GreenSquare Group Limited

Financial Statements 2021

Contents

The Board, Executives, Advisors and Bankers

Board Members as at 31 March 2021 (dissolved 1/4/21)

- R Bailey - Chair
- P Andres (Chair of the Audit & Risk Committee)
- M Clarke (Chair of the Remuneration & People Committee)
- S Goldsmith (from 28 April 2020)
- D Greenhalgh
- K Horrell (from 28 April 2020)
- P Starkey (appointed Senior Independent Director 28 April 2020)
- D Swann (to 22 September 2020)
- J Tibbitts (Chair of the Development & Property Committee)
- R Cooke - co-opted annually

Executive Team

- R Cooke Chief Executive Officer
- I Bacon (to 28 May 2021) Finance Director
- R Crownshaw Customer Experience Director
- B Wood (to 15 December 2020) Managing Director Development
- T Graham (Interim from 1 July 2020, permanent from 1 April 2021) Interim Property Investment Director
- H Moss (from 6 April 2020) People Director

Company Secretary

- M Arnold (to 31 December 2020)
- F Hobbs (Interim from 1 January 2021)

Registered Office

Methuen Park, Chippenham, Wiltshire, SN14 0GU

Registrations

- Co-operative and Community Benefit Society: No. 7418
- Regulator of Social Housing: No. 4833

External Auditor

BDO LLP, 55 Baker Street, London, W1U 7EU

Principal Bankers

- Lloyds Bank PLC, Oxford,, OX1 4AA
- National Westminster Bank PLC Chippenham, SN15 3HB

On 1st April 2021 GreenSquare Group Limited (GreenSquare) entered into a business combination with Accord Housing Association Limited (Accord), a Co-operative and Community Benefit Society (number 27052R) and Registered Social Housing Provider with charitable status (number LH3902).

Concurrently GreenSquare Community Housing (a wholly owned subsidiary of GreenSquare) transferred its engagements to Accord.

In accordance with FRS102 both transfers of engagements (that is all of its assets and liabilities) under section 110 of the Co-operative and Community Benefit Society Act 2014 will be accounted for as an acquisition in the Accord financial statements for the year ended 31 March 2022.

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

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

Accord Housing Association Limited Board at 1 April 2021

- E Buggins CBE – Chair
- R Bailey – Deputy Chair
- P Andres
- M Clarke
- R Cooke (CEO)
- S Eastwood
- S Fisher (Deputy CEO) (to 30.07.2021)
- D Greenhalgh
- N Johal
- S Pearce
- S Reehana

Executive Team

- **R Cooke** Chief Executive Officer
- **S Fisher** Chief Finance Officer and Deputy Chief Executive (to 30.07.2021)
- **S Atkinson (appointed 12.07.21)** Executive Director of Governance
- **I Bacon (resigned 28.05.21)** Executive Director of Corporate Services
- **R Crownshaw** Executive Director of Operations
- **C Currie (appointed 17.05.21)** Executive Director of Development
- **T Graham** Executive Director of Assets
- **H Moss** Executive Director of People
- **S Woodall** Executive Director of Communities (resigned 30.07.2021)
- **M Espley** Executive Director of Care & Support

Secretary

S Atkinson (from 12 July 2021)

Accord Housing Association Limited Registered Office at 1 April 2021

178 Birmingham Road, West Bromwich, West Midlands B70 6QG

Chair's Report

Twelve months ago, I concluded my Chair's statement in the 2019/20 financial report acknowledging the extraordinary times we had entered due to Covid-19. Little did I expect that a year later, I would be opening my statement still referring to the pending easing of lockdown restrictions.

The last year has been incredibly challenging for so many people: our customers; our colleagues; and ourselves. I want to take this opportunity to acknowledge the incredible efforts of the entire GreenSquare team during these immensely challenging times.

As you would expect, our financial results for the year have been impacted by the pandemic, which exacerbated an already challenging operating environment and uncertain economy. Thanks to our robust financial management, we were able to successfully navigate these challenges to increase our operating surplus before interest, pension movements and refinancing costs to £25.8m (2020: £22.0m) on a turnover of £91.2m (2020: £84.9m).

In April and May we restructured our loan portfolio which unlocked financial constraints from the prior funding structure, which will ultimately allow us to do more for both existing and new customers. As a result, we increased liquidity, harmonised terms and aligned covenants, which resulted in the repayment of £56m of loans and new credit facilities of £115m to create the capacity to build many more homes. This gave rise to one off break costs of £7.1m, which accounting rules required being fully charged in year, hence the overall total comprehensive income for the year showed a deficit of £8.5m after accounting for actuarial movements in pension valuations.

My thanks, and those of my Board colleagues, go out to everyone in GreenSquare for their hard work and commitment over this past year. To everyone who has worked from home; those who have juggled video calls and meetings with home-schooling and caring for friends and loved ones; our frontline staff who have followed government guidance and safety regulations to continue to provide emergency and essential services and repairs in our customers' homes; and our construction teams who have continued to build much needed affordable homes.

It is this commitment and teamwork that has enabled GreenSquare to continue to deliver our corporate plan; to continue in our commitment to being simply brilliant. Despite the challenges brought by Covid, we have continued to provide truly affordable homes for rent and shared ownership across Wiltshire, Gloucestershire, and Oxfordshire. Safe, secure homes and services to our customers, at a time when they need it most.

Despite the challenging construction environment, we added 245 new homes in 2020/21 and have a further 589 units in development. We remain committed to ensuring the supply of new affordable homes across our operating area; utilising the strong financial capacity of the organisation to increase development output in future years. Our commercial subsidiary, GreenSquare Homes, saw significant delay in operations due to the pandemic with market sales for the year totalling 34 units, which whilst below its target, made a net contribution of £1.1m profit and maintained its overall margins.

GreenSquare Homes also added to its trophy cabinet during the financial year, by winning the NHBC Pride in the Job award. The award is presented to site managers and recognises high standards of build quality throughout all aspects of the build. Scott Turner, site manager at Hares Chase, won this latest prestigious award, making this the third consecutive year GreenSquare Homes has won an NHBC quality award: an amazing achievement and fantastic testament to the organisation. 2020/21 also saw GreenSquare Homes gaining NHBC 5 star status, in recognition of over 90% of its customers saying they would recommend us to a friend.

October saw GreenSquare regain its G1 rating following a review from the Regulator of Social Housing. This new assessment by the regulator is a testament to the efforts of all those involved in ensuring the successful delivery of the far-reaching improvement plan that we agreed with the regulator last year.

It is fair to say that this financial year has been truly momentous. As well as responding to the challenges of Covid-19, we were also busy working to create a partnership with Accord Housing Association.

This financial report marks the last one in an era of GreenSquare. I am incredibly proud to have been Board Chair of GreenSquare for four years, a housing association that puts people at the heart of what we do: I am proud of all that the organisation stands for and has achieved. As we entered the new financial year, we did so as a new, larger organisation. In April 2021 we completed our merger with Accord.

This merger will mean we can improve services for existing customers; invest more in local communities; extend our care and support services; and build more affordable homes. Together GreenSquareAccord will be a stronger and more resilient organisation that's more 'future-proof' and ready to deal with future challenges. Put simply, we believe we can do more together across a larger operating area – and do it better – than we could on our own.

We chose to merge with Accord because both organisations share the same values and ambitions for expanding and enhancing locally-focused services to customers.

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

R Bailey
Chair, GreenSquare Group Limited

Strategic Review

Introduction

The Board of GreenSquare Group Limited presents its report together with the audited financial statements for the period ended 31 March 2021.

GreenSquare Group ('GreenSquare' or 'the Group') comprises GreenSquare Group Limited ('The Association') and its subsidiaries Westlea Housing Association Limited, GreenSquare Community Housing Limited, GreenSquare Homes Limited, GreenSquare Construction Limited, GS Energy Services Limited, and GreenSquare Estates Limited and joint venture Sharpness Development LLP.

GreenSquare 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.

During the year, GreenSquare continued the discussions highlighted in last year's annual report with Accord Housing Association Limited (Accord). The Board are pleased to report that on 1 April 2021, the Group successfully entered into a business combination with Accord to create a new organisation; Accord Housing Association Limited trading as GreenSquareAccord. Both the execution and the planning for this merger has been the principal focus of the year and the Board are excited by the emerging plans for the new Group that aims to achieve economies of scale, to increase the operating margin and to create a combined development capacity to build up to an additional c1,000 homes per annum.

This Strategic Report focuses on the performance of the Group pre-merger and the future plans of the merged organisation.

The financial statements are prepared on a group basis thus reflecting activities of the subsidiary companies and share of joint venture as well as the Association.

Operating Environment

The operating environment during the financial year was extremely challenging following the outbreak of coronavirus in the UK in early 2020. This fast spreading, potentially fatal virus; declared a pandemic by the World Health Organisation in March 2020, dominated the political and economic agenda. The organisation responded quickly and managed the financial risks by closely monitoring cashflow and liquidity levels in line with our updated Treasury Management Policy and regular review of financial and operational performance.

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

On 18 March 2020 virtually all of our office-based colleagues started working from home, as the COVID-19 pandemic escalated within the UK. Following further Government advice, we moved the last remaining members of office-based colleagues, in particular those in the Contact Centre and the Compliance team to home working on 24 March 2020. Our colleagues from the IT team were instrumental in enabling everyone to work effectively from home with very little notice, and we have made extensive use of video conferencing and collaboration tools to ensure that we have continued to operate effectively as a business.

We had to implement a policy of emergency only repairs and compliance visits from March (subject to being able to do so whilst ensuring the safety of our colleagues and residents), and for a period we were unable to complete repairs to our void properties. A number of our development sites were also closed during the height of the pandemic. We furloughed a relatively small proportion of our staff during May and June; 10 in our Development team and 30 in our Property Investment team. There has been no furlough required since 15 June 2020.

Our customers continued to access our services through myGreenSquare, which has seen a significant increase in usage. At the end of May we started a phased return to office working for colleagues in our Contact Centre, to ensure that they were able to provide the best service possible to our customers, and so that they had access to the full telephony functionality. We have also recommenced void repairs, our lettings service and our development sites are now operational again. We are ensuring social distancing is in place for all colleagues, and the majority of our office-based staff are not expected to return to an office until later in the year when COVID restrictions ease and the vaccination programme has been rolled out. We modelled the expected pandemic impact on our financial performance in 2020/21 and on our financial year and are confident that we remain a financially strong business.

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

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

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

The housing market has seen prices increase by over 10% year on year and with pent up demand from recent lockdowns and Government incentives through the Stamp Duty holiday, are likely to continue to rise in the short-term. The average house price is now almost £250k according to the Nationwide price index, and with a widening gulf between house price increases and wage rises many people find themselves priced out of homeownership, increasing demand for affordable housing. The Group continues to be committed to the provision of affordable rented and low-cost home ownership properties and through the combined strength of the partnership with Accord and our Strategic Partner status with Homes England has plans to increase new supply to c1,000 new homes every year.

Purpose and Mission

GreenSquare is a public benefit entity administered by a Board of Management.

The Group is a major provider of housing, regeneration, care and support and commercial services across Wiltshire, Oxfordshire, Gloucestershire, and the surrounding areas, and a developer of desperately needed affordable homes in those three counties.

We have the following key business streams:

- 'General needs' housing for rent, primarily by families who are unable to rent or buy at open market rates;
- Supported housing and housing for older people who need additional housing-related support or additional care;
- 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;
- Property development and construction undertaken by our commercial subsidiary GreenSquare Homes Limited;
- Investment in and maintenance of public open spaces is undertaken by our commercial subsidiary GreenSquare Estates Limited.

As well as owning and managing 12,470 properties, GreenSquare is a major developer of new affordable housing and is a lead development partner under the Homes England National Affordable Housing Programme (NAHP). The Group employs 540 staff on a full-time equivalent basis. Any surpluses made by the subsidiaries are retained within the Group.

