Green Square Accord

FINANCIAL STATEMENTS

YEAR ENDING 31 MARCH 2023

Contents

Board Members, Executive Directors and Advisors

Board

Chair

R Bailey

Other Members

- P Andres
- M Clarke
- S Eastwood (to 29 September 2022)
- S Goldsmith
- D Greenhalgh
- C Hampson (from 1 July 2022)
- N Johal (to 6 February 2023)
- P Lyons (from 1 June 2022)
- S Reehana
- R Cooke (Chief Executive)
- J Makinson (from 29 September 2022)
- J Creswell (from 1 March 2023)
- S Thompson (from 1 March 2023)

Executive Directors

Chief Executive

R Cooke

Executive Director of Governance and Company Secretary

S Atkinson

Executive Director of Operations

R Crownshaw (to 31 January 2023)

Executive Director of Development

C Currie (to 31 March 2023)

Executive Director of Care & Support (to 31 January 2023); Chief Operating Officer (from 31 January 2023)

M Espley

Executive Director of Assets

T Graham (to 31 January 2023)

Chief Finance Officer

J Makinson

Executive Director of People

H Moss

Secretary

S Atkinson

Registered Office

178 Birmingham Road
West Bromwich
West Midlands
B70 6QG

Chair's Statement

Overview

When I wrote the introduction to last year's financial statements, I spoke about the unprecedented context within which we were operating. In early 2022 we were still dealing with the considerable impact of the COVID-19 pandemic and the discovery of significant issues relating to the safety of our homes. Little could we have known what lay ahead in the following 12 months.

I start this year's opening statement by outlining an even more startling list of major disruptions and challenges our organisation, sector and society have faced. One would have to go back a long time to find a period of greater political and economic instability. A combination of energy prices, soaring inflation, rising interest rates and the resulting cost-of-living crisis have placed huge pressure on our organisation and our customers

These pressures have been felt by providers across the social housing sector. The Group has adapted to the changing environment by restructuring and aligning the Group's funding portfolio and service offerings, incurring one-off costs in year to do so, along with the inflationary cost pressures felt more widely.

The Group's out-turn position reflects these cost pressures and restructuring decisions taken, leading to a deficit of £8.6m (2022: underlying deficit of £23.4m) on a turnover of £214.4m (2022: £227.5m). The result encompasses one-off impairments of £13.4m, break costs of £7.6m and losses relating to the operation and disposal of the Group's Homecare business of £3.6m. The Group remains compliant with all its financial covenants.

The continuing work to streamline and optimise our funding portfolio and ensure long-term sustainability took a major step forward in November 2022 as we secured our first bond as GSA. We successfully issued the £400m 25-year bond at a rate of 5.25% with a £100m retained element. It was issued in line with our new sustainable finance framework and created the conditions for the proactive and positive renegotiation of our interest cover covenants with remaining funders to accommodate a significant planned increase in investment in the quality of our existing homes. From this we have achieved a consistent forward funding framework to allow the Group to deliver required investments in existing and new homes over the long term, including our plans to bring all of our homes up to EPC C by 2030 and to support the ongoing decarbonisation of our housing stock. The bond issue was recognised with a Highly Commended award at the ACT Deal of the Year Awards, and I would like to pay tribute to the team responsible for this hugely important piece of work.

Recognising the scale of the challenge we face and the need to focus our services on our core purpose, we made the decision to sell our branch-based home care services, and in January 2023 this process was completed. This saw the services and around 600 colleagues transfer to a new provider. We are pleased to have completed this major, complex project which will see the services move to a dedicated care provider where they will be a much better, and more financially sustainable fit.

I said last year that we would focus on three areas; safety, service, and satisfaction - and despite all the challenges outlined above I am pleased to report we have made significant progress on all these fronts.

We made big strides in our Building Safety Recovery Plan – completing the priority work we identified and improving our compliance in all core safety areas. Electrical safety compliance increased to 87.44% (66.58% in 21-22) and fire safety compliance to 99.81% (84.88% in 21-22).

Thanks to the hard work of our colleagues and input from our customers we have also managed to make important improvements to our services. This year we answered 78.2% of calls within two minutes, a huge improvement on the 20.4% we managed in 21-22. We completed 85% of repairs first time compared to 72% in 21-22, and we completed 97% of emergency repairs within target times compared to 84% in 21-22.

These and other service improvements have helped us to achieve higher satisfaction scores from our customers with satisfaction with our Customer Contact Centre jumping to 79% this year from 71.2% in 21-22 and repairs satisfaction rising to 88% from 83% last year.

Alongside this progress and despite the challenging conditions for new development, in particular in relation to workforce and materials supply and cost inflation, the Group was delighted to deliver 430 new high quality affordable homes in our operating area, and continue to lead the Matrix development partnership working with Homes England. The pioneering technology employed to develop the first plastic-free house is evidence of our continuing commitment to the environment, delivered via our timber frame factory, LoCaL Homes, which we moved into a new subsidiary during the year. Recognising the external environment, the Group Board took an active decision during the year to prioritise investment in existing homes and slow the pace of some new developments. Since the year end, the Board has approved a revised financial plan which reflects continuing new development balanced with a proportionately greater level of investment in existing stock.

While we recognise that our performance is not yet at the level our customers have a right to expect, it is satisfying to see that despite the additional challenges we have faced, we have made very real progress on safety, service, and satisfaction in the last 12 months, as well as continuing to develop badly-needed new homes.

Our locality model, which we launched in 2022 to make sure we are providing quality services which respond to the diverse needs of people in our communities, sits at the heart of this and we are committed to strengthening this approach.

Our newly recruited Customer Panel has been at the heart of our service improvements and scrutinises the work we are doing to make sure it reflects the needs of our customers. I want to thank our Chair Sarah Mason and our panel members for their continuing passion, insight, and invaluable contribution. We are committed to growing the influence of the panel and our new Customer Involvement and Empowerment Strategy outlines how we will use new methods to make sure the voice of our customers sits at the heart of our work.

Board and colleagues

This will be my final Chair's statement as I step down later this year. I am extremely grateful for the support I have received in my time as Chair from fellow Board Members and colleagues at GSA and it has been a privilege to lead the organisation's Board through this challenging but exciting period.

I would like to say thank you to Ninder Johal for his loyal service after his departure from the Board and to our Deputy Chair Mandy Clarke and Salma Reehana, our former Chair of Care & Support Committee who step down later this year.

I am extremely pleased that we have been able to add some excellent new recruits to the GSA Board. The appointments of Chris Hampson, Phillip Lyons, John Cresswell and Sharon Thompson bring a wealth of experience and knowledge, and I can depart knowing the future of our organisation is in very safe hands.

One of the great achievements of the year from a people and culture perspective was the launch of the GSA Way, our new culture and behaviours framework. This was a genuinely co-produced piece of work with colleagues across the organization feeding in to articulate how we do things at GSA. It has brought consistency, depth and structured challenge to performance conversations across the Group and promises to support and underpin our brilliant colleague team as they steward our progress towards delivering the Group's revised strategy.

Looking ahead

Given the unprecedented nature of the period we have just been through it is more important than ever that we are clear about our priorities and plans. In recognition of this and the extent to which our operating environment has changed since we launched our Simply Brilliant Together strategy in 2021, the Board and Executive Management Team worked together to create a refreshed five-year strategy for GSA which launched in April 2023 – Simpler, Stronger, Better.

We said in 2021 that we wanted to work with our customers to put them at the heart of everything we do and create a stronger, better organisation. While this ambition has not changed, our approach to achieving it must. In Simpler, Stronger, Better we set out a renewed approach with four focused objectives and projects which sit underneath them to make sure we deliver on our promise.

The effort and dedication of our colleagues and involved customers, the very real improvements we have made in the last 12 months, and the plans we have to continue this improvement make me more confident than ever that we will achieve our ambition to become a great social landlord.

Robin Bailey
Chair

27 July 2023

Strategic Report

Introduction

The Board presents its report together with the audited financial statements for the period ended 31 March 2023. In preparing this Strategic Report and Board report, the Board has followed the principles set out in the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018.

GreenSquareAccord ('GreenSquareAccord' or 'the Group') comprises GreenSquareAccord Limited ('The Association') and a number of subsidiaries, including, GreenSquare Homes Limited, GreenSquare Construction Limited, GreenSquare Estates Limited, LowCarbonLiving Homes Limited, and joint venture Sharpness Development LLP.

The main business of the Group is the development and management of homes for rent, and the delivery of care and support services. This Strategic Report focuses on the Group's activities in this financial year, its second as a merged entity. The focus during the year has been on continuing to integrate and optimize the Group's structure and processes as a single entity whilst evolving to address the significant changes in the operating environment that have manifested over the year to 31 March 2023.

GreenSquareAccord Limited provides a range of central services – communications, compliance, development, finance, governance, human resources, information and communications technology, performance and planning, procurement, property services, and risk and assurance – to its subsidiaries, under the scope of an intra-group agreement. The financial statements are prepared on a group basis. They therefore reflect the activities of subsidiary companies and share of joint ventures as well as the Association.

Operating Environment

During the year, global factors, particularly the ongoing conflict in Ukraine leading to the increase of energy prices, soaring inflation and interest rates have combined to produce an operating and economic environment which is unusually complex and challenging for social landlords and their customers.

Following the COVID-19 pandemic which brought its own challenges, households across the country, including our customers, are being hard-hit by the cost-of-living crisis that has resulted from extraordinary and prolonged high inflation levels. The UK Government took action to restrict social housing rent increases from 1 April 2023 to 7% (except for supported housing) following consultation with the sector. Although any reduction is welcome from a customer perspective, 7% remains a significant increase alongside other household cost rises, especially those relating to energy and utilities. From a financial resilience point of view, the severing of the link between income and cost inflation, which is the bedrock of investor confidence in the sector, is a significant step and one which has an impact on the financial capacity generated by the Group's core housing business over the long term. The Group has revised its financial plan to accommodate the 2023/24 rent cap and to anticipate further potential caps in rents thereafter. Confirmation on the forward rent regime is needed to provide further certainty on the longer term picture for the sector.

Following a short period of volatility in government and fiscal policy during Autumn 2022, and in an attempt to control inflation, the Bank of England increased interest rates steadily throughout the financial year. This has had a direct result on the Group's cost of funds. The Group issued its debut public bond on 30 November 2022 at rates which although sustainable and net positive for the Group's financial plan, are materially higher than would have been achieved even 3-6 months previously. The pace and scale of change in key economic drivers requires a new agility following a sustained period of benign interest rates, and continues to be a source of challenge in a long-term business which historically relies on 30-year business planning.

Workforce availability is an ongoing issue, and access to talent in customer facing roles in the Group's care, support, maintenance and call centre functions is a particular challenge. Competition for skilled and semi-skilled roles is severe and the Group has redoubled efforts in this area via its Remuneration Strategy and culture work during the year, seeing a promising reduction in colleague turnover as we move into the new financial year.

During the financial year, the news of the appalling death of Awaab Ishak as a result of damp and mould within a social housing property in Rochdale shocked the country. Unfortunately, it was one of a number of cases reported in the press in which the poor quality of housing and its management was evidenced. Alongside the health and safety focus arising from the Grenfell disaster, these recent cases have rightly focused attention on the standard of social housing and the way it is managed, and a broad and sustainable response is required from housing providers to meet rising customer expectations.

Responding to the operating environment outlined above requires flexible strategic thinking, proactive management and the ability to make timely decisions for the benefit of our customers. To this end, the Group Board has led the refresh of the corporate strategy during the financial year, and as part of this has signalled a reduction in ongoing development of new homes to allow us to invest in our existing portfolio.

In addition, proactive and positive negotiations with the Group's funders took place in a spirit of partnership and have resulted in a revised set of financial covenants which are fit for the future. These steps, alongside the continuing work to review the scope of the Group's services and ensure focus on activities which are financially robust, create the financial headroom to increase investment in existing homes. The Group already had a clear focus on stock quality and compliance through its Building Safety Recovery Programme, which was completed during the financial year. This, coupled with the intelligence now gained through a full independent stock condition survey place, the Group in a strong position to understand and plan for the investment required in its existing homes. The organisation's refreshed Financial Plan reflects a significant increase in spend anticipated on existing homes as a direct result of this work. The Board has signalled clearly that the quality of our homes and service to our customers remain the clear priorities for the Group as it moves forward.

Purpose, Mission and Core Business

GreenSquareAccord is a registered society and exempt charity administered by a Board of Management, and is a leading provider of housing and related services within the West Midlands, Oxfordshire, Gloucestershire and Wiltshire.

The Group has reviewed its corporate strategy during the year, and renewed its focus on the vision to be great social landlord. As a charitable housing and care provider, our focus is always on those least able to meet their needs in the open market. We believe that if we provide truly affordable homes then people will be able to achieve their full potential without having to worry about the quality, affordability and safety of their housing. Our care and support services aim to support people in their homes, helping them to remain independent. Our charitable activities are support by more commercial ventures which generate profit for reinvestment in the Group's social purpose.

The Group delivered activity in the following key business streams during the financial year:

- 'general needs' housing for rent, primarily by families who are unable to rent or buy at open market rates;
- supported housing and housing for people who need additional housing-related support or care and support services;
- residential and specialist care services, offering dedicated facilities for older people;
- home care services (until January 2023) delivering personal care to people in their own homes across a wide geography in the Midlands and North of England
- low-cost home ownership, primarily shared ownership whereby residents purchase a share in the equity of their homes and pay rent to the Group on the remainder;
- construction and delivery of low-carbon, timber-framed housing units both within the Group and for external customers;
- property development and construction undertaken by our commercial subsidiary GreenSquare Homes Limited;
- maintenance of public open spaces is undertaken by our commercial subsidiary GreenSquare Estates Limited.

As well as owning and managing over 26,000 properties, GreenSquareAccord is a developer of new affordable housing and is a Strategic Partner under the Homes England National Affordable Housing Programme (NAHP). The Group employs c2,300 staff on a full-time equivalent basis. Any surpluses made by the subsidiaries are retained within the Group for re-investment in social housing activities.

Key achievements

Homes

- Progressed our stock condition survey work, with survey data on 80% of our properties and the remainder to be completed in the coming financial year. Using this we have developed a targeted plan for investment during 2023/24 and are refining the 5 year forward plan which will be overseen by Investment Committee.
- Completed our Building Safety Recovery Programme to bring up to date all required communal asbestos, gas and electrical checks
- Invested £27.8m in works to existing homes
- Delivered 430 new homes for affordable rent and shared ownership, continuing our work as a Strategic Partner of Homes England
- Developed a revised financial plan which accommodates investment of £0.47bn in EPC C and net zero carbon over the life of the plan
- Successful application to the Social Housing Decarbonisation Fund, resulting in £5.6m of funding to upgrade the energy efficiency and reduce customer energy bills in some of our poorest performing stock.
- Achieved a year-end CQC compliance position of 88% which remains ahead of the national position for similar providers (85%).

Localities

- The Group's Locality Structure is bedding in well, and patch walkabouts were rolled out across all four localities during the year. These events are advertised to customers and ensure that GSA has a regular visible presence in neighbourhoods, builds relationships with communities and feeds issues back in via Locality Boards.
- During the year the Group advertised for a new Customer Panel Chair. We received 70 applications and appointed Sarah Mason to lead the Panel, working in partnership with GSA to ensure that the customer voice continues to be heard and that customer scrutiny arrangements are in place and operating effectively.
- The Group's Community Impact Fund launched in October 2022 offering grants of up to £500 to community groups and organisations whose projects benefit GSA customers. The Fund supported a Christmas meal for customers, a sustainable expansion into local events for a community larder group, and supported a group providing affordable furniture and goods to customers free of charge to pay for volunteer costs.

Customer Service

Improving our service to customers has been a real focus for this year, and the Group has made important steps forward in this area, in particular:

- Satisfaction with repairs is up from 83% at 31 March 2022 to 88% a year on
- The percentage of repairs completed 'right first time' has risen from 72% to 85%
- Our focus on complaints handling has meant that 99.5% of Stage 2 complaints have been resolved within SLA time-frames
- One of the most important improvements has been in our contact centre, where time to answer a call has reduced from 400 seconds at March 2022 to 79 seconds a year later.
- The Group is actively dealing with a backlog in responsive repairs. A clear plan and additional funding are in place and reduction in the average time to complete a repair is a major focus for the coming financial year (see following section).

Culture and structure

- In September 2022 the Group successfully launched its new culture and behaviours framework, the GSA Way. The GSA Way was a huge collaborative project within the Group, built from the work of colleagues across the organization. The GSA Way sets out how we do things at GSA, based around 5 key behavioural statements.
- During the year the Group continued to optimise its corporate structure. In particular, the activities of the LoCaL timber frame factory were moved into a separate wholly owned subsidiary on 31 August 2022, and a number of other dormant subsidiaries were or are in the process of being struck off.
- The Group Board commissioned an independent review of governance during the year. The review highlighted openness and transparency as a key strength of the culture at Board, and reflected the substantial governance improvements made since merger. As a result of the review the Group has made further improvements to its risk reporting, financial regulations and committee structure.
- The Group issued its debut public bond on 30 November 2022. There was strong demand for investment in the Group and the issue was four times oversubscribed. The proceeds of £300m (with a further £100m retained) have been used to restructure existing debt which is no longer fit-for-purpose, and to fund investment in new and existing homes. The bond issue is a part of the Group's continuing work to rationalize and simplify its funding arrangements, and the Group repaid a number of existing lenders during the year. As a result of the bond issue the Group's weighted average cost of capital is 3.71% and average tenor is 20 years.
- On 23 January 2023 the Group completed the sale of the its Homecare (branch-based domiciliary care) business to a specialist domiciliary care provider. The Homecare business had been operating largely outside of the Group's core geography and the exit will allow the Group to continue to sharpen focus on its social landlord services within existing localities.

During the year the Group Board reflected on both internal and external circumstances and took the decision to refresh the organisation's corporate strategy. This decision recognised that the scale and pace of change in the operating environment require a renewed approach to meeting customer need and to delivering financial sustainability. Against the backdrop of tightening economic conditions, greater vulnerability in our customer base, increasing regulatory requirements and growing customer expectations, the new strategy 'Simpler, Stronger, Better' seeks to provide a sharp and pragmatic focus on the Group's vision to be a great social landlord. It also reflects the learning gained in the two years since GreenSquareAccord was formed. During this time significant progress has been made in integrating the legacy businesses, but there remains meaningful work still to do on optimizing and simplifying systems and processes.

The Group's focus for 2023/24 will be on the following key projects within the four strategic objectives of the new strategy:

Simpler Stronger Better

2023-28 business strategy

We will improve our customer offer

- An effective responsive repairs service is critical to customer experience and to maintaining the quality of our homes. Additional ring-fenced funding of £2.5 million has been set aside in the 2023/24 Group budget to address the backlog of responsive repairs that has accumulated in our southern localities, with focus also on continuing to improve the customer experience of the contact centre.
- Understanding our customers and their homes has never been more critical, and during the year ahead we will place emphasis on improving our customer data such that the Group can effectively tailor services and better monitor the impact of service changes. Our growing community links via the Locality Board and Customer Panel will be integral to this important work.

We will improve the quality of new and existing homes

- Having largely completed a full survey of the Group's housing stock, a key priority for 2023/24 is the delivery of an enlarged and targeted programme of investment in our existing homes. This will see the Group invest over £10 million in fire safety works and £11.3 million in new components including new windows and ventilation systems to combat damp and mould.
- In response to the economic conditions the Group has realigned its programme of development in new homes. Net capital spend of £68 million is planned in 2023/24 to complete 633 units for rent and shared ownership.

We will simplify and strengthen our business

- The Group's focus in 2023/24 will be on continuing to strengthen internal controls and processes relating to its finance systems – in particular launching and embedding a new single ledger and scoping an automated purchase-to-pay system.
- The refreshed corporate strategy provided an opportunity for the Board to evaluate the breadth of services offered by the Group, and a key part of 'Simpler Stronger Better' will be the continuing efforts to rationalize and streamline its customer offer. During 2023/24 the Group will continue to seek alternative delivery options for services which sit outside of the Group's core purpose.

We will create a culture which empowers our people

- Two years on from the merger which formed GreenSquareAccord huge progress has been made in aligning culture and behaviours via the GSA Way, and in reducing pay inequality via a new Pay & Grading Framework. 2023/24 will see the continued implementation of the Pay & Grading Framework coupled with a focus on developing a performance related pay structure to ensure that our colleagues are rewarded fully for their fantastic contributions.
- A specific development programme for our line managers will be developed and launched during 2023/24, recognizing the significant role these key individuals play in the Group's progress, and the broadening demands on them.

