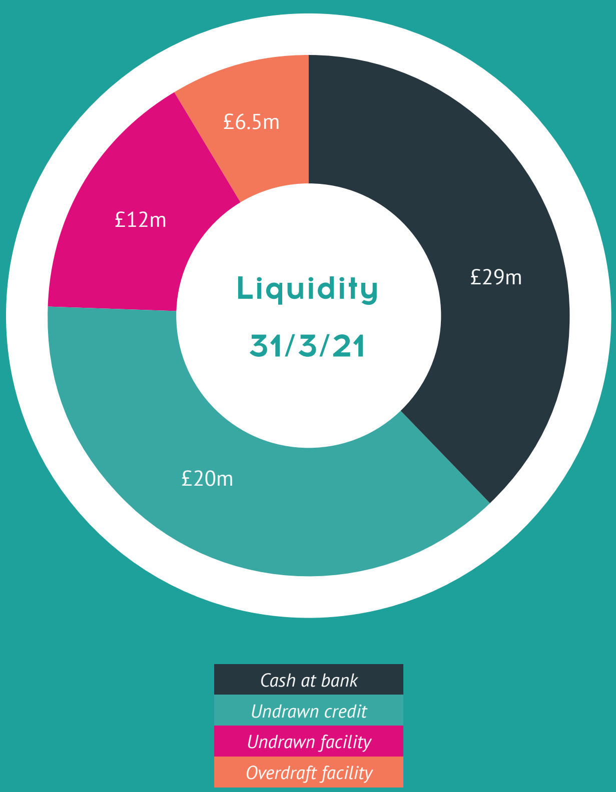
In addition, we made scheduled capital repayments and repaid some drawn revolving credit facilities which were used to bolster the cash balance at the end of last financial year to mitigate evolving risks at the start of the pandemic. As we gained more certainty over the impact on our finances, cash balances have been managed down to align with our Treasury Management Policy.

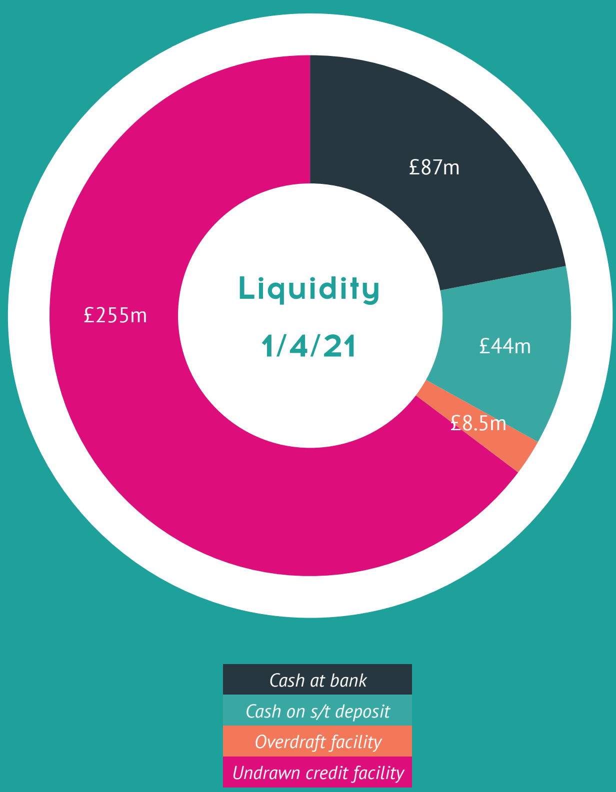
Principal financial covenants are in respect of loan gearing and interest cover and the Board believes the financial covenants entered into are appropriate for our operations. Gearing at the year end 45.8% (2020 49.4%) and interest cover of 172.6% (2020 205.7%); both of which are comfortably within our tightest requirement. The average interest rate was 3.72% for the year; post-merger this will reduce to c3.44% as a result of the funder negotiations with savings on borrowing costs forecast in future years.

In preparation for the merger with GreenSquare we executed a strategy to obtain the necessary consent from funders along with harmonisation of terms and covenants. As part of this we began consolidating the combined loan portfolio, repaying some smaller legacy facilities, and successfully negotiated £110m additional revolving credit facilities with 2 existing bank funders.

Post-merger we have further bolstered an already strong liquidity position with the completion of a £75m, 40-year bond with bLEND Funding Plc which will be used to fund the development of new homes for the partnership and provide a solid platform on which to raise future finance through the debt capital markets.

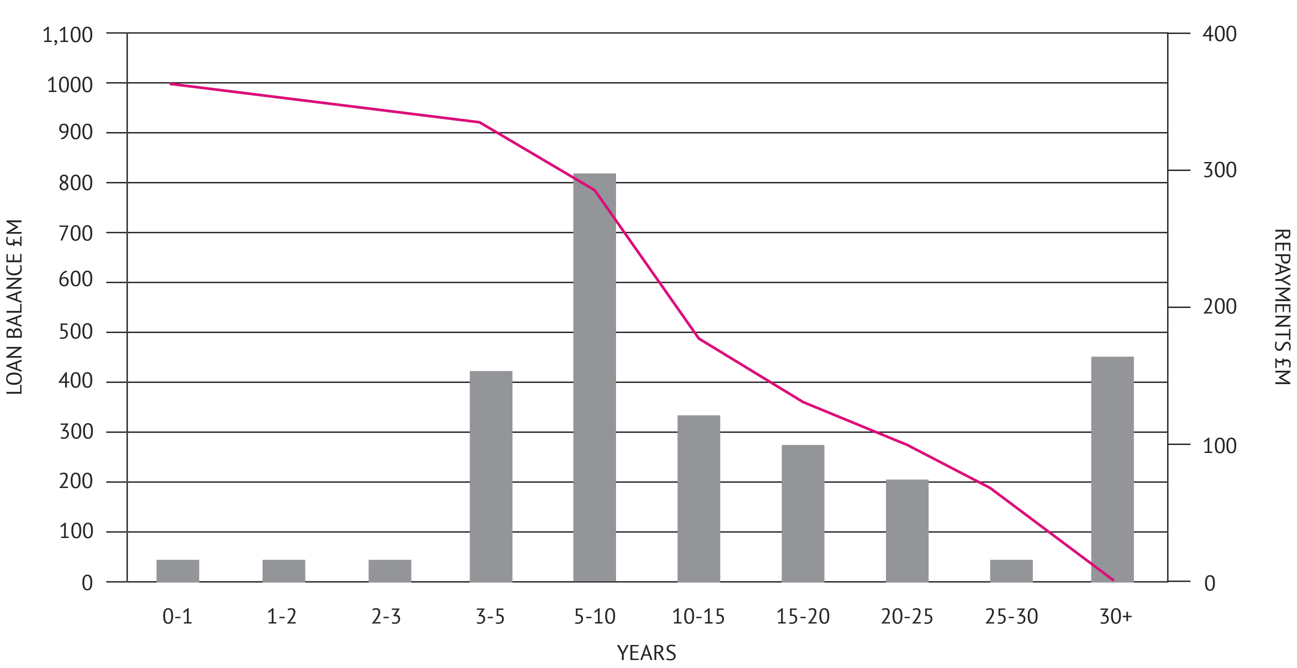
Continuity of funding is ensured by arranging a mixed portfolio of short-term borrowings and long-term committed facilities and by limiting the amount of debt repayable in any one year.





The chart below provides an analysis of when the debt falls due for repayment and represents the combined loan portfolio of GreenSquareAccord.

Debt Repayment Profile



Management and control

The organisation manages its exposure to fluctuations in interest rates to provide a level of certainty over interest costs whilst balancing our ability to take advantage of low LIBOR rates. Our strategy is to maintain fixed rate borrowing between 60% and 80% of our total borrowings. We keep compliance with this policy under constant review and at the year end 76% (2020 70%) of borrowings were at fixed rates.

Accord has not used stand-alone derivative financial instruments to manage its interest rate exposure during the year. However, the organisation does have the Wider Rule Change and approval from the Regulator of Social Housing to use stand-alone derivative financial instruments and has facilities in place with three funding institutions to utilise these instruments – there have been no such facilities in place at any point throughout the financial year (2020: nil).

Value For Money

Introduction and overview

Throughout the year Accord has continued to demonstrate its commitment to ensuring that Value for Money is at the heart of operations and activities, and that value added services are delivered to customers and communities. Value for Money remains increasingly important in the challenging operating environment, increasing customer expectations, the on-going housing crisis with high demand for affordable rented properties and enhanced regulatory requirements on tenant's safety and compliance.

Accord continued to demonstrate that resources are invested efficiently and effectively to maximise the return on investment, and this is supported by a clear understanding of how resources shall be committed. Accord's Business Plan sets out strategic objectives and the activities and initiatives required to achieve these goals and support Accord's vision. This ensures that resources are applied effectively and that processes are carried out efficiently when work is undertaken.

Accord considers its corporate performance in the context of both ensuring value for money and delivering against business plan objectives by measuring the actions taken to ensure services are not only high-quality, but deliver value for customers, communities, and stakeholders. These activities are underpinned and supported by a Board approved Value for Money Strategy which ensures that resources are used effectively and embedded across the organisation.

The concept of Value for Money to Accord was to ensure the organisation continues to:

- procure goods and services economically for the right price.
- be effective in delivering the right services; and
- deliver activities efficiently and in the right way.

Accord's Board set strategic objectives which translate our core purpose of providing and managing housing and appropriate support services to people in need, into measurable targets across 3 strands of Meeting Need, Great Housing and Services and Good to Great. Our Value for Money Strategy complements our Corporate Plan and articulates how value for money is measured and delivered in achieving our corporate aims through striving to: -

- Increase operating margins and profitability;
- Maximise efficiency in operating delivery models;
- Increase efficiency in the development of new homes; and
- Be clear and transparent in reporting of value for money.

The Accord five-year Business Plan sets out the organisation's strategic objectives as determined by the Board following consultation with customers, staff, and stakeholders. The business plan translates Accord's shared values into corporate objectives and medium-term goals. Objectives are set in the context of Accord's key purpose which is the provision of homes, support, and services for those in need. As part of the business planning and performance scrutiny process Accord's Board undertakes strategic planning sessions which focus on short to long-term objectives and the effectiveness of these in meeting the core values and purpose of the organisation. The Value for Money driver is clear throughout the Plan with clear links between the key objectives and the Strategy to ensure Value for Money is embedded throughout the organisation in a transparent and meaningful way.

The Plan consistently draws out the on-going growth aspirations of the organisation. Performance is measured against a range of key performance indicators relating to delivery as well as financial performance. The Board remains mindful of the purpose of the organisation, its guiding principles and ethos balanced with a commercial approach to ensuring effective use of its resources, recognising efficiency gains wherever possible and requiring on-going reviews of Value for Money across all business units.

Accord continues to deliver a range of new affordable homes which meet differing needs. Accord works closely with customers and communities to understand housing need on a local basis leading to schemes such as town-centre regeneration projects providing much needed housing for rent and low-cost home ownership homes for families and for older people. The organisation continues to deliver support and care services as it has done for over 50 years, firmly believing that providing just a house is not always enough and the wider offer of support to sustain tenancies, help people in their own homes, with their health and wellbeing is just as important. A balance is therefore struck between providing high quality services and meeting need whilst generating surpluses to support the delivery of such services as well as new housing supply.

As part of the on-going assessment of delivery of new homes and the management of existing units, Accord continues to carry out detailed stock condition surveys and financial appraisals of the efficiency of stock and the return on investment in assets. These were however temporarily paused during the restrictions imposed by Government due to coronavirus. This information supports the delivery of both Accord's Asset Management and Stock Disposal strategies and ensures that funds are invested in a focussed way, maintaining assets which will generate income for the future.

How Accord performs against its own targets

Value for Money is embedded within our Board approved Business Plan with each corporate objective being linked to one of the four key strategic objectives in our Value for Money Strategy. Corporate objectives are translated into operational action through a suite of Key Performance Indicators which are overseen by the Board and are subject to regular scrutiny by the Executive Management Team and Committees; agreeing actions where necessary to bring performance back in line with agreed targets. Board also receives an additional layer of assurance over the organisation's performance through an annual summary of corporate objectives and business plan targets.

When setting corporate objectives and monitoring performance against agreed performance indicators and targets the Board remains cognisant of the resource commitment to various activities and continue to seek assurance of the opportunity cost of pursuing/not pursuing alternative delivery models. The table below summarises the suite of Key Performance Indicators aligned to demonstrating Value for Money in the delivery of our core operating activities and shows both the performance against the agreed target for the year and a comparison against the prior year's performance.

All performance whether on target or not, receive regular review by the Board and Executive Management Team. Board oversees an annual review and approve future forecasts/targets prior to implementation. The criterion for setting these targets is to ensure they balance being challenging and stretching whilst also being achievable and realistic and therefore demonstrate Value for Money.

Value for Money Performance Indicator	Homes and Communities Directorate			Care and Support Directorate			Peer Group Median
	Target	2021	2020	Target	2021	2020	
Customer satisfaction - repairs	90%	74%	87%	90%	74%	87%	78%
Repairs completed 1st visit	85%	69%	86%	85%	69%	86%	91%
Emergency/out of hours completion time (average hours)	4 hrs	2 hrs 34 mins	1 hr 49 mins	2 hours	1 hr 42 mins	1 hr 2 7 mins	n/a
Properties with a valid gas servicing certificate	100%	100%	100%	100%	100%	100%	100%
Properties meeting Decent Homes Standard	100%	97%	100%	100%	97%	100%	n/a
Time to re-let empty properties (average days)	24	32	38	26	30	22	58
Current tenant rent arrears	3.3%	4.3%	3.0%	1.9%	1.1%	1.7%	2%
Rent collection as % of rent collectable (current)	102%	101%	102%	102%	101%	105%	100%
Rent collection as % of rent collectable (former)	20%	17%	13%	20%	34%	69%	n/a
Average employee sickness (days)	10.4	11.4	9.8	11.3	17.4	17.3	6.7

Peer group is English Housing Associations with stock between 4,000 and 17,000 units.