The Group's focus remains on its social housing activities and these are expected to continue to constitute the majority of the Group's activities by turnover.

In July 2019, our corporate strategy, Simply Brilliant, was introduced. Our strategy set out our aspiration to become a simply brilliant landlord as well as building more desperately needed affordable homes, together with our plans for how we will move from our current position to achieve our corporate objectives by 2023. It also set out how we would monitor and assess performance.

Our purpose

The corporate strategy was about refocussing on our core social purpose. As part of developing our strategy, we spent time talking to our customers, to our colleagues, Board members and other key stakeholders. They reaffirmed our thinking, which was that our core purpose is as it is always has been-to provide a great landlord service to those people who cannot afford to meet their housing need in the open market. That purpose is as relevant now as it was when our legacy organisations were established over 100 years ago.

a) Being a great landlord means a number of things to us, but essentially it means that we are committed to providing low cost homes for rent and shared ownership. Our view was that a GreenSquare property should be:

- Safe;
- Affordable to rent and run;
- In a neighbourhood our customers can be proud of; and
- A home for life (if needed).

Our purpose really was that simple; and we wanted our product to be simple and affordable. We also recognised that for our customers, people and our business, it's really important that we get that service and property right first time, every time. We want to be clear about the service we provide, with a simple service standard, and then be absolutely brilliant at delivering it.

b) Building new homes means supporting our strategy to deliver 1,500 new homes for truly affordable rent and home ownership by 2023.

Simply Brilliant summed up how we wanted the organisation to work and what we wanted to deliver at the standard we wanted them to be.

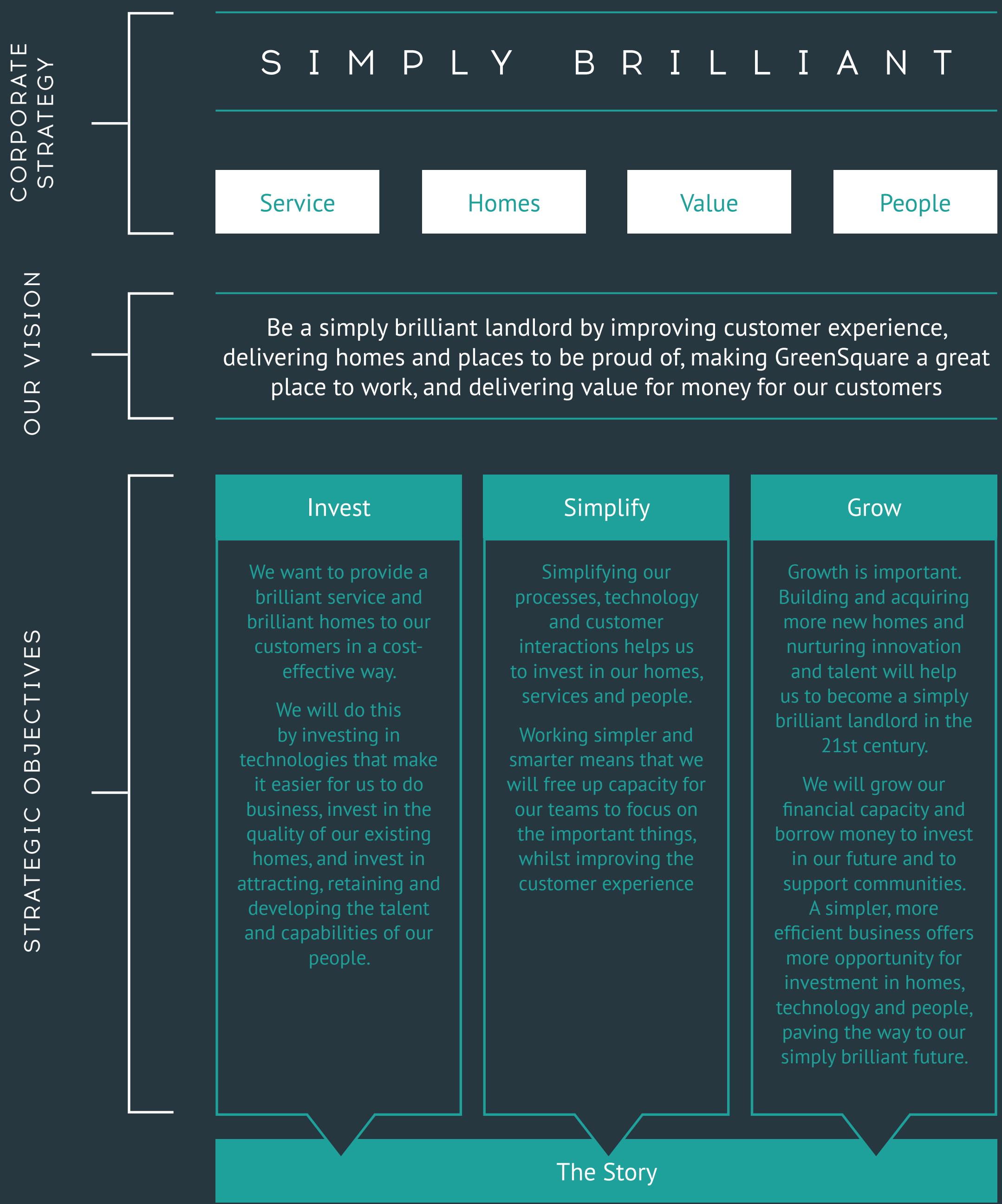
Visions and Values

Our vision was to be a simply brilliant landlord by improving customer experience, delivering homes and places to be proud of, making GreenSquare a great place to work, and delivering value for money for our customers.

The four pillars of our corporate strategy

We believed that to be a simply brilliant landlord, we must demonstrate great performance in four key areas; the pillars of our corporate strategy:

- Service
- Homes
- Value
- People



Corporate Objectives

In April 2021 GreenSquare Group merged with Accord Housing Association. While legally the organisation remains Accord Housing Association, from April 2021 it began trading as GreenSquareAccord.

This merger will mean we can improve services for existing customers; invest more in local communities; extend our care and support services; and build more affordable homes. Together GreenSquareAccord will be a stronger and more resilient organisation that's more 'future-proof' and ready to deal with future challenges. Put simply, we believe we can do more together across a larger operating area – and do it better – than we could on our own.

We chose to merge with Accord because both organisations share the same values and ambitions for expanding and enhancing locally-focused services to customers.

GreenSquareAccord's objectives and strategy are set out in its five year Corporate Plan 2021-26 and will be reviewed and approved annually by the Board.

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

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

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

Through development it will create quality new homes and sustainable communities where people can enjoy happiness, health, and prosperity – the vital foundations for successful and fulfilling lives.

Where other services can no longer deliver, when opportunities dry up, when funding is unavailable, GreenSquareAccord will remain the organisation that can, and will, help the people in the greatest need.

Strong financial management is integral to GreenSquareAccord being able to deliver on its future strategic promises and key objectives.

Our New Corporate Objectives

Great Homes and Care	In a Great Neighbourhood	With Great Service

Measuring and understanding success in delivery of our objectives

Enhanced quality of new and existing homes	**Customers rate their neighbourhood highly**	**90% overall satisfaction**
Strong CQC ratings	On track to deliver clear regeneration plans	ICS accreditation
1000 new homes per year		NPS measures demonstrate that customers would recommend us
On track for zero carbon		

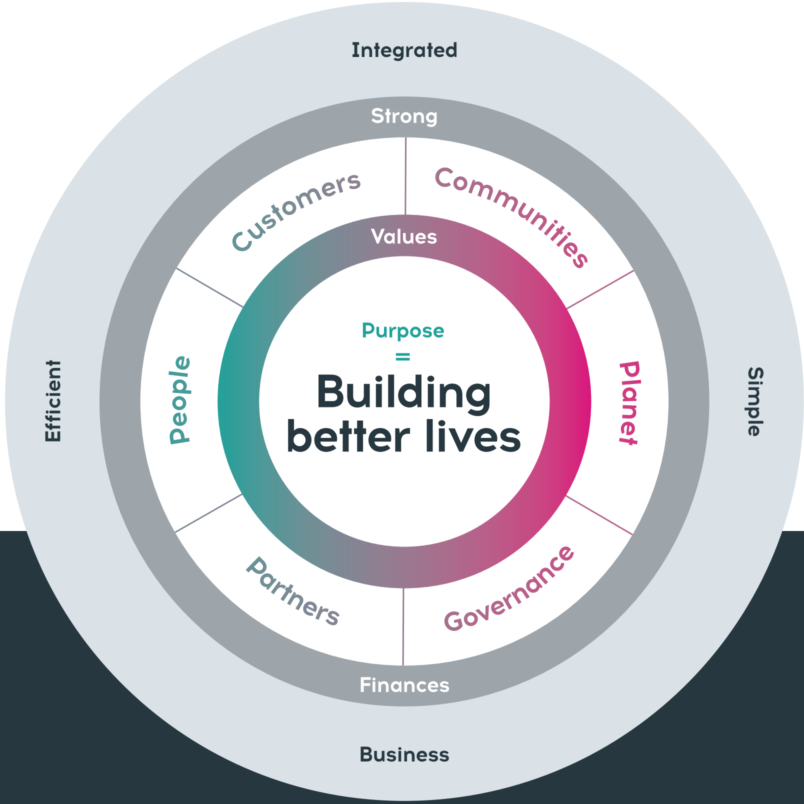
Built on strong foundations of

G1/V1 grading, business case efficiencies achieved ◆ Simple, integrated processes ◆ Colleague engagement at least 80%

GreenSquareAccord key priorities - our promises and commitments

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

The diagram shows the key components of the Corporate Plan that will enable GreenSquareAccord to deliver its purpose of 'Building better lives'.



Customers

We will ensure that:

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

Measurements of our success:

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

Communities

We will create strong communities:

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

Measurements of our success:

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

People

Great people create a great organisation:

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

Measurements of our success:

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

Partners

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

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

Governance

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

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

Measurements of our success:

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

Planet

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

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

Measurements of our success:

- Developed a clear, funded strategy for de-carbonisation of our properties;
- Developed clear targets and delivery plans for the first stage of this strategy;
- Reduced the environmental impact we have as an organisation and as employer.

Strong finances from legacy organisations Accord and GreenSquare are essential for GreenSquareAccord to deliver its five-year Strategic Plan.

Financial Review

Overview

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

In the early part of the year the Group also undertook an extensive funding exercise which unlocked financial constraints from the prior funding structure, which will ultimately allow us to create the capacity to build many more homes. As a result, we increased liquidity, harmonised terms and aligned covenants and created a consolidated treasury platform for pooling security and measuring covenant performance with both existing and new lenders. This gave rise to one off refinancing costs of £7.1m but will provide significant long term margin savings going forward which have been built into the future financial plan.

The consolidated Statement of Comprehensive Income and Statement of Financial Position are summarised on page 44 and the following paragraphs highlight key features of the Group's financial position at 31 March 2021.

Financial highlights

Statement Of Comprehensive Income	2021 £'000	2020 £'000
Turnover	91,206	84,942
Operating costs	(67,505)	(65,218)
Disposal of properties	2,135	2,293
Operating surplus	**25,836**	**22,017**
Net interest and taxation	(19,073)	(17,459)
Net surplus	**6,763**	**4,558**
Refinancing cost	(7,088)	-
Net Surplus for the year	(325)	4,558
Key Financial Metrics		
Operating margin (excluding property sales)	26.0%	23.2%
EBITDA MRI	160%	139%
Chief Executive pay as % of turnover	0.2%	0.2%

We are pleased to report continuing improvement in operating surplus to £25.8m, a £3.8m increase on 2019/20 (2020: £22.0m) with a turnover of £91.2m (2020: £84.9m). Our operating margin (excluding property sales), which shows how much of our income is left after operating expenses, increased from 23.2% to 26.0%. We use the operating margin as one of our key measures for delivering a sustainable business and driving efficiency. Our social housing activities generated an operating margin of 32.6% (2020: 26.9%).