Financial Review

Overview

The year ended 31 March 2023 was a challenging year for the group both operationally and financially, and financial performance fell short of the targeted level for a number of reasons, including significant items as we adapted to a changing operating environment and reshaped our corporate strategy to ensure a financially stable future for the Group.

Key items affecting financial performance in the year were:

- The Building Safety Recovery Programme (BSRP) instigated in the previous year to address identified areas of non-compliance continued, with additional investment of £8.1m during the year, of which £1.8m was capital works.
- We continued to progress with the integration of structures, systems and processes following the merger to align our operating model across the legacy organisations, incurring one off costs of £0.8m to do so.
- The Group took advantage of economic conditions to exit from Wiltshire Local Government Pension Scheme at a cost of £1.8m, which is a significant reduction from the previous cessation deficits estimated at £11m in 2020. This exit has partly driven the reduction in pension liabilities on the Group's balance sheet.
- A successful exit from the Group's Homecare service, which provided domiciliary care to customers. Ongoing challenges associated with the external market and financial sustainability of this non-core activity resulted in a decision to transfer this service to another provider, and in some instances exit existing contractual arrangements. As a result, one-off costs of £3.6m have been incurred associated with this exit.
- Financial performance in our care and support business has been mixed, and whilst many services have met or exceeded budget, we identified an impairment on the carrying value of a portfolio of schemes. This resulted in an impairment charge of £13.4m being recognised in 2022/23. Further detail on this can be seen in note 4.

As a result, the Group generated an operating surplus for the year of £23.8m (2022: £18.0m). The major items identified above reflect the Board's clear and continuing focus on simplifying and de-risking the Group's activities. Where one-off exit costs have been incurred these are with a view to delivering value for money, greater stability and profitability longer term.

Some of these actions were taken opportunistically given market conditions in the year, and due to the one-off nature of the items highlighted above agreements were reached with the Group's lenders to exclude these from the calculation of interest cover covenants. The latter two items, totalling £17.0m have been separately identified as non-recurring costs in the statement of consolidated income, along with pension exit costs of £1.8m giving total non-recurrent costs in year of £18.8m.

The consolidated Statement of Comprehensive Income and Statement of Financial Position are summarised on the following paragraphs and detail the key features of the Group's position at 31 March 2023.

Financial Highlights

Statement Of Comprehensive Income	2023 £000	2022 £000
Turnover	214,380	227,493
Operating costs	(178,063)	(194,304)
Operating surplus before non-recurrent and disposals	**36,317**	**33,189**
Non recurrent costs	(18,751)	(18,898)
Disposal of properties	6,191	3,751
Operating surplus	**23,757**	**18,042**
Net interest and taxation	(44,747)	(36,456)
Fair value on business acquisition	0	217,995
Net (deficit)/surplus before refinancing cost	**(20,990)**	**199,581**
Refinancing cost	(7,648)	(890)
Net (deficit)/surplus	**(28,638)**	**198,691**
Key Financial Metrics		
Operating margin (excluding property sales)	8.2%	6.3%
Operating margin (excluding non recurrent costs and property sales)	16.9%	14.6%
EBITDA MRI	55%	60%
EBITDA MRI (excluding non recurrent costs)	90%	106%
Chief Executive pay as % of turnover	0.1%	0.1%

Operating surplus before non-recurrent costs and disposals increased in the year to £36.3m/16.9% (2022: £33.2m/14.6%.) Including the non-recurrent items identified above, the operating surplus was £17.6m (2022: £14.3m.) The reduction in EBITDA MRI reflects the increased investment in our existing stock with an additional £2.4m (22% increase) invested in this year, as we continue with the BSRP and our targeted investment programme informed by enhanced stock condition data.

Performance by business activity

	Turnover		Operating Surplus		Gross margin	
	2023 £000	2022 £000	2023 £000	2022 £000	2023 £000	2022 £000
General needs	114,516	107,053	34,630	34,631	30%	32%
Supported and housing for older people	25,537	23,147	2,253	2,597	9%	11%
Shared Ownership	7,751	6,754	3,484	2,537	45%	38%
Residential Care Homes & Garages	12,185	10,992	(905)	(2,398)	(7%)	(22%)
Total social housing lettings	**159,989**	**147,946**	**39,462**	**37,367**	**25%**	**25%**
First tranche shared ownership sales	11,302	18,641	2,936	3,734	26%	20%
Other social housing activities	2,165	3,417	(20)	(1,159)	(1%)	(34%)
Total social housing activities	**173,456**	**170,004**	**42,378**	**39,942**	**24%**	**23%**
Non-social housing activities	33,171	41,342	(5,755)	(8,421)	(17%)	(20%)
Development for sale	7,753	16,147	(306)	1,668	(4%)	10%
Disposal of properties			6,191	3,751		
One-off non-recurrent costs			(18,751)	(18,898)		
Total	**214,380**	**227,493**	**23,757**	**18,042**	**11%**	**8%**

The major source of income for the Group continues to be social housing activities, representing £173.5m/81% of all income (2022: £170m/75%), with £40.9m/19% from non-social housing activities (2022: £57.5m/25%.) This reflects strategic decisions made to focus on core social landlord activity, in particular with the exit from domiciliary care activity in year, which drove the majority of the loss in non-social housing activity.

Social housing activities: Turnover has increased by £3.4m (2%.) This reflects the inflationary increase in rental income across lettings and new units coming into management with a £12m (8%) increase in social housing lettings income. The overall increase is reduced by a lower volume of shared ownership first tranche sales in the year due to phasing of the development programme, although margins improved to 26% (2022:20%) due to continuing strong demand particularly in the south of the Group's operating area. The financial performance of the Group's residential care homes continued to be challenged by a high level of voids during the year albeit these have improved throughout and compared to the prior year which was impacted by temporary closures due to COVID-19.

Other social housing activities include abortive development costs, the provision of management services and delivery of Supporting People contracts, where costs are marginally higher than revenue.

Non-social housing activities: This includes the provision of nursing care, domiciliary and outreach services, children's nurseries and our LoCaL Homes business which constructs timber framed units. During the year the Group exited from the provision of domiciliary care with all activity ceasing by 31 March 2023. The operating activity of this business stream (excluding exit costs) made a loss of £4.5m in the year, reflecting the ongoing challenges of delivering the service amongst increasing cost pressures, particularly in respect of staffing. Further review is underway of the wider portfolio of activities in this category to achieve a sustainable financial position moving forward.

Development for sale: Market sales in the year undertaken by the Group's commercial subsidiary, GreenSquare Homes generated £7.8m of turnover from 20 units. A small loss of £0.3m was made on this activity, due to additional costs recognised in year and completions being below the target level.

Disposal of properties: Further development in year of our asset management strategy and the improvements to our stock condition data have highlighted further properties where the Group has chosen to divest to focus investment on our core operating areas and/or which offer best value for money for further investment. As a result, disposal activity in year generated £6.2m compared to £3.8m in the prior year.

Statement Of Financial Position	2023 £000	2022 £000
Fixed assets	1,994,416	1,899,996
Net current assets	60,019	11,307
Long-term liabilities & provisions	(1,494,139)	(1,342,359)
Net assets	**560,296**	**568,944**
Reserves	**560,296**	**568,944**
Key Financial Metrics		
Units owned/managed	26,643	26,308
Gearing (net debt)	54%	49%
Average cost of finance	3.7%	3.7%

Fixed assets have increased in year by £94.4m, with investment in new homes totalling £122.4m and in existing homes £11.3m. These investments were funded by a combination of social housing grant, loan finance and working capital. Further detail on the Group's treasury management is set out below.

Net current assets have increased by £48.7m in the year, largely due to an increase in cash holdings and working capital movements. Long-term liabilities have increased by £151.8m, due to refinancing activity in the year explained in further detail below.

Treasury and Funding

In November 2022, the Group launched its Sustainability Finance Framework and successfully issued our debut 25 year use of proceeds sustainability bond of £400m (£100m retained) which was oversubscribed. This was the first capital market issuance in the sector since earlier in 2022 and was transacted shortly after a period of volatile interest rates. The transaction has provided the Group with more certainty over its funding costs in a continued rising rate environment, increasing our proportion of fixed rate borrowings to 83% (2022: 79%). It also provides the funding to deliver our corporate strategy, delivery of new homes and net zero carbon objectives.

Overview of treasury management function

The Group adopts a conservative approach to treasury management recognising it as an important tool in the delivery of its purpose, but not as an end in itself. During the financial year, the Board and Audit and Risk Committee sought independent advice from external consultants as well as receiving quarterly reports from officers. Treasury activities are controlled by the Chief Finance Officer and managed in line with the Board-approved Treasury Management Policy and Financial Golden Rules which are reviewed and updated at least annually. The purpose of the treasury management function is to ensure that the Group has sufficient liquidity to fund its operations, sufficient funding to deliver its Corporate Plan and ensure exposures to financial risk are minimised and loan covenants are met. Treasury management activity is subject to regular review by internal auditors and treasury specialists.

Covenants and reporting during the year

Compliance with covenants is closely and regularly monitored as part of the Group's routine treasury management activity. The Group's principal loan covenants are interest cover, gearing and asset cover. In the financial year, EBITDA-only interest cover covenants were agreed with funders, providing capacity to fund the Group's potential net zero carbon requirement. Required variations to the covenants were also proactively agreed during the year to accommodate several one-off items. The Group met all its financial covenants for the financial year and forecasts continued compliance for the duration of its 30-year financial plan.

Quarterly monitoring information and management accounts are submitted to stakeholders 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 Group'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.

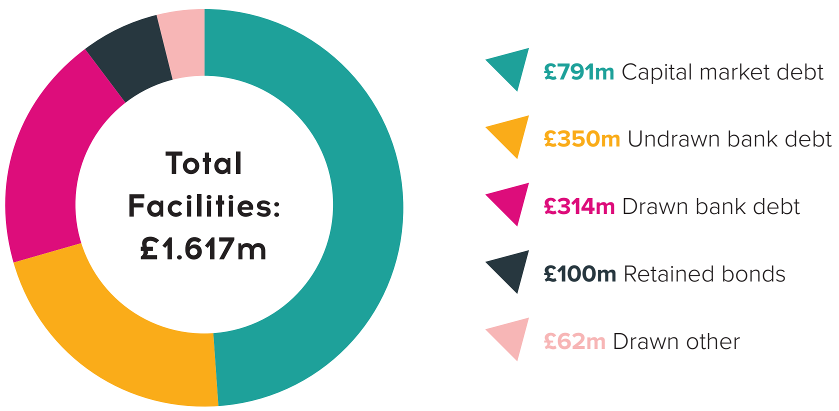
Key metrics

	At 31st March 2023	At 31st March 2022
Drawn facilities	£1,167m	£983m
Undrawn facilities*	£450m	£350m
Cash and cash equivalents**	£79m	£46m
Fixed rate borrowing	83%	76%
Weighted interest cost	3.71%	3.74%
Interest cover***	122.1%	121.8%
Gearing	52.8%	46.1%

**Includes £100m retained bonds*
***Excludes restricted cash*
****Covenant definition for GreenSquareAccord; 2023: EBITDA; 2022: EBITDA-MRI (major repairs included).*

Capital Structure

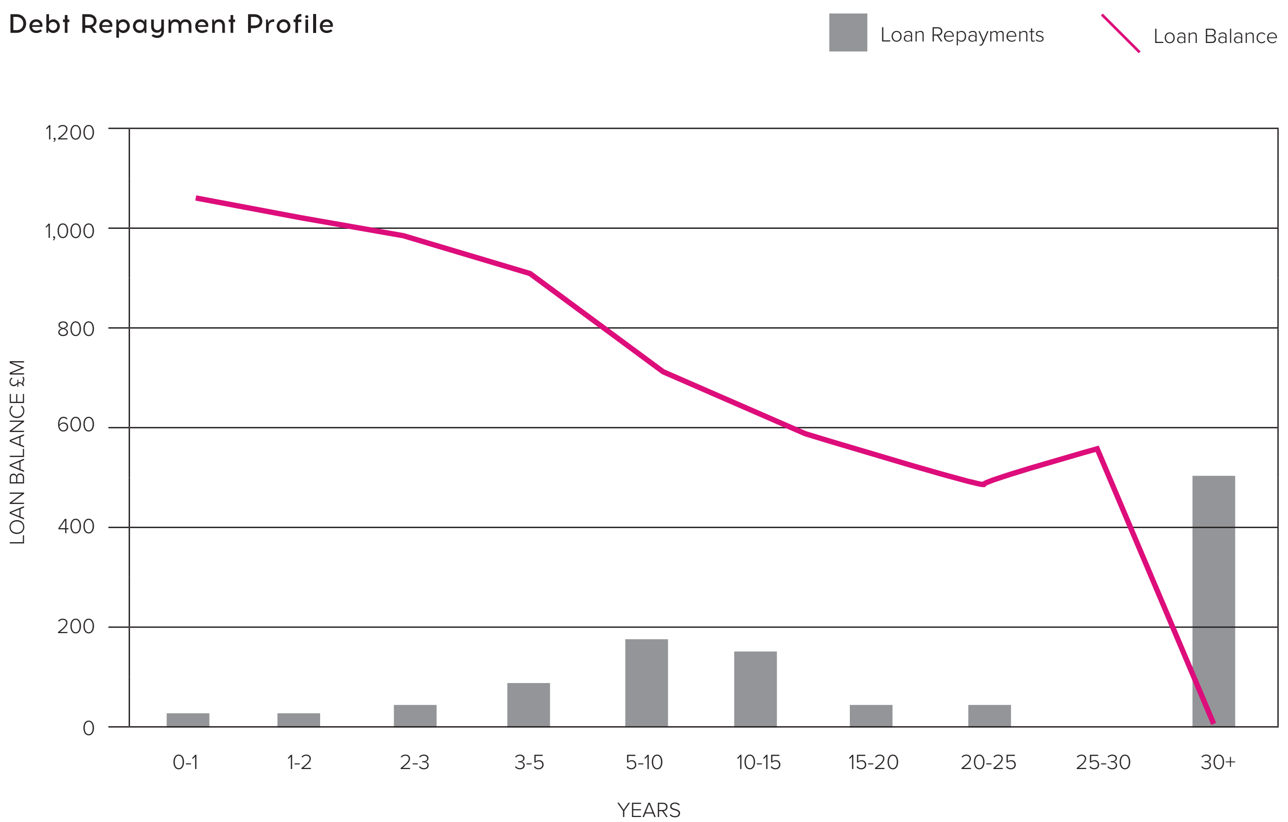
The Group is predominantly financed by a combination of retained earnings, bank debt, capital market debt and social housing grant.

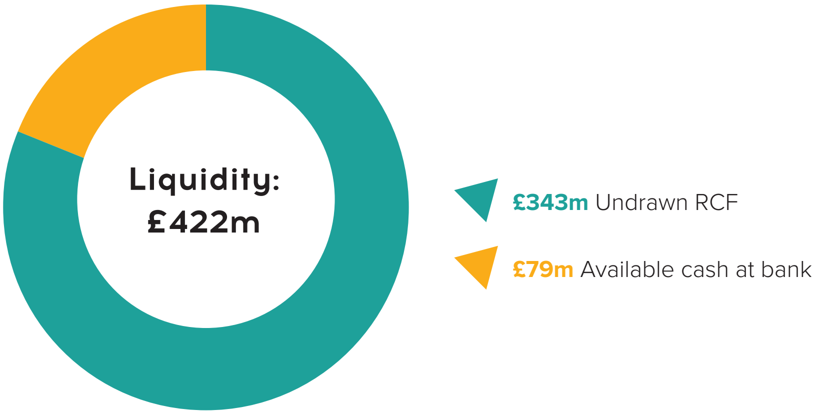


Borrowings

As at 31 March 2023 the Group had total facilities of £1,617m (2022: £1,333m) of which £1,167m were drawn, a net increase of £184m on the previous year as a result of the debut bond issuance offset by prepayments as part of a refinancing exercises. Loans drawn in the year totalled £430m and prepayments including scheduled capital repayments totalled £246m.

The weighted average cost of the Group's drawn debt at 31 March 2023 is 3.71% (2022: 3.74%). The weighted average term of the finance liabilities is 20 years (2022: 20 years).





Liquidity

The Group has in place minimum cash and liquidity requirements to ensure sufficient immediately available liquidity to meet all operational and development cashflows, including uncommitted spend for a minimum of 18 months. The Group maintained compliance with these requirements during the financial year.

Available liquidity totalled £422m at 31 March 2023, comprising of £79m available cash and £343m undrawn fully secured and unsecured facilities. This provides significant headroom to our financial golden rule and provides certainty of funding to deliver the corporate plan whilst also protecting the Group from economic uncertainty.

Net cash increased during the year by £45m as a result of additional cash from the capital market issuance and the repayment of drawn debt.

Credit Ratings

In November 2022, GreenSquareAccord obtained public ratings with Fitch: (A; outlook stable) and Moody's (A3; negative outlook) as part of its capital market issuance.

Fitch reaffirmed their rating in April 2023 as A; outlook stable, highlighting key strengths as strong liquidity metrics, limited market sale risk and limited exposure to fire risk remediation expenditure.

Moody's highlighted key strengths of the Group around a strong liquidity coverage and treasury policy, modest development expenditure and the Groups size.

Management and control

During the year, the organisation managed its exposure to increases in interest rates by increasing its fixed rate borrowings by issuing in the capital markets and repaying drawn revolving credit facilities. This provides a level of certainty over future interest costs in the current economic environment. At the year-end, 83% (2022: 76%) of borrowings were at fixed rates. The fixed debt is from capital market transactions or vanilla embedded fixes of bank debt. GreenSquareAccord has not used stand-alone derivative financial instruments to manage its interest rate exposure during the year.

Asset Cover

GreenSquareAccord's debt facilities are all secured by charges over housing and other properties, with the exception of a £25m unsecured facility. The Group uses a Security Trustee for the purposes of holding secured assets on the majority of its debt facilities. At 31 March 2023 3,272 units were uncharged at a value of around £299m, providing security for additional funding facilities.

Environmental, Sustainability and Governance (ESG) Reporting

The Group was the first housing association to raise sustainable linked finance from bLEND PLC, and is committed to further developing it sustainable funding credentials as part of its current funding strategy. One of the Group's bank debt facilities includes ESG metrics and we are in the process of agreeing metrics on other facilities. The Group published its Sustainable Finance Framework in November 2022 and will be publishing its first annual impact report in H2 2023/24.

Development

Performance and Delivery

The Group invested £122.4m (2022: £113.8m) in the development of new homes during the year. 430 completed affordable units were added into management comprised of 324 General needs and 106 Low Cost Home Ownership (LCHO) shared ownership units.

During the year the Group generated sales receipts of £11.3m (2022: £18.6m) from the sale of 92 LCHO shared ownership homes plus a further £7.7m (2022: £16.1m) from 20 Outright sales as part of our GreenSquare Homes development for sale.

In addition, the Group continued its proactive asset management approach in line with the Board-approved disposals programme, and completed 41 strategic disposals, 5 right to buy/acquire sales and 44 LCHO shared ownership staircasing transactions.

Our active development programme as at 31 March 2023 sees 849 units under development supporting our strategy to deliver more new homes by 2032. The development programme focusses on the delivery of properties for social and 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.

Environment and Sustainability Commitments

The Group is committed to development of high-quality sustainable homes which are cost-effective for customers and positive for the environment. We deliver sustainability in development in the following ways:

- Under our grant funded programmes we are committed to a fabric first strategy that provides higher insulation standards than Building Regulations requires, to reduce the cost of heating to customers
- Environmental factors relating to all key project investment decisions are considered by the Group's Investment Committee;
- We are committed to increasing the number of high quality, low-carbon homes developed through the Group's timber frame factory, LoCaL Homes. During the year LoCaL delivered 92 internal plots for the Group and 293 externally, the latter being 124 plots above the target for the year demonstrating the strong and growing demand for the LoCaL product.
- We are committed to the Government's Carbon Neutral target to have net zero emissions by 2050, and our financial plan includes an allowance of £425 million to ensure that the Group can meet this goal.

This commitment to developing truly sustainable homes is exemplified by our Virtually plastic free homes in Redditch, The off-site highly insulated panels used in construction are complemented by sustainable solar heating. Every component of the building process that incorporates plastic was reviewed with the aim of eliminating plastic wherever regulations allowed. We have worked closely with tenants to ensure they maximise the benefit of using heating and ventilation systems and are continuing to monitor the success of this development with European funding.

Partnerships

GreenSquareAccord is a major developer of new affordable housing and is a development partner under the Homes England National Affordable Housing Programme (NAHP).