2021 Key Performance Indications (KPIs) should be viewed in the context of the significant challenges experienced by the association as a result of the coronavirus pandemic which has impacted on both performance against targets (set pre-covid) and the deterioration in performance in many of the metrics.

Maintenance and asset management has been severely disrupted due to national lockdowns and local tiered restrictions which meant that for large parts of the year, the reactive repairs service was paired back to emergency appointments only to protect our customers and staff. This was a difficult but necessary decision for our Board to make and has unfortunately resulted in a drop in customer satisfaction levels. With restrictions starting to ease the backlog of repairs will be caught up in the financial year.

The increase in general needs rent arrears is disappointing given our strong track record but unsurprising given the impact of the pandemic on many of our customers employment and financial circumstances. We bolstered resource in the Financial Skills team and continue to support our customers to make Universal Credit claims and to manage their household budget.

Post-merger the new Executive Director of Asset Management found some inconsistencies in the data recording and reporting of asset compliance including meeting Decent Homes Standard where c300 properties were found to be non-compliant. Records have been updated and reflected in the 2020-21 year end position in the KPIs table above. Work is already underway to identify a programme of works to rectify this and will be prioritised according to a risk assessment of the needs of the resident and property condition.

A new suite of KPIs has been developed for GreenSquareAccord which builds on the strong track record of both entities, sets challenging targets for the coming year based on identified opportunities to improve performance as a larger entity whilst remaining cognisant of challenging operating environment.

The table below sets out performance against the Value for Money specific objectives for 2020-21. The Board agreed targets are designed to drive high performance and efficiencies in key areas of our operations including maintenance, development, and housing management. As with the KPIs above, performance in the year is reflective of the challenging operating environment; as Board priorities evolved in response to known and emerging risks of the pandemic.

Target 2021	Actual performance for 2021
Headline social cost per unit	
Increases to be contained within inflation	The cost per unit increased by 9.2% between 2020 and 2021. This was a combination of increased maintenance costs (largely planned and capital works), costs incurred to facilitate the merger and slow down in development activity due to the pandemic resulting in suppressed growth in unit numbers.
New supply (delivery)	
100% of development schemes are handed over in line with agreed Homes England delivery targets	Achieved - forecasts are updated and agreed with Homes England on a quarterly basis and the Board oversee performance against the approved programme timescales.
New supply (financial)	
Development cost contained within agreed budgets with a target to deliver a 10% saving against budget for internally delivered (via Accord Construction Services) developed schemes	2 schemes completed the year; one was delivered within the Board approved budget and the other was within the Board agreed 5% tolerance which allows for minor changes in scope to be agreed by the development team during the construction period.
Maintenance	
Maintenance cost per job completed reducing by 1%	The average cost per job increased in the year due to the pandemic. The reactive repairs service was disrupted by safety restrictions and lockdowns resulting in volumes being c33% lower than in 2019-20. The backlog of repairs is likely to impact on costs in 2021-22 but beyond that we would expect them to normalise.
Void losses	
Maintain void loss at below 1%	Void loss in our Communities directorate was 1.2% for the financial year which given the challenges of letting properties during a pandemic is a great achievement. The Executive maintain close oversight of the lettings process.
Regulators value for money metrics	
To maintain or improve performance relative for our peer group	We acknowledge that some of the metrics have deteriorated over the year as a direct result of the pandemic on our financial results and operational performance. This is not reflected in the peer group results which are based on performance in the prior year. We are optimistic about the future and the and the positive impact of the merger on these metrics going forward.

How Accord compares against peer organisations

The Regulator of Social Housing requires providers to assess performance against seven prescribed value for money metrics. Accord's peer organisations are summarised below and have specific comparability. All peer associations selected are categorised as 'Traditional' Housing Associations operating outside London. The peers are comparable to Accord in size and also in the extent of their provision of supported housing and housing for older people. Black Country Housing Association and Trident Group are both fellow members of the Matrix Housing Partnership and are known to have comparable operating activity profiles in similar operating geographies and are therefore also included in the peer group. Data is taken from the Regulator's published 2020 Global Accounts VfM Metrics.

	Total social housing units owned/ managed	% housing for older people units owned/ managed	Total turnover £millions	% of turnover from non-social housing activities
Accord Housing Association (2021)	13,245	12.6%	129.9	36.0%
Black Country Housing Group	2,156	10.6%	18.7	9.6%
East Midlands Housing Group	18,933	20.4%	111.1	13.7%
Grand Union	12,067	8.9%	71.2	7.5%
Mosscare St Vincents Housing Group	8,326	6.5%	45.8	3.9%
Nottingham Community Housing Association	9,608	3.2%	77.2	0.1%
Paragon Asra Housing	20,888	11.1%	149.6	1.5%
Plus Dane Housing	13,124	2.9%	74.0	4.0%
Regenda	12,177	7.8%	70.7	15.1%
South Yorkshire Housing Association	5,534	5.7%	48.2	25.5%
Trident Housing Association	3,211	0.0%	34.2	3.7%

Benchmarking against both Accords' own historic performance and also against other peer organisations is summarised overleaf. The peer group median has been used in line with best practice.

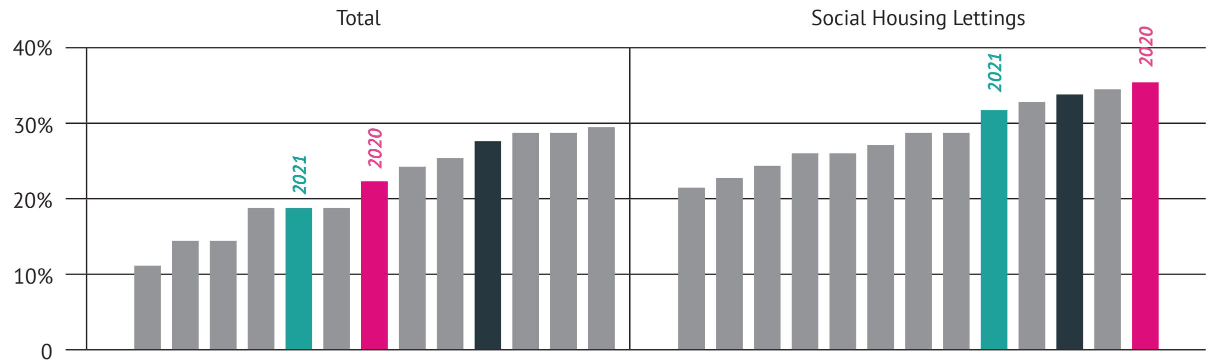
An assessment of performance against targets has also been provided for each of the metrics. Peer organisations have been anonymised in the benchmarking outcome and the order in which organisations appear in the table above is not representative of the referencing used in the benchmarking results published below where Accord's 2021 results (shown in **teal**) and Accord's 2020 results (shown in **pink**) are compared with the peer group 2020 results (shown in **light grey**) and GreenSquare Group's 2021 results (shown in **dark grey**).

Value for Money Metric	Accord 2020[1]	Accord 2021	Peer Group Median 2020[2]
Business Health			
Operating margin (overall)	20.9%	18.7%	20.9%
Operating margin (social housing lettings)	34.2%	31.2%	27.5%
EBITDA MRI interest cover %	155.8%	140.4%	155.8%
Development			
New supply -social housing	1.3%	1.8%	1.1%
New supply - non-social housing	0.0%	0.0%	0.0%
Gearing	49.4%	43.3%	41.4%
Operating Efficiency and Effectiveness			
Reinvestment %	5.4%	3.2%	5.9%
Return on capital employed	3.3%	2.6%	3.2%
Social housing cost per unit £000's	3.851	4.210	3.851

1 These are our 2020 metrics according to the RSH Value for Money report – Global Accounts 2020 published in May 2021.
2 Median average results for the 10 registered providers identified above based on the RSH Value for Money report – Global Accounts 2020 published in May 2021.

Business Health

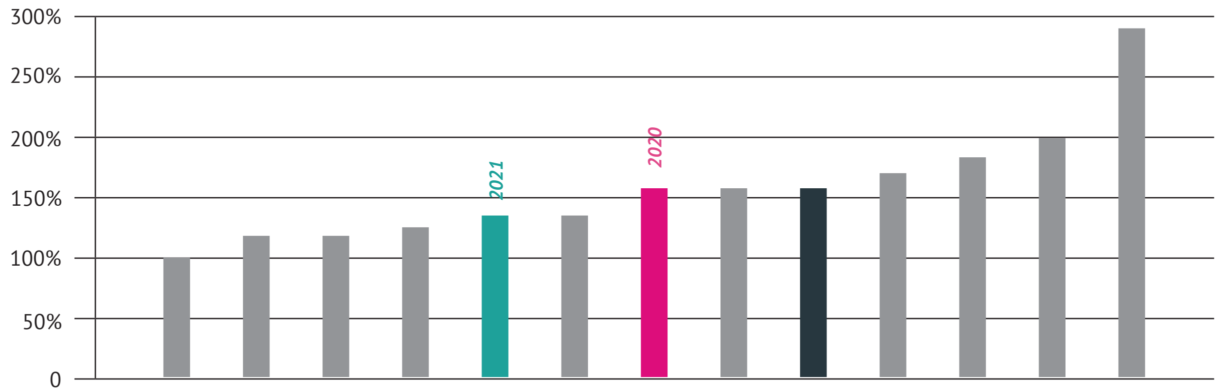
Operating Margin



Our operating margins should be viewed in the context of our diverse business activities where some activities undertaken by the organisation generate low financial margins but have high social or environmental impact. The two key drivers behind the reduction in overall margin from 2020 to 2021 are the financial pressure from the coronavirus; particularly on our care and support services and the costs incurred to facilitate the merger with GreenSquare where synergies and efficiencies will be realised in future years.

The margin on our social housing activity continues to compare favourably against our peer group; despite reflecting a full year's impact of the pandemic whereas the peer group results for 2020 were substantially pre-covid.

EBITDA MRI %

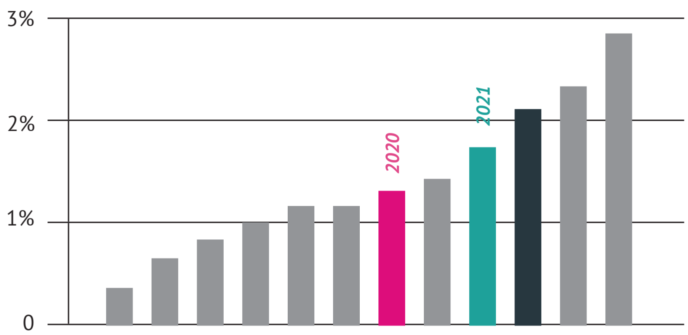


EBITDA MRI is a measure of our ability to generate cash through our operating activities and again the 2021 results have been impacted by the pandemic and merger cost. The above metric also includes capital maintenance where additional investment has been made during the year; this is not untypical in the sector where according to the RSH Value for Money report for 2020 total maintenance spend has increased by 15% in 3 years with a focus on building safety and health and safety compliance. As a developing organisation with ambitious growth targets, the metric demonstrates our ability to comfortably meet our cost of borrowing.

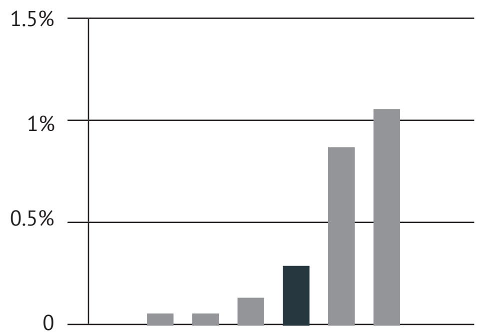
Development

New Supply %

New social housing

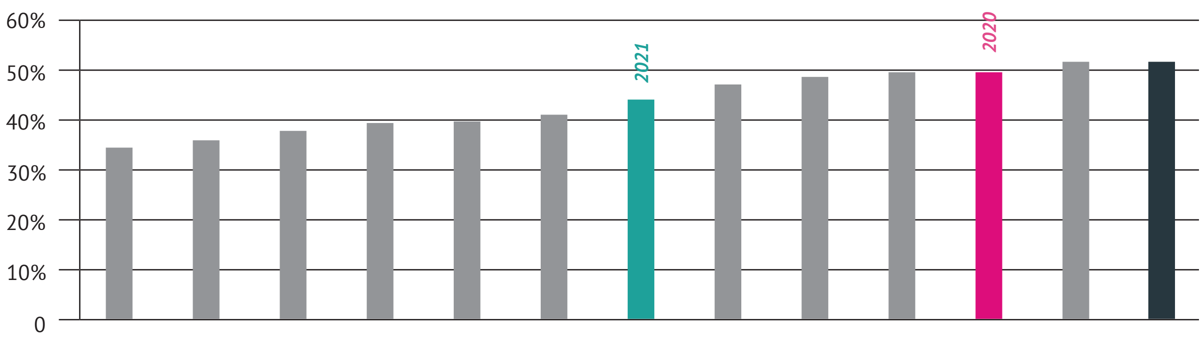


New non-social housing



Development programmes are very rarely linear and year on year fluctuations are common within the sector and often linked to the timing of Homes England grant programmes. In 2020-21 we completed 236 new homes and have a further 484 in progress at the year end; having completed the 2016-2021 Shared Ownership Affordable Homes Programme (SOAHP) in the year and continue to make progress with the 2016 - 2021 Strategic Partnership programme which was extended by a further year to take account of the impact of the pandemic. In line with our peers, Accords development programme focusses on the supply of new social housing and meeting the strong demand for affordable housing in our area of operation.