Our operating surplus included a £2.1m surplus on housing property disposals (2020: £2.3m) which included the disposal of an office building in Oxford.

The restructure of our loan portfolio resulted in the repayment of £56.0m of loans and new credit facilities of £115.0m to create the capacity to build many more homes.. This gave rise to the one off refinancing costs of £7.1m, which accounting rules required being fully written off in year in year but will provide c£2m per annum average cost of finance savings going forward.

The Group has £150m undrawn facilities (2020: £20m). See note 34.

The results following these refinancing costs mean we are reporting a small deficit position of £(0.3)m (2020: £4.6m surplus).

The total comprehensive income for the year shows an overall deficit of £8.5m (2020: £6.4m surplus) due to the actuarial movements in respect of the pension schemes.

Statement Of Financial Position	2021 £'000	2020 £'000
Fixed assets	809,025	782,261
Net current assets	118,293	82,376
Long-term liabilities and provisions	(564,574)	(493,402)
Net assets	**362,744**	**371,235**
Reserves	**362,744**	**371,235**
Key Financial Metrics		
Units owned/managed	12,470	12,255
Gearing	51%	50%
Average cost of finance	3.04%	3.62%

Overall fixed assets increased by £26.8m (3.4%). Housing properties are held at deemed historic cost and unamortised grant is held in creditors. The increased carrying cost included £36.0m investment in new homes and £3.1m spent on improvements and component replacements to existing homes. To date we have received £212.1m social housing and capital grant to support our development programmes.

Our investment in housing properties was funded through a mixture of social housing grant, loan finance and working capital where we continue to show a strong current asset balance. The Group's treasury management arrangements are considered below.

Net current assets are £35.9m higher than the prior year predominantly due to movement in working capital and increase in cash holding which due to the refinancing was bolstered to mitigate against potential cashflow risks following the outbreak of coronavirus.

Long-term liabilities are £71.2m higher due to the refinancing and increase in borrowings to fund the future development programme and the recognition of pension deficits.

The Group and its subsidiaries participate in two defined benefit schemes; the multi-employer Social Housing Pension Scheme (SHPS) and the Wiltshire County Council Pension Scheme (WCCPS). Both are in deficit and were closed to new members on 31 March 2016.

The liability is measured at the present value of the future cash flows in respect of our contractual agreement to make enhanced payments to eliminate the deficit. The Group and subsidiaries have contributed to the schemes in accordance with the levels set by the actuaries as part of any deficit funding agreement. We recognise our proportion of the assets and liabilities of the two schemes in our accounts.

Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. We draw advice from scheme actuaries and our retained advisors. Variations in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expenses (as analysed in note 27). The year end actuarial deficits increased significantly and the liability at 31 March 2021 was £21.5m (2020: £14.1m).

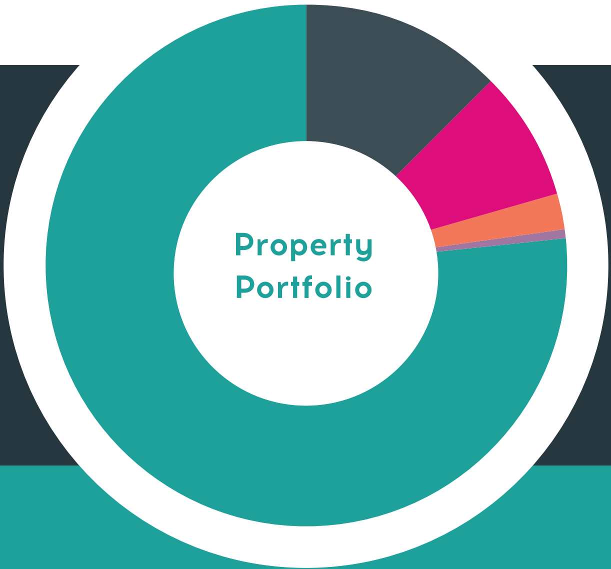
Pension membership and auto enrolment for all employees is now only available in the SHPS defined contribution scheme which carries no deficit risk to the Group. The Group has contributed to the schemes in accordance with the levels set by the actuaries of between 2.0% and 6.0% for SHPS plus annual monetary deficits.

Primarily as a consequence of the pension changes the net worth of the Group decreased £8.5m to £362.7m (2020: £371.2m).

At 31 March 2021 the Group owned and managed 12,470 housing properties (2020: 12,255). This year on year increase reflects our desire to continue to invest in both our existing housing stock and undertake a series of new developments, for both sale and rent.

Operating Summary By Activity

	Turnover		Operating Surplus	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
General needs	53,333	50,875	17,383	14,178
Supported and housing for older people	8,456	8,037	1,611	586
Garages	493	532	332	173
Shared ownership	3,706	3,270	2,227	1,942
Total social housing lettings	**65,988**	**62,714**	**21,553**	**16,879**
First tranche shared ownership sales	9,284	8,304	2,468	2,049
Other social housing activities	1,375	3,057	(157)	(596)
Total social housing activities	**76,647**	**74,075**	**23,864**	**18,332**
Non-social housing activities	885	1,288	(738)	(584)
Development for sale	13,674	9,579	1,114	1,976
Disposal of properties	-	-	2,135	2,293
Merger costs	-	-	(539)	0
Total	**91,206**	**84,942**	**25,836**	**22,017**



as at the 31st March 2021

1,585	*Shared ownership and leasehold*
984	*Supported housing + housing for older people*
306	*Other*
37	*Non-social housing*
9,558	*Rented*

Of the £91.2m of income generated last year, 84% (£76.6m) was from social housing activities and 16% (£14.6m) was from non-social housing activities and although turnover has increased by £6.3m since last year the proportion of social to non-social activities is largely the same.

Circa 86% of our social housing income comes from lettings which generate healthy margins, with surpluses reinvested back into our services and properties. Some of the expenditure on repairs and maintenance relates to essential compliance work to ensure the safety of our residents, but the majority is due to high levels of expenditure on repairs to void properties, and responsive repairs.

Other social housing activity is predominantly the provision of supported housing contracts to ensure that our customers can live independently and sustain their tenancy.

Exposure to unsold shared ownership stock is not a material issue and there has been no impairment of property values or issues with cladding. First tranche sales turnover increased from £8.3m to £9.3m in the year reflecting a rise in volume of shared ownership homes in our development programme mix. We reinvest all our surpluses back in to services and new homes to deliver sustainable communities.

On development for sale our commercial subsidiary, GreenSquare Homes, saw a significant delay in operations due to the pandemic with market sales for the year totalling 34 units, which whilst below its target made a net contribution of £1.1m profit (2020: £2.0m) and maintained its overall margins.

Operating costs for the year also include merger and integration costs of £0.5m.

The Group's five-year income and expenditure accounts and balance sheets prepared under FRS102 are summarised below:

	2021	2020	2019	2018	2017
	£'000	£'000	£'000	£'000	£'000
Group Statement of Comprehensive Income					
Total turnover	91,206	84,942	81,287	83,759	85,838
Income from lettings	65,988	62,714	64,527	62,496	63,494
Operating surplus	25,836	22,017	23,129	28,998	26,385
(Loss)/surplus for the year	(325)	4,558	7,394	12,800	10,815
Total comprehensive income for the year	(8,491)	6,424	(1,361)	14,295	10,590
Group Statement of Financial Position					
Housing properties and investment properties	801,265	773,306	732,329	701,385	675,764
Net current assets	118,293	82,376	101,196	83,467	68,974
Loans (due over one year)	(512,638)	(451,290)	(428,919)	(392,328)	(365,844)
Provisions	(187)	(270)	(291)	(377)	(165)
Net pension liability	(21,484)	(14,107)	(19,375)	(6,627)	(8,410)
Reserves: revenue	91,308	97,311	89,557	89,956	74,632
Reserves: revaluation	271,367	273,866	275,208	276,186	277,228
Reserves: total	362,744	371,235	364,811	366,172	351,891
Group Statement of Cashflows					
Net cash generated from operating activities	32,046	19,700	27,842	28,171	38,503
Net change in cash and cash equivalents	30,638	(23,973)	10,929	13,043	37,582
Net Debt	(411,000)	(385,521)	(339,430)	(314,110)	(301,010)
Accommodation figures					
Total housing stock owned and managed at year end (units)	12,470	12,255	12,056	11,877	11,685
In development	559	270	256	271	210

Treasury and Funding

Overview and review of the year

We adopt a conservative approach to treasury management and the Board and Treasury & Investment Committee sought independent advice from external consultants along with quarterly reports from officers. Treasury activities are controlled by the Finance Director and managed in line with the Treasury Management Policy which is reviewed and updated annually.

At the start of the year, GreenSquare Group Limited completed an extensive funding exercise which unlocked financial constraints from the prior funding structure, which will ultimately allow us to do more for both existing and new customers. As a result of the funding exercise, we increased the liquidity of the group, harmonised funding terms, aligned covenants and created a consolidated treasury platform for pooling security and measuring covenant performance with both existing and new lenders. As part of the refinancing exercise, we repaid a pre-existing lender to the Group in both GreenSquare Group Limited and Westlea Housing Association Limited, which gave rise to one off refinancing costs of £7.1m.

As part of this refinancing exercise we also agreed a total of £170m of revolving credit facilities in the year of which £75m includes the Group's first Environmental, Social and Governance ('ESG') linked facility, related to improving the thermal efficiency of our existing housing stock and £25m is on an unsecured basis with a new lender to the group. We also agreed a £25m term facility with the new lender which we are in discussions about linking to ESG metrics.

GreenSquare Group Limited also issued via private placement £50m of notes with a final maturity due in 2045. These notes were to both existing and new investors, demonstrating support of our organisation from the institutional investor base.

Key Metrics

	At 31 March 2021	At 31 March 2020
Drawn facilities	£523m	£463m
Undrawn facilities	£150m	£20m
Cash and cash equivalents*	£102m	£72m
Fixed rate borrowing	68%	72%
WACC	3.57%	3.88%
Interest cover**	160%	139%
Gearing**	51%	50%

*excludes restricted cash
**RSH definition

Borrowings

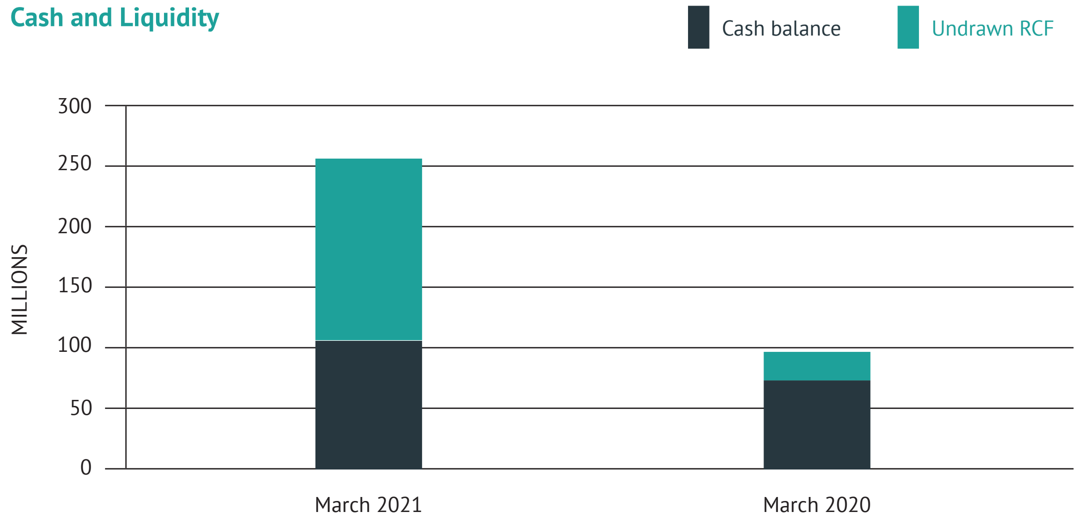
Total borrowings at 31 March 2021 were £523m, a net increase of £60m on the previous year which were used to refinance and to continue to develop general family housing. Prepayments totalling £50m were made in the year as part of the refinancing exercise and repayments made in line with scheduled amortisations.