GreenSquareAccord leads the Matrix Housing Partnership which is built up of eight housing associations to collectively deliver new affordable housing across the Midlands. It is on track to deliver over 2,124 new homes through the Homes England 2016-2021 Shared Ownership and Affordable Housing Programme (SOAHP) and the Homes England Strategic Partnering funding programme. Due to the pandemic the cut off date for completions was extended to 31 March 2023. Supported by a small non grant funded programme these programmes will see GreenSquareAccord deliver 1,605 new homes to local communities over the period of the funding programme, representing a total commitment of £216 million invested in new housing supply supported by £44 million of Homes England grant.

Matrix Housing Partnership originally secured Strategic Partnership 2 funding from Homes England totalling £212m to fund 3,755 property 'start on sites' between 2022 and 2026. The Group planned to deliver 1,900 affordable homes under this programme. During the financial year, Homes England invited all strategic partners to resubmit bids under Strategic Partnership 2, reflecting the impact on development arising from change in the economic environment (in particular relating to rent caps, cost inflation and cost of funds). The Group led the submission for the Matrix Partnership which saw the total unit numbers across the Partnership fall to 2,177 homes (a reduction of 42%), and we await the final outcome from Homes England. The re-bid places greater focus on social rent tenures and there is a continuing major role for shared ownership. Grant rates are significantly higher in the revised bid which will allow the Group and Matrix Partners to undertake new development sustainably.

GreenSquareAccord future focus

Investing in existing properties is a core part of the Group's revised strategy, which also recognises the importance of developing new homes as a continuing and significant part of our role as a social landlord.

Over the course of the financial year, the Group reviewed its development programme and chose to make reductions to aspirational, uncommitted development in the light of the economic environment and the other demands on the Group's resources. Over the coming period the Group will rebalance its use of resources towards existing homes to ensure that we are effectively tackling stock condition and compliance matters over the long term, and that we begin to make significant investments to improve the environmental performance of our homes.

The Group's financial plan reflects a significant investment over time in both lifting properties up to EPC C and then fully decarbonising in line with current national targets. During the year we were successful in securing match funding for a total investment of £5 million under the Social Housing Decarbonisation Fund Wave 2. This funding will help us transform the energy performance of 40 of the Group's most challenged properties. The actual timing and quantum of EPC C and net zero carbon costs in the long term remains subject to change. As these estimates are refined the Group will keep its new development programme under review.

Increasingly over the course of developing the Group's new strategy, we have come to consider asset management and new development as parts of a single conversation in which the development of new, modern homes has a key role in the replacement of stock which is uneconomic to maintain and offers a poor housing solution for our customers. There are early signs that the government's grant regime will begin to recognize and fund these crucial replacement homes and the Group remains committed to regenerating core areas where we can make a financial case and are a major landlord.

Value for Money

Strategic Approach and achievements

GSA is committed to delivering Value for Money (VfM) in all it does. During the financial year, inflation has continued to rise and stay high, exacerbating the existing cost of living crisis for our colleagues and customers. The circumstances of the year have underlined the critical importance of maximising the financial capacity directed towards frontline services and investment in our homes. The challenging external environment has also re-emphasised the importance of organizational resilience, and making sure that our financial position remains strong in the long term in the face of growing pressures.

The Group's VfM Strategy was drafted in July 2022 and centres around two core VfM Pillars – 'doing things right' and 'doing the right things'.

Doing things right

Fundamentally, 'doing things right' is a relative relationship between inputs, and outputs, outcomes and impact. It does not just mean doing things more cheaply. Therefore, as well as reduced cost of inputs, 'doing things right' also demands focus on how those inputs are managed, via our policies, processes and systems, to create better quality or broader impact. It is about economy, efficiency and effectiveness. Accordingly, our VfM activities focus on the delivery of both financial savings and qualitative benefits to customers and other stakeholders.

Doing the right things

We are committed to consistently reviewing the scope and scale of the Group's activities:

- to ensure that they are consistent with our core purpose;
- to ensure that the Group is delivering a high quality and effective service to all its stakeholders;
- with the fundamental purpose of protecting social housing assets and customers e.g. from commercial risk and the risk that social housing returns are not invested back into social housing activities but instead into other activities.

This Strategy drove our activities during 2022/23, and the following narrative describes progress against the key objectives set by the Board over the course of the financial year:

Doing the right things: Key achievements

Achievements	VfM benefits
Procurement and supply chain The Group Board approved a new 5 year Procurement strategy and supporting policy during the year, regularizing our buying processes to ensure that we deliver benefit from purchasing at scale. A new procurement hub and enhanced procurement portal	◆ Economies of scale and social value in purchasing ◆ Cashable savings of £0.3m delivered in year
Remuneration and pension strategies During the year we have continued to align pay structures within the Group against benchmarked ranges to ensure that these represent value for money for GSA as an employer, and a fair, reasonable and motivational reward package for colleagues. We took advantage of improving market conditions to exit the Wiltshire Local Government Pension Scheme at a significantly reduced exit cost.	◆ Consistent, value for money pay structure ◆ Reducing future financial risk from pensions
Right sizing and efficiency programme Despite a challenging year for the sector in which double-digit inflation challenged the delivery of savings, the Group continued to right-size and rationalise management layers and integrate legacy functions with positive financial impacts in-year and beyond	◆ 80% of savings programme delivered in-year ◆ Cumulative merger savings at 31 March 2023 of £8.4m 25% ahead of merger base case
Group Structure optimisation The Group's timber-frame factory activities were moved into a new Group subsidiary, LowCarbonLiving Homes Limited, on 1 September 2022. These activities are now overseen by the subsidiary board with a much clearer line of sight on performance and risk.	Simpler Group structure = lower administration costs and risks
Extra care review ◆ Reviews of workforce and catering were completed during the year. ◆ Where it made sense (e.g. at large residential care services) has been moved from in-house delivery to external. A hub and spoke model has been implemented so that the admin hubs, which are more cost effective, deliver out to smaller units. We also closed some catering hubs where they were considered unviable. A workforce review was completed in the three largest of our extra care schemes where our contractual mechanisms allowed, and this has optimised staffing structures in those services delivering a 12.7% efficiency on care staffing.	◆ Cost savings ◆ 12.7% staffing efficiency
Rent setting and service charge strategy ◆ The Group Board commissioned specific assurance over the 2023/24 rent setting process which concluded that all rents had been set in line with the Regulatory Standard ◆ A service charge project is underway to review the data and charging mechanisms in place in this area and ensure VfM	Fair rents charged in line with standard

Achievements	VfM benefits
Funding strategy ◆ The Group issued its debut bond in November 2022 which increased the percentage of fixed rate debt from 76% at 31 March 2022 to 83% at 31 March 2023. ◆ The Group's total number of funders has reduced from 16 to 15 (banks from 7 to 5) ◆ The bond has precipitated successful conversations with existing bank and institutional lenders to move from EBITDA MRI covenants to an EBITDA only basis for interest cover, which has a significant positive impact on headroom as we move into a period where capital spend on fire, components and energy efficiency/ decarbonisation begins to ramp up significantly.	◆ Simpler funding structure ◆ Reduced risk with higher proportion of fixed debt and ◆ Increased financial resilience and capacity for investment in customer services and homes
Asset management ◆ Stock condition survey materially complete with up-to-date information on over 80% of our homes, and the remainder to be completed this year. ◆ We have commissioned a Housing Asset Performance Evaluation which is already supporting effective decision making	Better data = better decisions = improved living standards for customers and more cost effective programme investment
Digital strategy ◆ The Board approved the Group's revised Digital Strategy in March 2023, which set out plans for an £8m investment over the business plan period in modernizing the Group's digital infrastructure and services. Further work is ongoing to ensure that we direct this investment into the right areas with appropriate benefits articulation and tracking. ◆ A significant project to move from two legacy finance systems to a single general ledger was delayed from the February 2023 but has gone live as of May 2023.	Increasing automation and digital capability leads to greater efficiency, fewer errors and a higher, modern standard of service for customers and colleagues

Despite the great progress made overall on VfM initiatives during the financial year, there were a small number of areas where the Group did not meet the ambitions set. These were:

- Office rationalisation – a significant profit on disposal was not achieved due to market conditions and a relatively high book value.
- Development – the Group Board took a conscious decision to curtail some project spend in the second half of the year reflecting economic conditions. The Group therefore delivered fewer new units than planned in respect of new handovers and plots constructed from the timber frame factory.

Achievements	Comments
Strategic review	◆ The Group undertook a strategy refresh over the second half of the year and launched 'Simpler Stronger Better', its new 5 year strategy, in April 2023 ◆ The strategy focuses on four strategic pledges with a clear emphasis on greater simplification and automation to deliver better efficiency in processes and a higher standard of service to customers.
Care & Support viability	◆ The Board approved the exit from the Group's domiciliary care activities in January 2022. These services were not based within the Group's core geography and did not meet the Group's required levels of financial return. The sale of these 'Homecare' services was completed in January 2023, reducing financial and operational risk, and securing a long-term home for the services going forward. ◆ The Group's new strategy includes a requirement to review all its activities in relation to strategic fit, financial performance and operational risk, and this process will continue during the forthcoming year.
Commercial activities de-risking and viability assessment	◆ On 1 September 2022 the Group's timber frame factory was moved into a wholly owned commercial subsidiary. ◆ A number of entities have been struck off during the year continuing the simplification of the Group. ◆ The Group continues to review and optimize the structure.

VfM Indicators and Global Sector scorecard peer analysis

The Regulator of Social Housing requires providers to assess performance against prescribed VfM metrics. Peer group data is taken from the Regulator's published 2022 Global Accounts VfM Metrics. The following table outlines GreenSquareAccord's performance against the published 2022 Median and Quartile VFM regulatory standard metrics and against the group target for the year and a comparison against prior year's performance:

	2023 outturn Actuals	**2023 target (GSA VfM Strategy 2022/23)**	**Variance to strategy target**	**2022 Global Accounts weighted average**	**2021 Global Accounts weighted average**
Reinvestment %	7.0%	11.3%	(4.3%)	6.3%	5.7%
New Supply Delivered %	1.7%	3.2%	(1.5%)	1.6%	1.4%
Gearing %	53.7%	46.8%	(6.9%)	47.0%	47.2%
EBITDA MRI interest cover	56%	113.0%	(58%)	128%	151.0%
Social housing cost per unit	£4,445	£4,083	(£364)	£4,600	£4,150
Operating margin SHL	15.2%	26.0%	(10.8%)	25.4%	28.3%
Operating margin overall	8.2%	23.0%	(14.8%)	19.5%	22.4%
ROCE %	1.2%	2.6%	(1.4%)	2.9%	3.1%

Reinvestment and new supply delivered: During the year the Group took the conscious decision to slow its development programme in the light of changing economic conditions, in particular rising borrowing costs, to preserve capacity for investment in existing homes and headroom to financial covenants. As a result, both reinvestment and new supply are at levels below those forecast, although both outcomes compare well with the 2022 Global accounts comparator.

Gearing: At 31 March 2023 the heightened level of the Group's gearing percentage reflects its debut public bond issue in November 2022, where £400m (£100m of which retained) was issued. The Group is in the process of repaying expensive legacy debt which the bond proceeds have replaced, and this will in turn reduce its gearing ratio post the bond issue.

EBITDA MRI: Interest cover has been significantly affected by a number of one-off items in the year, including:

- Impairment charges of £13.4m
- Loss on disposal of branch-based domiciliary care £3.6m
- Exit from Wiltshire Pension Fund £1.8m

If these items were excluded from the calculation, interest cover increases to 95%. Whilst still short of target, this reflects an underlying performance which is slightly improved compared with the rest of the sector (as reported in the Regulator for Social Housing Quarterly update, average interest cover for the year to 31 March 2023 is down to 87%, its lowest level on record).

- Social housing cost per unit: Cost per unit is increased by 8% versus last year which is the result of a combination of higher-than-planned inflation and overhead costs, and conscious and planned additional spend on maintenance costs reflecting the Group's commitment to uplifting the quality of its stock.
- Operating margin: As noted above in relation to EBITDA MRI, operating margins have been adversely affected by a number of one-off items in the year. Excluding these, operating margin would be at 26.9%, a slight improvement on the target from the VfM strategy.
- ROCE: this ratio has suffered as a result of the low profitability of the Group in the year.

VfM plans for the future

The Board has approved a revised Long Term Financial Plan for the Group which sets out the following targets for key VfM metrics over the next 5 years. These will be reviewed following the Group's strategic review in the next financial year.

	Benchmark*	2024	2025	2026	2027	2028
Reinvestment %	6.3%	5.85%	4.30%	3.44%	5.14%	4.86%
New Supply Delivered %	1.6%	1.96%	0.86%	0.00%	0.74%	0.73%
Gearing %	47.0%	52.7%	52.9%	52.8%	53.1%	53.6%
EBITDA MRI interest cover	128%	89%	113%	111%	111%	93%
EBITDA interest cover		115%	145%	159%	161%	158%
Social housing cost per unit	£4,600	£4,827	£4,610	£4,309	£4,555	£5,064
Operating margin SHL	25.4%	24.0%	26.2%	25.6%	24.2%	23.2%
Operating margin overall	19.5%	21.2%	24.4%	29.8%	29.0%	28.0%
ROCE %	2.9%	1.9%	2.6%	2.9%	2.9%	2.8%

2022 Global Accounts weighted average

Re-investment and new supply delivered both decline from 2024-2026 resulting from the decision by GSA to deliver only committed development schemes in the short term, allowing the organisation to focus on financial resilience. Supply and reinvestment return to a higher level in 2027 as new schemes are delivered through new strategic partnerships with Homes England.

Gearing remains steady through the early part of the planning cycle – expenditure relating to EPC C improvements preventing the metric from improving.

EBITDA MRI improves through 2024 to 2025 with controlled costs and steady rental income growth, however the high cost of EPC C works reduces performance by 2028.

EBITDA only interest cover improves as per the MRI equivalent however having a lessened impact of capital costs relating to EPC C, the metric shows greater improvement into the latter half of the decade.

Social housing cost per unit is driven up sharply following early improvements as stock investment and EPC C costs start to flow through the plan.

SHL margin remains steady through the plan, declining slightly in outer years with the increase in EPC C spend.

ROCE improves into 2025 with improving profitability.

Risk Management

Introduction

The delivery of our strategic priorities and the sustainable growth of our business is dependent on effective risk management. Like all social housing providers we recognise that there will always be business uncertainties, and our structured approach to risk management helps us to mitigate key risks and embrace opportunities when they arise.

The Board is accountable for effective risk management, agreeing the principal risks facing our business and ensuring these are managed effectively. The Board also has responsibility for defining our risk appetite (i.e. the amount of risk we are willing to take in pursuit of achieving our strategic priorities).

We encourage our colleagues to consider risks within everything we do. We ensure that risk management is considered at all levels, through implementation of our business plan, projects and operationally. The more risk aware we are, the more effective we can be at mitigating significant risks before they crystallise.

Our Risk Management Framework

The Group Board reviews and approves a comprehensive Risk Management Framework on at least an annual basis, most recently in February 2023. The Framework describes the responsibilities of our Boards and Committees, alongside our Executive and Leadership teams in relation to the regular appraisal and reporting of risks.

The Framework includes a Board approved Risk Appetite for each of our Principal Risks and this has been further reviewed and refreshed during 2022/23 through regular engagement with the Group Board and Audit and Risk Committee.

Ahead of the development and launch of our new Corporate Strategy our Board reviewed our most significant organisational risks and approved changes to these in December 2022.

Our Executive Board also review our Principal Risks on at least a monthly basis. This supports effective and strategic decision-making and ensures that GreenSquareAccord is able to adapt to an ever changing environment.

The Group Board and Audit and Risk Committee receive a detailed risk report at every meeting, which highlights the basis for any changes in our assessment of risks and tracks actions for completion to ensure our risk portfolio aligns with our risk appetite.

Each of our Board committees, in line with their terms of reference, have a defined responsibility for scrutiny and oversight of those Principal Risks which align to their area of oversight.

The Risk Framework incorporates a requirement for the detailed mapping of controls and assurance for all identified risks, and we promote a positive risk culture through engagement with our teams in the regular review and refresh of significant risks.

Key Risk Analysis

Our analysis of risk considers inherent and residual risk assessments and identifies current controls and sources of assurance, and where these should be further strengthened.

Our Principal Risks as at 31 March 2023 are set out below. These are the areas which are likely to have the greatest current or near-term impact on our strategic priorities and reputation. We have identified issues of non-compliance in relation to procurement activity and implemented a new procurement policy and action plan to address these.

Data quality

Risk: Poor data integrity, data quality and data governance leading to an inability to understand and respond to organisational performance or resulting in regulatory or legal action.

How we manage the risk

- ✓ Data Governance Strategy and Data Warehouse project
- ✓ Focused projects to deliver ongoing improvements to asset data quality and operation of Property Data Governance Board
- ✓ Comprehensive controls over SDR preparation and submission
- ✓ Comprehensive register of assets and liabilities
- ✓ Robust data protection arrangements and improvements in cultural awareness
- ✓ KPI reporting to the Audit and Risk Committee on data protection metrics

Health and Safety/Safeguarding

Risk: Injury or loss of life occurs and GSA is unable to demonstrate adherence to Health and Safety legislation or safeguarding requirements for that event

How we manage the risk

- ✓ Health and Safety Action Plan supported by regularly updated policies and procedures
- ✓ Fire Safety investment programme
- ✓ Health and Safety and Safeguarding KPIs reported to the Board and Health and Safety Committee
- ✓ Mandatory training programme and completion monitoring
- ✓ Robust risk assessments
- ✓ Specific governance oversight including Safeguarding Lead Officers Group and Health and Safety Committee

Development

Risk: Unable to identify and deliver our RP development pipeline to meet our commitments on the delivery of affordable homes

How we manage the risk

- ✓ Robust scheme appraisal tools
- ✓ Funding and liquidity in place to support development ambitions
- ✓ The Group has dedicated and established resources in construction, development, and sales.
- ✓ Investment Committee oversight
- ✓ Focus on customer satisfaction through post-handover engagement
- ✓ Lead partner for Matrix development consortium development

Service Delivery – Care & Support

Risk: Care and Support does not deliver acceptable levels of quality, leading to a decline in customer satisfaction, adverse CQC ratings and compliance, an increase in safeguarding incidents or the termination of Care or Support contracts

How we manage the risk

- ✓ Quality review programme for our Care and Support customers
- ✓ CQC readiness audits undertaken
- ✓ GSA tenant satisfaction surveys on landlord services include Care and Support customers
- ✓ Robust Safeguarding framework
- ✓ Support plans developed with customers
- ✓ Tailored mandatory training programmes

Funding Strategic Priorities

Risk: Inability to fund strategic priorities or deliver financial targets owing to reduction in income, increase in costs or failure to deliver efficiency targets

How we manage the risk

- ✓ Long-term Financial Plan supported by stress testing
- ✓ Integration of financial systems (e.g. single ledger) substantially complete
- ✓ Improvements in financial reporting and focus on margins across all service areas
- ✓ Launch of new corporate strategy which will result in exits from loss-making activities
- ✓ Scrutiny through ARC and Board
- ✓ Approved Annual Budget and monitoring of financial performance at Board and Executive Board
- ✓ External assurance partners advising on the robustness of our financial plans
- ✓ Ongoing monitoring of Value for Money and efficiency targets

Lending Agreements & Covenants

Risk: Action leading to a breach of a lending agreement or covenant, causing a default resulting in significant financial exposure or regulatory action.

How we manage the risk

- ✓ Active engagement with our lenders on our covenants
- ✓ Financial Golden Rules and long-term Financial Plan in place and regularly reviewed
- ✓ Treasury Strategy and Policy
- ✓ £400m Sustainability Bond secured
- ✓ Board oversight of covenant compliance
- ✓ External assurance partners advising on long-term funding options

Service Delivery – Housing

Risk: Housing service quality fails to meet our residents' needs or stated service standards leading to a decrease in customer satisfaction and/or an increase in complaints

How we manage the risk

- ✓ Customer Panel delivering scrutiny and feedback on behalf of residents
- ✓ Locality boards focusing on performance and residents' needs
- ✓ Action plans focusing on continuing improvement in how we fulfil repairs demand
- ✓ Diverse and comprehensive tools to capture and respond to customer satisfaction
- ✓ Tenancy Sustainment Team in place to support vulnerable residents
- ✓ Skilled and trained colleagues in place in integrated Contact Centre

Regulation

Risk: Regulatory intervention or legal action or loss in trust from stakeholders or reputational harm due to weak governance or a failure to understand, or respond to, changes in regulation or legislation.