Gearing



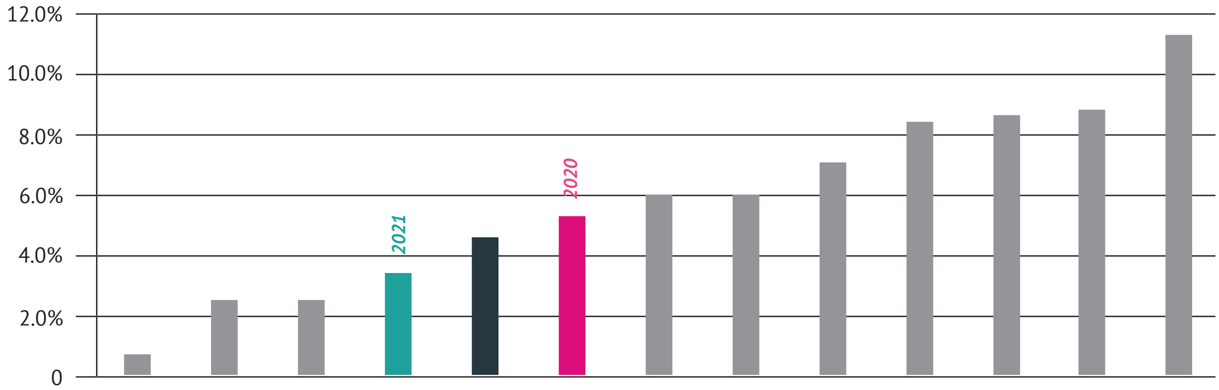
As a developing association, we borrow funds to support the building of new homes and our gearing reflects our growth ambitions; using our balance sheet capacity to generate new supply whilst managing the financial stability of the organisation. Gearing reduced in the year as a result of the merger preparations where some legacy Accord facilities were repaid before year end as part of a wider consolidation and harmonisation of the GreenSquareAccord loan portfolio and future-proofing of treasury activity.

Operating Efficiency and Effectiveness

Social Housing Cost Per Unit

Our social housing cost per unit should be viewed in the context of the tenure mix within our property portfolio. Whilst we have seen a 9.2% increase in cost per unit since last year our social housing cost per unit of £4,210 includes the financial cost of the pandemic, not reflected in the peer group 2020 results. Whilst higher than the 2020 peer group median, this still compares well to our peers where the cost per unit varies from £2,640 to £8,060.

Reinvestment %

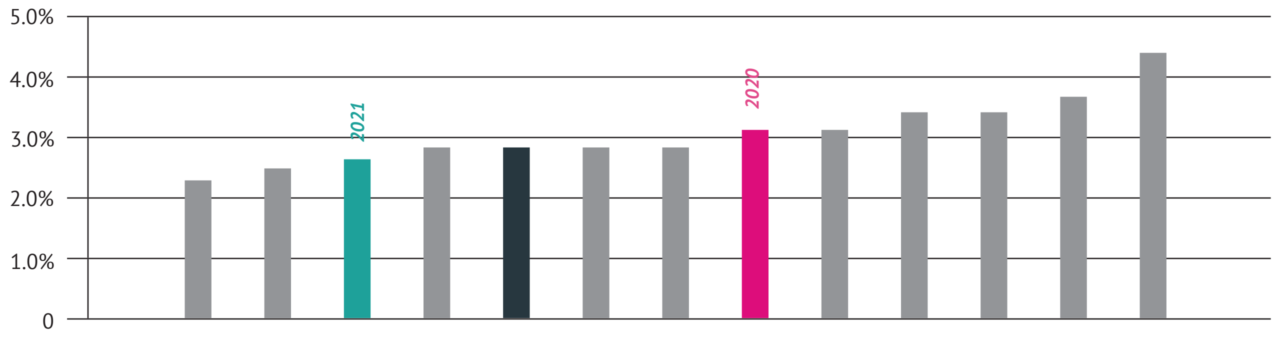


Our reinvestment % reflects our commitment to developing new homes whilst balancing the investment in existing homes and maintaining properties to a high standard. This measure has been effected by the impact of the pandemic on development activity with on-site restrictions having been in place for most of the year which has slowed the pace of development across the sector.

Accord are a Strategic Partner with Homes England and remain committed to the supply of new affordable homes; utilising the strong financial capacity of the enlarged organisation to increase development output in future years.

Return on capital employed has again been impacted by the pandemic which has put financial pressure on our operating surplus and suppressed fixed asset growth through the slowdown of development. Whilst these are common across the sector in 2021, they had less impact on the 2020 peer group results.

Return On Capital Employed



2022 Value for Money Targets

The focus for 2021-22 is the integration and harmonisation of Accord and GreenSquare. The efficiency savings identified in the approved business case have now been developed into a detailed plan and built into the 2022 consolidated budget and financial plan. The Board has ultimate responsibility for the delivery of the efficiencies plan with support from the Integration Task and Finish Committee who maintain oversight of progress.

As well as cashable efficiencies, the on-going integration of the 2 legacy organisations will remove duplication and the harmonisation of processes and procedures will select best practice from both sides ensuring maximum effectiveness and efficiency prevails.

Summary and conclusions

Accord is an organisation with a strong social purpose whose mission and core values are centred on delivering high quality, safe and compliant services that meet the needs of our customers, providing the best outcomes for them as individuals and for the wider community. We continue to have a well-established and embedded culture of demonstrating Value for Money in the delivery of our objectives. Value for Money is led by our Board and our Value for Money Strategy aligns with our corporate and departmental objectives and key performance indicators.

We continue to adapt to meet the changing needs of our customers, stakeholders, and the operating environment; demonstrating not only innovation but the ability to learn lessons to improve our service offer. This was vitally important given the extreme challenges of the last financial year and whilst the pandemic has undoubtedly impacted on the operational and financial performance of the organisation, and is reflected in the metrics above, these would certainly have been far worse had the organisation not responded quickly and effectively throughout.

The focus for 2021-22 is the integration of the 2 merged entities and to deliver on our promises to customers which include efficient, local-focussed services, increased investment in the provision of new affordable homes and continued investment in our existing properties to ensure tenants have a safe and secure place to live.

Risk Management

Introduction

The management of risk is acknowledged as being fundamentally important to Accord. Risks are continually assessed to measure their significance. The Board has responsibility for risk management and reviews risk appetite regularly. Risk management updates and the risk register itself are subject to review by the Board of Management and the Audit, Risk and Finance Committee. The Executive Board regularly reviews risk. This supports effective and strategic decision-making and ensures Accord can adapt to changing circumstances. Emphasis remains on ensuring risks and opportunities are continuously monitored and evaluated. Policies and procedures are adapted to ensure appropriate action is taken to safeguard residents and assets.

Accord operates a comprehensive risk management process which incorporates all disciplines and major functions. Risk management informs the business planning cycle and in the current economic climate proactive risk management remains an important management tool

Key Risk Analysis

An interim Corporate Risk Register has been developed for GreenSquareAccord which combines the legacy risk registers of both organisations. Where risks have been carried over to the combined register, they have been assessed through a GreenSquareAccord lens using the new risk management and impact gradings.

The GreenSquareAccord Risk Management Policy was approved in April 2021. The GreenSquareAccord Risk Appetite Statement was reviewed and approved by the Board in June 2021.

Following merger completion, the initial harmonisation of asset management functions and property information identified some inconsistencies in approach to landlord health and safety and property compliance data recording and reporting. Savills have been instructed to extend their existing stock condition review previously undertaken by GreenSquare across the whole property portfolio and the findings were reported to the Board in June. A Building Safety Recovery Plan has been developed to address the priorities identified in the report which includes a group-wide system to manage property compliance data, risk assessments and actions and a project to cleanse all property compliance data to ensure that reporting is accurate, up to date and complete. This has been reflected in the corporate risk register, will remain under scrutiny from Board and the Executive and the regulatory bodies will continue to receive regular updates until it is fully resolved.

Following completion of the merger with GreenSquare Group on 1 April 2021, the key risks relevant to our business are set out opposite.

Landlord Health and Safety

Risk: Failure to comply with landlord property health & safety regulation, legislation and/or policies and procedures

Principle Controls and Mitigations

✓ Appropriate H&S policies and procedures in place, embedded and operational	✓ Oversight and assurance function of landlord property safety in operation
✓ Landlord property compliance processes and systems are in place and operational	✓ Identification of subsequent lessons learnt resulting from internal and/or external accidents/incidents/near misses
✓ Staff instruction, information and training is relevant, up to date and applied	✓ Regular assurance reporting to Board or Committee

Comments: *Following the discovery of issues relating to asset management data, a review is being undertaken by Savills to identify where our internal controls can be improved. This will include a full review of asset compliance procedures and processes and data controls*

Data Management

Risk: Compromised data integrity impacting decision made, including those on the safety of our customers and staff

Principle Controls and Mitigations

✓ Resources in place to enable effective data management (data owners)	✓ Systems and controls in place in relation to performance metrics/KPIs
✓ Clear and documented approach to achieving Data Quality across the organisation using best practice	✓ Strategy reviewed by external data management expert
✓ Clear understanding and high-level support for the importance of data management	✓ Systematic approach to 'build in' good data management and business insight practices across the organisation

Comments: *A project has been initiated to harmonise and integrate different systems, processes and approaches to data and reporting. An independent review of data quality approaches will also take place over the year. A separate project is focusing on asset management data, including asset compliance and stock condition information and Savills has been commissioned to carry out additional stock condition surveys to ensure our data is complete and robust.*

Regulatory Standards

Risk: Insufficient organisational governance increases likelihood of failure to meet regulatory standards and/or compromises customer safety

Principle Controls and Mitigations

✓ Close working relations and reporting with regulatory bodies.	✓ Safeguarding activity overseen by Safeguarding Scrutiny Panel with Independent Chair.
✓ Designated Quality and Compliance teams with regulatory knowledge and oversight in specialist areas (e.g. care)	✓ Policies and Procedures in place to confirm expected standards in line with regulatory standards
✓ Quality and performance management systems with clear escalation processes.	✓ Regulatory returns have the necessary level of oversight.

Comments: *Internal expertise in this area has recently been strengthened with the appointment of an Executive Director of Governance. A full governance review is planned for Autumn 2021 and an integration project is underway to put in place updated policies, procedures and frameworks where needed.*

Development Delivery	
Risk: The target for c1,000 affordable new homes to be delivered annually is not met within agreed resources.	
Principle Controls and Mitigations	
✓ The annual budget, business and financial planning is reviewed and approved by both the Executive Team and the Board	✓ The GreenSquare Homes Board and senior management regularly monitors related financial and operational KPIs.
✓ Stress testing of the business plan is presented to and reviewed by the Group Board.	✓ Planned developments are subject to ongoing appraisal, including consideration of tenure changes if appropriate.
✓ The Group has dedicated and established resources in construction, development, and sales.	✓ The Group actively manages pipeline opportunities through monitoring local planning activity, meeting with agents and developers and funders.
Comments: *Additional requirements for Group expenditure (for example in relation to sustainability, fire safety and asset compliance) have the potential to impact on available funds for development delivery. These are being carefully planned, monitored and stress tested in line with existing stress testing. Pipeline opportunities are being developed and approaches to appraisal and reporting are being harmonised to ensure a common approach.*	

Pandemic	
Risk: Pandemic leads to major prolonged business interruption resulting in loss of life, substantial financial loss and significant unavailability of key staff to deliver essential services	
Principle Controls and Mitigations	
✓ NHS style major incident response.	✓ Social distancing policies
✓ Daily structured teams and communications.	✓ Underlying Covid19 risk register also being maintained.
✓ Command and Control approach to leadership, decision making and business continuity arrangements.	✓ Risk assessment of all front line and back-office activity
✓ Following government guidance to ensure consistency in protecting customers and colleagues. Clear processes for cascading guidance	✓ Staff redeployment - home working supported by appropriate IT systems
Comments: *Incident response structure remains in place, along with enhanced protective measures for colleagues and customers. For care and support schemes, a resourcing strategy is being developed to address shortages in professional front-line workers. A delivery plan has also been implemented to address backlogs of responsive maintenance.*	

Integration	
Risk: Failure to delivery merger promises and integration efficiencies.	
Principle Controls and Mitigations	
✓ Integration Committee in place	✓ Monitoring of plans and arrangements for the delivery of merger promises and efficiencies
✓ Monitoring of 'business as usual' performance indicators to ensure that integration activity does not impact on performance	✓ New strategies being developed to deliver the aspirations of the newly merged organisation
Comments: *Integration work is ongoing and is being monitored by Integration Committee. Timelines are being developed for major aspects of integration.*	

Summary

The Board continue to closely monitor the risk environment to identify changes in key risks as well as emerging or new risks. As a newly merged organisation this has been a key focus of the Audit, Risk & Finance Committee, who have overseen the development of the risk register for GreenSquareAccord and continue to provide review and scrutiny during the integration period.

Development

Performance and delivery

Key achievements in 2020-21 include: -

- Brought 236 new affordable homes into management including the first phase of low-cost home ownership properties at Fradley;
- Utilised £26.8m of Strategic Partnership grant against eligible expenditure on behalf of the Matrix Partnership and had claimed 86% of the total allocation at year end;
- Made substantial progress on the 90- bed specialist dementia care scheme in Staffordshire set to be handed over in 2021-22;
- Put forward a bid for phase 2 Strategic Partnership grant for a mixed tenure programme on behalf of the Matrix Partnership.