Liquidity

The Group has in place minimum cash and liquidity requirements to ensure the Group has sufficient immediately available liquidity to meet its ongoing requirements over the short and medium term which it has maintained compliance with at all times.

Net cash increased during the year by £30.6m. As a response to Covid-19, the Group determined it prudent to draw down additional funds to increase its cash reserves. These funds were drawn via the new revolving credit facilities and some were repaid as we gained more certainty over the impact on our finances.

Cash and Liquidity

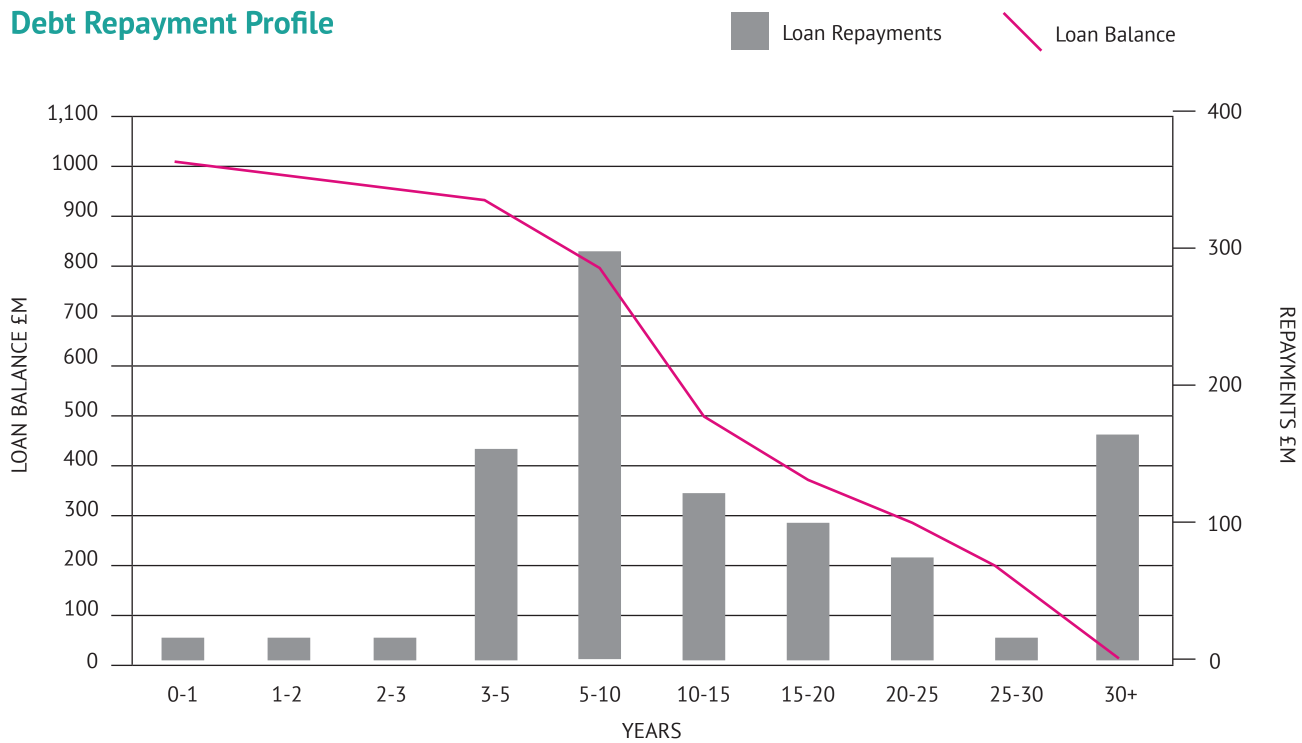


In preparation for the merger with Accord Housing Association Limited we executed a strategy to obtain the necessary consent from funders along with harmonisation of terms and covenants. We have combined and consolidated the loan portfolio and successfully negotiated £110m additional revolving credit facilities with 2 existing bank funders.

Post-merger we have further bolstered an already strong liquidity position with the completion of £75m, 40 year bond finance from bLEND Funding Plc which will be used to fund the development of new homes for the partnership.

The debt repayment profile of the combined post-merger loan portfolio of GreenSquareAccord is shown in the chart below.

Debt Repayment Profile



The Group's lending agreements require compliance with a number of financial and non-financial covenants. The Group's position is monitored on an on-going basis and reported to the Board and Audit, Risk and Finance Committee each quarter. Our financial performance has meant we have met lenders' covenants throughout the year and we expect to remain compliant in the foreseeable future.

Value For Money

Introduction and overview

Value for Money (VFM) at GreenSquare has meant delivering simply brilliant service to our residents as efficiently as we possibly can.

Our business planning cycle and performance management approach was to ensure that we maintain a strategic focus on value for money.

The VFM strategy approved by the Board in January 2020 outlined our overall aspirations to deliver significant savings by the final year of the previous Corporate Strategy. We intended to achieve these through both savings in operational expenditure and also in our capital investment in our existing assets.

This approach to improving VFM focused on the following key areas to achieve our proposed improvements:

IT Strategy and customer service

We developed an IT Strategy to set out some future plans for investment in existing and new systems. We also implemented a Target Operating Model (TOM) which set out the shape of the organisation, and how to deliver services to our customers. The TOM provided the foundations for the IT Strategy to develop our future plans and gave a framework for our business to be as efficient as possible. This included:-

- Digital transformation of the customer experience: ability for customers to access services online at their convenience including booking repairs and checking rent statements. Greater efficiency and provision of customer information in the delivery of our responsive repairs service resulting in better customer experience.
- Digital transformation of the workplace: greater efficiency and automation of business processes, faster information flows, more informed decision making.

Procurement

Effective procurement is key to delivering value for money. We developed a new Procurement Strategy to support the corporate strategy, to ensure that goods and services acquired for the group deliver value for money.

The strategy articulates the organisation's approach to procurement and how the procurement team will support the business to deliver the corporate strategy.

Repairs and maintenance

We have developed a new asset management strategy and have commissioned a full stock condition survey. This will improve the quality of our data on the condition of our housing stock, which will inform our re-investment requirements. Going forwards we will also be able to identify our under-performing stock, enabling us to make better informed decisions regarding the need to re-invest, regenerate schemes or alternatively dispose of our stock where appropriate.

Our biggest area of expenditure is our investment in our existing properties. This includes planned maintenance/ reinvestment programmes, responsive repairs (responding to a report from a customer of a repair which is required), as well as servicing and testing, e.g. gas safety, boiler servicing, electrical testing etc. Compliance remains an absolute priority for us, this also includes anything required in order to comply with changes in legislation, for example fire safety.

Development

We have carried out sustainability reviews of commercial activities to ensure we maximise the returns on our investments to support the delivery of our plans.

Grow the Group's development activities involving both affordable housing and housing for market sale and rent through our commercial subsidiary GreenSquare Homes Ltd.

Other

Other areas of consideration include office accommodation, Group activities, financing costs, merger opportunities, affordability for residents, recruitment and training and social value.

Our previous corporate strategy was named 'Simply Brilliant', reflecting the fact that the organisation had become overly complex and emphasising the importance of getting the basics right, every time. In developing this strategy, we spent time talking to our customers, our colleagues, Board members and other key stakeholders. They reaffirmed our thinking, which was that by simplifying the organisation, people can do the best possible job for our customers, so that we can deliver our core social purpose.

Top quartile performance against our peers was our aspiration, and we have monitored progress towards achieving this. This was a challenging target, especially when set against the backdrop of the global pandemic and the increasing requirements to invest in compliance following the terrible tragedy at Grenfell, including cladding improvements, fire doors etc.; the need to meet decent homes standards and the emerging zero carbon agenda. We reported to Board a dashboard suite of Key Performance Indicators and our financial plan and the annual budget also reflect our annual targets and the progress being made and the following section summarises these achievements.

On 1 April 2021, as noted elsewhere, GreenSquare entered into a business combination with Accord Housing Association Limited (Accord) and is now trading as GreenSquareAccord. We share a belief in local and community services and that GreenSquareAccord would offer enhanced financial strength, our geography overlaps effectively, and we believe the partnership will deliver enhanced development capacity and value for money efficiencies.

Our previous strategic priorities (invest, simplify and grow) guided us to achieving what was an ambitious and exciting plan to set GreenSquare up for continued future success. We planned to strip out inefficiency, simplify how we operate, invest in our properties and staff for the long term, and grow our capacity to do more, with less. These sentiments will be carried forward into our partnership with Accord and will be subject to prioritisation across a portfolio of evolving integration projects that will be scheduled for launch in 2021-23.

How GreenSquare performed against its own targets

Our 'simply brilliant value' summary provided an at-a-glance overview of performance against all our business plan targets on a quarterly basis. This was supported by more detailed performance dashboards against each of the four key pillars set out in the previous corporate strategy.

Corporate objectives were translated into operational action through a suite of Key Performance Indicators which were overseen by the Board and subject to regular scrutiny by the Executive Management Team and Committees; agreeing actions where necessary to bring performance back in line with agreed targets. Our key performance indicators (KPIs) provided a focus on those areas deemed most important to our performance. For example, our aim to deliver new affordable homes and improve customer satisfaction were monitored here.

The table below summarises the suite of Key Value Performance Indicators aligned to demonstrating VFM in the delivery of our core operating activities and demonstrate both the performance against the agreed target for the year and a comparison against the prior year's performance.

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

Our Corporate Plan VFM KPIs

Simply Brilliant Value	Actual 2019/20	Actual 2020/21	Target 2020/21	Trend
V1 - Operating Margin (no property sales)	23.2%	26.0%	25.6%	▲
V2 - Net Profit before Refinancing £'000	£4,919	£7,057	£8,070	▲
V3 - Interest Cover	139%	160%	150%	▲
V4 - Gearing	50%	51%	56%	▲
V5 - Rent Collected	99.7%	99.6%	100.4%	▼
V6 - Rent Arrears	2.7%	2.3%	3.0%	▼
V7 - Void Loss	1.1%	1.34%	<1%	▲
V8 - Relet time	40 days	64 days	25 days	▲
V9 - Satisfaction with Repairs and Maintenance	93%	93%	92%	◀▶
V10 - Decent Homes compliance	99.9%	99.99%	100.00%	◀▶

The 2020/21 Key Performance Indications (KPIs) should be viewed in the context of the significant challenges experienced by the Group as a result of the coronavirus pandemic which has impacted on both performance against targets (set pre-covid) and the deterioration in performance in many of the metrics.

In the early part of the year the Group also undertook an extensive funding exercise to increase the liquidity of the group, harmonise terms, align covenants and create a consolidated treasury platform for pooling security and measuring covenant performance with both existing and new lenders. This gave rise to one off break costs of £7.1m but will provide significant long term VFM savings going forward.

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

Performance against a number of our other value KPIs has improved, although we still need to improve the levels of performance that we had targeted to achieve. This was largely driven by the high volume and cost of our responsive and void works and also being impacted by the need to ensure compliance. Health and safety and decent homes works were brought up to date and maintained but disappointingly our voids and relet time performance remains behind target. We have introduced a new voids standard to ensure that we deliver empty properties to new residents to a consistent standard and in partnership with Accord following the merger will be looking at realising synergies and efficiencies in future years.

The decrease in overall rent arrears is welcome given the impact of the pandemic on many of our customers employment and financial circumstances. We bolstered resource in the Customer Services team and continue to support our customers to make Universal Credit claims and to manage their household budget.