How we manage the risk

- ✓ Regular assessment of compliance with regulatory standards
- ✓ Rolling Governance Improvement Plan in place (substantially completed)
- ✓ Housing Ombudsman Complaints Code compliance review completed
- ✓ Designated Quality and Compliance teams with regulatory knowledge and oversight in specialist care and support service areas
- ✓ Comprehensive suite of policies on a scheduled review cycle
- ✓ Governance Framework in place and regularly reviewed

Investment in Homes

Risk: Deterioration in stock condition and a failure to meet current and forthcoming building standards and requirements (including Decent Homes, fire safety and decarbonisation)

How we manage the risk

- ✓ Long-term asset investment programme
- ✓ Asset Management Strategy in place
- ✓ Scrutiny exercised by Investment Committee on Decent Homes compliance
- ✓ Building Safety Programme Phase 2 actions completed
- ✓ Extensive Stock Condition Survey programme covering over 80% of homes
- ✓ Increased focus on damp and mould cases

People

Risk: Insufficient organisational resilience, capacity and capability to support the delivery of our corporate priorities

How we manage the risk

- ✓ Five-year People Strategy in place
- ✓ Board and Committee member recruitment, development and succession planning
- ✓ Oversight exercised by People and Culture Committee
- ✓ Regular colleague engagement surveys to drive positive colleague satisfaction and enhance retention
- ✓ EDI Foundation commitments and action plan
- ✓ Programmes of mandatory training regularly reviewed

Reputation

Risk: Reputational damage, organisational instability or loss in commercial value as a result of actual or anticipated changes to our corporate strategy

How we manage the risk

- ✓ Active stakeholder engagement with our Customer Panel
- ✓ Corporate strategy communications setting out the rationale for any changes in strategic direction
- ✓ Careful project planning, weighing up risks associated with any change and putting in place mitigations

Cyber security

Risk: Inability to prevent, detect or respond to a significant cyber security threat or other IT incident resulting in prolonged disruption to key services or reputational damage

How we manage the risk

- ✓ Cyber programme instigated to attain ISO 27001 Certification
- ✓ Specialist independent assurance and support to strengthen overall resilience
- ✓ Monthly assurance reports on our cyber protection status
- ✓ Comprehensive anti-malware and intrusion prevention tools

Governance and Internal Control

Compliance with laws, regulations and standards

Code of Governance and Statement of Compliance

GreenSquareAccord has adopted the National Housing Federation Code of Governance 2020 (the Code) and is compliant with all of the key provisions of the Code.

Governance and Regulatory Environment

The annual review of compliance against the Governance and Financial Viability Standard has been carried out for 2022-23 and GreenSquareAccord was partially compliant with the Standard during the reporting period. This is in respect of the provision in the Governance and Viability Standard which requires us to be compliant with all relevant legislation.

In October 2021, GreenSquareAccord was downgraded by the Regulator of Social Housing from a governance rating of G1 to G2 following the issues which had previously been identified relating to building safety.

In response to the regulatory judgement, GreenSquareAccord agreed a Governance Improvement Plan with the Regulator. Progress against the plan has been rigorously monitored by the Board and is regularly reported to the Regulator. Although we have now completed the most substantive elements of the plan and are compliant with building safety legislation, this was still a work in progress during the reporting period. As part of the Plan we also made provision for rent refunds where a small number of properties were identified as having been overcharged in prior years. These refunds have been completed in 2023/24.

The Regulator's assessment of GreenSquareAccord's compliance with the viability elements of the Governance and Financial Viability standard remains unchanged at V2.

We anticipate that the Regulator will complete their In Depth Assessment (IDA) of GreenSquareAccord in Autumn 2023 to reassess our gradings.

In September 2023, the Housing Ombudsman announced its intention to conduct an investigation, following 6 findings of severe maladministration in 3 different cases. We will work with the Ombudsman to implement any findings and actions arising from this investigation during 2023/24.

Board and Committee structure

Those Board members who served during the period to 31 March 2023 and the Group's executive directors are set out on page 2.

The Board

The Board may comprise up to twelve members and is responsible for the Group's strategy, policy framework and managing the affairs of the Group. The Chief Executive and the Chief Finance Officer are members of the Board. The Board members are drawn from a wide background bringing together professional, commercial and local experience. This year we have carried out additional recruitment to increase the diversity of our Board by enhancing representation from members with lived experience of social housing.

New Board members are selected by a panel of existing Board members following public advertisement for recruitment.

Committee Structure

During the year the GreenSquareAccord Board was supported by several boards and Committees, providing detailed scrutiny on its behalf.

Below is a summary of the key responsibilities fulfilled by each committee:

Audit & Risk Committee

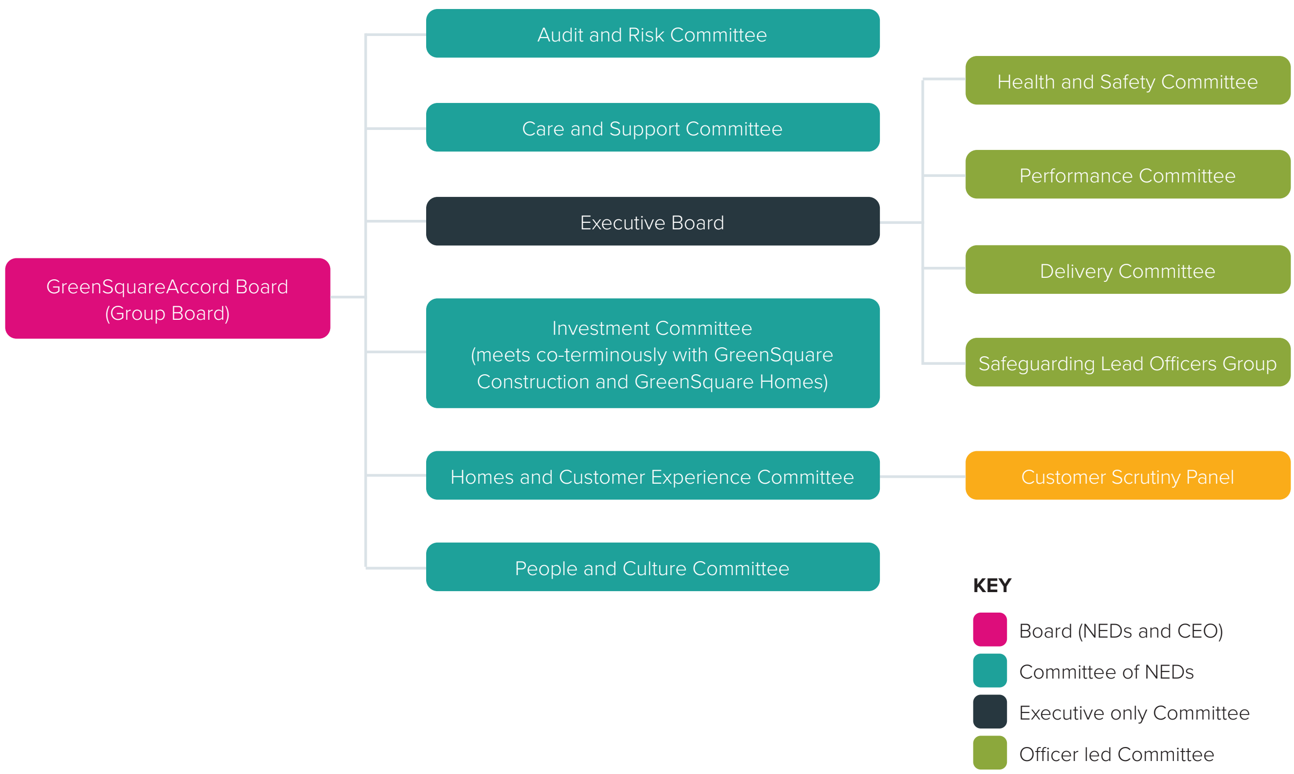
The Committee's primary role is to provide assurance to the Group Board on the systems of internal control, internal and external audit and risk management functions to ensure that they are effective and well-maintained. It is also responsible for maintaining an appropriate relationship with the Group's internal and external auditors. During the year, the Committee had the following membership:

- Pablo Andres (Chair)
- Gabrielle Berring
- Mandy Clarke (to 27 July 2023)
- Susan Goldsmith (from 1 April 2023)
- Eleanor Taig

Care & Support Committee

The purpose of the Committee is to provide oversight and scrutiny of the Group's care and support services and accommodation. The Committee's remit extends to domiciliary care, registered care homes, supported housing and specialist care and support services. During the year, the Committee had the following membership:

- Salma Reehana (Chair)
- Laura Caulfield
- Christopher Hampson (from 1 July 2022)
- Susan Goldsmith (to 1 April 2023)
- Shammas Rahim (to 13 June 2022)
- Fiona Taylor (to 6 February 2023)
- Selina Wall (from 1 June 2022)



Executive Board

The Chief Executive has delegated authority for the management and day to day running of the Group. The Executive Board supports the Chief Executive in discharging this responsibility. It provides scrutiny and input on delivering the strategic objectives of the business, ensuring good governance and championing its values. The Executive Board has a number of sub-committees including: Delivery Committee, Health and Safety Committee, Performance Committee and the Safeguarding Lead Officers Group.

Homes & Customer Experience Committee

This Committee provides assurance to the Group Board on the performance, quality and value for money of services provided to housing customers living in homes of all tenures. The Committee has a key responsibility in overseeing the Group's compliance with its landlord responsibilities, including the quality and safety of the Group's homes. During the year, the Committee had the following membership:

- David Greenhalgh (Chair)
- Sharon Thompson (from 1 March 2023)
- Ninder Johal (to 23 February 2023)
- John Creswell (from 1 March 2023)
- Sarah Mason (from 8 March 2023 – as Chair of the Customer Panel)
- Phyllis Starkey (to 17 January 2023)
- Hayley Selway
- Shammas Rahim

Integration Task & Finish Committee

The Integration Task and Finish Committee was a short-life working group reporting into the Group Board with the purpose of monitoring the progress of post-merger integration. The Committee disbanded on 17 January 2023 (having delivered its purpose). Prior to its closure, the Committee had the following membership:Robin Bailey (Chair)

- Mandy Clarke
- Susan Goldsmith
- Ninder Johal
- Phyllis Starkey

Investment Committee

The Investment Committee's primary role is to provide assurance to the Group Board on the Group's investment in existing properties, and the development of new homes. This includes the development of affordable housing, homes for market sale and rent, regeneration, asset management and disposals.

During the 2022-23 financial year, Investment Committee met co-terminously with the following subsidiary boards: GreenSquare Construction, GreenSquare Homes, GreenSquare Estates and (from 1 September 2022) LowCarbonLiving 'LoCaL' Homes. From 1 April 2023, the coterminous meeting arrangements for GreenSquare Estates and LoCaL were terminated and both boards now meet separately.

- Simon Eastwood (Chair to 29 September 2022)
- Robin Bailey
- Gabrielle Berring
- Peter Forsyth (from 1 June 2022)
- David Greenhalgh
- Phillip Lyons (from 1 June 2022 and Chair from 29 September 2022)
- Raj Shah

People & Culture Committee

The Committee oversees the remuneration of colleagues, the Chief Executive, Executive Directors and Board and Committee members. It also oversees Board and Committee recruitment, succession planning, appraisal and nominations arrangements. As part of its remit the Committee considers matters relating to culture, colleague engagement and diversity. During the year, the Committee had the following membership:

- Mandy Clarke (Chair to 27 July 2023)
- Robin Bailey
- John Creswell (from 16 May 2023)
- Susan Goldsmith (Chair from 28 July 2023)
- Salma Reehana (until 16 May 2023)

Customer Panel

The Customer Panel works in partnership with GSA to ensure resident-led scrutiny where the customer voice is heard and used to influence and drive performance and service improvements and provides assurance that GSA is conducting itself in an open, transparent, and accountable way.

The Customer Panel offers feedback on behalf of the wider customer base on key areas of service delivery and customer concerns to the GSA Board and its committees to inform future strategic decision making.

The Customer Panel focuses on GSA's responsibilities as a landlord and will work on behalf of all customers in receipt of Landlord services (including customers in housing, supported housing and care).

Company Structure

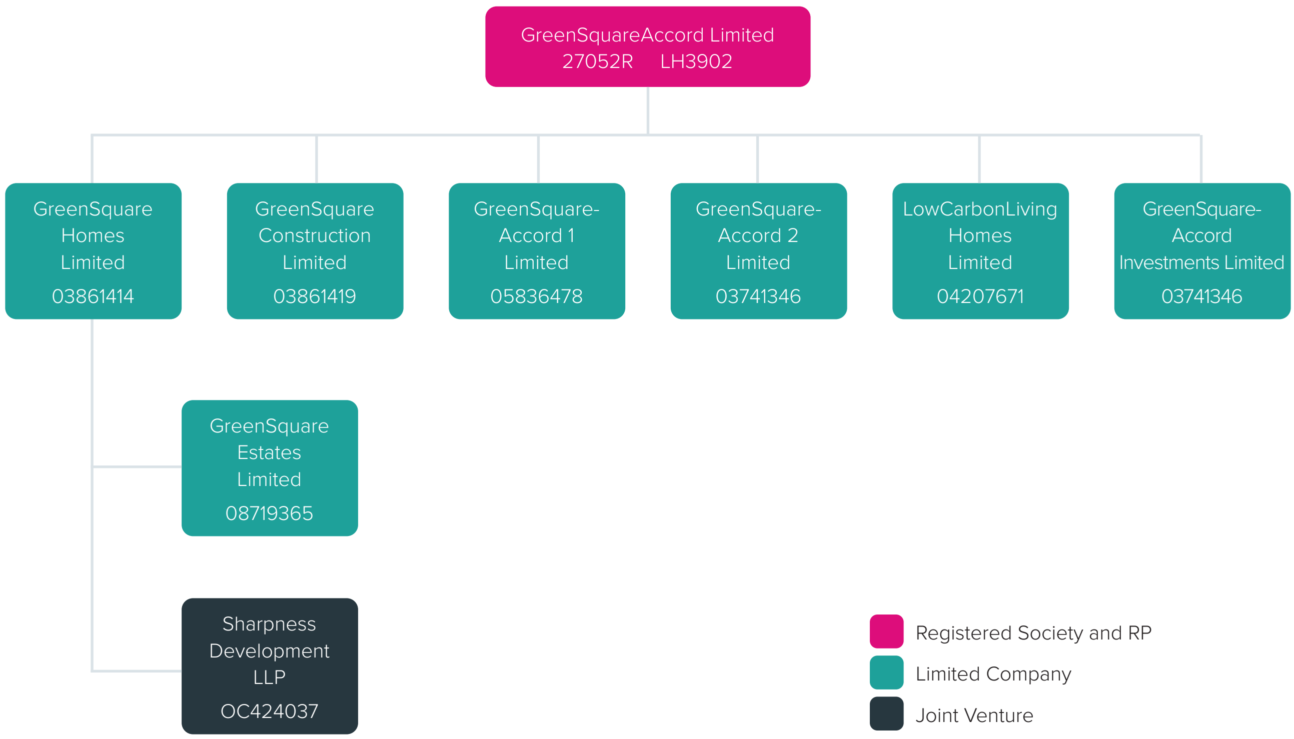
During the 2022-23 financial year we have carried out a consolidation and removed the following dormant entities from our structure:

- Accord Care Services Limited (17.01.23)
- Accord Group Treasury Limited (22.03.23)
- Ashram Care Limited (07.02.23)
- Direct Health (UK) Limited (17.01.23)
- Domus Healthcare (East Riding) Limited (17.01.23)
- Domus Healthcare (Kirklees and Calderdale) Limited (17.01.23)
- Domus Healthcare (Kirklees) Limited (17.01.23)
- Domus Healthcare (Oldham) Limited (17.01.23)
- Domus Healthcare (Rotherham) Limited (17.01.23)
- Domus Healthcare Group Limited (17.01.23)
- New Bilston Limited (31.05.23)
- Parkmore Services Limited (17.01.23)
- Third Caldmore Housing Association Limited (22.03.23)
- Direct Health Group Limited (20.06.23)

The following entities are in the process of being removed:

- Walsall Housing Regeneration Community Association

Excluding those companies which are in the process of dissolution or strike off, our company structure is set out in the diagram below:



Subsidiaries are wholly owned by GreenSquareAccord Limited and their membership is made up of Group Board members and Executives. On 1 April 2023 we updated our intra-group agreements which include provisions giving GreenSquareAccord Limited control of these entities. This is reinforced by our Governance Framework where decision making for key matters is delegated by subsidiaries to the Group Board. This ensures that activities carried out in the subsidiaries are overseen and managed by GreenSquareAccord for the purposes of reducing risk.

Independent Governance Review

In 2022, GreenSquareAccord commissioned an independent review of its governance arrangements, which was carried out by independent consultancy, Campbell Tickell. This provided external assurance for the improvements that we have put in place and any recommendations have been implemented.

During the year, GreenSquareAccord has been working on a governance improvement plan which it has reported at regular intervals to the Board and the Regulator of Social Housing. This is now substantially complete.

Remuneration policy

GreenSquareAccord has the following governance arrangements in place in respect of remuneration:

- The annual pay settlement for colleagues is reviewed and recommended by the People and Culture Committee to the Board for approval.
- The remuneration of Executive Directors is approved by the People and Culture Committee.
- The Chief Executive's remuneration is a reserved matter for the Board, in line with the NHF Code of Governance 2020.
- The People and Culture Committee is responsible for the scrutiny of non-contractual payments made to colleagues, and for approving non-contractual payments made to Executive Directors.
- Board and Committee Member remuneration is recommended by the People and Culture Committee for approval.

Executive Directors Terms and Conditions and Remuneration

All Executive Directors are employed on three month notice periods. Some Executive Directors were members of the Social Housing Pension Scheme, which includes both a closed defined benefit (final salary) and defined contribution pension scheme. They participated in the schemes on the same terms as all other eligible staff and the Group contributed to the schemes on behalf of its employees.

Chief Executive Remuneration

The Chief Executive has a formal contract of employment and this, together with the remuneration paid under it, are reviewed every two years. The last review took place in March 2023. Any non-contractual or discretionary payments to the Chief Executive must be approved by the Board.

People

A key strength of the Group lies in the quality and commitment of its colleagues. The Group's ability to meet its objectives and commitments to customers in an efficient and effective manner depends on the contribution of our people. The Group aims to be an employer of choice in the areas in which it works.

Every year we complete an annual group employee engagement survey to provide feedback from across the business. We believe our colleague feedback is critical to the Group given our focus on colleague satisfaction and the direct impact we believe this has on customer satisfaction. Our latest survey was carried out in June 2022 where our response rate increased by 8% and our overall engagement increased by 2.3% from the previous year's survey. In addition to this we added EDI health and culture measures to our survey for the first time with our EDI health measure coming out at 76% and our culture measure coming out at 75% The main themes from the 2022 survey were connection to the organisational strategy, pay and benefits and communication. To ensure that we remain focused on listening to our colleagues we have agreed a regular business action plan to address the feedback received by colleagues which is reviewed every quarter by our Executive Team and our People & Culture committee. At GSA we have also bought together legacy employee forums to create "Colleague Voices", our workforce representation group who help us create a voice from the colleague, right through to the board room. Our colleague voices have attended a number of People & Culture committee meetings in the last year and continue to be a present voice in the boardroom.

Equality Diversity and Inclusion (EDI)

Our EDI mission is simple – we want to be a diverse and inclusive organisation that reflects the communities and people we serve. We want to be described, and behave as, a fair and inclusive employer, service provider and landlord. This mission is at the core of the Group's strategy – Simpler, Stronger, Better – and purpose. In March 2022 the Board approved the Group's EDI Foundation Strategy Commitments, which set out a roadmap of activity over the coming 5 years. Since then, we have delivered a number of actions against our EDI foundation strategy including:

- Improving our gender pay gap results as a direct result of our EDI foundation strategy action commitments, seeing a 7 % improvement in our mean pay gap on 2021 and 6% improvement on our median pay gap on 2021.

- Launching our EDI ambassadors forum as GSA, a workforce representation group who are passionate about our EDI ambition at GSA. Our EDI forum have presented at our People and Culture Committee to board members and board members have attended the forums meetings.
- Joined the NHF diversity action group which in turn allowed us to share our EDI data with others in the sector to allow the sector to report more accurately on its EDI landscape.
- Continued to improve our internal EDI census with the aim of updating the information already held by the Group from its onboarding process. The Group holds reasonably high levels of information on ethnicity (98%), sexual orientation (90%) and religion (79%), and has more recently started to data capture on a broader set of metrics such as caring responsibilities, social demographics and neurodiversity Improving EDI methods in board recruitment practices to continue our ambition to create a more diverse board.

Modern Slavery and Human Trafficking

Modern slavery can take many forms, including human trafficking and child labour. The Group will not tolerate modern slavery 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. We publish our Modern Slavery Statement annually on the home page of our website.

Health and safety

The Board is clear on its responsibilities on all matters relating to health and safety. The Group has adopted robust health and safety policies, and provides training and education on health and safety to colleagues and Board members.