Environmental and Sustainability Commitments

Accord remains committed to being at the forefront of delivering innovative service delivery solutions which impact favourably on our environment and communities. As part of this commitment, we have accomplished a number of key achievements:

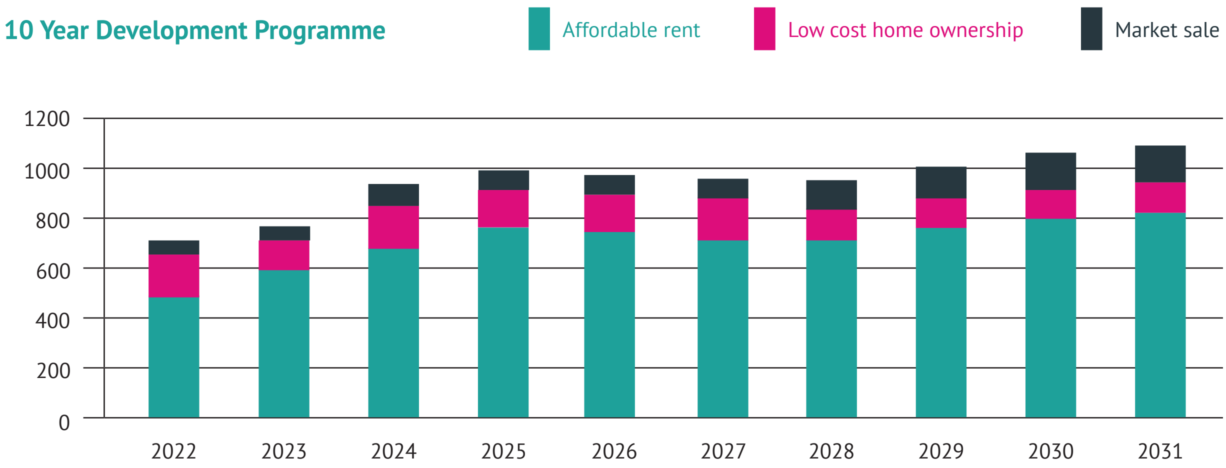
- Accord became one of the first housing associations in the country to obtain the ISO14001 Environmental Management Standard. This accreditation was recertified following a successful stringent audit process;
- Environmental factors relating to all key project investment decisions are considered by the Association's Project Approval Panel;
- We are already committed to the development of high quality, highly efficient, low carbon timber frame homes at our LoCaL Homes factory;
- We are committed to the Government's Carbon Neutral target to have net zero emissions by 2050;
- We are developing 12 "plastic-free" homes in the West Midlands; utilising funding from the European Union Interreg North-West Europe programme; this unique project will significantly reduce on-site construction waste.
- Ranked 1st in *Housing Digital*'s top 30 Sustainable Housing Providers in 2021.

Accord LoCaL (Low Carbon Living) Home's factory continues to steadily grow since moving into a larger plant in 2018. Despite the impact of the coronavirus pandemic, the factory successfully produced timber frames and panels for 20 development sites (2020: 16); 10 for our own development programme (2020: 9) and 10 for external customers (2020: 7). We continue to deliver a "turnkey" solution to housebuilding where we provide end to end development process using our in-house designers and architects, factory produced elements and overseeing the on-site construction and will be a key growth area for the coming year.

Partnerships

Accord leads the Matrix Housing Partnership which is delivering over 3,400 new homes through the Homes England 2016-2021 Shared Ownership and Affordable Housing Programme (SOAHP) and the Homes England Strategic Partnering funding programme. Supported by a small non grant funded programme these programmes will see Accord deliver 1,605 new homes to local communities, representing a total commitment of £216 million invested in new housing supply supported by £44 million of Homes England grant.

GreenSquareAccord future focus



GreenSquareAccord are committed to the delivery of new supply, building on the strong track records of both legacy organisations to develop high quality homes in areas that people want to live. With an aspiration to build 1,000 new mixed tenure homes every year using the financial capacity of the combined entity to deliver more together.

The development programme focusses on the delivery of properties for affordable rent for which there is a high demand across our geographical area of operation. These will be complemented by a proportion of properties for shared ownership and market sale, with sales proceeds being reinvested back into our properties, services, and regeneration projects.

The Board have a strong commitment to ensuring that our existing properties are maintained to high quality and safety standards whilst balancing the need to invest in new properties to meet the critical shortage of affordable homes in our region. Over the next 10 years we will be investing c£200m through our planned capital programme including replacement bathrooms, kitchens, boilers, and central heating systems with similar spend planned for cyclical maintenance and compliance.

Governance

Code of governance

Accord adopted the National Housing Federation Code of Governance 2015 for the reporting period. An annual assessment of compliance against the Code has been conducted and confirms that Accord complies with all of the requirements of the Code with the exception of provision E4, which requires a formal review of governance to be carried out every three years. This was paused as a result of the decision to merge and is scheduled to commence in September 2021 to assess the new governance arrangements that have been put in place and their effectiveness. Accord is compliant with all other elements of the Code including the provisions in relation to:

- Audit and risk
- Constitution and composition of the Board
- Board skills, renewal and review
- Essential functions of the Board and Chair
- The Chief Executive
- Conduct of members.

Governance and regulatory environment

Accord's regulatory rating of G1:V1 was confirmed in November 2020 as part of the Regulator of Social Housing's stability check following an In-depth Assessment in 2019.

Throughout the merger preparations we maintained open dialogue with the Regulator, sharing progress and financial forecasts. In April 2021, GreenSquareAccord were issued with an interim judgement of G1:V2 demonstrating continued compliance with the regulatory standards. This rating is typical of an ambitious provider with a strong appetite for development. Whilst an element of this development is market facing products, the highest governance rating shows that we have the skills and processes to effectively manage the associated risks.

The annual review of compliance against the Governance and Financial Viability Standard has been carried out. Following the discovery of issues relating to property compliance data, a review is underway by Savills, which will identify whether any breaches of the provisions of the Standard which relate to: adherence with all relevant law and the efficacy of Accord's historic risk management and internal controls assurance framework.

Statement of responsibilities of the Board

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

Co-operative and Community Benefit Society legislation requires the Board to prepare financial statements for each financial year. Under that law the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under the Co-operative and Community Benefit Society legislation the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the association and group for that period. In preparing these financial statements, the Board are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers 2014, 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and association and enable it to ensure that the financial statements comply with 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 (April 2015). It is also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Board and committee membership

Accord is controlled and governed through the Board which comprises the following non-executive members and one executive member. Biographies of our Board and Executives are available on our website www.greensquareaccord.co.uk.

The Accord Board met formally six to eight times a year in addition to strategic planning sessions and a number of training and briefing sessions. Members also attend conferences and training courses where appropriate and where demonstrable added value is achieved. Board also held Away Days, with agendas during 2020-21 focussed on the organisational response to covid and the merger with GreenSquare Group.

The table below sets out the Board Members who served on the Board of Accord for the financial year and their role in chairing committees. Details of the remuneration drawn by members of the Board during the year are set out in Note 6 of the Financial Statements. The total remuneration of non-executive members represents 0.1% (2020:0.1%) of turnover.

Membership Details	Accord Board	Finance, Risk and Audit Committee	Homes and Communities Committee	Care and Support Committee	Remuneration and Nominations Committee
Elisabeth Buggins	Chair/NED				
Jon Crockett	Deputy Chair/NED			Chair	
Simon Eastwood	NED				Chair
Mushtaq Khan	NED		Chair		
Sean Pearce	NED	Chair			
Gabrielle Berring	NED				
Chris Handy	ED				
Ninder Johal	NED				
Stella Layton	NED				
Christina Patterson	NED				
Salma Reehana	NED				

The tenure of one Board Member, Jon Crockitt, was due to end in September 2020 but after seeking legal advice was extended to March 2021 as his role was strategically important in the year. Jon was Chair of the Board Merger Steering Group and Vice Chair of the Treasury Steering Group; 2 sub-committees of the shadow joint Board tasked with overseeing the governance, planning and execution of the merger with GreenSquare.

The table below sets out the Board Members for GreenSquareAccord from 1st April 2021 where following a robust recruitment and selection process, members were appointed from both legacy organisation Boards to ensure the right mix of skills and knowledge of the core activities of the merged entity with the Chief Executive Officer and Deputy Chief Executive Officer also appointed to the Board.

In addition, the committee structure was refreshed to align with the core activities of the merged entity to support the board in the delivery of corporate objectives as well as ensuring focus on key areas of operational and financial performance, risk management and employee relations.

Membership Details	GreenSquare Accord Board	Audit, Risk and Finance Committee	Operations Committee	Care and Support Committee	Remuneration and Nom's Committee	Development and Property Committee
Elisabeth Buggins	Chair/NED					
Robin Bailey	Deputy Chair/NED					
Pablo Andres	NED	Chair				
Mandy Clarke	NED				Chair	
Ruth Cooke	ED					
Simon Eastwood	NED					Chair
Stuart Fisher (resigned 30.07.21)	ED					
Susan Goldsmith	NED			Deputy Chair		
David Greenhalgh	NED		Chair			Deputy Chair
Ninder Johal	NED				Deputy Chair	
Sean Pearce*	NED	Deputy Chair				
Salma Reehana	NED			Chair		

NED – Non-Executive Director

ED – Executive Director

* Stepped-down 31st July 2021, replaced as Deputy Chair of Audit Risk & Finance Committee by Mandy Clarke

Executive team

The Board and all Committees have responsibility for the implementation, monitoring and review of key policies and strategies that are relevant to their area of operation. The respective responsibilities of the Board and Committees are set out in the Standing Orders and Financial Regulations. The Board delegates day to day management of the activities to the Chief Executive and the Executive Management Team who in turn are responsible for ensuring that the organisation has appropriate arrangements in place to meet its objectives and targets.

The Executive Team of Accord who were in post during the financial year is set out on page 3. They each bring a wealth of knowledge and experience in their respective areas of responsibility. The Executive Team was restructured from 1st April 2021; with appointments from both legacy organisations ensuring that local knowledge is retained and new appointments in key roles including Executive Director of Governance and Executive Director of Development to ensure the right mix of skills to drive the organisation forward and achieve the ambitions of the partnership.

Employees

The strength of Accord lies in the quality and commitment of its employees. The ability to meet our business objectives and commitments to customers in an efficient manner depends on the contribution of employees throughout all aspects of the business. Accord is committed to equal opportunities for all employees and will not discriminate against the nine protected characteristics, which are age; being or becoming a transsexual person; being married or in a civil partnership; being pregnant or having a child; disability; race including colour, nationality, ethnic or national origin, religion/belief, or lack of religion/belief; sex and sexual orientation.

The Board conduct an annual review of Equality and Diversity across the whole organisation to identify successes, challenges and future actions including further embedding an inclusive culture, our response to the Black Lives Matter movement and striving to close the gender pay gap. We already have many mechanisms in place to ensure the working environment is free from discrimination, stereotyping or unconscious bias including being a Disability Confident employer, Stonewall Diversity Champions, and have a number of trained Mental Health First Aiders to support colleague's health and well-being.

Accord demonstrates its commitment to equality and fairness in all aspects of employment, including recruitment, career development, training, promotion, and welfare, ensuring that these practices are objective, and free from prejudice, bias, or discrimination. Accord continues to be committed to consulting with employees and keeping them informed on matters affecting them and on the progress of the organisation.

Equality, diversity and inclusion

Accord treats all people fairly and with respect, recognising and responding to their individuality. The Association's policies reflect its commitment to fairness and the value it places on diversity in all aspects of its work. Accord will:

- Focus on the needs of each individual in providing employment, homes and services;
- Listen to and understand our customers, asking people what help, support and/or guidance they feel they need to access our services;
- Ensure staff treat each other and customers with respect to build the trust, care and commitment necessary to deliver an excellent service to all;
- Monitor and demonstrate how successful the Association is in acting fairly, making a difference and in meeting the needs of our local communities;
- Always aim to exceed the requirements of the law and our regulators, as well as adopting a person centred approach;
- Be an excellent organisation, demonstrating accountability and promoting fairness for all.

Modern slavery and human trafficking

Slavery and forced labour can take many forms, including human trafficking and child labour. Accord Housing Association will not tolerate forced labour or child labour in any aspect of our business. We hold ourselves and our supply chains accountable with respect to compliance with the provisions of the Modern Slavery Act 2015 in our work.

Health and safety

The Board acknowledges its duty of care to employees, customers, and residents in respect of all matters relating to health, safety, and the environment. A dedicated team regularly reviews and updates relevant policies and procedures, supervises risk assessments and provides staff with training and support on health and safety issues. During the year, a number of health and safety audits and inspections have been undertaken to ensure compliance with the required standards and legislation is maintained. Following the year-end, asset management data quality issues were identified and were self-reported to the Regulator. A review is underway, and a Building Safety Recovery Plan is being developed to address this as noted under the Key Risk Analysis section of this report.

Accounting policies

The principal accounting policies are set out in note 1 to the Financial Statements. The most critical accounting policies in terms of impact on the financial statements are the treatment of fixed asset component replacements, depreciation, capital grants, capitalisation of interest and development staff costs within housing properties and the treatment of the SHPS pension scheme which was closed to future accrual during the financial year. Where necessary and appropriate accounting policies have been updated to ensure the requirements of the Financial Reporting Standards under FRS 102 are met.

Principal accounting policies have been updated to include significant accounting judgements and estimates that management have made which have the most significant effect on the amounts recognised in the financial statements. Significant judgements relate to the impairment of tangible fixed assets, and the impairment of investments, goodwill, and defined benefit pension liability. Accounting estimates relate to the useful lives of depreciable assets where management reviews its estimate at each reporting date based on the expected utility of the assets, recoverable amounts of rental debtors where provision is made for potential non recovery based on the total amount of former tenant arrears, obligations under defined benefit pension schemes which is provided by the scheme administrator has been formulated based on a series of assumptions as set out in Note 28 to the financial statements and the allocation of costs for mixed tenure developments and shares ownership sales on a basis which management deems appropriate.

There have been no material changes this financial year, however post-merger there will be a full review of accounting policies to be adopted in the ensuing financial year.

Streamlined Energy and Carbon Report (SECR)

The organisation acknowledges that we have an impact on the environment both directly from our business operations and indirectly, through our supply chain and customers. Large UK companies are required to report publicly on their UK energy use and carbon emissions.

Accord were one of the first Housing Associations to start measuring our carbon dioxide (CO_2) emission over 15 years ago and set ourselves the ambitious target to reduce these emissions by 25% by 2020 and were delighted to achieve this in the year. Not only does this dramatically reduce the organisation's environmental impact but more importantly helps to reduce the burden of rising fuels costs for our residents and particularly those in fuel poverty.

We are committed to continually improving our environmental performance and listen and engage a wide range of views so that we can strengthen our environmental credentials and continue to make a positive impact on society. We believe it is best practice to publish our SECR data.