The Corporate Strategy enabled us to focus on becoming an organisation which is Simply Brilliant, and to improve our underlying performance so that we are able to deliver great services to our customers.

Strategic Successes

The COVID-19 pandemic has clearly dominated the financial year, but we have continued to operate effectively, albeit with a reduced repairs service, and we will continue to deliver services to our customers in a way that enables us to keep our customers and colleagues safe. We have had to slow down some of our development investment activities, but we will be increasing production of new homes as quickly as possible, whilst maintaining the safety of our colleagues and partners.

However, the experience of operating within the context of a global pandemic has presented several opportunities to accelerate some of our plans - particularly with regard to digitising services and introducing flexible working arrangements - and these opportunities have been captured and taken forwards.

A number of additional exploratory projects and initiatives were progressed over the past 12 months as outlined in the VFM documentation for 2019/20. However, the Executive Management Team made pragmatic decisions during the year to pause some initiatives, for example: Treasury Management System, Purchase to Pay, Voice of the Customer, ProMapp Implementation and others, due to anticipated upstream impacts following the merger between GreenSquare and Accord. It was deemed prudent to review and incorporate the initiatives post-merger within the context of a wider merged portfolio of activities. These paused activities have been included within the Discovery phase of Integration and are subject to prioritisation across the portfolio of projects that will be scheduled for launch in 2021-23.

Our focus in 2020/21 has therefore been on three strategic priorities:-

Project	Achievements
Property Safety Transformation Programme (Compliance Big Six Programme) which will then transition to the Landlord Compliance Programme – this will drive the continued improvements in our compliance with the appropriate regulations and ensuring the safety of our residents.	◆ Enabling regulatory transparency in respect of four of the 'Big Six' landlord compliance areas. ◆ Enabling the transition from G2 to G1 rating with our Regulator. ◆ Supported the introduction of this standardised approach for the other two remaining areas of Big Six. ◆ Positioned the organisation for a rollout of Compliance 365 tool across all compliance areas.
Data Quality and Reporting Programme – this will drive improvements in the quality of the data that we hold in our core systems, and how we report on that data to ensure that we have one version of the truth, and that people are accountable for the accuracy and security of that data. This is a long term, foundational programme of activities.	◆ Increased visibility and understanding across the whole of GreenSquare around data ownership, stewardship and a steady progression to improved quality of data, with the ambition to progress to 'data excellence'. ◆ Enables a higher quality of reporting and better informed decision making within business teams.
Repairs Transformation Programme – this will drive improvements in the way that we deliver our repairs service to improve customer satisfaction, and to enable us to deliver a repairs service to our customers more efficiently, and one which enables us to deliver repairs right first time.	◆ Introduction of customer focussed web-based self-service approach to resolution of simple household problems, with a series of "How to Guides". ◆ Introduction of a remote assist option, whereby customers aid diagnosis of issues with digital technology (photos and videos), and helping to identify the type of problem/solution, i.e. which trade and materials would need to be despatched to tackle a household issue. Reducing the number of call-outs and increasing the number of first-time-fix solutions.

In achieving all three programmes, we have been improving our systems and processes to improve efficiency and value for money as pillars to achieve a simply brilliant organisation.

These help demonstrate GreenSquare's approach to improving VFM over the life of the Corporate Strategy in accordance with the Regulator of Social Housing VFM standard.

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 *2020 Global Accounts VFM Metrics*.

The following table outlines GreenSquare's performance against the published 2020 Median and Quartile VFM regulatory standard metrics and against the agreed target for the year and a comparison against prior year's performance:

	GreenSquare Group			Global Peer VFM Metrics*		
Metric	**2019/20 Actual**	**2020/21 Actual**	**2020/21 Target**	**2019/20 UQ**	**2019/20 Median**	**2019/20 LQ**
Business Health						
Operating margin (overall)	23.2%	26.0%	25.6%	28.6%	23.1%	18.1%
Operating margin (Social housing lettings)	26.9%	32.6%	34.8%	32.3%	25.7%	20.8%
EBITDA MRI/interest cover	139%	160%	150%	227%	170%	126%
Operating Efficiencies						
Headline social housing cost per unit	£3,920	£3,220	£3,493	£4,864	£3,835	£3,335
Development						
Reinvestment %	7.1%	5.0%	7.9%	10.0%	7.2%	4.9%
New supply delivered % (social housing)	2.4%	2.0%	2.7%	2.4%	1.5%	0.7%
New supply delivered % (non- social housing)	0.3%	0.2%	0.4%	0.15%	0.0%	0.0%
Gearing	50%	51%	56%	55%	44%	33%
Effective Asset Management						
ROCE	2.6%	2.8%	3.2%	4.4	3.4	2.0

* Source Published Global Accounts Metrics 2020 published May 2021.

Business Health

Our operating margins should be viewed in the context of our diverse business activities where some activities undertaken by the organisation generate low financial margins but have high social or environmental impact.

The key drivers behind the increase in overall operating margin to 26% in 2021 was the service impact from the coronavirus; particularly on reduced capital investment in our repairs and maintenance service which was offset by costs incurred to facilitate the merger with Accord where synergies and efficiencies will be realised in future years.

The 32.6% operating margin on our social housing activity compares favourably against the Global peer group approaching top quartile performance. This was despite reflecting a full year's impact of the pandemic whereas the peer group results for 2020 were substantially pre-covid.

We aim to becoming a more efficient organisation to ensure that we deliver sustainable growth, although continued focus on our repairs and maintenance expenditure is required to enable our financial performance to improve, so that our operating margin and liquidity investment cover or Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA MRI) performance also continue to improve to enable us to continue to invest in our services, and in developing more new homes. As a developing organisation with ambitious growth targets, the metric demonstrates our ability to comfortably meet our cost of borrowing.

This drive for greater efficiency, has enabled us to improve our performance against our other key metrics, such as the headline social housing cost per unit. Our performance for this metric has significantly improved, and decreased from £3,920 to £3,220 meeting our target and top quartile performance.

However, this metric includes total maintenance spend and therefore reflects the one off disruption and significant curtailment in spend on the capital repairs programme due to the pandemic lockdown. This is not expected to continue in the new financial year as restrictions ease and must be seen as an exception. A further analysis of this metric is provided in the next section.

Development

Our development and reinvestment results reflect our commitment to developing new homes whilst balancing the investment in existing homes and maintaining properties to a high standard.

In 2020/21 we added 245 new social homes which was below our target of 335 units, however it was impacted by the pandemic on development activity with on-site restrictions having been in place for most of the year which has slowed the pace of development across the sector. GreenSquare remains committed to the supply of new affordable homes; utilising the strong financial capacity of the enlarged organisation to increase development output in future years.

We have a further 589 units in progress at the year end. In line with our peers, GreenSquare's development programme focusses on the supply of new social housing and meeting the strong demand for affordable housing in our area of operation

Our commercial subsidiary GreenSquare Homes Ltd (GSH) saw significant delay in operations due to the pandemic with market sales for the year totalling 34 units which whilst below the 53 unit target made a net contribution of £1.1m profit and maintained its overall margins.

As a developing association, we borrow funds to support the building of new homes and our increased gearing reflects our growth ambitions; using our balance sheet capacity to generate new supply whilst managing the financial stability of the organisation. Gearing increased slightly in the year as a result of the refinancing where some legacy GreenSquare facilities were repaid as part of a wider consolidation and harmonisation of the GreenSquare loan portfolio and future-proofing of treasury activity and maintaining liquidity during the pandemic.

Effective Asset Management

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

Headline social housing costs per unit – further breakdown

The headline social housing cost metric can be further broken down into its constituent parts and comparison made to published weighted average metric, agreed target and prior year's performance.

		GreenSquare Group		Global Peer VFM Metrics*
Metric	**2019/20 Actual**	**2020/21 Actual**	**2020/21 Target**	**2019/20 Weighted Average**
Headline Social Housing Cost per Unit Breakdown				
Management cost	£968	£1,054	£973	£1,068
Service charge	£388	£400	£365	£662
Maintenance and Major repairs	£2,151	£1,638	£1,933	£2,051
Other costs	£312	£128	£222	£468

* Source Published Global Accounts Metrics 2020.

Our social housing cost per unit should be viewed in the context of the tenure mix within our property portfolio. Due to the nature of the areas we work in and the traditional services we provide the global service charge and other cost per unit metrics will always appear higher than the Groups own results.

Analysis of the data indicates that GreenSquare has further work to do to drive value for money across the organisation, particularly in relation to our management costs where performance in the year is reflective of the challenging operating environment; as priorities evolved in response to known and emerging risks of the pandemic and the additional one off legal, professional and consultancy costs of the partnership.

As outlined above, property maintenance both revenue repair and capital works were severely disrupted by the national lockdowns and local tiered restrictions. With these restrictions starting to ease this service has seen a rapid increase but the main impact will be in the new financial year. Similarly the planned and major capital works programme was significantly curtailed and is the main reason for the very large drop to £1,638 cost per unit compared to target and past performance. This is a one off.

However, we are aware this is an area where the Group has not performed efficiently in the past and the intention is to improve our stock condition information and plan property works more effectively going forward.

2022 Value for Money Targets

In April 2021 GreenSquare Group merged with Accord Housing Association. While legally the organisation remains Accord Housing Association, from April 2021 it began trading as GreenSquareAccord.

Although GreenSquare Group Limited, as an entity, will not continue in its current form, it nevertheless continues its existence though GreenSquareAccord.

GreenSquareAccord's new objectives and strategy are set out in its five year Corporate Plan 2021-26 and will be reviewed and approved annually by the Board.

GreenSquareAccord remains committed to deliver even better value for money and maintain strong resident engagement to ensure we deliver the right services as efficiently as we can and has set out a programme of delivering merger efficiency savings by 2026.

Summary and Conclusions

GreenSquare has been an organisation with a strong social purpose whose mission and core values are centred on delivering high quality, safe and compliant services that meet the needs of our customers; providing the best outcomes for them as individuals and for the wider community. We continue to have a well-established and embedded culture of demonstrating Value for Money in the delivery of our objectives and this statement will be published on the Corporate website following publication of these financial statements.

Value for Money is led by our Board and our Value for Money Strategy aligns with our corporate and departmental objectives and key performance indicators.

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

The focus for 2020-21 is the integration of the new partnership organisation following the transfer of engagements to Accord Housing Association Limited on 1 April 2021 and to deliver on our promises to customers which include efficient, local-focussed services, increased investment in the provision of new affordable homes and continued investment in our existing properties to ensure tenants have a safe and secure place to live.

Risk Management

Introduction

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

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

Key Risk Analysis

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

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

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

Landlord Health and Safety

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

Principle Controls and Mitigations

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

Comments: *Following the discovery of issues relating to asset management data in some parts of the organisation following the merger, a review is being undertaken to identify where our internal controls can be improved.*

Data Management

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

Principle Controls and Mitigations

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

Comments: *A project has been initiated to harmonise and integrate different systems, processes and approaches to data and reporting. An independent review of data quality approaches will also take place over the year.*

A separate project is focusing on asset management data, including asset compliance and stock condition information and Savills has been commissioned to carry out additional stock condition surveys to ensure our data is complete and robust.

Regulatory Standards

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

Principle Controls and Mitigations

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

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

Development Delivery	
Risk: The target for building 1,000 affordable new homes per year to be delivered by 2026 is not met within agreed resources.	
Principle Controls and Mitigations	
✓ The annual budget, business and financial planning is reviewed and approved by both the Executive Team and the Board	✓ The GreenSquare Homes Board and senior management regularly monitors related financial and operational KPIs.
✓ Stress testing of the business plan is presented to and reviewed by the Group Board.	✓ Planned developments are subject to ongoing appraisal, including consideration of tenure changes if appropriate.
✓ The Group has dedicated and established resources in construction, development, and sales.	✓ The Group actively manages pipeline opportunities through monitoring local planning activity, meeting with agents and developers and funders.
Comments: *Additional requirements for Group expenditure (for example in relation to sustainability, fire safety and asset compliance) have the potential to impact on available funds for development delivery. These are being carefully planned, monitored and stress tested in line with existing stress testing. Pipeline opportunities are being developed and approaches to appraisal and reporting are being harmonised to ensure a common approach.*	

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

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

Summary

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

Development

Performance and Delivery

In terms of development activity the Group invested £40.7m (2020: £54.1m) and 245 completed affordable units were added into management made up of 156 General needs, 1 Supported housing and housing for older people and 88 LCHO shared ownership units.