Corporate health and safety and landlord safety key performance indicators (KPIs) are in place and reported to the Group Board at each meeting. KPIs included a range of measures such as the number of Reporting of Injuries, Diseases and Dangerous Occurrence Reporting (RIDDOR) incidents, and the number of near misses.

This year we have completed a review of all of our risk assessments, and brought these together on a single digital platform. We have also completed the integration of our accident and incident reporting system (Effective) and consolidated contracts for lone working devices. In addition we have reviewed role specific health and safety training and started rolling out new training.

Streamlined Energy and Carbon Report (SECR)

GreenSquareAccord acknowledges that we have an impact on the environment both directly, through 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.

As GreenSquareAccord 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 voluntarily disclose our emissions data.

This table provides the carbon footprint for GreenSquareAccord at 31 March 2023. Our stock produces on average 2.53 tonnes of CO_2, which is significantly lower than the average UK Household (6 tonnes of CO_2).

Total Annual CO_2 Emissions (tonnes)	**2022-23**	**2021-22**
Total emission from properties in management	54,475	61,778
Average emissions per property	2.53	2.66

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

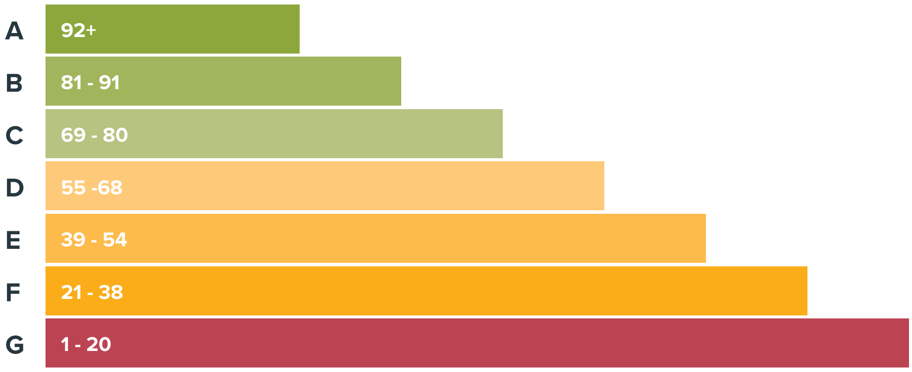
	2022-23	**2021-22**
Property average kWh/m2/year	221	239
Total KWHM2 used by properties in management in year	4,752,089	5,546,362

UK energy use covers electricity, natural gas, direct diesel and mileage activities across all GreenSquareAccord Group entities. Estimates have been made where it has not been possible to obtain supplier detail. We produced additional carbon from our offices and from mileage as per the table overleaf:

Total Annual CO2 Emissions (tonnes)	**2022-23**	**2021-22**
Properties in management	54,475	61,778
Fuel/mileage	902	1,699
Offices	168	176
Total emissions per property	**55,545**	**63,653**

Property EPC improvements

Dwellings in the UK are assessed and banded according to their energy efficiency. In England, Wales and Northern Ireland, there are seven bands labelled A to G:



Once assessed, a property is given an Energy Performance Certificate (EPC). The purpose of this Natwest Energy KPI programme (which is also linked to a NatWest lending facility) is to improve the EPC rating of a number of GreenSquareAccord dwellings which currently sit in band 'D' or lower, so that they move into band 'C' or higher.

Improvements are achieved by carrying out heating or thermal/energy efficiency upgrades to those properties. Typical upgrades include topping-up loft insulation and replacing boilers and electric heating systems with newer more efficient models.

We have reached the mid-point in the Natwest Energy programme.

The following table illustrates the targets for all six years and the progress made to date.

Year of Programme	**Energy KPI end of year**	**Energy KPI Target number of EPC improvements (minimal, on a cumulative basis)**	**Actual achieved end year**	**Cumulative improvements achieved**	**Cumulative target met?**
1	31 March 2021	33	34	34	Yes
2	31 March 2022	66	42	76	Yes
3	31 March 2023	99	23	99	Yes
4	31 March 2024	132			
5	31 March 2025	165			
6	31 March 2026	200			

We have met the target for the third year in a row. Our objective for the fourth year of the programme will be to improve the EPC rating of at least 33 properties to ensure that we continue to meet the cumulative target. During the financial year the Group (in its capacity as lead bidder for the Matrix housing partnership) was successful in its bid for funding from Wave 2.1 of the Social Housing Decarbonisation Fund. This has provided £4m of grant funding to add to a contribution from GSA of £5.6m, these funds will be used to provide significant energy efficiency improvements to 273 of our homes between March 2023 and September 2025. This will significantly reduce energy costs for these tenants as well as bringing these properties up to a rating of EPC C – helping to meet our obligation as a social landlord to bring all properties to this level or above by 2030.

Control Environment and Internal Controls

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 the Group's strategic objectives. The process has been in place throughout the year to 31 March 2023 and up to the date of approval of the Financial Statements. The effectiveness of this process has been reviewed regularly by the Audit and Risk Committee which met six times in 2022/23.

Under GreenSquareAccord's Risk Management Framework it is the responsibility of the Chief Executive to review and manage operational risks and systems of internal controls. This is delegated to Executives and Directors by way of their operational responsibilities. The Chief Executive has provided the Board with assurance that the Group's internal controls are of an adequate level to provide reasonable assurance of:

- the reliability or integrity of financial, property and performance information,
- the safe, effective and efficient operation of our business,
- identification and management of risk,
- effective governance arrangements,
- compliance with the Regulator of Social Housing's regulatory standards*,
- compliance with relevant UK and EU legislation**; and
- the operation of the business in line with ethical standards of conduct.

**In 2021, the Regulator for Social Housing issued a Notice and Regulatory Judgement, downgrading GreenSquareAccord's governance rating from G1 to G2 following issues which had previously been identified relating to building safety. In response to the regulatory judgement, GreenSquareAccord agreed a Governance Improvement Plan with the Regulator. Progress against the plan has been rigorously monitored by the Board and reported to the Regulator. Key work programmes under the Building Safety Recovery Plan are now substantially complete, including asbestos surveys, electrical testing and fire risk assessments. This has generated a large programme of works which we are currently working through. We are seeking assurance from third party experts that these plans maintain the safety of residents while essential works are taking place. We anticipate that the Regulator of Social Housing will carry out an In Depth Assessment in Q2 of FY23/24 to review our governance rating.*

*** GreenSquareAccord identified some areas of non-compliance in terms of its procurement processes during the year. A new Procurement Policy and Action Plan has been put in place and are being monitored by the Executive and Board.*

As we continue to integrate systems and processes post-merger, some areas of improvement have been highlighted in respect of our payments and procurement arrangements. The Group has a relatively complex set of systems for committing spend and making payments, and a number of legacy contracts and procurement arrangements in place which require updating. A new Group Procurement Strategy and Policy were developed and approved by the Board during the financial year, and a plan is in place to harmonise our processes.

The main processes and policies which the Board has established, and which are designed to provide effective internal control, are summarised below.

Identification and evaluation of key risks, monitoring and corrective action

(i) Risk maps are regularly reviewed and updated and risks are managed in accordance with our Risk Management Framework, approved by the Board. Risks have been scored in line with risk appetites and are documented. Where risk mapping has identified internal controls as being in existence, these controls are in place. Implementation of any improvements to controls identified by the risk mapping process are monitored by the Executive, Audit and Risk Committee and by the Board.

Control Environment and control procedures

(ii) Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls, and restrict the unauthorised use of the GreenSquareAccord's assets.

(iii) An Anti-Fraud Policy and Procedure (including tax evasion) and Anti Bribery and Corruption Policy are in place covering the prevention, detection and reporting of fraud, the recovery of assets and the prevention of bribery.

(iv) GreenSquareAccord's governance policies and procedures have been reviewed and updated where applicable to ensure their robustness

(v) Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures are in place in order to maintain standards of performance.

(vi) The Executive and Leadership Team are supportive of the internal audit function and respond appropriately to all recommendations for improvement in internal controls, and direct colleagues reporting to them to do the same.

Information and financial reporting systems

(vii) Forecasts and budgets are prepared which allow the Board and Executive to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term. The Group's 30-year financial plan and Financial Golden Rules set the overall framework for the management of the Group's financial performance.

(viii) All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures.

(ix) Appropriate measures have been taken to ensure compliance with the requirements of the Data Protection Act 2018 and the UK's General Data Protection Regulation (UK GDPR).

(x) A rigorous and independent review and assessment of key areas of the business is undertaken by our internal auditors through a phased programme of internal audits. Reports and recommendations are received and acted upon by the Executive with presentations given direct to the Audit & Risk Committee to endorse the findings. During the 2022/23 financial year, internal audit services were provided by KPMG.

Accounting Policies

The Group prepares its financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102).

The Group and Association's principal accounting policies are set out in note 2 of the financial statements. The policies that are most critical to the financial results relate to accounting for housing properties and capital grants, pension costs and financial instruments and include: capitalisation of interest and development administration costs; housing property depreciation; and treatment of shared ownership properties.

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 classification of loans as basic financial instruments, impairment of tangible fixed assets, and the impairment of investments, intangibles and goodwill and the capitalisation of development costs.

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 and has been formulated based on a series of assumptions as set out in Note 27 to the financial statements, the allocation of costs for mixed tenure developments and shares ownership sales on a basis which management deems appropriate and fair value measurement of assets where in the absence of an active market the best information available is used.

Going concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report on page 5. In making its judgement on the future viability of the organisation, the Board has carried out a review of the impact of the volatile external environment resulting from the war in Ukraine, with rising inflation, the sustained impact of COVID-19 (especially on our residential and specialist care services), and labour and material shortages significantly impacting on our business activities and how the measures planned and already implemented will protect financial viability. The Board and Executive Management Team has proactively managed the impact on the organisation throughout.

The Board has 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.

The Group has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programme, along with the Group's day to day operations. The Group also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

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.

Statement of the Responsibilities of the Board for the Report and Financial Statements

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 directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards as reflected in FRS102 and applicable laws).

Under the Co-operative and Community Benefit Society legislation the directors 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 for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers update 2018, 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 2022. 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.

In so far as each member of the Board is aware:

- there is no relevant audit information of which the Association's auditors are unaware; and
- the Board has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Auditors

A resolution to reappoint BDO LLP as auditors will be proposed at the forthcoming Annual General Meeting.

The report of the Board was approved on 27 July 2023 and signed on its behalf by:

R Bailey
Board Member

R Cooke
Chief Executive Officer

Independent Auditor's Report to the Members of GreenSquareAccord Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2023 and of the Group's and the Association's deficit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been properly prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

We have audited the financial statements of GreenSquareAccord Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the consolidated statement of comprehensive income, the Association statement of comprehensive income, consolidated, the Association statement of changes in reserves, the consolidated statement of financial position, the Association statement of financial position and the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 Group and the Parent 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 as applied to listed entities, 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's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Board's assessment of the Group and the Parent Association's ability to continue to adopt the going concern basis of accounting included:

- We obtained management's assessment that supports the Board's conclusions with respect to the disclosures provided around going concern.
- We assessed the internal forecasting process to confirm the projections are prepared by appropriate personnel that are aware of the detailed figures in the forecast and also have a high level understanding of the entity's market, strategy and profile in the customer base, and the potential impact that current economic pressures might have on these projections.
- We considered the forecasts prepared by management and challenged the key assumptions based on our knowledge of the business.
- Scenarios modelled by management include a range of stress tests to analyse the impact of risks from the emerging change in inflation, high interest rates and possible lower rent settlements from the Government. We challenged the assumptions used and mitigating actions included within this scenario and reviewed the stress test calculations.
- We challenged management on the suitability of the mitigating actions identified by management in their assessment and the quantum and period ascribed to these mitigating actions.

- We considered the appropriateness of management's forecasts by testing their mechanical accuracy, assessing historical forecasting accuracy and understanding management's consideration of downside sensitivity analysis.
- We obtained and assessed the availability of financing facilities, including the nature of facilities, repayment terms and financial covenants. We considered management's financial covenant compliance calculations through to March 2025 and concluded on the consistency of such calculations with the ratios stated in the relevant lender agreements. We assessed the facility and covenant headroom calculations and re-performed sensitivities on management's base case and stressed case scenarios.
- We considered the adequacy of the disclosures in the financial statements against the requirements of the accounting standards and consistency of the disclosure against the forecasts and stress test scenarios.

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 Group and the Parent 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] with respect to going concern are described in the relevant sections of this report.

Coverage	100% (2022: 100%) of Group surplus before tax		
	100% (2022: 100%) of Group revenue		
	100% (2022: 100%) of Group total assets		
Key audit matters		**2023**	**2022**
	Recoverable amount of property developed for sale	✓	✓
Materiality	Group financial statements as a whole		
	£3.4m (2022: £3.4m) based on 7.5% (2022: 7.5%) of adjusted operating surplus		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Board that may have represented a risk of material misstatement.

A full scope statutory audit was carried out for all subsidiary undertakings. Audit work on all components was performed by BDO UK, both for the purposes of reporting on the individual financial statements and for group/consolidation purposes. We identified two significant components which, in our view required an audit of their complete financial information due to their size or risk characteristics and were therefore considered to be significant components.

GreenSquareAccord Limited and GreenSquare Homes Limited were identified as significant components due to their size and risk characteristics.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the key audit matter
Recoverable amount of property developed for sale	As explained in the accounting policies on page 51, properties developed for sale, which are disclosed in Note 19 of the financial statements and include shared ownership first tranches and properties developed for outright sale, are measured at the lower of cost and their recoverable amount, resulting in an amount recognised in the balance sheet of £32,832,000 (2022 - £26,475,000). For completed properties at the balance sheet date, an assessment has been made by management of an expected selling price. For properties in development at the balance sheet date, an assessment has been made of the expected selling price and costs to complete and sell. Due to the level of judgement involved in estimating both selling price and costs to complete we considered there to be a significant risk over the recoverable amount of property developed for sale and therefore considered this to be a key audit matter.	For a sample of property developed for sale, we have performed the following. **1. For sales price:** ◆ compared anticipated selling prices to sales prices achieved after the year end, sales prices achieved for similar units in the year, valuation of properties for marketing purposes and other selling prices of similar properties in the locality. ◆ where valuations were used, we assessed the expertise of the valuers and confirmed their work was appropriate for our use. **2. For costs to complete:** ◆ we benchmarked the assumptions on build costs to check that these were appropriate and reflected market conditions, then for a sample of schemes we recalculated the expected build costs and checked that there were no material variations. ◆ obtained details of the expected costs to complete from the scheme budget for that development and agree the budgeted contracted cost of the development to the latest contract documentation. ◆ compared the incurred expenditure (including costs incurred after the reporting date) to the estimated amount to ensure that the cost to complete estimate reflects actual costs. ◆ assessed the accuracy of cost forecasting by looking at outturn costs compared to budget on schemes that completed in the year. **3. For costs to sell we:** ◆ considered computations of selling costs and compared against known selling costs that have been incurred in the year. **Key observations** Based on our procedures we noted no exceptions.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent Association financial statements	
	2023 £m	**2022 £m**	**2023 £m**	**2022 £m**
Materiality	3.3	3.4	3.3	3.4
Basis for determining materiality	2023 and 2022: 7.5% of adjusted operating surplus as defined by the entities lending covenants.			
Rationale for the benchmark applied	Management reports its performance to key stakeholders and monitors the business based on adjusted operating surplus as defined by the loan covenants. It is therefore appropriate to adjust materiality in order to respond to the risk of covenant breach. Based on the strictest loan covenant, depreciation and impairment are added back and capitalised major repairs and amortisation of grant are excluded.			
Performance materiality	2.1	2.2	2.1	2.2
Basis for determining performance materiality	2023 and 2022: 65% of materiality			
Rationale for determining performance materiality	We considered a number of factors including the expected total value of known and likely misstatements (based on past experience and other factors) and management's attitude towards proposed adjustments.			

Component materiality

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group, apart from the Parent Association whose materiality is set out above, based on a percentage of between 20% and 90% (2022: 5% and 90%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £400 to £3.0m (2022: £840 to £3.4m). In the audit of each component, we further applied performance materiality levels of 65% (2022: 65%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £70k (2022: £70k). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Board are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 and Community Benefit Societies Act 2014 to report to you if, in our opinion:

- the Association has not kept proper books of account;
- the Association has not maintained a satisfactory system of control over its transactions;
- the financial statements are not in agreement with the Association's books of account; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the Board

As explained more fully in the Statement of the Responsibilities of the Board for the Report and Financial Statements, 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 Group and 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 Group or 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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the Regulator of Social Housing's Regulatory Standards, employment law, tax legislation, data protection and health and safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override through accounting estimates and inappropriate journal entries.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Challenging assumptions made by management in their significant accounting estimates, in particular in relation to the recoverable amount of property developed for sale (see Key Audit Matter 1), the value of defined benefit pension liabilities and the impairments recognised in the year.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 is available 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 Housing and Regeneration Act 2008 and 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 and the members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

BDO LLP
Statutory Auditor

Gatwick, UK

Date: 6th October 2023

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

Consolidated Statement of Comprehensive Income
for the year ended 31 March 2023

	Note	2023 £000s	Underlying Business activities £000s	Effect of business combination £000s	2022 £000s
Turnover	3	214,380	227,493	-	227,493
Operating costs	3	(178,063)	(194,304)	-	(194,304)
Non recurrent operating costs	3,6	(18,751)	(18,898)	-	(18,898)
Total operating expenses		(196,814)	(213,202)	-	(213,202)
Gain on disposal of properties	3,7	6,191	3,751	-	3,751
Operating surplus	**3,6**	**23,757**	**18,042**	**-**	**18,042**
Interest receivable and other income	8	1,193	167	-	167
Interest and financing costs	9	(45,127)	(35,864)	-	(35,864)
Fair value on business acquisition	35	-	-	217,995	217,995
Refinancing charges	9	(7,648)	(890)	-	(890)
Share of operating deficit in Joint Venture	15	(68)	(79)	-	(79)
Other finance charges	27	(741)	(665)	-	(665)
(Deficit)/Surplus before tax		**(28,634)**	**(19,289)**	**217,995**	**198,706**
Taxation	12	(4)	(15)	-	(15)
(Deficit)/Surplus for the year		**(28,638)**	**(19,304)**	**217,995**	**198,691**
Actuarial gain/(loss) in respect of pension	27	19,990	(4,079)	-	(4,079)
Total comprehensive (deficit)/income for the year		**(8,648)**	**(23,383)**	**217,995**	**194,612**

The Consolidated results relate wholly to continuing activities. The accompanying notes on pages 51 to 91 form part of these financial statements.

The Financial statements were approved and authorised for issue by the Board on 27th July 2023.

R Bailey
Chair

R Cooke
Board Member

S Atkinson
Company Secretary

Association Statement of Comprehensive Income
for the year ended 31 March 2023

	Note	2023 £000s	Underlying Business activities £000s	Effect of business combination £000s	2022 £000s
Turnover	3	204,048	210,569	-	210,569
Operating costs	3	(167,042)	(179,101)	-	(179,101)
Non recurrent operating costs	3,6	(18,751)	(18,898)	-	(18,898)
Total operating expenses		(185,793)	(197,999)	-	(197,999)
Gain on disposal of properties	3,7	6,191	3,751	-	3,751
Operating surplus	**3,6**	**24,446**	**16,321**	**-**	**16,321**
Interest receivable and other income	8	2,023	798	-	798
Interest and financing costs	9	(45,720)	(36,261)	-	(36,261)
Fair value on business acquisition	35	-	-	217,995	217,995
Refinancing charges	9	(7,648)	(890)	-	(890)
Other finance charges	27	(741)	(665)	-	(665)
Qualifying charitable donations		671	1,000	-	1,000
(Deficit)/Surplus before tax		**(26,969)**	**(19,697)**	**217,995**	**198,298**
Taxation	12	-	-	-	-
(Deficit)/Surplus for the year		**(26,969)**	**(19,697)**	**217,995**	**198,298**
Actuarial gain/(loss) in respect of pension	27	19,990	(4,079)	-	(4,079)
Total comprehensive (deficit)/income for the year		**(6,979)**	**(23,776)**	**217,995**	**194,219**

The Consolidated results relate wholly to continuing activities. The accompanying notes on pages 51 to 91 form part of these financial statements.

The Financial statements were approved and authorised for issue by the Board on 27th July 2023.