This table provides a baseline carbon footprint for GreenSquareAccord at 1st April. The stock produces on average 2.74 tonnes of CO_2, which is significantly lower than the average UK Household (6 tonnes of CO_2).

In line with best practice, we publish SECR data:

	Total Annual CO2 Emission (tonnes)		
	Accord	**GreenSquare**	**Combined**
Total emission from properties in management	32,213	39,033	71,247
Average emissions per property	2.38	3.12	2.74

The stock that we manage uses the following KWHM2 primary energy use:

	Total Annual CO2 Emission (tonnes)		
	Accord	**GreenSquare**	**Combined**
Property average kWh/m2/year	248	264	254
Total KWHM" used by properties in management in year	3,356,680	3,297,624	6,654,304

Customer involvement

Accord had a number of resident panels who worked independently to hold the association to account on behalf of customers and work with us to improve performance, service delivery and tenant communication. We ran monthly surveys asking customers to give their opinions, feedback and influence policies, procedures, and service standards.

During the financial year, resident groups contributed to the development of the Customer Charter as well as reviews of the Rent Income Service Standard and Repairs Policy. Planned reviews for the coming year include the repairs reporting system, review of the Anti-Social Behaviour Policy and Procedure and review of the Service Charge Policy and Procedure.

We also had several resident groups, supported by the Engagement Team to enable, and empower our residents to work together to improve neighbourhoods and support us to create sustainable and cohesive communities.

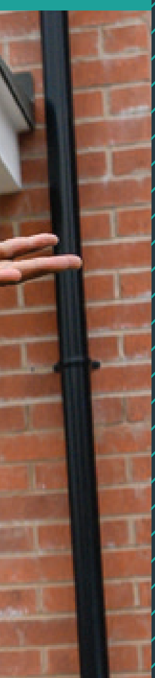
Internal Control

Introduction

The Board has overall responsibility for the system of internal control and for reviewing its effectiveness. Such a system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide the Board with reasonable and not absolute assurance against material misstatement or loss. The Board confirms that there is an ongoing process for identifying, evaluating, and managing the significant risks to the achievement of Accord's strategic objectives. The process has been in place throughout the year to 31 March 2021 and up to the date of approval of the Financial Statements. The effectiveness of this process has been reviewed regularly by the Finance, Risk and Audit Committee which met regularly in 2020-21. The main processes and policies which the Board has established, and which are designed to provide effective internal control, are summarised below.

Internal audit

The Board has delegated responsibility for overseeing the adequacy and effectiveness of the internal control system to the Finance, Risk and Audit Committee. The Internal Audit team reports directly to the Finance, Risk and Audit Committee. A risk-based internal audit plan is prepared and subsequently approved by the Finance, Risk and Audit Committee. The Committee also receives an annual assurance report summarising the audit programme and confirming that a satisfactory internal control system in place. Management assurances are received by the Finance, Risk and Audit Committee to confirm that recommendations have been implemented as agreed. Subsequent internal audit reviews are undertaken to check recommendations have been properly implemented.



External audit

The work of the external auditors provides assurance through the audit process and the provision of an audit strategy, audit report and management letter. Regular meetings are held with the external auditors to provide an update on changes in the business and to discuss strategic and technical matters.

Quality management systems

The quality of Accord's management systems is acknowledged in its review by the Internal Auditor and external accreditations. The Association also complies with a number of other recognised ISO quality management systems.

Regulatory reporting

Accord reports to the Regulator of Social Housing through a range of regulatory returns all of which were submitted on time. The Executive Board ensures that regulatory matters are dealt with promptly and efficiently, co-ordinates the self-monitoring system operated by the Board, and monitors compliance with performance standards.

Performance indicators

Key performance indicator reports are produced regularly and are reported through the Executive and the Board. These reports include performance monitoring on housing management, care quality compliance, maintenance, development, customer satisfaction, staff, and financial results.

Anti-fraud

Accord has a rigorous approach to fraud as set out in the Fraud Strategy and Policy. An annual fraud report is reviewed by the Finance, Risk and Audit Committee. This includes an analysis of the fraud and losses register for the year and how surrounding controls have been improved.

The role of Audit, Risk and Finance Committee

This Committee meets with the members of the Executive team, the internal auditors, and external auditors to review specific reporting and internal control matters and to satisfy itself that the systems are operating effectively. The Committee regularly reviews its terms of reference to ensure they remain relevant and up to date. The Committee also reviews its skillset to ensure membership remains appropriate. The Board receives an annual report from the Chair of the Committee highlighting the work undertaken in the year.

On behalf of the Board, the Audit, Risk and Finance Committee has reviewed the effectiveness of the system of internal control in existence in the Association for the financial year and the period to the date of approval of the financial statements. The Audit, Risk and Finance Committee received the annual report on internal control assurance and have conducted its review of effectiveness of the risk management and control process. A number of internal audit reviews have been undertaken in accordance with the approved Internal Audit Plan approved by the Audit, Risk and Finance Committee on behalf of the Board. No weaknesses were found in internal controls which resulted in material losses, contingencies, or uncertainties, which require disclosure in the financial statements or in the external auditors' report on the financial statements.

The discovery of issues relating to asset management data quality has revealed weaknesses in internal controls which are currently being reviewed. A report has been commissioned by Savills to identify the root cause of the issues and GreenSquareAccord's internal controls and assurance frameworks will be reviewed and updated in light of any findings.

Going Concern

The organisations business activities, its current financial position, and factors likely to affect its future development are set out within the Strategic Report above. In making its judgement on the future viability of the organisation, the Board has carried out a review of the impact of the coronavirus and other operating and financial pressures on our business activities and how the measures planned and already implemented will protect financial viability. The organisation has proactively managed the impact on the organisation. The Executive Management Team led the organisation through the pandemic, co-ordinating planning, information gathering and decision making, and the Board maintain oversight throughout.

The Board have reviewed cash flow forecasts for GreenSquareAccord, prepared on the combined entity for at least 12 months from the date of these financial statements (the going concern period).

The Board have considered the impact on each business activity as part of their assessment and are confident that services are well managed and continue to make positive contributions to the organisation. We have robust cash flow management processes in place, have a Board approved combined financial plan and updated our Treasury Management policy including financial golden rules which ensure that we always maintain sufficient liquidity levels and headroom against funder covenants. The financial plan has been subject to a number of severe multi-variant stress testing scenarios surrounding the economic, operational and housing market impacts and the mitigating actions that could be taken to ensure the Association remains within existing cash facilities and covenants, if required.

In making their assessment, the Board has undertaken a detailed review of the future plans of GreenSquareAccord, liquidity levels, the financial plan outputs, stress testing and risk mitigations. The organisation has adequate cash to more than meet its obligations, always remain compliant with funders covenants, and manage its financial and operational risk for the foreseeable future, which is at least 12 months from the signing of the financial statements. It has therefore concluded that the organisation is a going concern and have prepared these financial statements on that basis.

Response To Covid-19

On 11th March, the World Health Authority declared the outbreak of coronavirus, also known as Covid-19 to be a pandemic due to its severity and the number of countries with confirmed cases. Accord acknowledged at a very early stage that this could have an impact on the organisation and that due to the diverse nature of our services, the risks would be evolving and changeable.

A "covid-19" specific risk register was developed and maintained to manage the on-going risks of the pandemic on our business activities. The financial impact was also closely monitored, and we accessed Government support schemes such as the Infection Protection Control fund to off-set additional costs such as PPE in as far as was possible.

The resulting national, local, and tiered lockdowns and social distancing measures have impacted on the way our business operates with many office-based colleagues working at home, new working practices adopted across our front-line services and safety procedures and equipment put in place to protect our customers and staff. For the majority of the year, we focussed on the delivery of our core housing and care and support services and adapted our development and LoCaL Homes production programmes accordingly.

The maintenance service focussed on emergency repairs and landlord health and safety compliance such as gas servicing to limit unnecessary contact with our residents. This led to a backlog of non-urgent repairs towards the end of the financial year due to the prolonged lockdown post-Christmas. As restrictions eased more recently, we now feel able to undertake the catch up works and have engaged a third-party contractor to expedite the programme.

Our LoCaL Homes factory was repurposed as a PPE distribution centre, ensuring that necessary safety supplies were efficiently procured and distributed across our services and Public Health England guidance was adhered to. The factory also designed and manufactured "pods" which allowed families to safely visit our care scheme residents in line with government guidelines.

Auditors

A resolution for the re-appointment of BDO LLP as auditors of Accord Housing Association will be proposed at the 2021 Annual General Meeting. On behalf of the Board

Elisabeth Buggins (Chair)
5th August 2021

Sophie Atkinson (Executive Director of Governance and Company Secretary)
5th August 2021

Independent Auditor's Report to the members of Accord Housing Association Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2021 and of the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014.

We have audited the financial statements of Accord Housing Association Limited ("the Association") for the year ended 31 March 2021 which comprise the Association statement of comprehensive income, the Association statement of financial position, the Association statement of changes in Reserves 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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the board members' 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 twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Co-operative or Community Benefit Societies Act 2014 to report to you if, in our opinion:

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements;
- adequate accounting records have not been kept by the Association; or
- a satisfactory system of control has not been maintained over transactions; or
- the Association financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the board

As explained more fully in the board members responsibilities statement, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members 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 are 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 either intend 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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 made enquiries of management and the Finance, Risk and Audit Committee. This included the following:

- how they have identified, evaluated, and complied with laws and regulations and whether they were aware of any instances of non-compliance;
- their process for detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud; and
- which internal controls have been established to mitigate risks related to fraud or non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Association. These include, but are not limited to, compliance with Co-operative and Community Benefit Society Act 2014, United Kingdom Generally Accepted Accounting Practice, and relevant tax legislation.

In addition, the Association is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law and data protection. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Those Charged with Governance and other management and inspection of regulatory and legal correspondence if any.

We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including revenue recognition and the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Audit response to risks identified

- We reviewed the financial statement disclosures and sample tested to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- We made enquiries of the Finance, Risk and Audit Committee and management;
- We reviewed the internal audit findings reports issued to the Finance, Risk and Audit committee for any findings that would impact our risk assessment;
- We reviewed the Fraud log submitted to the Finance, Risk and Audit Committee which includes instances of fraud and non-compliance with laws and regulations and we read minutes of meetings of those charged with governance; and
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; considered completeness of related party transactions; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business;

Auditor's responsibilities for the audit of the financial statements

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the members of the Association, as a body, in accordance with 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Kyla Bellingall
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Kyla Bellingall (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor
Two Snowhill, Birmingham, B4 6GA

11 August 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income

for the year ended 31 March 2021

	Note	2021 £000s	2020 £000s
Turnover	2	130,646	124,958
Operating expenditure	2	(106,228)	(98,787)
Gain on disposal of property, plant and equipment	4	657	4,624
Gain on disposal of tangible fixed assets	4	-	516
Operating surplus		**25,075**	**31,311**
Interest receivable		30	119
Interest and financing costs	5	(16,891)	(17,485)
Surplus before tax	**8**	**8,214**	**13,945**
Taxation	9	-	-
Surplus for the year		**8,214**	**13,945**
In year actuarial movement of pension scheme	28	(6,171)	7,245
Total comprehensive income for the year		**2,043**	**21,190**

The results for both years are wholly attributable to continuing activities. The notes on pages 48 to 79 form part of these financial statements.

These financial statements were approved by the Board of Directors on 5th August 2021 and signed on its behalf by:

Elisabeth Buggins
Chair

Ruth Cooke

Ruth Cooke
Board Member

Sophie Atkinson
Secretary

Statement of Financial Position

as at 31 March 2021

	Note	2021 £000s	2020 £000s
Fixed Assets			
Tangible fixed assets - housing properties	10a	944,558	920,378
Tangible fixed assets - other	12	9,246	8,803
Intangible fixed assets	11	16,613	18,444
Investments	13	55	59
		970,472	**947,684**
Current Assets			
Properties held for sale	14	5,753	369
Stock and work in progress	15	2,597	1,790
Trade and other debtors	16	18,230	19,161
Cash and cash equivalents		28,841	44,707
		55,421	**66,027**
Creditors: Amounts falling due within one year	17	(49,683)	(59,666)
Net Current Assets		5,738	6,361
Total Assets less Current Liabilities		**976,210**	**954,045**
Creditors: Amounts falling due after more than one year	18	(791,582)	(776,585)
Net pension liability	28	(9,818)	(4,909)
Provisions for liabilities	22	(379)	(163)
Total Net Assets		**174,431**	**172,388**
Capital & Reserves			
Called up share capital		-	-
Revenue reserves		174,431	172,388
		174,431	**172,388**

The notes on pages 48 to 79 form part of these financial statements.

These financial statements were approved by the Board of Directors on 5th August 2021 and signed on its behalf by:

Elisabeth Buggins
Chair

Ruth Cooke
Board Member

Sophie Atkinson
Secretary

Statement of Changes in Reserves

as at 31 March 2021

	Income and expenditure reserve £000s
At 1 April 2019	151,198
Surplus for the year	13,945
In year actuarial movement of pension scheme	7,245
As at 31 March 2020	**172,388**
At 1 April 2020	172,388
Surplus for the year	8,214
In year actuarial movement of pension scheme	(6,171)
As at 31 March 2021	**174,431**

The notes on pages 48 to 79 form part of these financial statements.