During the year we generated sales receipts of £9.3m (2020: £8.3m) from the sale of 95 LCHO shared ownership homes plus £13.7m (£2020: £9.6m) from 34 Outright sales as part of our successful GreenSquare Homes development for sale.

In addition there were 10 strategic property disposals including an office building in Oxford, 3 right to buy/acquire sales, 6 LCHO shared ownership unit disposals (100% staircase) and 11 units demolished for regeneration.

Our active development programme as at 31 March 2021 sees 559 units under development with potential scheme costs of £134.5m supporting our strategy to deliver more new homes by 2026.

Environment and Sustainability Commitments

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

- Environmental factors relating to all key project investment decisions are considered by the Group's Project Approval Panel.
- We are committed to the Government's Carbon Neutral target to have net zero emissions by 2050.

Partnerships

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

GreenSquareAccord future focus

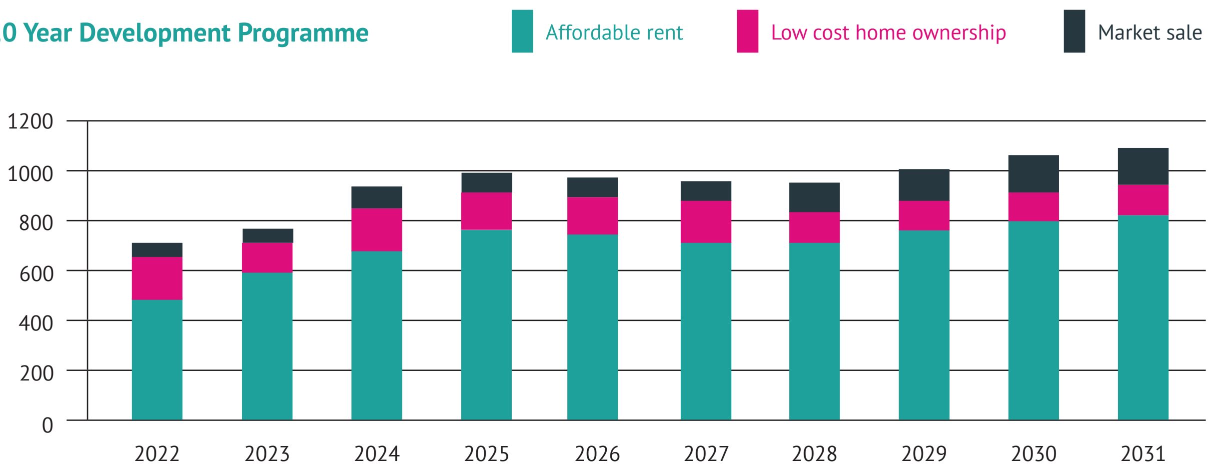
As expressed in our Corporate Plan, we will continue to re-invest in our existing property, based upon an asset management strategy. We will also continue to develop the housing stock to further meet housing need in our areas of operation.

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

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

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

10 Year Development Programme



Governance

Code of governance and Statement of Compliance

GreenSquare adopted the National Housing Federation Code of Governance 2015 for the reporting period. An annual assessment of compliance against the Code has been conducted and confirms that GreenSquare complies with all of the requirements of the Code including the provisions in relation to:

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

The annual review of compliance against the Governance and Financial Viability Standard has been carried out and GreenSquare was compliant with the Standard during the reporting period.

The latest regulatory judgement from the Regulator of Social Housing published on 28 October 2020 saw GreenSquare Group successfully regain its G1 Governance rating.

The judgement noted that: "GreenSquare has enhanced the skills mix of its board and improved the quality of board reporting. This has facilitated improved oversight of health and safety compliance. It has also implemented recommendations from an independent review of governance, revising its risk management framework and strengthening its approach to managing and monitoring risks."

The new assessment by the Regulator is testament to the efforts of all those involved in ensuring the successful delivery of the far-reaching improvement plan that we agreed with the Regulator last year.

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

GreenSquare is aware of its obligations as a Data Controller under the data protection legislation and appropriate policies and procedures are in place to ensure that all GreenSquare services are compliant.

GreenSquare has always prioritised the privacy and security of the content we protect with our applications and services. We are committed to refining, improving and documenting our security measures to protect against unauthorised access, use or disclosure of the content we protect.

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.

Governance and regulatory environment

GreenSquare's regulatory rating of G1:V2 was confirmed in October 2020 as part of the Regulator of Social Housing's stability check following an In-depth Assessment in 2019.

The regulator's assessment of GreenSquare's compliance with the Financial Viability standard was unchanged at V2. This rating is in line with a range of similar Registered Providers who operate at the same level of Open Market Sale activity in the sector and is what is expected.

Throughout the merger preparations with Accord we have maintained an open dialogue with the Regulator, sharing progress and financial forecasts. In April 2021, GreenSquareAccord were issued with an interim judgement of G1:V2 demonstrating continued compliance with the regulatory standards.

Statement of responsibilities of the Board

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

Co-operative and Community Benefit Society legislation requires the Board to prepare financial statements for each financial year. Under that law the 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 2 to the financial statements, the directors do not believe that the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis.

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 2019. 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.

Board and Committee structure

Those Board members who served during the period to 31 March 2021 and the Group's executive directors are set out on page 3.

The Board

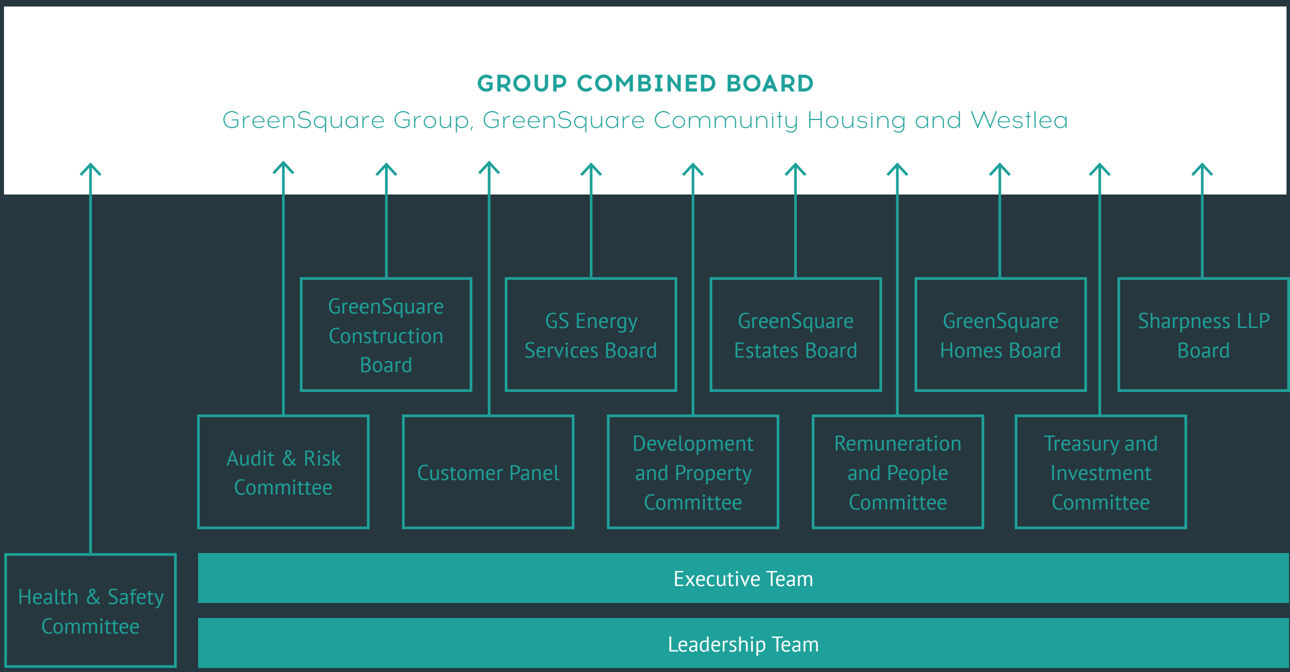
The Board comprised up to twelve members and was responsible for the Group and Association's strategy, policy framework and managing the affairs of the Group. The Chief Executive was a co-opted member.

The Board members were drawn from a wide background bringing together professional, commercial and local experience.

Board members were selected by a panel of Board members (including the Chair, Chair of the Remuneration & People Committee and the Chief Executive) following public advertisement for recruitment.

Structure

During the year the GreenSquare Combined Board (GCB) was supported by several boards and Committees, providing detailed scrutiny on their behalf.



The Health and Safety Committee was established as an independent committee with a Board member representative.

The table below summarises the Board and Committee composition as at 31 March 2021, dissolved on 1 April 2021:

	Group Combined Board	**Audit & Risk Committee**	**Customer Panel**	**Development & Property Committee**	**Remuneration & People Committee**	**Treasury & Investment Committee**
R Bailey	Chair			Member	Member	Member
P Andres	Member	Chair				Member
M Clarke	Member	Member			Chair	
S Goldsmith	Member	Member			Member	
D Greenhalgh	Member			Member		
K Horrell	Member			Member		Chair (from 22/09/20)
P Starkey	Senior Independent Director		Mentor		Member	
D Swann (to 11/09/20)	Member	Member		Member		Chair (to 22/09/20)
J Tibbitts	Member			Chair		
R Cooke	Co-optee					

The following table summarises the Board and Committee attendance during the past financial year.

Board Member	Group Combined Board	Audit & Risk Committee	Customer Panel	Development & Property Committee	Remuneration & People Committee	Treasury & Investment Committee
R Bailey	13 of 13			7 of 7	2 of 3	4 of 5
P Andres	13 of 13	5 of 5				8 of 8
M Clarke	12 of 13	4 of 5			3 of 3	
S Goldsmith	13 of 13	5 of 5			3 of 3	
D Greenhalgh	12 of 13			5 of 7		
K Horrell	13 of 13			6 of 7		6 of 6
P Starkey	13 of 13		7 of 8		3 of 3	
D Swann (to 22/09/20)	5 of 5	3 of 3		2 of 3		4 of 4
J Tibbitts	13 of 13			7 of 7		
R Cooke (Co-optee)	13 of 13					

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

- Audit & Risk Committee supported the GCB in ensuring that effective systems of internal control and assurance were in place including audit (internal and external) and risk arrangements. The Committee regularly reviewed the effectiveness of the Group's controls by considering risk reports, internal audit reports, fraud reports, management assurance activity, the external management letter and specialist reviews on areas such as treasury, health and safety, and efficiency. The Committee alerted the GCB to any emerging issues across the Group in relation to these.
- Customer Panel - supported the GCB in 'hearing and transmitting the voice of the customer', to influence policy development and to better understand customers' needs and drive improvements in customer satisfaction and customer experience. The panel scrutinised key areas such as the Group's approach to customer complaints and ensured GreenSquare's services and homes take into account diversity and inclusion to meet different needs.
- Development & Property Committee - supported the GCB in overseeing the Group's development activities involving both affordable housing and housing for market sale and rent (if applicable). The committee oversaw the progression of asset management and regeneration programmes approved by the GCB, ensuring scrutiny, effective risk management and implementation in line with agreed parameters, and assisted the Board in setting appropriate budgets to deliver these objectives as well as monitoring programme delivery and key risks.
- Remuneration & People Committee - recommended the remuneration approach for colleagues and members and supported governance effectiveness through succession planning and recruitment. It also supported the GCB in reviewing areas of organisation culture (including ethical leadership), staff engagement and Diversity and Inclusion.
- Treasury & Investment Committee - ensured that the Group has appropriate treasury arrangements in place to deliver its Corporate Plan objectives. The Committee also assisted the GCB in ensuring visibility of strategic treasury matters including Group funding, where security sits, covenant compliance and details of any inter-company loans.