R Bailey
Chair

R Cooke
Board Member

S Atkinson
Company Secretary

Consolidated Statement of Changes in Reserves
for the year ended 31 March 2023

	Revaluation Reserve £'000	Restricted Reserve £'000	Revenue Reserve £'000	Total £'000
Balance as at 1 April 2021	**159,461**	**19**	**214,852**	**374,332**
Surplus for the year	-	-	198,691	198,691
Actuarial loss for the year	-	-	(4,079)	(4,079)
Transfer of restricted expenditure from revenue reserve	-	3	(3)	-
Acquisition of GreenSquare Group	-	69	-	-
Transfer from revaluation to revenue reserve	(1,932)	-	1,932	-
Balance as at 31 March 2022	**157,529**	**91**	**411,324**	**568,944**
Surplus for the year	-	-	(28,638)	(28,638)
Actuarial gain for the year	-	-	19,990	19,990
Transfer of restricted expenditure from revenue	-	74	(74)	-
Transfer from revaluation to revenue reserve	(5,086)	-	5,086	-
Balance as at 31 March 2023	**152,443**	**165**	**407,688**	**560,296**

The accompanying notes on pages 51-91 form part of these financial statements.

Association Statement of Changes in Reserves
for the year ended 31 March 2023

	Revaluation Reserve £'000	Restricted Reserve £'000	Revenue Reserve £'000	Total £'000
Balance as at 1 April 2021	**159,461**	**19**	**214,852**	**374,332**
Surplus for the year	-	-	198,298	198,298
Actuarial loss for the year	-	-	(4,079)	(4,079)
Transfer of restricted expenditure from revenue reserve	-	(5)	5	-
Acquisition of GreenSquare Group	-	24	(24)	-
Transfer from revaluation to revenue reserve	(1,932)	-	1,932	-
Balance as at 31 March 2022	**157,529**	**38**	**410,984**	**568,551**
Surplus for the year	-	-	(26,969)	(26,969)
Actuarial gain for the year	-	-	19,990	19,990
Transfer of restricted expenditure from revenue	-	46	(46)	-
Transfer from revaluation to revenue reserve	(5,086)	-	5,086	-
Balance as at 31 March 2023	**152,443**	**84**	**409,045**	**561,572**

The accompanying notes on pages 51-91 form part of these financial statements.

Consolidated Statement of Financial Position

at 31 March 2023

	Note	2023 £'000	2022 £'000
Fixed Assets			
Intangible fixed assets	13	210	504
Housing properties	14	1,973,869	1,881,389
Fixed asset investments	18	46	50
Investment properties	15	-	133
Investment in joint ventures	16	3,155	1,606
Other tangible fixed assets	17	17,136	16,314
		1,994,416	**1,899,996**
Current Assets			
Stock and properties held for sale	19	33,867	27,579
Trade and other debtors	20	28,330	23,544
Investments	21	499	544
Cash at bank and in hand		93,072	50,061
		155,768	**101,728**
Creditors: Amounts falling due within one year	22	(95,749)	(90,421)
Net current assets		60,019	11,307
Total assets less current liabilities		2,054,435	1,911,303
Creditors: Amounts falling due after more than one year	23	(1,479,277)	(1,306,970)
Net pension liability	27	(12,685)	(32,992)
Provisions for liabilities	28	(2,177)	(2,397)
Total Net Assets		**560,296**	**568,944**
Capital and reserves			
Non-equity share capital	29	-	-
Restricted reserve		165	91
Revaluation reserve		152,443	157,529
Revenue reserves		407,688	411,324
Total Reserves		**560,296**	**568,944**

The accompanying notes on pages 51-91 form part of these financial statements.

The Financial statements were approved and authorised for issue by the Board on 27th July 2023.

R Bailey
Chair

Ruth Cooke

R Cooke
Board Member

S Atkinson
Company Secretary

Association Statement of Financial Position
at 31 March 2023

	Note	2023 £'000	2022 £'000
Fixed Assets			
Intangible fixed assets	13	210	504
Housing properties	14	1,973,941	1,881,461
Fixed asset investments	18	9,107	13,075
Investment properties	15	-	133
Other tangible fixed assets	17	16,172	16,261
		1,999,430	**1,911,434**
Current Assets			
Stock and properties held for sale	19	6,692	7,953
Trade and other debtors	20	48,108	30,686
Investments	21	499	544
Cash at bank and in hand		88,585	45,757
		143,884	**84,940**
Creditors: Amounts falling due within one year	22	(88,620)	(85,959)
Net current assets		55,264	(1,019)
Total assets less current liabilities		2,054,694	1,910,415
Creditors: Amounts falling due after more than one year	23	(1,478,706)	(1,306,475)
Net pension liability	27	(12,685)	(32,992)
Provisions for liabilities	28	(1,731)	(2,397)
Total Net Assets		**561,572**	**568,551**
Capital and reserves			
Non-equity share capital	29	-	-
Restricted reserve		84	38
Revaluation reserve		152,443	157,529
Revenue reserves		409,045	410,984
Total Reserves		**561,572**	**568,551**

The accompanying notes on pages 51-91 form part of these financial statements.

The Financial statements were approved and authorised for issue by the Board on 27th July 2023.

Ruth Cooke

R Bailey
Chair

R Cooke
Board Member

S Atkinson
Company Secretary

Consolidated Statement of Cash Flows
for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Net cash generated from operating activities	**31**	**44,260**	**82,412**
Cash flow from investing activities			
Interest received and similar income		1,193	167
Purchase and refurbishment of housing properties		(124,928)	(100,959)
Payments to acquire other tangible fixed assets		(3,821)	(3,029)
Purchase of intangible fixed assets		(14)	(69)
Payments to acquire investments		(1,617)	(387)
Receipts from Investments		-	4
Receipt of government grants		1,060	8,140
Net cash acquired with business combination		-	91,688
Corporation tax paid		(15)	(25)
		(128,142)	**(4,470)**
Cash flow from financing activities			
Interest and refinance charges paid		(55,362)	(42,325)
New long term loans		430,000	86,800
Repayment of long term loans		(247,745)	(114,577)
		126,893	**(70,102)**
Net change in cash and cash equivalents	**32**	**43,011**	**7,840**
Cash & cash equivalents at beginning of the year		50,061	42,221
Cash & cash equivalents at end of the year		**93,072**	**50,061**

The accompanying notes on pages 51-91 form part of these financial statements.

Notes to the Financial Statements

1. Legal status

The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is a registered housing provider in England. The Association is a public benefit entity.

2. Accounting policies

Basis of accounting

The financial statements of the Group and Association have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS102) 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 2022. The Board is satisfied that the current accounting policies are the most appropriate for the Group and Association. The financial statements are presented in Sterling (£).

The Group and Association has taken advantage of transitional relief set out in FRS102 to carry fixed assets at deemed cost and treated all grant on transition under the performance model with subsequent grants under the accrual model.

The accounts are prepared under the historical cost basis except for the modification to a fair value basis for certain financial instruments and investment properties as specified in the accounting policies below. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. Disclosure exemptions in preparing the separate financial statements of the Association, advantage has been taken of the following disclosure exemptions available in FRS 102:

- no cash flow statement or net debt reconciliation has been presented for the Association;
- disclosures in respect of the parent Association's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole;
- no disclosure has been given for the aggregate remuneration of the key management personnel of the Association as their remuneration is included in the totals for the group as a whole. The following principal accounting policies have been applied:

Basis of consolidation

The Association is required by statute to prepare Group accounts. The consolidated financial statements incorporate the financial statements of all members of the Group as at 31 March 2023.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-Group balances and transactions, including unrealised profits, have been eliminated on consolidation.

Going concern

The accounts have been prepared on a going concern basis.

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

The board has 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 funder covenants at all times. The financial plan has been subject to a number of severe multi-variant stress scenarios surrounding the economic, operational and housing market impacts and the mitigating actions that could be taken to ensure the Group remains within existing cash facilities and covenants, 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.

GreenSquareAccord has liquid cash of £93.1m at the year end plus additional liquidity from secured borrowing facilities. As at 31 March 2023 the Group had total facilities of £1,617m (2022: £1,333m) of which £1,167m were drawn, a net increase of £184m on the previous year primarily as a result of the debut bond issuance offset by prepayments as part of a refinancing exercises.

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. The Group has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programme, along with the Group's day to day operations. The Group also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

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, 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 have prepared these financial statements on that basis.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

Significant management judgements

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

Financial Instruments

The Group has reviewed its loan agreements and classified all loans as 'Basic' financial instruments. We consider any fixed rate debt with two-way early redemption indemnity clauses to be held for the long term as per treasury strategy and be non speculative. In addition the commercial substance of the transaction is neutral to the lender such that should a prepayment event occur the full principal and interest will be due and no economic benefit will accrue to the Association. This satisfies the 'Basic' requirements as set out in Paragraph 11.9 of FRS102.

Capitalisation of property development costs

Distinguishing the point at which a project is more likely than not to continue, allowing capitalisation of associated development costs requires judgement. After capitalisation, management monitors the asset and considers whether changes indicate that impairment is required.

Supporting People

Management judgement is applied in determining the extent to which the risks and benefits are transferred to the Association when considering the Income to be recognised. £1.4m (2022: £2.6m) of Supporting People income was recognised in the year.

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 Group that have the most effect on the financial statements:

Recoverable amounts of rental and other trade receivables and current assets

The recoverable amounts of rental and other trade receivables and current assets 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 management's view of the recoverability of the debt outstanding.

Obligations under defined benefit pension schemes (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analysed in Note 27). The liability at 31 March 2023 was Group and Association: £12.7m (2022: £33.0m).

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 estimates of the useful lives of depreciable assets at each reporting date on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components. Group Accumulated depreciation at 31 March 2023 was £227.0m including other fixed assets.

Property Impairment

As part of the Group's continuous review of the performance of their assets, management identify any homes, or schemes, that have increasing void losses, are impacted by policy changes or where the decision has been made to dispose of the properties. These factors are considering to be an indication of impairment.

Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any impairment losses are charged to operating surpluses.

GreenSquareAccord 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 housing property impairment was identified on our general needs stock, and a £13.4m impairment was identified on a portfolio of our care and support schemes.

Turnover and Revenue Recognition

Turnover comprises rental and service charge income receivable in the year, income from shared ownership first tranche sales, sales of properties built for sale and other services included at the invoiced value (excluding VAT) of goods and services supplied in the year and revenue grants receivable in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting after deducting voids. The Group adopts both the fixed and variable method for calculating and charging service charges to its tenants and leaseholders dependant on the lease agreement in place. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a leaseholder sinking fund. Income is recorded based on the estimated amounts chargeable. Income from first tranche sales and sales of 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 recognised as they fall due under the contractual arrangements with administering authorities.

Value Added Tax

The Group charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and is not recoverable from HM Customs and Excise. The balance of VAT payable or recoverable at the year-end is included as a current liability or current asset.

Taxation

The Association is accepted as a charity by HM Revenue and Customs (HMRC). Income and capital gains of the Association are generally exempt from tax if applied for charitable purposes.

Current tax is recognised for the amount of income tax payable in respect of 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.

Deferred taxation

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pension costs

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

A defined contribution plan is a post-employment benefit plan under which the group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are shown as an operating expense in the surplus for the year during which the services are rendered by employees.

The Group participates in two defined benefit schemes, the LGPS and SHPS. The difference between the fair value of the assets held and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the group's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Further details are provided in note 27(b).

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

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. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period.

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.

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover and the remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

Stock acquired from other Housing Providers is recognised at cost at the point of acquisition and any related grant transfers to the Group.

Impairment

Annually housing properties are assessed for impairment indicators. Where indicators are identified an assessment for impairment is undertaken comparing the scheme's carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a scheme is currently deemed not to be providing service potential to the association, its recoverable amount is its fair value less costs to sell.

Other assets are reviewed for impairment if there is an indication that impairment may have occurred.

Depreciation of social housing properties

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

Management reviews its estimates 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.

The Group depreciates the major components of its housing properties at the following annual rates:

Building structure	125 years
Roofs	60 years
Bathrooms	30 years
Kitchens	20 years
Heating	15-20 years
Lifts	25-30 years
Windows and doors	25-35 years
Fascias and guttering	30 years
Warden call system (inc. fire)	20 years

Freehold land is not depreciated.

Properties held on leases are amortised over the life of the lease or their estimated useful economic lives in the business, if shorter.

Properties for sale

Expenditure on shared ownership properties is split proportionately between current and fixed assets based on the element relating to first tranche sales. The first tranche 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 14.

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 9.

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 10 years.

Other intangible 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 tangible assets are amortised from the date they are available for use.

The estimated useful lives are as follows:

Customer contracts	10 years
Computer software	4 years

The Group 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 a specific development and is donated by a public body an amount equivalent to the increase in value between fair value and cost is recognised on the statement of financial position and added to other grants. Where the donation is from a non-public source or the conditions have been met, the value of the donation is included as income.

Other tangible fixed assets

Other tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Freehold offices	50-75 years
Furniture, fixtures and fittings	5-10 years
Computers and office equipment	3-6 years
Leasehold improvements	in accordance with lease term
Plant and machinery	7-15 years
PODS	10 years
Motor vehicles	5-7 years
Service charge equipment	5-25 years

Gains and 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.

Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Investments

Investments in subsidiary undertakings and joint ventures are held at cost, less provision for impairment where necessary. Cost is purchase price, including expenses.

Qualifying charitable donations

The parent entity only recognises qualifying charitable donation income within income when a donation is paid.

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.

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.

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 entity will comply with the conditions and that the funds will be received.

Grants due from government organisations or received in advance are included as current assets or liabilities.

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.

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the Association is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Supported housing managed by agencies

Social housing capital grants are claimed by the Group as developer and owner of the property and included in the balance sheet of the Group. The treatment of other income and expenditure in respect of supported housing projects depends on the nature of the partnership arrangements between the Group and its managing agents and on whether the Group carries the financial risk.

Where the Group holds the support contract with the Supporting People Administering Authority and carries the financial risk, all the project's income and expenditure is included in the Group's income and expenditure account.

Where the agency holds the support contract with the Supporting People Administering Authority and carries the financial risk, the income and expenditure account includes only that income and expenditure which relates solely to the Group.

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

Provisions are recognised when:

- there is a present obligation (legal or constructive) as a result of a past event;
- it is probable the Group 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 into account the risks and uncertainties surrounding the obligation.

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

The Group 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.

Leased assets

Where the Group enters into a lease or leaseback which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. Assets held under finance leases are included in the balance sheet and depreciated in accordance with the Group's normal accounting policies. The present value of future rentals is shown as a loan liability. The interest element of rental obligations is charged to the income and expenditure account over the period of the lease in proportion to the balance of capital repayments outstanding. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

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.

Basic financial instruments are recognised at amortised historical cost.

Non-basic financial instruments are initially recognised at transaction price, then subsequently at fair value using a valuation technique with any gains or losses being reported in surplus or deficit. At each year end, the instruments are revalued to fair value, with the movements posted to the income and expenditure account (unless hedge accounting is applied). The Group and Association have not adopted hedge accounting for the financial instruments. Direct costs incurred in connection with the issue of a basic financial instrument are deducted from the proceeds for the issues, and amortised over the life of the instrument.

Current asset investments

Investments are stated at market value. Any revaluation of investments is reflected in the Changes in Reserves. Diminutions beyond the level of the revaluation reserve for investments are charged to the Statement of Comprehensive Income.

Liquid resources

Liquid resources are readily disposable current asset investments. They include some money market deposits, held for more than 24 hours, that can only be withdrawn without penalty on maturity or by giving notice of more than one working day.

Cash and cash equivalents

Cash and cash equivalents include cash balances and call deposits, as well as short-term investments with an original maturity of three months or shorter. It also includes those overdrafts which are repayable on demand and form an integral part of the Group's cash management strategy. Restricted cash of £4,953k (2022: £2,514k) is held in relation to sinking funds held for long-term maintenance needs at leasehold schemes.

Reserves

The Group establishes restricted reserves for specific purposes where their use is subject to external restrictions and designated reserves where their reserves are earmarked for a particular purpose.

Hunts Close Reserve

Following the transfer of the assets and liabilities from Oxfordshire Charitable Housing Trust, the Group set up a restricted reserve to fund extra repairs, improvements and an element of service charges in relation to properties at Hunts Close. The balance as at 31 March 2023 was £68k (2022: £22k).

Clackersbrook Reserve

One of the Group's subsidiaries undertakes the management of public open spaces. The company has set up a designated reserve to set aside adequate resources per the management agreement in relation to any residual surplus on the properties managed at Clackersbrook. The balance as at 31 March 2023 was £81k (2022: £53k).

Revaluation Reserve

The revaluation reserve arose on transition to FRS 102 for Westlea Housing when properties went to deemed cost. When the properties are sold, the related valuation increases, and released from the revaluation reserve to the income and expenditure reserve.

3. Turnover, Cost Of Sales, Operating Costs and Operating Surplus: Group

	Turnover	Cost of Sales	Operating Costs	Non-recurring operating costs	Surplus on disposals	2023 Operating surplus/ (deficit)	2022 Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 4)	159,989	-	(120,527)	(15,159)	-	24,303	37,367
Other social housing activities:							
Supporting people contract income	1,404	-	(1,552)	-	-	(148)	(128)
Development costs not capitalised	-	-	427	-	-	427	(323)
Management administration	589	-	(1,014)	-	-	(425)	(569)
First tranche shared ownership sales	11,302	(8,366)	-	-	-	2,936	3,734
Other	172	-	(46)	-	-	126	(139)
	13,467	(8,366)	(2,185)	-	-	2,916	2,575
Activities other than Social Housing:							
Market rent lettings and other commercial initiatives	6	-	2	-	-	8	(82)
Registered nursing homes	693	-	(725)	-	-	(32)	(30)
Student accommodation lettings	204	-	(162)	-	-	42	23
Development for sale	7,753	(8,059)	-	-	-	(306)	1,668
Domiciliary care services	16,692	-	(21,172)	-	-	(4,480)	(201)
Homecare exit costs	-	-	-	(3,592)	-	(3,592)	-
Amortisation of intangible assets (note 13)	-	-	-	-	-	-	(15,751)
Factory stock and debt write off	-	-	-	-	-	-	(1,015)
Home Care debt and PPE write off	-	-	-	-	-	-	(2,132)
Partnership costs	-	-	-	-	-	-	(2,749)
Other	15,576	-	(16,869)	-	-	(1,293)	(5,382)
	40,924	(8,059)	(38,926)	(3,592)	-	(9,653)	(25,651)
Gains on disposal of housing properties (note 7)	-	-	-	-	6,191	6,191	3,751
	214,380	**(16,425)**	**(161,638)**	**(18,751)**	**6,191**	**23,757**	**18,042**

Other non-social includes LoCaL, GS Estates, factory, construction, floating support and managed agent activity.

3. Turnover, Cost Of Sales, Operating Costs and Operating Surplus: Association

	Turnover	Cost of Sales	Operating Costs	Non-recurring operating costs	Surplus on disposals	2023 Operating surplus/ (deficit)	2022 Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 4)	159,989	-	(120,527)	(15,159)	-	24,303	37,367
Other social housing activities:							
Supporting people contract income	1,404	-	(1,552)	-	-	(148)	(128)
Development costs not capitalised	-	-	873	-	-	873	(323)
Management administration	589	-	(1,014)	-	-	(425)	(569)
First tranche shared ownership sales	11,302	(8,366)	-	-	-	2,936	3,734
Other	172	-	(46)	-	-	126	(139)
	13,467	(8,366)	(1,739)	-	-	3,362	2,575
Activities other than Social Housing:							
Market rent lettings and other commercial initiatives	6	-	2	-	-	8	(82)
Registered nursing homes	693	-	(725)	-	-	(32)	(30)
Student accommodation lettings	204	-	(162)	-	-	42	23
Domiciliary care services	16,692	-	(21,172)	-	-	(4,480)	(201)
Homecare exit costs	-	-	-	(3,592)	-	(3,592)	-
Amortisation of intangible assets (note 13)	-	-	-	-	-	-	(15,751)
Factory stock and debt write off	-	-	-	-	-	-	(1,015)
Home Care debt and PPE write off	-	-	-	-	-	-	(2,132)
Partnership costs	-	-	-	-	-	-	(2,749)
Other	12,997	-	(14,353)	-	-	(1,356)	(5,435)
	30,592	-	(36,410)	(3,592)	-	(9,410)	(27,372)
Gains on disposal of housing properties (note 7)	-	-	-	-	6,191	6,191	3,751
	204,048	**(8,366)**	**(158,676)**	**(18,751)**	**6,191**	**24,446**	**16,321**

Other non-social includes factory, construction, floating support and managed agent activity.