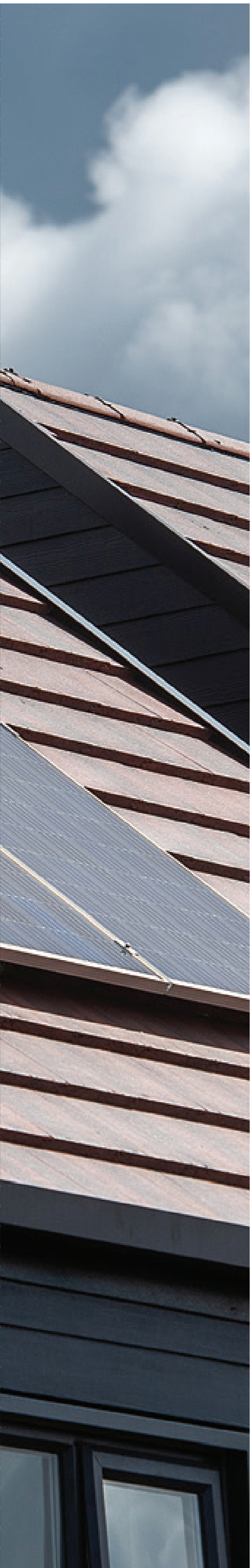
Statement of Cash Flows

for the year ended 31 March 2021

	Note	2021 £000s	2020 £000s
Net cash generated from operating activities	30a	**41,204**	**33,646**
Cash flow from investing activities			
Purchase of tangible fixed assets - housing properties		(28,944)	(48,397)
Purchase of tangible fixed assets - other		(1,845)	(2,186)
Purchase of intangible fixed assets		(316)	(600)
Proceeds from sale of tangible fixed assets		2,069	11,684
Investments		4	4
Stock		(6,191)	402
Grants received		14,795	14,954
Interest received		30	119
		(20,398)	**(24,020)**
Corporation tax paid		-	-
Cash flow from financing activities			
Interest paid		(19,937)	(19,100)
New secured loans		70,000	74,500
Repayments of borrowings		(86,505)	(39,531)
		(36,442)	**15,869**
Net change in cash and cash equivalents		**(15,636)**	**25,495**
Cash & cash equivalents at beginning of the year		44,477	18,982
Cash & cash equivalents at end of the year	30b	**28,841**	**44,477**

The notes on pages 48 to 79 form part of these financial statements.

Notes to the Financial Statements



1. Principal Accounting Policies

Legal Status

The association is registered under the Co-operative and Community Benefit Societies Act 2014 and is a registered housing provider.

Basis of Accounting

The financial statements have been prepared in accordance with applicable UK Generally Accepted Accounting Practice (UK GAAP), including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019.

As at 31st March 2021 Accord Group Treasury Limited is the only remaining operational subsidiary of Accord Housing Association Limited. The activities of this subsidiary are such that there would be no difference between the figures as presented in the financial statements for the association and the financial statements for the consolidated group and as such group accounts have not been prepared.

Public Benefit Entity

The association is a Public Benefit Entity, as defined within FRS 102 as "an entity whose primary objective is to provide goods or services for the general public, community or social benefit and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members."

Going Concern

The accounts have been prepared on a going concern basis.

The Board have reviewed cash flow forecasts, updated for the likely impact of Covid-19, the 12 months from the date of these financial statements (the going concern period).

The Board have considered the impact on each business activity as part of their assessment and are confident that services are well managed and continue to make positive contributions to the organisation. We have robust cash flow management processes in place, have a Board approved combined financial plan and updated our Treasury Management Policy including financial golden rules which ensure that we maintain sufficient liquidity levels and headroom against funders covenants at all times. The financial plan has been subject to a number of severe multi-variant stress testing scenarios surrounding the economic, operational and housing market impacts and the mitigation actions that could be taken to ensure the association remains within existing cash facilities and convenants, if required.

We have a portfolio of housing assets which provide a secure income stream and long-term debt facilities in place to fund our committed reinvestment and development programme. Our care activities are diversified and built on strong, well established relationships with Local Authorities.

Accord has liquid cash of £28.8m at the year end plus additional liquidity from secured borrowing facilities. Post merger on the 1st April, the combined partnership had over £130m liquid cash including amounts on deposit, undrawn secured facilities and agreed additional revolving credit facilities of £110m as part of the funder consent process.

In making their assessment, the Board has undertaken a detailed review of the future plans of GreenSquareAccord, liquidity levels, the financial plan outputs, stress testing and mitigations. The organisation has adequate cash to more than meet its obligations, remain compliant with funders covenants at all times and manage its financial and operational risk for the foreseeable future, which is at least 12 months from the signing of the financial statements. It has therefore concluded that the organisation is a going concern and has prepared these financial statements on that basis.

Turnover and Revenue Recognition

Turnover represents rental and service charge income receivable, fees receivable, revenue grants from other public authorities and sale proceeds from first tranche shared ownership sales. Income is recognised from the point when properties are first let, net of any voids. Income from first and subsequent tranches sales, and properties built for sale is recognised at the point of legal completion of the sale. Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met. Charges for care and support services funded are recognised as they fall due under contractual arrangements.

Value Added Tax

The Association is Value Added Tax (VAT) registered. It is able to recover part of the VAT it incurs on expenditure, using a partial recovery calculation mechanism. The financial statements include VAT to the extent that it is suffered by the association and is not recoverable from HM Revenue and Customs. The balance of VAT payable at the year-end is included as a current liability in the accounts.

Taxation

Current tax is recognised for the amount of income tax payable in respect to the taxable surplus for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Pension Costs

The Association primarily operates a defined contribution pension scheme, the costs of which are written off to the Income & Expenditure account in the period in which they are incurred.

Until 31 May 2020 there were a limited number of employees who participated in the Social Housing Pension Scheme (SHPS), a multi employer defined benefit scheme to which the Association contributed. From that point the scheme was closed to future accrual.

Current service costs and costs from settlements and curtailments are charged against operating surplus. Past service costs are spread over the period until the benefit increases. Interest on the scheme liabilities and the expected return on scheme assets are included net in other finance costs/income. Actuarial gains and losses are reported in the statement of comprehensive income.

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality bond rates. The net deficit is presented separately from other assets on the statement of financial position. A net surplus is recognised only to the extent that it is recoverable by the Association.

Sale of Housing Properties

Where properties built for sale are disposed of during the year, the disposal proceeds are included in turnover, and the attributable costs included in cost of sales. The surplus or deficit on disposal of housing properties held as fixed assets, including second or subsequent tranches of shared ownership properties, is accounted for in the statement of comprehensive income. Where any Social Housing Grant (SHG) is to be recycled or repaid is less than the SHG relating to the disposal, the difference is treated as abated SHG and included as a component of the surplus or deficit on disposal.

Housing Properties, Impairment and Property Improvements

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation and impairment losses.

The cost of such properties include:

- Costs of acquisition, including stamp duty
- Construction costs
- Cost of capitalised interest during the development period
- Directly attributable administration costs

Directly attributable administration costs are the labour costs arising from acquisition or construction, and the incremental costs which would have been avoided only if the property had not been constructed or acquired.

Stock acquired from other Housing Providers is recognised at cost at the point of acquisition and any related grant is recorded within deferred grant liabilities.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

The association separately identifies the major components which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component on a straight line basis over its useful economic life.

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to changes to decent homes standards which may require more frequent replacement of key components. Accumulated depreciation as at 31 March 2021 was £103.2m.

Building	125 years
Kitchen	20 years
Bathroom	30 years
Boiler & central heating	20 years
Windows and doors	35 years
Lifts (where applicable)	30 years

Freehold land is not depreciated.

Leasehold properties are amortised over the life of the lease or the useful economic life, whichever is the shorter.

The association reviews its properties for indicators of impairment on an annual basis. Where such indicators are identified, an assessment for impairment is undertaken comparing the schemes carrying value to its recoverable amount. Where the carrying value is deemed to exceed the recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure.

Properties For Sale

Expenditure on shared ownership properties is split proportionally between current and fixed assets based on the element relating to first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds are included in turnover, and the remaining element is classed as a fixed asset and is included in housing properties at cost, less any provision of depreciation or impairment. Further details are set out in note 13.

Capitalisation of Interest Costs

Interest on borrowings is charged to housing properties under construction up to the date of completion of each scheme. The interest charged is either on borrowing specifically for a scheme or net borrowings, to the extent that they are deemed to be financing a scheme based on the weighted average cost of capital. This treatment applies irrespective of the original purpose for which the loan was raised. Further details are set out in note 5.

Other interest payable is charged to income and expenditure in the year.

Intangible Fixed Assets and Goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill represents the excess of the fair value of the consideration over the fair value of the assets, liabilities and contingent liabilities acquired on acquisition of subsidiaries. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable.

Goodwill is stated at cost less accumulated amortisation and impairment losses. The estimated useful life of goodwill is between 10 and 20 years.

Other intangibles assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to the consolidated statements of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Customer contracts	10 - 20 years
Computer software	4 years

The association reviews its intangible fixed assets and goodwill for indicators of impairment on an annual basis. Where such indicators are identified the resulting impairment is recognised as operating expenditure.

Donated Land

Land donated by local authorities and others is added to cost at the fair value of the land at the time of the donation. Where the land is not related to specific development and is donated by a public body an amount equivalent to the increase in value between fair value and consideration treated as non-monetary government grant and recognised on the statement of financial position as deferred income within liabilities. Where the donation is from a non-public source, the value of the donation is included as income. Other fixed assets and depreciation

Other tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged on a straight-line basis over the expected useful economic lives of fixed assets to write off the cost less estimated residual value. The estimated useful economic life for each component is as follows:

Freehold offices	50 years
PODS	10 years
Furniture and equipment	6 years
Computer equipment	4 - 6 years
Leasehold improvements	In accordance with lease term
Plant and machinery	7 - 15 years

Gains or losses arising on the disposal of other tangible fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the surplus/deficit for the year.

Stock and work in progress

Stock and work in progress is measured at the lower of cost and estimated selling price less costs to complete and sell.

Debtors

Short term debtors are measured at the transaction price, less any impairment.

Where deferral of payment terms have been agreed at below market rate, and where material, the balance is shown at the present value, discounted at a market rate.

Creditors

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

Government Grants

Government grants include grants receivable from Homes England, local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure under the accruals model.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once reasonable assurance has been gained that the association will comply with the conditions and that the funds will be received.

Government grants released on the sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in income and expenditure.

Recycled Capital Grant Fund

Grants repayable on property disposals are calculated in accordance with relevant Homes England procedures and included within a recycled capital grant fund. Interest is credited to the fund and calculated on a daily basis with the interest rate being determined by the level of total deposits.

The fund can be used in the same manner as a new project funded with social housing grant with certain permitted uses. It is intended to use the fund in the provision of either new social housing for rent and/or housing for sale on shared ownership terms or to supplement the major repair programme. Grants are repayable in certain specific circumstances including where the Homes England concludes that the Association is unlikely to use the fund for a permitted purpose within three years. The fund is included within long term creditors.

Other Grants

Grants relating to revenue are recognised in income and expenditure using the performance method, over the same period as the expenditure to which they relate once reasonable assurance has been gained that the association will comply with the conditions and that the funds will be received.

During the year, other grants were receivable from Local Authorities and other organisations. In response to Covid-19, Governement support grants including Infection Protection Control and the Coronavirus Job Retention Scheme have been credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate.

Other Long Term Creditors

Other long term creditors include the costs of arranging long term funding. These amounts are amortised over the period of the underlying financial instrument. Loan termination costs are charged to the statement of comprehensive income in the year in which they are incurred.

Provisions for Liabilities

Provision are recognised when:

- There is a present obligation as a result of a past event;
- It is probable the association will be required to settle the obligation; and
- A reliable estimate of the obligation can be made.

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

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

The association recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured as the salary cost payable for the period of absence.

Financial Instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model.

Where the association holds non-basic financial instruments they are recognised using a valuation technique with any gains or losses being reported in the statement of comprehensive income.

Impairment

Each year the association assesses whether there are any potential indications of impairment and if any such indication is identified, undertakes an impairment review. As part of this review the Depreciated Replacement Cost (DRC) is used to determine whether an impairment is required on housing property fixed assets. Using the DRC method, impairment is calculated, assessed and determined at scheme level using appropriate construction costs and land prices. This is considered to be the best estimate of the recoverable amount. Comparing this to the carrying value of each scheme, an impairment provision as calculated. Other categories of assets and investments, where applicable, are also subject to an annual impairment review. Management recommends no provision for impairment in the current financial year.

Significant Management Judgements

The following are the significant management judgements made in applying the accounting policies of the Association that have the most significant effect on the financial statements.

Impairment: Housing Property Fixed Assets

Accord completed its annual impairment review on housing property fixed assets. The depreciated replacement cost (DRC) method was applied to each social housing property scheme using appropriate construction costs and land prices. The resulting information was then compared to the carrying amount of each scheme. No impairment was identified.Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the association. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

Impairment: Investment, Goodwill and Intangibles

Accord completed its annual review over the investment, goodwill and intangibles associated with the acquisition of Direct Health Group Limited. The review takes account of current and future business and financial performance, and the longevity of existing contractual arrangements with local authority commissioning partners. The review also considers the operating environment and marketplace in which Direct Health operates. No impairment was identified.

Estimation Uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different. The following are estimates made in applying the accounting policies of the Association that have the most effect on the financial statements.

Recoverable Amounts of Rental and Other Trade Receivables

The recoverable amounts of rental and other trade receivables are reviewed regularly by management and appropriate provisions calculated for potential non recovery. The provision for rental debtors is based on the level of arrears owing by former tenants, other trade debtors is based on managements view of the recoverability of the debt outstanding.

Obligations Under Defined Benefit Pension Schemes

The defined benefit accounting liability for the SHPS pension scheme has been provided by the scheme administrator, The Pensions Trust (TPT). The accounting liability has been formulated based on a series of assumptions which are set our in Note 28 to the financial statements. TPT provide a standard set of assumptions which it deems are appropriate, however, these are adjustable by individual providers to meet their own circumstances. The standard assumptions have been adopted by the Association as they are judged to be appropriate and reasonable. If the discount rate was lower, and/or the inflation rates and life expectancy rates were higher, then the liability would increase. Conversely, if the discount rate was higher, and/or the inflation rates and life expectancy rates were lower, then the liability would decrease.

Allocation of Costs for Mixed Tenure Developments and Shared Ownership Sales

Costs relating to mixed tenure developments and shared ownership sales are apportioned on a basis that management deems to be appropriate and can be calculated on unit basis or floor area basis.