As part of the Governance Improvement Plan an independent Health and Safety Committee was established with a Board member representative. This Committee ensured that the requirements of GreenSquare's Health and Safety Policy are embedded in the Group's operational practices. The committee also monitors issues relating to health and safety within the Group's Operations and escalates significant issues through the governance framework to the Executive Team and to the GCB where appropriate. It reports directly to the Group Board.

The Executive Team

The Board delegated the day-to-day management and implementation of that framework (via the intra group agreement) to the Chief Executive and other members of the Group's executive management team.

The executive directors were the Chief Executive, the Finance Director, the Customer Experience Director, the Managing Director Development, the People Director and the Property Investment Director. They acted as executives within the authority delegated by the Board and have been employed directly by GreenSquare, providing services via this intra group agreement.

The Chief Executive held no interest in the Association's shares and had been co-opted to, and acted within, the authority delegated by the Board.

The Group had insurance policies which indemnify its Board members and Executive Directors against liability when acting for the Association.

Service contracts

The Executive Directors were employed on the same terms as other senior managers - their notice periods range from three to six months.

Pensions

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.

Other benefits

The Executive Directors were entitled to other benefits such as the provision of cash allowances in lieu of a company car. Full details of their individual remuneration packages are included in note 11 to the audited financial statements.

Remuneration policy

The Remuneration & People Committee, comprising the Chair and a minimum of two other Board members, was responsible for setting the Group's remuneration policy for its executive directors and other staff. It also recommended to the Board the remuneration levels for board members.

The Committee took into account remuneration levels in the sector in determining the remuneration packages of the executive directors. Basic salaries were set having regard to each executive director's responsibilities and pay levels for comparable positions.

The information above relates to the Board and Executive in place up to 31 March 2021.

The Board and Executive Team was restructured from 1st April 2021; with appointments from both legacy organisations ensuring that local knowledge is retained and new appointments in key roles including Executive Director of Governance and Executive Director of Development to ensure the right mix of skills to drive the organisation forward and achieve the ambitions of the partnership.

From 1 April 2021 the Board of Accord Housing Association Limited trading as GreenSquareAccord has responsibility for the financial statements for the year ended 31 March 2021 and these are listed on page 4.

Employees

A key strength of the Group lies in the quality and commitment of its employees. The Group's ability to meet its objectives and commitments to residents in an efficient and effective manner depends on the contribution of employees throughout the Group. The Group aimed to be an employer of choice in the area in which it works.

We undertook a tailored leadership programme as part of our focus on cultural change and updated our quarterly staff "pulse" survey to provide feedback from across business and this was seen as significant way of reducing staff turnover, sickness and absenteeism and improving staff engagement. This is critical as we believe this directly impacts customer satisfaction. Disappointingly our staff engagement score at 31 March 2021 was 75% compared to 84% at 31 March 2020.

Equality Diversity and inclusion

The Group is committed to ensuring a diverse and inclusive environment for all its employees and continues to invest in staff training and development and has in place systems of appraisal and performance management. The Black Lives Matter movement has reminded us that while we are an organisation committed to equality and diversity, we should recognise that there is more we can do to support all of our colleagues and customers. We are committed to reflecting on how we can make ourselves a more inclusive employer and landlord, and to learning and improving.

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

Modern Slavery and Human Trafficking

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

Health and safety

The Board is very much aware of its responsibilities on all matters relating to health and safety. The Group has adopted robust health and safety policies, and provides Board and staff training and education on health and safety matters.

Corporate health and safety and compliance key performance indicators (KPIs) are in place and were reported to the Group Board at each meeting. KPIs included a range of measures such as the number of RIDDOR reportable incidents, and the number of near misses.

We also reported to the Group Board on all aspects of Property Safety and Compliance. Since the outbreak of COVID-19 and lockdown arrangements implemented by the Government in March 2020, although the majority of gas safety certificates have been completed within the required twelve months, it has not been possible to carry out all necessary visits to properties, for example where residents are shielding, or may be showing symptoms of COVID-19.

Through the completion of the Regulator of Social Housing's Coronavirus Operational Response Survey (CORS) we have kept the Regulator informed of the position on compliance and property safety matters throughout the pandemic and where it was not possible to complete works we visited these properties and completed any outstanding works as soon as it was safe to do so. In the meantime we issued carbon monoxide detectors to those residents to give them extra peace of mind.

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 impairment of tangible fixed assets, and the impairment of investments, goodwill, and defined benefit pension liability. Accounting estimates relate to the useful lives of depreciable assets where management reviews its estimate at each reporting date based on the expected utility of the assets, recoverable amounts of rental debtors where provision is made for potential non recovery based on the total amount of former tenant arrears, obligations under defined benefit pension schemes which is provided by the scheme administrator and has been formulated based on a series of assumptions as set out in Note 27 to the financial statements and the allocation of costs for mixed tenure developments and shares ownership sales on a basis which management deems appropriate.

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

Streamlined Energy and Carbon Report (SECR)

GreenSquare acknowledges that we have an impact on the environment both directly, through our business operations, and indirectly, through our supply chain and customers. From financial years beginning on or after 1 April 2019, large UK companies are required to report publicly on their UK energy use and carbon emissions.

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

The table provides a baseline carbon footprint at 31 March 2021. There has been a 6% reduction in emissions this year in comparison with SECR 2019/20 and this can be assumed to be as a result of the Covid-19 pandemic.

Measures	2020/21	2019/20
UK energy use kWh	13,783,681	13,977,381
Associated Greenhouse gas emissions - Tonnes CO2 equivalent	2,787	2,940
Intensity Ratio - Tonnes CO2 equivalent per FTE	4.97	5.44

UK energy use covers electricity, natural gas, direct diesel and mileage activities across all GreenSquare Group entities. Estimates have been made where it has not been possible to obtain supplier detail, as a result of Covid-19. During the year there have been some void properties that it has not been possible to identify the exact volume of consumption for 2020/21.

Associated Greenhouse gases have been calculated using the GHG Protocol methodology under emissions Scope 1 & 2 and DEFRA 2020.

During the 2020/21 we continued our programme of reducing emissions by replacing older owned vehicles with new leased vehicles, which have Euro 6 engines. With 3 year leases we can take advantage of newer cleaner engines as they come on to the market. Electric vehicles continue to be explored and regular monitoring of driver performance/behaviour takes place to enable coaching on improving driving techniques and hence achieving greater fuel efficiency.

Customer Involvement

The involvement of our customers in our governance framework continued to be pivotal to how we shape and develop our new homes and services.

At the start of the year we set up a Customer Panel, a customer group which provided enhanced collaboration with customers on how we run and improve our business, in line with the recommendations set out in the new National Housing Federation Code of Governance 2020 and Together with Tenants Charter. This reflects recommendations from the Government's Green Paper following the tragedy at Grenfell which stressed that housing associations must give customers a voice in how services are delivered, and critically listen and respond proactively.

We have revised and published our customer engagement strategy, and will be carrying out customer consultation. The Customer Panel was central to our customer engagement strategy and was comprised of a representative group of thirteen customers working in partnership with GreenSquare to ensure that customer feedback, ideas and experience drives service improvements. The Customer Panel performed three core functions: to scrutinise, to advise, and to co-create.

The panel chair provides updates to the Board on activities and findings to ensure a clear line of sight between customers and the Board. The Customer Panel had the authority to report directly to the Board in the event there were concerns they believe were not being satisfied.

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 2021 and up to the date of approval of the Financial Statements. The effectiveness of this process has been reviewed regularly by the Audit & Risk Committee which met five times in 2020/21. The main processes and policies which the Board has established, and which are designed to provide effective internal control, are summarised below.

Internal Audit

The Board has delegated responsibility for overseeing the adequacy and effectiveness of the internal control system to the Audit & Risk Committee. Internal Audit reported directly to the Audit & Risk Committee. A risk-based internal audit plan was prepared and subsequently approved by the Committee. Since the date of merger, a blended approach has been adopted with internal audits being carried out by the Internal Audit team and an external audit firm. Audit & Risk Committee monitors the Internal Audit programme and received assurances to confirm that recommendations have been implemented as agreed. Subsequent internal audit reviews are undertaken to check recommendations have been properly implemented.

External Audit

The work of the external auditors provides assurance through the audit process and the provision of an audit strategy, audit report and management letter. Regular meetings are held with the external auditors to provide an update on changes in the business and to discuss strategic and technical matters. This includes a confidential meeting with members of the Audit & Risk Committee without officers present at least once a year.

Quality Management Systems

The quality of GreenSquare's management systems were regularly reviewed by the Internal Auditor and external accreditations.

Regulatory reporting

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

Performance indicators

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

Anti-fraud

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

The role of the Audit & Risk Committee

This Committee met with the members of the Management team, the internal auditors, and external auditors to review specific reporting and internal control matters and to satisfy itself that the systems are operating effectively. The Committee regularly reviewed its terms of reference to ensure they remained relevant and up to date.

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

Post balance sheet events

On 1 April 2021 GreenSquare Group Limited entered into a business combination with Accord Housing Association Limited (Accord), a Co-operative and Community Benefit Society (number 27052R) and Registered Social Housing Provider with charitable status (number LH3902).

Concurrently GreenSquare Community Housing (a wholly owned subsidiary of GreenSquare) transferred its engagements to Accord.

The Board and Executive Officers for Accord are listed on page 4 of these financial statements and have the authority to sign these financial statements.

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

Going concern

On 1 April 2021, as noted elsewhere, GreenSquare Group Limited and its subsidiary GreenSquare Community Housing completed a transfer of engagements to merge its operations into that of Accord Housing Association Limited. Consequently, both the GreenSquare Group Limited and GreenSquare Community Housing ceased to exist at that date. Therefore, neither the Group nor Association are going concerns.

Nonetheless, the Board have assessed that the operations of these entities will continue as a part of Accord Housing Association Limited (trading as GreenSquareAccord) for the foreseeable future. The GreenSquareAccord Board have reviewed the approved GreenSquare Group budget for 2021/22 and thirty year financial plan with cashflow forecasts and combined this with that of Accord to form a new budget and financial plan for the enlarged entity that indicates it has adequate resources to continue in operation for the foreseeable future. As a result, no adjustments are required to the carrying value of the Group or Association's assets or liabilities because of the financial statements being prepared on a basis other than going concern.

The GreenSquareAccord Group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. The GreenSquareAccord Group has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programme, along with day to day operations. The GreenSquareAccord 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.

Auditors

Post amalgamation the auditor for GreenSquareAccord will be BDO LLP.

The report of the Board was approved on 5 August 2021 and signed on its behalf by:

Ruth Cooke

R Bailey
Board Member

R Cooke
Chief Executive

Independent Auditor's Report To The Members Of GreenSquare Group 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 2021 and of the Group's and the Association's deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, 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 2019.

We have audited the financial statements of GreenSquare Group Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2021 which comprise the consolidated and Association statement of comprehensive income, the consolidated and Association statement of changes in reserves, the consolidated and Association statement of financial position, 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 Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – basis of preparation other than going concern

We draw attention to Note 2 to the financial statements which explains that, following the transfer of all the Association's assets, liabilities and engagements to Accord Housing Association Limited on 1 April 2021, the Association ceased to be a legal entity and therefore the board do not consider the Group or Association to be a going concern. Accordingly the financial statements have been prepared on a basis other than that of going concern as described in Note 2. Our opinion is not modified in this respect of this matter.