4. Particulars of Income and Expenditure from Social Housing Lettings: Group and Association

					2023	2022
	General needs housing	Supported housing and for older people	Low cost home ownership	Other social housing	Total	Restated total
	£'000	£'000	£'000	£'000	£'000	£'000
Rent receivable net of identifiable service charges	106,348	12,795	5,872	1,158	126,173	119,053
Service charge receivable	5,675	10,600	1,704	2,767	20,746	16,055
Charges for support services	4	1,334	-	8,168	9,506	9,392
Other income	196	157	80	11	444	442
Net rental income	**112,223**	**24,886**	**7,656**	**12,104**	**156,869**	**144,942**
Amortisation of grant	2,293	572	95	81	3,041	2,942
Other revenue grants	-	79	-	-	79	62
Turnover from social housing lettings	**114,516**	**25,537**	**7,751**	**12,185**	**159,989**	**147,946**
Services	6,448	7,976	1,626	3,443	19,493	17,426
Management	15,798	1,692	984	475	18,949	17,121
Care & support	-	4,484	-	8,527	13,011	11,047
Routine maintenance	27,728	3,593	489	231	32,041	23,904
Planned and major repairs expenditure	13,361	2,738	472	34	16,605	18,814
Impairment	-	-	-	13,375	13,375	-
Rent losses from bad debts	640	156	4	(18)	782	192
Depreciation of housing properties	16,608	2,645	692	321	20,266	20,515
Lease costs	1,087	-	-	77	1,164	1,560
Operating costs on social housing lettings	**81,670**	**23,284**	**4,267**	**26,465**	**135,686**	**110,579**
Operating surplus on social housing lettings	**32,846**	**2,253**	**3,484**	**(14,280)**	**24,303**	**37,367**
Void losses	**1,408**	**1,553**	**12**	**1,952**	**4,925**	**3,011**

The prior year comparatives for 2022 have been reclassified in accordance with the update to the Accounting Direction 2022 for private registered providers of social housing to split out the reporting of £1,560k of lease costs from routine maintenance (£827k), management costs (£551k) and services (£182k).

5. Accommodation In Management And Development

The number of units of accommodation in management at the end of the period for each class of accommodation is as follows:

	2022	Handed over	Other new	Sold	Other movements	2023
Social Housing:						
General needs - social	15,543	34	-	(39)	(14)	15,524
- affordable	3,715	290	-	(1)	1	4,005
Social rent supported housing and housing for older people	2,656	-	2	(9)	3	2,652
Affordable rent supported housing and housing for older people	15	-	-	-	-	15
Low cost home ownership	2,221	106	-	(35)	-	2,292
Residential care homes	377	-	-	-	-	377
Intermediate rent/Rent to Home buy/Rentplus	504	-	-	(1)	-	503
Mortgage rescue	82	-	-	(1)	-	81
Other	350	-	-	-	-	350
Total social housing units owned and/or managed	25,463	430	2	(86)	(10)	25,799
Non-social Housing:						
Registered nursing homes	16	-	-	-	-	16
Student accommodation	34	-	-	-	-	34
Market rent lettings	2	-	-	-	(2)	-
Total non-social housing	52	-	-	-	(2)	50
Leasehold properties	793	-	-	-	1	794
Total units owned and managed	**26,308**	**430**	**2**	**(86)**	**(11)**	**26,643**
Accommodation in development - Group	849					1,232
Accommodation in development - Association	505					1,168

Other movements include properties that have changed tenure or have been handed back.

6. Operating Surplus

This is arrived at after charging/(crediting):		Group		Association	
	Note	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Depreciation of housing properties	14	19,978	20,511	19,978	20,511
Depreciation of other tangible assets	17	2,938	2,423	2,829	2,359
Amortisation	13	308	427	308	427
Surplus on disposal of fixed assets	7	(6,191)	(3,751)	(6,191)	(3,751)
Auditor's remuneration (excluding VAT)					
- for audit services		190	156	166	137
- for non-audit services		50	14	39	3
Non recurrent operating costs					
Factory stock and debt write off		-	1,015	-	1,015
Homecare debt and PPE write off		-	2,132	-	2,132
Investment impairment	13	-	15,751	-	15,751
WCCPS cessation costs	27	1,784	-	1,784	-
Dementia scheme impairment	14	13,375	-	13,375	-
Homecare exit costs		3,592	-	3,592	-
		18,751	**18,898**	**18,751**	**18,898**

Non-audit services in the year relate to service charge reviews of £20k (2022: £14k) and reporting accountant services relating to the bond issue in the year £30k (2022: £nil). Homecare exit costs relate to the costs of transferring the service to another provider, as detailed in the Strategic Report.

7. Gain On Disposal Of Fixed Assets

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Proceeds	12,815	8,532	12,815	8,532
Council clawback	(409)	(811)	(409)	(811)
Carrying value of fixed assets	(6,001)	(3,645)	(6,001)	(3,645)
	6,405	**4,076**	**6,405**	**4,076**
Capital grant recycled (note 25)	(214)	(325)	(214)	(325)
	6,191	**3,751**	**6,191**	**3,751**

8. Interest Receivable And Other Income

	Group		Association	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Interest from listed investments	14	11	14	11
Interest from other investments	1,179	156	2,009	787
	1,193	**167**	**2,023**	**798**

9. Interest Payable And Similar Charges

	Group		Association	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Loans and bank overdrafts	44,414	33,862	44,414	33,863
Finance leases	3,610	3,217	3,610	3,217
Other charges	1,242	3,154	1,242	3,154
	49,266	**40,233**	**49,266**	**40,234**
Interest payable capitalised on housing properties under construction	(4,139)	(4,369)	(3,546)	(3,973)
	45,127	**35,864**	**45,720**	**36,261**
Average capitalisation rate used to determine the amount of finance costs capitalised during the period	3.72%	3.67%	3.72%	3.67%

During the year, the Group utilised proceeds from it's bond to exit high interest loans, incurring break costs of £7,648k (2022: £890k).

10. Employees

Average monthly number of employees (37/35 hours full time equivalent)	Group 2023 No.	Group 2022 No.	Association 2023 No.	Association 2022 No.
Administration	208	265	200	259
Development	104	26	69	8
Housing, support and care	2,007	2,532	2,007	2,532
	2,319	**2,823**	**2,276**	**2,799**

	Group 2023 £'000	Group 2022 Restated £'000	Association 2023 £'000	Association 2022 Restated £'000
Staff costs:				
Wages and salaries	56,982	76,372	56,081	75,730
Social security costs	4,516	5,773	4,396	5,706
Other pension costs	1,780	3,093	1,735	3,060
	63,278	**85,238**	**62,212**	**84,496**

The prior year figure for 'Other pension costs' has been reduced by £3,087k as pension deficit contributions were included in error.

The Group's employees are members of Social Housing Pension Scheme (SHPS), AEGON or the NEST defined contribution schemes. The assets of these schemes are held separately from those of the Association in independently administered funds.

The SHPS final salary and Career Average Related Earnings (CARE) schemes and AEGON defined contribution schemes are closed to all members. Membership and auto enrolment for all employees is now only available in the SHPS defined contribution scheme or the NEST scheme.

The Group and Association have made contributions to both SHPS and WCCPF under the terms of a recovery agreement for past service deficit valuation shortfalls. The Group ceased it membership in the WCCPF scheme on 31 July 2022. Further information on each scheme is given in note 27.

11. Board Members and Executive Directors

The Chairman of the Board received remuneration of £24,500 (2022: £20,119) during the year. Total remuneration paid to Board Members in respect of the year was:

	2023 £'000	2022 £'000
R Bailey (Chair)	25	20
E Buggins CBE (to 31 October 2021)	-	14
P Andres	14	14
M Clarke	14	14
J Cresswell (from 1 March 2023)	1	-
S Eastwood (to 29 September 2022)	8	14
S Goldsmith	10	10
D Greenhalgh	14	14
C Hampson (from 1 July 2022)	8	-
N Johal	9	10
P Lyons (from 1 June 2022)	10	-
S Reehana	14	14
S Pearce (to 31 July 2021)	-	3
S Thompson (from 1 March 2023)	1	-
	128	**127**

Expenses paid during the year to board members amounted to £1,552 (2022: £197). During the financial year the following independent Committee members received remuneration for overseeing various portfolios.

	2023 £'000	2022 £'000
L Caulfield, Care & Support	4	4
R Shah, Homes & Communities, Investment	4	4
S Rahaim, Care & Support, Homes & Communities	4	4
H Selway, Homes & Communities	4	2
P Starkey, Homes & Communities, Integration Task & Finish (to 17 January 2023)	3	5
E Taig, Audit & Risk	4	4
F Taylor, Care & Support (to 28 February 2023)	4	4
S Wall, Care & Support (from 1 June 2022)	3	-
P Forsyth, Investment (from 1 June 2022)	3	-
V McDermott, Safeguarding (to 30 June 2022)	4	10
G Berring, Audit & Risk, Investment	4	4
S Mason (from 3 October 2022) Homes, Customer Experience	2	-
M Cope, Homes & Communities (to 31 January 2022)	-	3
D Mullins, Homes & Communities (to 31 March 2022)	-	4
C Patterson, Homes & Communities (to 30 November 2021)	-	3
R Singh, Care & Support (to 27 September 2021)	-	2
R Hyde, Audit & Risk (to 27 September 2021)	-	2
B Stiles, Development & Property (to 30 November 2021)	-	3
K Horrell, Audit & Risk, Investment (to 31 July 2021)	-	2

None of the Board members are current members of the Social Housing Pension Scheme or the Wiltshire Pension Fund.

11. Board Members and Executive Directors *continued*

The emoluments of the highest paid director, the Chief Executive, excluding pension contributions, were £286,830 (2022: £275,327). The total aggregate remuneration paid to the Executive Directors was:

	2023 £'000	2022 £'000
Emoluments (including benefits in kind and payments in lieu of notice)	1,475	1,438
Pension contributions	75	61
	1,550	**1,499**

The pension contributions for the Chief Executive were paid as a supplement to her salary. The emoluments of the Executive Directors were:

	Salary £'000	Other benefits £'000	Pension £'000	2023 Total £'000	2022 Total £'000
Chief Executive R Cooke	254	18	15	287	275
Chief Finance Officer J Makinson	167	10	9	186	41
S Fisher (to 30 July 2021)	-	-	-	-	129
Executive Director of Development C Currie (to 31 March 2023)	163	10	9	182	153
Executive Director of Operations R Crownshaw (to 31 January 2023)	118	63	8	189	149
Executive Director of Assets T Graham (to 31 January 2023)	123	62	6	191	160
Executive Director of People H Moss	157	11	8	176	143
Executive Director of Governance S Atkinson	117	10	8	135	72
Executive Director of Care and Support (to 31 January 2023); Chief Operating Officer (from 1 February 2023) M Espley	184	8	12	204	196
Executive Director of Communities S Woodall (to 30 July 2021)	-	-	-	-	116
Executive Director of Corporate Services I Bacon (to 28 May 2021)	-	-	-	-	65
	1,283	**192**	**75**	**1,550**	**1,499**

11. Board Members and Executive Directors *continued*

The Chief Executive was not a member of the pension scheme and no enhanced or special terms applied. The Association did not make any further contribution to an individual pension arrangement for the Chief Executive.

The Chief Finance Officer, Chief Operating Officer, Executive Director of Development, Executive Director of Assets, Executive Director of Operations, Executive Director of People and Executive Director of Governance were members of the Social Housing Defined Contribution Pension Scheme. The Group operates an approved salary sacrifice scheme for all employee pension contributions and the table above includes these deductions.

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

	2023	**2022**
	No.	**No.**
£60,001 to £70,000	26	32
£70,001 to £80,000	17	17
£80,001 to £90,000	8	6
£90,001 to £100,000	9	10
£100,001 to £110,000	6	3
£110,001 to £120,000	2	3
£120,001 to £130,000	5	2
£130,001 to £140,000	3	1
£140,001 to £150,000	-	2
£150,001 to £160,000	1	1
£160,001 to £170,000	-	-
£170,001 to £180,000	1	-
£180,001 to £190,000	3	-
£190,001 to £200,000	1	1
£200,001 to £210,000	1	-
£220,001 to £230,000	-	1
£270,001 to £280,000	-	1
£280,001 to £290,000	1	-

12. Tax On Surplus On Ordinary Activities For The Period

(a) Analysis of tax charge in period

	Group		Association	
	2023 £'000	**2022 £'000**	**2023 £'000**	**2022 £'000**
Current tax				
UK corporation tax on (deficit)/surplus for the period	4	15	-	-
	4	**15**	**-**	**-**
Deferred Tax				
Charge for the year	-	-	-	-
Tax charge on (deficit)/surplus on ordinary activities	4	15	-	-

(b) Factors affecting the tax charge for the period

The tax assessed for the period differs to the standard rate of corporation tax in the UK, as explained below:

	Group		Association	
	2023 £'000	**2022 £'000**	**2023 £'000**	**2022 £'000**
(Deficit)/surplus for the year before tax	(28,634)	198,706	(26,969)	198,298
Theoretical tax of 19% (2022: 19%)	(5,440)	37,754	(5,124)	37,677
Effects of:				
(Deficit)/surplus not liable to tax	5,444	(37,739)	5,124	(37,677)
Current tax charge for the period	4	15	-	-

13. Intangible Fixed Assets

Group and Association	Computer software £'000	Total £'000
Cost		
At 1 April 2022	2,556	2,556
Additions	14	14
At 31 March 2023	**2,570**	**2,570**
Depreciation and impairment		
At 1 April 2022	2,052	2,052
Amortised in year	308	308
At 31 March 2023	**2,360**	**2,360**
Net book value		
At 31 March 2023	**210**	**210**
At 31 March 2022	**504**	**504**

In the year ended 31 March 2022, the Board assessed the value of it's previously held goodwill and customer contracts and created an impairment charge of £15,751k to write these amounts down to a £nil value.

14. Tangible Fixed Assets Housing Properties

Group and Association	Social housing properties held for letting £'000	Lettings leasehold £'000	Social housing properties under construction £'000	Shared ownership properties held for letting £'000	Shared ownership properties under construction £'000	Total £'000
Cost						
At 1 April 2022	1,822,879	51,466	47,288	123,396	7,408	2,052,437
Additions*	580	127	100,595	-	21,124	122,426
Works to existing properties	11,385	33	-	-	-	11,418
Transfers	132	-	-	-	-	132
Interest capitalised	-	-	2,832	-	713	3,545
Schemes completed	54,605	-	(54,605)	12,637	(12,637)	-
Disposals	(4,707)	(276)	-	(2,385)	-	(7,368)
Transfers to stock	-	-	-	-	(5,923)	(5,923)
At 31 March 2023	**1,884,874**	**51,350**	**96,110**	**133,648**	**10,685**	**2,176,667**
Depreciation and impairment						
At 1 April 2022	157,852	9,380	-	3,816	-	171,048
Charge in year	18,559	701	-	718	-	19,978
Impairment	13,375	-	-	-	-	13,375
Transfers	-	-	-	-	-	-
Disposals	(1,403)	(63)	-	(137)	-	(1,603)
At 31 March 2023	**188,383**	**10,018**	**-**	**4,397**	**-**	**202,798**
Net book value						
At 31 March 2023	**1,696,491**	**41,332**	**96,110**	**129,251**	**10,685**	**1,973,869**
At 31 March 2022	**1,665,027**	**42,086**	**47,288**	**119,580**	**7,408**	**1,881,389**

*Group excludes additions of £72k for inter-company transactions.

14. Tangible Fixed Assets Properties *continued*

	Group and Association	
	2023 **£'000**	**2022** **£'000**
Expenditure on works to existing properties:		
Components capitalised	11,418	10,626
Amounts charged to income and expenditure account	16,605	18,814
	28,023	**29,440**
Housing properties book value, net of depreciation comprises:		
Freehold land and buildings	1,929,667	1,835,683
Long leasehold land and buildings	43,755	45,244
Short leasehold land and buildings	447	462
	1,973,869	**1,881,389**

Included in the Group housing properties are assets held under finance leases with a net book value of £50.4m (2022: £50.8m).

Impairment

The Group considers individual schemes to be separate Cash Generating Units (CGU's) when assessing for impairment, in accordance with the requirements of FRS102 and SORP 2018. Consequently, the Group identified an impairment trigger of four dementia care homes, with a carrying value of £29.5m. We have assessed the recoverable amount of these units based on a mid-range valuation of £16.1m and this has resulted in an impairment of £13.4m against three of the homes, which has been charges to operating expenditure in the year and is disclosed as a non-recurrent item (2022: £nil).

15. Investment Properties Non-Social Housing Held for Letting

	Group and Association	
	2023	2022
	£'000	£'000
At 1 April 2022	133	-
Transfers (to)/from housing properties	(133)	286
Disposals	-	(153)
At 31 March 2023	**-**	**133**

GreenSquareAccord Limited, owned 2 market-rental properties, which were last valued by Savills PLC, Chartered Surveyors, on a market value - subject to tenancy basis in January 2017. The valuation was undertaken in accordance with the appraisal and valuation manual of the Royal Institute of Chartered Surveyors. During the financial year the tenure of both properties changed to general needs or intermediate rent.

16. Investment in Joint Ventures

	Group only	
	2023	2022
	£'000	£'000
At 1 April	1,606	-
Assets acquired from GreenSquare Group	-	1,298
Investment in year	1,617	387
Share of operating loss	(68)	(79)
At 31 March	**3,155**	**1,606**

The above investment represents the amounts funded by the company into a joint venture company Sharpness Development LLP which was incorporated on 7 September 2018. The value represents loans to the joint venture and its share of the operating loss for the year. The company owns 50% of the joint venture which has been set up to promote land options for development and subsequent disposal.

17. Tangible Fixed Assets

Group	Freehold offices £'000	Plant and machinery £'000	Office equipment and computers £'000	Vehicles £'000	Total £'000
Cost					
At 1 April 2022	11,260	754	24,822	1,332	38,168
Additions	3	40	3,750	28	3,821
Disposals	-	(176)	(392)	(117)	(685)
At 31 March 2023	**11,263**	**618**	**28,180**	**1,243**	**41,304**
Depreciation and impairment					
At 1 April 2022	3,583	283	17,083	905	21,854
Charged in year	698	46	2,053	141	2,938
Disposals	-	(154)	(363)	(107)	(624)
At 31 March 2023	**4,281**	**175**	**18,773**	**939**	**24,168**
Net book value					
At 31 March 2023	**6,982**	**443**	**9,407**	**304**	**17,136**
At 31 March 2022	7,677	471	7,739	427	16,314

Association	Freehold offices £'000	Plant and machinery £'000	Office equipment and computers £'000	Vehicles £'000	Total £'000
Cost					
At 1 April 2022	11,260	754	24,704	1,332	38,050
Transferred to LowCarbonLiving Homes	-	(754)	(985)	-	(1,739)
Additions	3	-	3,750	28	3,781
Disposals	-	-	(278)	(117)	(395)
At 31 March 2023	**11,263**	**-**	**27,191**	**1,243**	**39,697**
Depreciation and impairment					
At 1 April 2022	3,585	282	17,020	902	21,789
Transferred to LowCarbonLiving Homes	-	(302)	(434)	-	(736)
Charged in year	698	20	1,970	141	2,829
Disposals	-	-	(250)	(107)	(357)
At 31 March 2023	**4,283**	**-**	**18,306**	**936**	**23,525**
Net book value					
At 31 March 2023	**6,980**	**-**	**8,885**	**307**	**16,172**
At 31 March 2022	7,675	472	7,685	430	16,261

18. Fixed asset Investments

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Shares in Group undertakings at 1 April	50	55	13,075	2,240
Assets acquired from GreenSquare Group	-	-	-	10,840
Additions	-	-	1,536	-
Disposals	(4)	(5)	(5,504)	(5)
At 31 March	**46**	**50**	**9,107**	**13,075**

As at 31 March 2023 the Association owned issued share capital of the following companies incorporated and registered in England:

Company	Type of Share	% Held	Principal Activity
GreenSquare Homes Limited	Ordinary £1	100%	Commercial letting
GreenSquare Construction Limited	Ordinary £1	100%	Housing construction
GreenSquare Estates Limited	Ordinary £1	100% (a)	Grounds maintenance
LowCarbonLiving Homes Limited	Ordinary £1	100%	Housing construction
Walsall Housing Regeneration Community Association	Ordinary £1	100%	Dormant Registered Charity
GreenSquareAccord Investments Limited	Ordinary £1	100%	Dormant Company
GreenSquareAccord 1 Limited	Ordinary £1	100%	Dormant Company
GreenSquareAccord 2 Limited	Ordinary £1	100%	Dormant Company
Joint ventures			
Sharpness Development LLP	n/a	n/a	Land options for development

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

(a) Shares held by GreenSquare Homes Limited

GreenSquareAccord Limited is the ultimate parent undertaking.

For all Group undertakings, the registered office was 178 Birmingham Road, West Bromwich, West Midlands, B70 6QG.