Useful Lives of Depreciable Assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to changes to decent homes standards which may require more frequent replacement of key components.

2. Particulars of Turnover, Cost Of Sales, Operating Costs and Operating Surplus

		2021			2020		
	Note	Turnover £000	Cost of Sales/ Operating Costs £000	Operating Surplus / (Deficit) £000	Turnover £000	Cost of Sales/ Operating Costs £000	Operating Surplus / (Deficit) £000
Social housing lettings	3	**81,003**	**(55,691)**	**25,312**	**78,113**	**(51,416)**	**26,697**
Other social housing activities:							
Supporting people		1,272	(1,397)	(125)	1,344	(1,410)	(66)
1st tranche shared ownership sales		440	(383)	57	175	(151)	24
Management administration		646	(964)	(318)	715	(951)	(236)
Other income		181	(7)	174	401	(307)	94
		2,539	**(2,751)**	**(212)**	**2,635**	**(2,819)**	**(184)**
Non social housing activities		47,104	(45,263)	1,841	44,210	(42,886)	1,324
Amortisation of intangible assets		-	(1,666)	(1,666)	-	(1,666)	(1,666)
Merger costs		-	(857)	(857)	-	-	-
Non social housing activities		**47,104**	**(47,786)**	**(682)**	**44,210**	**(44,552)**	**(342)**
Total		**130,646**	**(106,228)**	**24,418**	**124,958**	**(98,787)**	**26,171**

Government grants included in social housing lettings turnover are : Infection Protection Control £1,451k (2020: nil) and Coronavirus Job Retention Scheme £348k (2020 : nil).

Government grants included in non-social housing activities turnover are : Infection Protection Control £1,427k (2020: nil) and Coronavirus Job Retention Scheme £395k (2020 : nil).

3. Particulars of Income and Expenditure from Social Housing Lettings

	General Needs Housing £000	Supported Housing £000	Residential Care Homes £000	Low Cost Home Ownership £000	2021 Total £000	2020 Total £000
Rent receivable net of identifiable service charges	44,417	7,144	879	1,308	53,748	52,423
Service charge income	3,265	4,661	3,714	1,021	12,661	12,627
Charges for support services	3	3,108	8,486	-	11,597	10,435
Amortised government grant	1,992	563	32	61	2,648	2,628
Revenue Grant	-	-	349	-	349	-
Turnover from social housing lettings	**49,677**	**15,476**	**13,460**	**2,390**	**81,003**	**78,113**
Management	4,725	376	188	344	5,633	5,373
Service charge costs	3,233	4,703	3,518	1,019	12,473	12,127
Care & support	-	3,364	9,728	-	13,092	10,944
Routine maintenance	8,167	1,222	226	442	10,057	9,433
Planned maintenance	4,951	223	42	371	5,587	4,751
Bad debts	305	89	-	-	394	498
Depreciation of housing properties	6,669	1,458	207	121	8,455	8,290
Operating costs on social housing lettings	**28,050**	**11,435**	**13,909**	**2,297**	**55,691**	**51,416**
Operating surplus on social housing lettings	**21,627**	**4,041**	**(449)**	**93**	**25,312**	**26,697**
Void losses	618	1,016	15	-	1,649	1,225

4. Surplus on Disposal Of Property, Plant and Equipment

	Operational		Non-Operational	
	2021	2020	2021	2020
	£000	£000	£000	£000
Disposal proceeds	2,594	11,616	-	1,285
Carrying value of fixed assets	(1,323)	(5,798)	-	(520)
Incidental sale expenses	(525)	(968)	-	(249)
Grant abated	-	104	-	-
Amortised capital grant recycled	(89)	(330)	-	-
	657	**4,624**	**-**	**516**

5. Interest and Financing Costs

	2021	2020
	£000	£000
Interest on loans	17,992	18,418
Defined benefit pension charge	100	288
Other interest payable and similar charges	856	759
Merger costs	483	-
Interest payable capitalised on housing properties under construction	(2,540)	(1,980)
	16,891	**17,485**

Interest was capitalised at an average rate of 3.72%% (2020: 3.65%).

6. Board Members and Executive Directors

The emoluments of the Executive Directors were:

	Salary £000	Benefits £000	Pension £000	2021 Total £000	2020 Total £000
Chief Executive Chris Handy	188	2	40	230	224
Chief Finance Officer & Deputy Chief Executive Stuart Fisher	148	-	18	166	152
Executive Director of Care and Support Maxine Espley	169	-	18	187	175
Executive Director of Communities Sara Woodall	130	18	18	166	139
Acting Executive Director - Regeneration Mark Patchitt (from 01/06/2020)	107	-	15	122	-
Deputy Chief Executive Alan Yates (to 31/05/2020)	23	95	3	121	161
	765	**115**	**112**	**992**	**851**

The benefits stated for the Deputy Chief Executive include £82k, (2019 £nil) relating to compensation for loss of office and payment in lieu of notice. £9k of which was paid into the Aegon pension scheme via the employers contributions as agreed.

For the purposes of this note, Directors are defined as members of the Board of Management and the Executive Board. The above emoluments are in respect of Director's services in connection with the affairs of the Association.

The Chief Executive is an ordinary member of the Social Housing Pension Scheme. No enhanced of special terms apply to his membership and he has no other pension arrangements to which the Association contributes.

The Chief Finance Officer and Executive Director of Communities are members of Aegon (a salary sacrifice pension scheme). The Executive Director of Care & Support and Acting Executive Director of Regeneration are members of the Social Housing Pension Scheme.

During the year, 25 members of the Board of Management and Committees of the Board received emoluments totalling £124,750 (2020: £126,227) of which 16 members are active and still serving as at 31 March 2021. Members of the Board of Management were remunerated as follows:

	2021 £000	2020 £000
Elisabeth Buggins CBE (Chair)	17	17
Jon Crockett (Deputy Chair)	10	10
Andrew Cardoza	-	6
Andrew Potter	-	4
Christina Patterson	7	4
Gabrielle Berring	7	8
Mushtaq Ahmed-Khan	9	9
Ninder Johal	7	7
Salma Reehana	7	-
Sean Pearce	9	4
Simon Eastwood	9	9
Stella Layton	7	7
Stephen Gabriel	-	4
Titilola Abuda	-	3

7. Employee Information

	2021 Number	2020 Number
Average number of employees expressed as full time equivalents	2,461	2,378

A full time equivalent employee is classified as working a fully contracted 35 hour week.

Staff Costs (For the above persons)	2021 £000	2020 £000
Wages & salaries	60,046	53,904
Social security costs	3,868	3,380
Other pension costs	2,148	2,220
	66,062	**59,504**

The pension cost charge represents contributions payable to the pension fund.

Salary banding for all employees earning over £60,000 (including salaries, performance related pay, benefits in kind and compensation for loss of office & pension contributions):

	Executive Staff and Senior Management	
Salary Range	2021 Number	2020 Number
£220,001 to £230,000	1	-
£210,001 to £220,000	-	-
£200,001 to £210,000	-	1
£190,001 to £200,000	-	-
£180,001 to £190,000	1	-
£170,001 to £180,000	-	1
£160,001 to £170,000	2	1
£150,001 to £160,000	-	1
£140,001 to £150,000	-	-
£130,001 to £140,000	-	1
£120,001 to £130,000	2	-
£110,001 to £120,000	-	-
£100,001 to £110,000	1	-
£90,001 to £100,000	7	3
£80,001 to £90,000	3	2
£70,001 to £80,000	7	7
£60,001 to £70,000	11	5
	35	**22**

8. Operating Surplus

	2021 £000	2020 £000
The operating surplus is arrived at after charging/(crediting):		
Depreciation of housing properties (note 3)	8,455	8,290
Depreciation of social/non nocial housing	106	105
Less: write off component disposals/increased on disposals	(124)	(224)
Depreciation charge (note 10a)	**8,437**	**8,171**
Depreciation of other tangible fixed assets (note 12)	1,391	1,242
Amortisation of intangible fixed assets (note 11)	2,147	2,135
Auditor's remuneration (excluding VAT)		
Fees payable for the audit of the financial statements	75	60
In respect of other services	20	16
Operating lease payments	2,145	2,127
Repairs and maintenance expenditure	15,644	14,184

9. Taxation On Surplus On Ordinary Activities

The Association has charitable status and is therefore exempt from Corporation Tax on income and gains to the extent that these are derived from it's charitable objectives.

10a. Fixed Assets - Housing Properties

	Housing properties held for lettings £000	Housing properties under construction £000	Shared ownership housing properties £000	Shared ownership housing properties under construction £000	Total £000
Cost:					
At 1 April 2020	919,387	61,167	28,248	7,065	1,015,867
Works to existing properties	6,490	26,482	-	6,407	39,379
Schemes completed	23,825	(23,825)	-	-	-
Transfer to stock	-	-	-	(5,365)	(5,365)
Change of tenure	109	-	(61)	-	48
Disposals	(1,674)	-	(470)	-	(2,144)
At 31 March 2021	**948,137**	**63,824**	**27,717**	**8,107**	**1,047,785**
Depreciation:					
At 1 April 2020	93,074	-	2,415	-	95,489
Depreciation charged in the year	8,289	-	148	-	8,437
Released on disposal	(648)	-	(51)	-	(699)
At 31 March 2021	**100,715**	**-**	**2,512**	**-**	**103,227**
Net book value:					
At 31 March 2021	**847,422**	**63,824**	**25,205**	**8,107**	**944,558**
At 31 March 2020	826,313	61,167	25,833	7,065	920,378

10b. Fixed Assets - Housing Properties

	2021	2020
	£000	£000
Expenditure on works to existing properties		
Components capitalised/improvements	6,490	4,889
Amounts charged to the statement of comprehensive income	15,644	14,184
	22,134	**19,073**
Housing properties net book value		
Freehold land and buildings	900,718	875,735
Leasehold land and buildings	43,840	44,643
Total net book value	**944,558**	**920,378**
Finance Costs		
Aggregate amount of finance costs included in the cost of housing properties	25,921	23,381

To date this represents 2.46% (2020: 2.30%) of total housing property fixed asset costs.

Social housing assistance

Total accumulated social housing grant received or receivable at 31 March:

	2021	2020
Capital grant	322,973	310,464
Revenue grant	42,389	39,787
Total net book value	**365,362**	**350,251**

Impairment

The Association considers individual schemes to be separate Cash Generating Units (CGU's) when assessing for impairment, in accordance with the requirements of FRS 102 and the Housing SORP 2018.

During the current year the Association have identified no impairment losses.

Assets Pledged as Security

Tangible fixed assets with a carrying value of £815,745k (2020: £786,425k) are pledged as security for the Association's loans.

11. Intangible Fixed Assets

	Computer software £000	Goodwill £000	Intangible assets - customer contracts £000	Total £000
Cost				
At 1 April 2020	2,171	30,838	3,612	36,621
Additions for the year	316	-	-	316
At 31 March 2021	**2,487**	**30,838**	**3,612**	**36,937**
Amortisation				
At 1 April 2020	1,144	15,788	1,245	18,177
Charge for the year	481	1,425	241	2,147
At 31 March 2021	**1,625**	**17,213**	**1,486**	**20,324**
Net book value				
At 31 March 2021	**862**	**13,625**	**2,126**	**16,613**
At 31 March 2020	1,027	15,050	2,367	18,444

12. Other Tangible Fixed Assets

	Freehold offices £000	Plant and machinery £000	Furniture fixtures and fittings £000	Total £000
Cost				
At 1 April 2020	5,942	724	17,532	24,198
Additions	300	(6)	1,551	1,845
Disposals	-	-	(35)	(35)
At 31 March 2021	**6,242**	**718**	**19,048**	**26,008**
Depreciation				
At 1 April 2020	1,911	195	13,289	15,395
Charged in the year	130	43	1,218	1,391
Released on disposal	-	-	(24)	(24)
At 31 March 2021	**2,041**	**238**	**14,483**	**16,762**
Net book value				
At 31 March 2021	**4,201**	**480**	**4,565**	**9,246**
At 31 March 2020	4,031	529	4,243	8,803

13. Investments

	2021 £000	2020 £000
Investment at 1 April	59	63
Repaid during the year	(4)	(4)
Investments at 31 March	**55**	**59**

14. Properties Held For Sale

	2021 £000	2020 £000
Properties for sale - completed	388	369
Properties for sale - under construction	5,635	-
	5,753	**369**

15. Stock And Work In Progress

	2021 £000	2020 £000
Covid 19 stock	347	71
Raw materials	350	229
Finished goods	1,900	1,490
	2,597	**1,790**

16. Trade and Other Debtors

	2021 £000	2020 £000
Rent and service charges receivable	4,786	4,216
Less: provision for bad and doubtful debts	(2,208)	(2,266)
Net rent arrears	**2,578**	**1,950**
Social housing grant receivable	517	1,090
Prepayments and other debtors	15,135	16,121
	18,230	**19,161**

17. Creditors: Amounts Falling Due Within One Year

	2021 £000	2020 £000
Loans (note 19)	13,144	33,550
Bank overdraft	-	230
Trade creditors	13,434	9,473
Rents and service charges received in advance	2,903	2,312
Other taxation and social security costs	950	873
Deferred capital grant (note 20)	2,709	2,645
Recycled capital grant (note 21)	2,862	2,376
Other creditors	10,814	5,054
Accruals and deferred income	2,867	3,153
	49,683	**59,666**

18. Creditors: Amounts Falling Due After More Than One Year

	2021 £000	2020 £000
Loans (note 19)	469,340	465,977
Recycled Capital Grant (note 21)	1,979	2,789
Deferred capital grant (note 20)	320,263	307,819
	791,582	**776,585**

19. Loan Analysis

	2021 £000	2020 £000
Due within one year		
Bank loans	13,144	33,550
Due after more than one year		
Bank loans	474,191	470,291
Premium on THFC loans	618	652
	474,809	**470,943**
Less: Issue costs	(5,469)	(4,966)
	469,340	**465,977**

Security

The loans are secured by specific charges on the association's housing properties.