During the year the Association made the following recharges and allocations with GreenSquare Homes Ltd, GreenSquare Estates Ltd and LowCarbonLiving Homes Ltd non regulated entities:

	2023 £'000	2022 £'000	Allocation basis
GreenSquare Homes Ltd Management Services	238	250	Fixed
GreenSquare Estates Ltd Management Services	30	30	Fixed
LowCarbonLiving Homes Ltd Management Services	50	-	Fixed

19. Stock And Property Held For Sale

	Group		Association	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Raw materials and consumables	1,035	1,104	657	1,104
Properties developed for sale	26,130	20,140	112	514
Shared ownership properties:				
Properties under construction	3,554	594	3,554	594
Completed properties	3,148	5,741	2,369	5,741
	33,867	**27,579**	**6,692**	**7,953**

20. Trade And Other Debtors

	Group		Association	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Due within one year				
Rent and service charges receivable	12,403	9,709	12,403	9,709
Less: provision for bad and doubtful debts	(4,238)	(3,686)	(4,238)	(3,686)
	8,165	**6,023**	**8,165**	**6,023**
Due from subsidiary undertakings	-	-	4,884	-
Social Housing Grant receivable	133	256	133	256
Other debtors	16,812	15,160	14,470	14,018
Prepayments and accrued income	3,220	2,105	2,189	2,104
	28,330	**23,544**	**29,841**	**22,401**
Due after more than one year				
Due from subsidiary undertakings	-	-	18,267	8,285
	28,330	23,544	48,108	30,686

Amounts due from subsidiary undertakings after more than one year relates to inter-company loans.

21. Current Asset Investments

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Investments listed on a recognised stock exchange	499	544	499	544
	499	**544**	**499**	**544**

The listed investments are held at market value. The market value of these investments at 31 March 2023 for Group and Association was £499,305 (2022: £543,512).

22 Creditors: Amounts Falling Due Within One Year

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Debt (note 23)	28,618	22,855	28,618	22,855
Trade creditors	12,661	21,550	12,198	21,352
Amount due to Group undertakings	-	-	-	25
Rent and service charges received in advance	5,200	4,915	5,200	4,915
Recycled capital grant fund (note 25)	3,436	2,553	3,436	2,553
Deferred capital grant (note 26)	3,082	2,844	3,082	2,844
Other grant	159	-	159	-
Corporation tax	4	15	-	-
Other taxation and social security	1,210	1,269	1,128	1,269
Other creditors	17,621	19,499	16,890	18,543
Accruals and deferred income	23,758	14,921	17,909	11,603
	95,749	**90,421**	**88,620**	**85,959**

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

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Debt (note 24)	1,064,247	887,925	1,064,247	887,925
Finance leases	60,997	59,859	60,997	59,859
Premium on bond issues	1,039	584	1,039	584
Discount on bond issue	(4,881)	-	(4,881)	-
Recycled capital grant fund (note 25)	1,819	1,547	1,819	1,547
Deferred capital grant (note 26)	351,044	353,955	351,044	353,955
Sinking funds for leasehold schemes	4,953	2,514	4,382	2,019
Loan stock	7	7	7	7
Other long term creditors	52	579	52	579
	1,479,277	**1,306,970**	**1,478,706**	**1,306,475**

Loans are stated after the deduction of £12.8m (2022: £12.6m) of issue costs which are amortised over the expected life of the loan. Major repairs sinking funds are maintained for several leasehold estates to provide for repairs of a long term nature. Customers contribute through the service charge.

24. Debt Analysis

	2023 £'000	2022 £'000
Due within one year		
Bank loans	28,618	22,855
	28,618	**22,855**
Due after more than one year		
Bank loans	1,077,007	900,478
Less: issue costs	(12,760)	(12,553)
	1,064,247	**887,925**
Total debt	**1,092,865**	**910,780**

Security

Housing loans from capital markets, banks and building societies are secured by fixed charges on individual properties and are repayable in instalments as detailed below. The value of assets secured is £2,185m.

Terms of repayment and interest rates

The loans are repayable by instalments, with the final instalments for the Group due to be paid in the period to 2061. At the year end, the Association had approximately 83% of its debt fixed. The weighted average cost of capital was 3.71% (2022: 3.74%).

During the year the Association raised new finance from its debut bond issuance totalling £400m. At 31 March 2023, the Group had undrawn loan facilities of £353.3m (2022: £358.1m).

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

	2023 £'000	2022 £'000
Within one year	28,618	22,855
Between one and two years	28,715	21,713
Between two and five years	124,900	389,848
After five years	910,632	476,364
	1,092,865	**910,780**

25. Recycled Capital Grant Fund

	Group and Association	
	2023	**2022**
	£'000	**£'000**
At 1 April	4,100	4,997
Acquired from GSG	-	1,034
Grants recycled	1,202	609
Withdrawals	(105)	(2,552)
Interest accrued	58	12
Balance at 31 March	**5,255**	**4,100**

Withdrawals from the Recycled Capital Grant Fund are used for the purchase and development of new housing schemes for letting.

26. Deferred Capital Grant

	Group and Association	
	2023	**2022**
	£'000	**£'000**
At 1 April	356,799	334,155
Acquired from GSG	-	15,256
Grants received in the year	1,164	10,645
Repaid/abated on disposals	(895)	(333)
Released to income in year	(2,942)	(2,924)
Balance at 31 March	**354,126**	**356,799**

27. Pensions

The Group and Association operates a Social Housing Pension Scheme (SHPS) defined contribution pension scheme in respect of auto-enrolment. The assets of the scheme are held separately from those of the Group and Association. The contributions of the Group and Association varied between 3% and 12% and employees varied between 4% and 12% of pensionable earnings. The total employer cost of pension contributions for the year was £3,115,818 (2022: £2,161,000). The number of Group employees in the a SHPS defined contribution pension scheme at the year-end was 1,520, (2022: 1,500).

The defined contribution pension scheme with AEGON was closed to new entrants during the last 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 £207,955 (2022: £248,000). Contributions payable are charged to management expenses as they fall due. The number of employees in the pension scheme at the year-end was 55 (2022: 71).

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 2023 were £243,498 (2022: £346,000). The number of employees in the pension scheme at the year-end was 107 (2022: 768).

The Association also participated in the SHPS and the Wiltshire County Council Pension Fund (WCCPF) defined benefit schemes but these are closed to active members.

The Association ceased in the WCCPF scheme with a cessation date of 31 July 2022.

Further information on each scheme is given below.

(a) Wiltshire County Council Pension Fund (WCCPF) – Scheme closed by employer and ceased on 31 July 2022

The Group's parent association, participated in the WCCPF, a multi-employer scheme with more than one participating employer. The scheme closed on 31st March 2016 and members transferred to the SHPS defined contribution scheme.

The WCCPF is a defined benefit scheme, part of the local government Superannuation Regulation 1986 (as amended) and the calculations have been made by an independent qualified actuary. Triennial actuarial valuations have been made by a qualified actuary using the projected unit method. The most recent formal actuarial valuation was completed as at 31 March 2019 and rolled forward, allowing for the different financial assumptions required under FRS 102, to 31 March 2021 by a qualified independent actuary.

The Association ceased in the scheme with a cessation date of 31 July 2022.

The income and expenditure charge for pension costs, the accounting policies and the disclosures are given on the basis of FRS102.

Financial Assumptions

The major assumptions used by the actuary in assessing the scheme liabilities on a FRS 102 basis were:

	31 March 2023 % Per Annum	31 March 2022 % Per Annum
Inflation (CPI)	2.8	3.9
Salary increases	2.8	3.9
Pension increases	2.8	3.9
Discount rate	3.5	2.6
RPI Increases	-	4.4

27. Pensions *continued*

Mortality Assumptions

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	**Females**
Current pensioners	21.7 years	24.2 years
Future pensioners	22.6 years	26.0 years

Contributions

The contributions to the Wiltshire County Council Pension Fund by the Association for the year ended 31 March 2023 are shown below.

	2023 **£'000**	**2022** **£'000**
Employer contributions	2	530

At 31 March 2023, there were no active members of the scheme (2022:1).The employer's past deficit contribution for 2022/23 was £nil. The member's contribution rate was nil.

Amounts recognised in surplus or deficit

	2023 **£'000**	**2022** **£'000**
Current service costs	(4)	(33)
Current service costs	(1,784)	-
Amounts charged to operating costs	(1,788)	(33)

	2023 **£'000**	**2022** **£'000**
Interest income on plan assets	211	419
Interest cost on defined benefit obligation	(250)	(526)
Amounts charged to other finance costs	(39)	(107)

27. Pensions *continued*

Re-measurements recognised in other comprehensive income

	2023 £'000	2022 £'000
Return on Fund assets in excess of interest	(869)	1,500
Changes in demographic assumptions	-	169
Other experience	-	(28)
Changes in financial assumptions	7,265	(384)
	6,396	**1,257**

Fair value of employer assets

	2023 £'000	2022 £'000
Equities	-	13,242
Bonds	-	8,245
Property	-	3,248
Cash	-	250
Total	**-**	**24,985**

Net pension liability

	2023 £'000	2022 £'000
Fair value of employer assets	-	24,985
Present value of the defined benefit obligation	-	(29,560)
Net liability	**-**	**(4,575)**

Reconciliation of opening & closing balances of the present value of the defined benefit obligation

	2023 £'000	2022 £'000
Opening scheme liabilities	29,560	29,725
Service cost	4	33
Interest cost	250	526
Participants contributions	-	3
Estimated benefits paid	(312)	(970)
Re-measurements	(7,265)	243
Effect of settlement	(22,237)	-
Closing scheme liabilities	**-**	**29,560**

27. Pensions *continued*

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

	2023 £'000	2022 £'000
Opening fair value of scheme assets	24,985	23,503
Interest income on plan assets	211	419
Participants contributions	-	3
Contributions by employers	2	530
Benefits paid	(312)	(970)
Return on assets less interest	(869)	1,500
Effect of settlement	(24,017)	-
Closing fair value of scheme assets	**-**	**24,985**

(b) Social Housing Pension Scheme (SHPS)

The Group and Association participate 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 was closed to membership on 31st May 2020 and all members transferred to the SHPS defined contribution scheme.

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

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

The Scheme is classified as a 'last-man standing arrangement'. Therefore the 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 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

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

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

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

27. Pensions *continued*

Financial Assumptions

The major assumptions used by the actuary in assessing the scheme liabilities on a FRS 102 basis were:

Group and Association	31 March 2023 % Per Annum	31 March 2022 % Per Annum
Inflation (CPI)	2.8	3.9
Salary increases	3.8	3.9
Pension increases	3.8	3.9
Discount rate	4.9	2.6
RPI Increases	3.2	4.4

Mortality

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2021 model, an allowance for smoothing of recent mortality experience and a long term rate of improvement of 1.25% p.a. for women and men. Based on these assumptions, the average future life expectancies from age 65 are summarised below:

	Males	Females
Current pensioners	21.0 years	23.4 years
Future pensioners	22.2 years	24.9 years

Contributions

The contributions to SHPS for the year ended 31 March 2023 are shown below.

	2023 £'000	2022 £'000
Employer contributions	2,839	2,557

At 31 March 2023, no current employees are active members of the scheme (2022: nil). The employers contribution rate for 2022/23 was £2,871,000. The past deficit annual monetary amount is expected to be £2,871,000 for 2023/24. The member's contribution rate was nil.

Amounts recognised in surplus or deficit

	2023 £'000	2022 £'000
Current service costs	-	-
Amounts charged to operating costs	-	-

27. Pensions *continued*

	2023 £'000	2022 £'000
Interest income on plan assets	2,281	1,691
Interest cost on defined benefit obligation	(2,983)	(2,249)
Amounts charged to other finance costs	(702)	(558)

Re-measurements recognised in other comprehensive income

	2022 £'000	2021 £'000
Actuarial and experience gains on assets	(33,570)	2,954
Actuarial and experience gains on liabilities	14,073	(6,062)
Changes in financial assumptions	32,932	(4,041)
Changes in demographic assumptions	159	1,813
	13,594	**(5,336)**

Fair value of employer assets

	2023 £'000	2022 £'000
Equities	1,060	16,790
Bonds	-	5,836
Property	10,650	10,846
Cash	145	243
Other	44,965	53,779
Total	**56,820**	**87,494**

Net pension liability

	2023 £'000	2022 £'000
Fair value of employer assets	56,820	87,494
Present value of the defined benefit obligation	(69,505)	(115,911)
Net Liability	**(12,685)**	**(28,417)**

Reconciliation of opening & closing balances of the present value of the defined benefit obligation

	2023 £'000	2022 £'000
Opening scheme liabilities as at 1 April	(115,911)	(74,611)
Assets acquired in a business combination	-	(32,697)
Current service cost	-	-
Interest cost	(2,983)	(2,249)
Participants contributions	-	-
Estimated benefits paid	2,225	1,936
Actuarial re-measurements	47,164	(8,290)
Closing scheme liabilities as at 31 March	**(69,505)**	**(115,911)**

27. Pensions *continued*

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

	2023 £'000	2022 £'000
Opening fair value of scheme assets as at 1 April	87,494	58,831
Assets acquired in a business combination	-	23,397
Interest income on plan assets	2,281	1,691
Contributions by employers	2,906	2,557
Participants contributions	-	-
Benefits paid	(2,291)	(1,936)
Return on assets less interest	(33,570)	2,954
Closing fair value of scheme assets as at 31 March	**56,820**	**87,494**

Deficit contributions schedule

The following schedule details the past deficit contributions agreed between the Group and the scheme at each year end period:

Group and Association **Year ending**	2023 £'000	2022 £'000	2021 £'000
Year 1	3,029	2,871	1,874
Year 2	3,195	3,029	1,910
Year 3	3,371	3,195	1,949
Year 4	3,557	3,371	1,988
Year 5	3,752	3,557	2,028
Year 6	-	3,752	1,034

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

28. Provisions for Liabilities

Group	Leave Pay £'000	Dilapidations £'000	Timber frame defects £'000	Rent refunds £'000	Restructure £'000	Total £'000
At 1 April 2022	429	597	600	393	378	2,397
Additions	265	-	490	-	-	755
Released in the year	-	(597)	-	-	-	(597)
Utilised in the year	-	-	-	-	(378)	(378)
At 31 March 2023	**694**	**-**	**1,090**	**393**	**-**	**2,177**

Association	Leave Pay £'000	Dilapidations £'000	Timber frame defects £'000	Rent refunds £'000	Restructure £'000	Total £'000
At 1 April 2022	429	597	600	393	378	2,397
Additions	265	-	44	-	-	309
Released in the year	-	(597)	-	-	-	(597)
Utilised in the year	-	-	-	-	(378)	(378)
At 31 March 2023	**694**	**-**	**644**	**393**	**-**	**1,731**

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

An issue has been identified around the adequacy of fire safety barriers in timber framed properties constructed by GS Homes and other developers for the Group. The provision is based on a sample investigation which indicates 248 such properties may require remedial work.

The Group have identified that there has been historic over-charging of some rents which are to be refunded in 2023/24.

29. Non-Equity Share Capital

	Group and Association	
	2023 £	**2022 £**
Shares of £1 each issued and fully paid		
At 1 April	82	73
Shares issued/(redeemed) during the year	(6)	9
At 31 March	**76**	**82**

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on a winding up.

30. Financial Commitments

Group

Capital expenditure commitments are as follows:

	2023 £'000	2022 £'000
Expenditure contracted for but not provided in the accounts	90,991	139,133
Expenditure authorised by the Board, but not contracted	66,812	60,113
	157,803	**199,246**

The above commitments will be financed primarily through borrowings and new funding arrangements, social housing grant, property sales and internal cash balances.

Operating leases

The annual payments which the Group is committed to make in the next year under operating leases are as follows:

	2023 £'000	2022 £'000
Temporary housing and office equipment leases expiring:		
Due within one year	877	1,073
One to five years	1,539	649
Due after five years	1,708	59
	4,124	**1,781**

Obligations under Finance Leases

Some housing assets are held under finance lease arrangements. As of 31 March 2023, the net carrying amount of the facility is £61.0m (2022: £59.9m) and this is disclosed within note 23. Leases are stated net of issue costs which are amortised on a straight line basis over the term of the agreement. Finance lease liabilities are secured by the related assets held under basic financial instruments. Future minimum lease financing payments at the end of each reporting period under review were as follows:

	2023 £'000	2022 £'000
Due within one year	3,383	3,261
Between one and five years	13,957	13,465
Due after five years	98,847	99,224
	116,187	**115,950**

31. Cash Flow From Operating Activities

Group	2023 £'000	2022 £'000
(Deficit)/surplus for the year	**(28,638)**	**198,691**
Adjustments for non-cash items:		
Depreciation and impairment of tangible fixed assets	36,291	22,934
Amortisation of government grants	(3,041)	(2,973)
Amortisation of intangible assets	308	16,178
(Increase)/decrease in stock	(6,288)	7,347
Increase in debtors	(4,741)	(20,515)
(Decrease)/increase in creditors	(4,375)	39,795
(Decrease)/increase in provisions	(220)	242
Share of operating loss in joint venture	68	79
Pensions costs less contributions payable	(2,840)	(2,388)
Surplus on disposal of properties	(6,191)	(3,751)
Receipts from sales of housing properties	12,406	7,721
Disposal of other fixed assets	(61)	317
Net gain on business combinations	-	(217,995)
	(7,322)	**45,697**
Adjustments for investing or financing activities		
Refinancing charges	7,648	(571)
Interest payable	45,127	37,453
Interest received	(1,193)	(167)
Net cash inflow from operating activities	**44,260**	**82,412**

32. Analysis of Net Debt

	Group				Association			
	1 April 2022 £'000	Cash flow £'000	Non-cash changes £'000	31 March 2023 £'000	1 April 2022 £'000	Cash flow £'000	Non-cash changes £'000	31 March 2023 £'000
Cash and cash equivalents								
Cash at bank and in hand	50,061	43,011	-	93,072	45,757	42,828	-	88,585
	50,061	**43,011**	**-**	**93,072**	**45,757**	**42,828**	**-**	**88,585**
Borrowings								
Debt due within one year	(22,855)	(5,763)	-	(28,618)	(22,855)	(5,763)	-	(28,618)
Debt due after one year	(887,925)	(174,445)	(1,877)	(1,064,247)	(887,925)	(174,445)	(1,877)	(1,064,247)
	(910,780)	**(180,208)**	**(1,877)**	**(1,092,865)**	**(910,780)**	**(180,208)**	**(1,877)**	**(1,092,865)**
Obligations under finance leases	(59,859)	1,872	(3,010)	(60,997)	(59,859)	1,872	(3,010)	(60,997)
Total	**(920,578)**	**(135,325)**	**(4,887)**	**(1,060,790)**	**(924,882)**	**(135,508)**	**(4,887)**	**(1,065,277)**

33. Related Parties

There were no tenant members of the Group Board during the year.

Transactions/balances with GreenSquare Homes Limited

GreenSquareAccord Limited owns 100% of the ordinary share capital of GreenSquare Homes Limited (GS Homes).

During the year GreenSquareAccord Limited purchased goods and services from GS Homes with a value of £3,334,838 (2022: £3,165,416) and sold goods and services to GS Homes with a value of £895,966 (2022: £1,052,751). At 31 March 2023 there were sums outstanding to GS Homes of £870,194 (2022: £304,687), and sums outstanding from GS Homes of £286,065 (2022: £260,037), and these amounts are disclosed in notes 20 and 22 as appropriate.

In addition there is a £26,000,000 inter group loan facility agreement in place with £15,285,400 drawn down and owed by GS Homes as at 31 March 2023 (2022: £8,285,400) (see note 20).

Transactions/balances with LowCarbonLiving Homes Limited

GreenSquareAccord Limited owns 100% of the ordinary share capital of LowCarbonLiving Homes Limited.

There is a £2,982,265 inter group loan facility agreement in place which is fully drawn down and owed by LowCarbonLiving Homes limited as at 31 March 2023 (2022: £nil) (see note 20).

Disclosures in relation to key management personnel are included in note 11.

34. Contingent Liabilities

There are no contingent liabilities (2022: £nil).

35. Group Reorganisation

On 30 November 2021 Accord Housing Association Limited entered into a further business combination with one of its group subsidiaries Westlea Housing Association Limited. The transfer was designed to rationalise the operation of the Group following a period of consultation with stakeholders. The group reorganisation has been accounted for using merger accounting principles as per FRS102 (PBE34.75) with Accord Housing Association Limited (now renamed GreenSquareAccord Limited from 1 December 2021) being the parent company under which the merged organisation and Group would operate.

The comparative figures in the Group financial statements presented here incorporate the results of both organisations prior to merger and the combined group entity from 30 November 2021.

The fair value uplift arising as part of the business combination totalled £217,995k and was taken as a credit to the statement of comprehensive income.

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