Terms of repayment and interest rates

Bank and other loans are repayable in instalments, at rates of interest between 0.27% and 11.48%. The final instalments fall to be repaid between 2021 and 2058.

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	2021 £000	2020 £000
Within one year or on demand	13,144	33,550
One year or more but less than two years	36,126	13,517
Two years or more but less than five years	67,678	100,808
Five years or more	370,387	355,966
	487,335	**503,841**
Weighted average interest rate (%)	3.72	3.65
Weighted average time for which rate is fixed (years)	16.26	13.02

As at 31 March 2021 the Association has undrawn loan facilities of £38.1m (2020: £89.1m).

20. Deferred Capital Grant Income

	2021 £000	2020 £000
Balance at 1 April	310,464	302,047
Received in the year	15,635	13,135
Repaid/ abated on disposals	(524)	(2,378)
Released to income in the year	(2,602)	(2,340)
Balance at 31 March	**322,973**	**310,464**
Amounts to be released within one year	2,709	2,645
Amounts to be released in more than one year	320,264	307,819
	322,973	**310,464**

21. Recycled Capital Grant Fund

	2021 £000	2020 £000
Balance at 1 April	5,165	2,866
Grants recycled	524	2,273
Interest accrued	5	26
Withdrawals	(854)	-
Balance at 31 March	**4,840**	**5,165**

Withdrawals from the Recycled Capital Grant Fund have contributed to new development and qualifying flexible tenure purchases.

22. Provisions for Liabilities

	Leave pay £000
At 1 April 2020	163
Additions	371
Utilised	(155)
Balance at 31 March 2020	**379**

The above balance represents the liability the association has in relation to accrued but untaken annual leave of its employees.

23. Share Capital

Accord Housing Association Limited is Co-operative and Community Benefit Society limited by share capital.

	2021 £000	2020 £000
Allotted, called up and fully paid shares of £1 each:		
At beginning of year	83	78
Issued during year	-	5
Surrendered during the year	(10)	-
At end of year	**73**	**83**

The share capital of the Association consists of shares with a nominal value of £1 each which carry no rights to dividends or other income.

Shares in issue cannot be repaid or transferred.

When a shareholder ceases to be a member, this person's share is cancelled and the amount paid up thereon becomes the property of the Association. All shareholdings, therefore, relate to non-equity interests.

24. Capital Commitments

	2021 £000	2020 £000
Capital expenditure that has been contracted for, but has not been provided for in these financial statements	22,253	48,392
Capital expenditure that has been authorised by the Board of Management but has not yet been contracted for	60,291	50,322

The above commitments will be financed through a combination of social housing grant (£31.2m), borrowings (£31.4m), which are available for draw-down under existing loan arrangements, property sales (£9.9m) and existing cash reserves (£10.0m).

25. Leasing Commitments

The future minimum lease payments are as set out below.

	2021 £000	2020 £000
Operating leases		
Within one year	1,330	1,363
Between one and five years	1,578	1,645
Over five years	86	38
	2,994	**3,046**

26. Contingent Assets and Liabilities

The association had no contingent assets at 31 March 2021 (2020: Nil).

The association has contingent liabilities in respect of twelve flats disposed of under the “Right to Buy” provisions of the Housing Acts. Liability could arise for any defects discovered within 10 years which had not been notified to the tenant before the lease was granted. The Association is not aware of any material defects.

27. Accommodation in Management and Development

	2021 Number	2020 Number
Social housing		
General needs housing:		
- Social rent	7,184	7,068
- Affordable rent	2,085	1,821
Long leasehold	976	913
Supported housing and housing for older people	1,597	1,814
Residential care homes	98	100
Shared ownership accommodation	1,050	1,062
Other	498	498
Total social housing	**13,488**	**13,276**
Non-social housing		
Registered nursing homes	16	39
Total non-social housing	16	39
Grand total	**13,504**	**13,315**
Being		
Owned and managed	12,608	12,392
Managed only	638	634
Owned but managed by others	258	289
Total social housing	**13,504**	**13,315**
Accommodation in development at the year end	**484**	**676**

28. Pension

The Association operates a SHPS defined contribution pension scheme in respect of auto-enrolment which commenced 1 October 2013. The assets of the scheme are held separately from those of the Association. The contributions of the Association varied between 3% and 7% and employees varied between 4% and 7% of pensionable earnings. The total employer cost of pension contributions for the year was £1,127,958 (2020: £1,032,939). The number of employees in the pension scheme at the year-end was 1,128 (2020: 1,035).

The defined contribution pension scheme with AEGON was closed to new entrants during the financial year. The contributions of the Association varied between 7% and 12% and employee contributions varied between 4% and 7% of pensionable earnings. The total employer cost of pension contributions for the year was £305,949 (2020: £311,716). Contributions payable are charged to management expenses as they fall due. The number of employees in the pension scheme at the year-end was 82 (2020: 88).

The Association also operates a NEST scheme. The assets of this scheme are held separately from those of the Association in independently administered funds. The pension contributions payable for the financial year ended 31 March 2021 were £408,503 (2020: £382,761) and an amount of £79,514 was owing to the schemes at the year end. The number of employees in the pension scheme at the year-end was 1,301 (2020: 1,326).

The company participates in the Social Housing Pension Scheme (the Scheme), 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 triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

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

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

For financial years ending on or after 31 March 2020, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2019 to 29 February 2020 inclusive. The liabilities are compared, at the relevant accounting date, with the company's net deficit or surplus.

Similarly, an actuarial valuation of the scheme was carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive.

Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)

	31 March 2021 £000	31 March 2020 £000
Fair value of plan assets	44,375	40,847
Present value of defined benefit obligation	54,193	45,756
Deficit in plan	**(9,818)**	**(4,909)**
Unrecognised surplus	-	-
Defined benefit liability to be recognised	**(9,818)**	**(4,909)**
Deferred tax	-	-
Net defined benefit liability to be recognised	**(9,818)**	**(4,909)**

Reconciliation of the impact of the asset ceiling

	31 March 2021 £000
Impact of asset ceiling at start of period	**-**
Effect of the asset ceiling included in net interest cost	-
Actuarial losses/ (gains) on asset ceiling	-
Impact of asset ceiling at end of period	**-**

Reconciliation of opening and closing balances of the defined benefit obligation

	31 March 2021
	£000
Defined benefit obligation at start of period	**45,756**
Current service cost	23
Expenses	38
Interest expense	1,062
Member contributions	45
Actuarial losses due to scheme experience	(544)
Actuarial losses due to changes in demographic assumptions	195
Actuarial losses due to changes in financial assumptions	9,930
Benefits paid and expenses	(2,312)
Defined benefit obligation at end of period	**54,193**

Reconciliation of opening and closing balances of the fair value of plan assets

	31 March 2021
	£000
Fair value of plan assets at start of period	**40,847**
Interest income	962
Experience on plan assets (excluding amounts included in interest income) - gain	3,410
Employer contributions	1,423
Member contributions	45
Benefits paid and expenses	(2,312)
Fair value of plan assets at end of period	**44,375**

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2020 to 31 March 2021 was £4,372,000

Defined benefit costs recognised in statement of comprehensive income (SoCI)

	31 March 2021 £000
Current service cost	23
Expenses	38
Net interest expense	100
Defined benefit costs recognised in statement of comprehensive income (SoCI)	**161**

Defined benefit costs recognised in other comprehensive income

	31 March 2021 £000
Experience on plan assets (excluding amounts included in net interest income) - gain	3,410
Experience gains and losses arising on the plan liabilities - (gain)	544
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss)	(195)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - (loss)	(9,930)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable - (loss)	**(6,171)**
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain/(loss)	-
Total amount recognised in other comprehensive income - gain	**(6,171)**

Assets

	31 March 2021 £000	31 March 2020 £000
Global equity	7,073	5,974
Absolute return	2,449	2,130
Distressed opportunities	1,281	787
Credit relative value	1,396	1,120
Alternative risk premia	1,671	2,856
Fund of hedge funds	5	24
Emerging markets debt	1,791	1,237
Risk sharing	1,615	1,379
Insurance-linked securities	1,066	1,255
Property	922	900
Infrastructure	2,959	3,040
Private debt	1,058	823
Opportunistic illiquid credit	1,128	988
High Yield	1,329	-
Opportunistic Credit	1,217	-
Corporate bond fund	2,622	2,329
Liquid credit	530	17
Long lease property	870	707
Secured income	1,845	1,550
Liability driven investment	11,278	13,556
Net Current Assets	270	175
Total assets	**44,375**	**40,847**

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key assumptions

	31 March 2021 % per annum	31 March 2020 % per annum
Discount rate	2.15	2.38
Inflation (RPI)	3.29	2.63
Inflation (CPI)	2.86	1.63
Salary growth	3.86	2.63
Allowance for commutation of pension for cash at retirement	75% of Maximum allowance	75% of Maximum allowance

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	Life expectancy at age 65 (years)
Male retiring in 2021	21.6
Female retiring in 2021	23.5
Male retiring in 2041	22.9
Female retiring in 2041	25.1

29. Disclosure of Group Activity

As at 31 March 2021 Accord Housing Association Limited's group structure comprises:

Subsidiary	% share capital owned	Nature of business
Accord Group Treasury Limited	100%	Group Treasury Vehicle
Accord Care Services Limited	N/A	Dormant Company
Ashram Care Limited	100%	Dormant Company
Social Breakfast	100%	Dormant Company
Direct Health Group Limited	100%	Dormant Company
Direct Health (UK) Limited*	100%	Dormant Company
At Your Service (Care) Limited*	100%	Dormant Company
Domus Healthcare Group Limited**	100%	Dormant Company
Domus Healthcare (East Riding) Limited**	100%	Dormant Company
Domus Healthcare (Oldham) Limited**	100%	Dormant Company
Domus Healthcare (Kirklees and Calderdale) Limited**	100%	Dormant Company
Domus Healthcare (Kirklees) Limited**	100%	Dormant Company
Domus Healthcare (Rotherham) Limited**	100%	Dormant Company
D H Homecare Limited*	100%	Dormant Company
New Bilston Limited	100%	Dormant Company

Joint Ventures & Partnerships	% share capital owned	Nature of business
Health for Living	N/A	Health service partnership
Matrix Housing Partnership	N/A	Social Housing Regulator delivery vehicle

All of the above companies are registered in England and Wales. Where appropriate shareholdings are reflective of any permitted voting rights.

* Direct Health Group Limited is the immediate parent entity of these subsidiaries.

** Direct Health (UK) Limited is the immediate parent entity of these subsidiaries.

30. Notes to the Cash Flow Statement

30a. Reconciliation of operating surplus to net cash inflow from operating activities	2021 £000	2020 £000
Surplus for the year	8,214	13,945
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	9,828	9,413
Amortisation of intangible assets	2,147	2,135
(Increase)/Decrease in trade debtors and other debtors	358	(1,436)
Increase in trade and other creditors	1,888	8,215
Increase/(Decrease) in net pension liability	4,909	(8,193)
Increase/(Decrease) in provision	216	(217)
Disposal of other fixed assets	11	8
Write off component disposals	124	224
Adjustments for investing or financing activities:		
Disposal of housing properties	(657)	(5,140)
Amortisation of finance costs	(537)	121
Government grants utilised in the year	(2,691)	(2,670)
Interest payable	17,424	17,360
Interest received	(30)	(119)
Net cash generated from operating activities	**41,204**	**33,646**

30b. Cash and Cash Equivalents	2021 £000	2020 £000
Cash and cash equivalents per statement of financial position	28,841	44,707
Bank Overdraft	0	(230)
Cash and cash equivalents	**28,841**	**44,477**

30c. Analysis of Net Debt

	1 April 2020 £000	Cash flow £000	Non-cash changes £000	31 March 2021 £000
Cash and cash equivalents				
Cash at bank and in hand	44,707	(15,866)	-	28,841
Bank overdraft	(230)	230	-	-
	44,477	(15,636)	-	28,841
Borrowings				
Debt due within one year	(33,550)	20,406	-	(13,144)
Debt due after one year	(465,977)	(3,900)	537	(469,340)
	(499,527)	16,506	537	(482,484)
Total	**(455,050)**	**870**	**537**	**(453,643)**

31. Financial Assets and Liabilities

	2021 £000	2020 £000
Financial assets that are debt instruments measured at amortised cost		
Other debtors	15,732	17,134
Financial liabilities measured at amortised cost		
Bank overdraft	-	230
Loans	482,484	499,527
Trade and other creditors	26,580	16,957

32. Subsequent Events

The following events have taken place since the Balance Sheet date:-

1. On 1st April 2021, GreenSquare Group Limited, a Co-operative and Community Benefit Society (number 7418) and Registered Provider with charitable status (number 4833) transferred its engagement (that is all of its assets and liabilities) to Accord Housing Association under section 110 of the Co-operative and Community Benefit Society Act 2014. Concurrently GreenSquare Community Housing Limited (a wholly owned subsidiary of GreenSquare Group) transferred its engagements to Accord Housing Association. In accordance with FRS102 the above 2 transactions will be accounted for as an acquisition in the financial statements for the year ended 31st March 2022. The audited financial statements for GreenSquare Group for the year ended 31st March 2021 can be found on our website www.greensquareaccord.co.uk.

2. On 1st April 2021, Accord Group Treasury Limited (a wholly owned subsidiary of Accord Housing Association) transferred all of it's third party debt to Accord Housing Association and is now a dormant company.

3. From 6th April 2021, Accord Housing Association Limited adopted the trading name GreenSquareAccord.

4. Since 1st April 2021 a number of treasury related activities have taken place to facilitate the merger and fund the future operations and growth ambitions of GreenSquareAccord. These include the repayment of a £3.3m loan facility from Co-operative Bank, securing additional Revolving Credit Facilities of £50m with Lloyds Banking Group and £60m with Barclays Bank Plc and a £75m 40-year bond with bLEND.

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