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Co-operative or Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

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

Responsibilities of the board

As explained more fully in the Statement of the Responsibilities of the Management Board set out on page 33, 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:

- From discussions with management and review of internal audit reports and audit and risk committee minutes, we obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and Association, which include but are not limited to compliance with the Regulator of Social Housing's economic and consumer standards, Companies Act 2006, United Kingdom Accounting Standards, tax legislation and health and safety regulations, and documented management's processes for monitoring compliance and recording non-compliance.
- We considered the opportunities and incentives, such as performance targets and loan covenant compliance, that may exist within the Group and Association for fraud. We also performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. We concluded that the areas with the greatest potential for material misstatement due to fraud were revenue recognition and management override of controls.
- We held discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud. No matters were brought to our attention, and this was corroborated through review of audit and risk committee minutes and notices on the Regulator of Social Housing's website.
- We requested and reviewed any regulatory correspondence and details of legal expenses.
- We addressed the risk of inappropriate revenue recognition, by testing whether revenue had been recognised on an appropriate basis and within the correct accounting period.

- We addressed the risk of management override, in particular by testing any large journal entries with unusual account combinations and journals posted on weekends.
- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations that have a direct effect on the financial statements.
- We ensured all members of the audit engagement team had appropriate competence and capabilities, and the senior members of the team had experience and expertise of the social housing sector.

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

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

Use of our report

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

Philip Cliftlands

BDO LLP, statutory auditor
London
United Kingdom

8th September 2021

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 2021

	Note	2021 £'000	2020 £'000
Turnover	3	91,206	84,942
Operating costs	3	(67,505)	(65,218)
Gain on disposal of housing properties	3,7	2,135	2,293
Operating surplus	**3,6**	**25,836**	**22,017**
Interest receivable and other income	8	548	981
Interest and financing costs	9	(18,961)	(17,511)
Refinancing charges		(7,088)	-
Movement in fair value of financial instruments		60	(39)
Share of operating deficit in Joint Venture	15	(78)	(78)
Other finance charges	27	(340)	(451)
(Deficit)/surplus before tax		**(23)**	**4,919**
Taxation	12	(302)	(361)
(Deficit)/surplus for the year		**(325)**	**4,558**
Actuarial (loss)/gain in respect of pension schemes	27	(8,166)	1,866
Total comprehensive income for the year		**(8,491)**	**6,424**

Association Statement Of Comprehensive Income

for the Year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Turnover	3	35,658	32,869
Operating costs	3	(24,618)	(22,415)
Gain on disposal of housing properties	3,7	1,034	1,047
Operating surplus	**3,6**	**12,074**	**11,501**
Interest receivable and other income	8	1,099	1,166
Interest and financing costs	9	(10,748)	(8,023)
Refinancing charges		(2,285)	-
Movement in fair value of financial instruments		60	(39)
Other finance charges	27	(137)	(203)
Surplus for the year		**63**	**4,402**
Actuarial (loss)/gain in respect of pension schemes	27	(3,934)	1,649
Total comprehensive income for the year		**(3,871)**	**6,051**

The Consolidated and Association's results relate wholly to continuing activities. The accompanying notes form part of these financial statements. The financial statements were authorised and approved by the Board on 5th August 2021.

R Bailey
Board Member

R Cooke
Board Member

S Atkinson
Company Secretary

Consolidated And Association Statement Of Changes In Reserves: Group

for the Year ended 31 March 2021

	Revaluation Reserve £'000	Restricted Reserve £'000	Revenue Reserve £'000	Total £'000
Balance as at 1 April 2019	**275,208**	**46**	**89,557**	**364,811**
Surplus for the year	-	-	4,558	4,558
Other comprehensive income for the year	-	-	1,866	1,866
Transfer of restricted expenditure from revenue reserve	-	12	(12)	-
Transfer from revaluation to revenue reserve	(1,342)	-	1,342	-
Balance as at 31 March 2020	**273,866**	**58**	**97,311**	**371,235**
Deficit for the year	-	-	(325)	(325)
Other comprehensive income for the year	-	-	(8,166)	(8,166)
Transfer of restricted expenditure from revenue reserve	-	11	(11)	-
Transfer from revaluation to revenue reserve	(2,499)	-	2,499	-
Balance as at 31 March 2021	**271,367**	**69**	**91,308**	**362,744**

Consolidated And Association Statement Of Changes In Reserves: Association

for the Year ended 31 March 2021

	Revaluation Reserve £'000	Restricted Reserve £'000	Revenue Reserve £'000	Total £'000
As at 1 April 2019	110,569	27	61,967	172,563
Surplus for the year	-	-	4,402	4,402
Other comprehensive income	-	-	1,649	1,649
Transfer of restricted expenditure to revenue reserve	-	(1)	1	-
Transfer from revaluation to revenue reserve	(167)	-	167	-
As at 31 March 2020	**110,402**	**26**	**68,186**	**178,614**
Surplus for the year	-	-	63	63
Other comprehensive income	-	-	(3,934)	(3,934)
Transfer of restricted expenditure to revenue reserve	-	(2)	2	-
Transfer from revaluation to revenue reserve	(233)	-	233	-
As at 31 March 2021	**110,169**	**24**	**64,550**	**174,743**

The accompanying notes on pages 49 to 88 form part of these financial statements.

Consolidated Statement Of Financial Position

at 31 March 2021

	Note	2021 £'000	2020 £'000
Fixed Assets			
Housing properties	13	800,979	772,762
Investment properties	14	286	544
Investment in joint ventures	15	1,298	1,030
Other tangible fixed assets	16	6,462	7,925
		809,025	**782,261**
Current Assets			
Stock and properties held for sale	18	25,811	25,882
Trade and other debtors	19	6,395	6,823
Investments	20	544	483
Cash at bank and in hand		105,068	74,430
		137,818	**107,618**
Creditors: Amounts falling due within one year	21	(19,525)	(25,242)
Net current assets		118,293	82,376
Total assets less current liabilities		927,318	864,637
Creditors: amounts falling due after more than one year	22	(542,903)	(479,025)
Net pension liability	27	(21,484)	(14,107)
Provisions for liabilities	28	(187)	(270)
Total Net Assets		**362,744**	**371,235**
Capital and reserves			
Non-equity share capital	29	-	-
Restricted reserve		69	58
Revaluation reserve		271,367	273,866
Income and expenditure reserve		91,308	97,311
Total Reserves		**362,744**	**371,235**

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

R Bailey
Board Member

R Cooke
Board Member

S Atkinson
Company Secretary

The accompanying notes on pages 49 to 88 form part of these financial statements.

Association Statement Of Financial Position

at 31 March 2021

	Note	2021 £'000	2020 £'000
Fixed Assets			
Housing properties	13	390,416	359,594
Investment properties	14	286	544
Other tangible fixed assets	16	2,348	3,560
Investments in subsidiaries	17	3,315	3,315
		396,365	**367,013**
Current Assets			
Stock and properties held for sale	18	2,344	4,760
Trade and other debtors	19	55,999	14,380
Investments	20	544	483
Cash at bank and in hand		85,413	54,008
		144,300	**73,631**
Creditors: amounts falling due within one year	21	(7,819)	(10,401)
Net current assets		136,481	63,230
Total assets less current liabilities		532,846	430,243
Creditors: amounts falling due after more than one year	22	(348,732)	(245,624)
Net pension liability	27	(9,300)	(5,914)
Provisions for liabilities	28	(71)	(91)
Total Net Assets		**174,743**	**178,614**
Capital and reserves			
Non-equity share capital	29	-	-
Restricted reserve		24	26
Revaluation reserve		110,169	110,402
Revenue reserve		64,550	68,186
Total Reserves		**174,743**	**178,614**

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

R Bailey
Board Member

R Cooke
Board Member

S Atkinson
Company Secretary

The accompanying notes on pages 49 to 88 form part of these financial statements.

Consolidated Statement of Cash Flows

for the Year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Net cash generated from operating activities	31	**32,046**	**19,700**
Cash flow from investing activities			
Interest received and similar income		548	981
Purchase and refurbishment of housing properties		(40,731)	(54,082)
Payments to acquire other tangible fixed assets		(378)	(900)
Receipts from sales of tangible fixed assets		6,366	5,448
Payments to acquire investments		(346)	(150)
Receipt of government grants		2,140	3,487
		(32,401)	**(45,216)**
Cash flow from financing activities			
Interest and refinancing charges paid		(23,122)	(19,514)
Issue costs on new long term loans		(4,780)	-
Corporation tax paid		-	(15)
New long term loans		115,000	30,000
Repayment of long term loans		(56,105)	(8,928)
		30,993	**1,543**
Net change in cash and cash equivalents	32	**30,638**	**(23,973)**
Cash & cash equivalents at beginning of the year		74,430	98,403
Cash & cash equivalents at end of the year		**105,068**	**74,430**

The accompanying notes on pages 49 to 88 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 and Group are public benefit entities.

2. Accounting policies

Basis of accounting

The financial statements of the Group and Association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS102) and the Housing SORP 2014:Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015. 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 (£).

Housing properties in tangible fixed assets were valued at deemed cost as at 1 April 2014.

The Group and Association has taken advantage of transitional relief set out in FRS102 for deemed costs and treated all grant on transition under the performance model with subsequent grants under the accrual model.

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 2021 using merger and acquisition accounting where appropriate.

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

On 1 April 2021, the Association GreenSquare Group Limited and its subsidiary GreenSquare Community Housing completed a transfer of engagements to Accord Housing Association Limited and, consequently, ceased to exist at that date. Furthermore, there are plans for subsidiary Westlea Housing Association Limited to also complete a transfer of engagements to Accord Housing Association Limited before 31 March 2022. Therefore, neither the Group nor Association are going concerns.

Nonetheless, the Board have assessed that the operations of these entities will continue as a part of Accord Housing Association Limited (trading as GreenSquareAccord) for the foreseeable future. The Board of Accord Housing Association Limited have reviewed the approved GreenSquare Group budget for 2021/22 and thirty year financial plan with cashflow forecasts and combined this with that of Accord to form a new budget and financial plan for the enlarged entity that indicates it has adequate resources to continue in operation for the foreseeable future. As a result, no adjustments are required to the carrying value of the group or association's assets or liabilities because of the financial statements being prepared on a basis other than going concern.

The GreenSquareAccord Group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. The GreenSquareAccord 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 GreenSquareAccord 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.

The impact of the COVID-19 outbreak and its financial effect has meant that the Board and Executive have been reviewing the financial plans for the next three years to ensure the GreenSquareAccord Group can remain a going concern. The Group has modelled a number of scenarios based on current estimates of rent collection, property sales and maintenance spend.

The Board will continue to review plans with the Executive to make the necessary changes to continue to work with our customers and stakeholders to deliver simply brilliant services.

The length of the COVID-19 outbreak and the measures taken by the Government to contain this are outside of our control but we have put processes in place to manage cashflow and review financial stability as matters progress.

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. £1.2m (2020: £2.9m) 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.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to 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 2021 was £93.3m including other fixed assets.

Defined benefit obligation (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 2021 was Group: £21.5m, Association: £9.3m.

Fair value measurement

Management uses valuation techniques to determine the fair value of assets (where active market quotes are not available) including land, properties developed for outright sale, trade debtors and investment properties.

This involves developing estimates and assumptions consistent with how market participants would price the instrument or asset. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices.

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.

As a result, we estimated the recoverable amount of its housing properties as follows:

a) determined the level at which recoverable amount is to be assessed (i.e. the asset level or cash generating unit (CGU) level). The CGU level was determined to be an individual scheme

b) estimated the recoverable amount of the cash-generating unit

c) calculated the carrying amount of the cash-generating unit and

d) compared the carrying amount to the recoverable amount to determine if an impairment loss has occurred.

Based on this assessment, we calculated the Depreciated Replacement Cost (DRC) of each social housing property scheme, using appropriate construction costs and land prices. Comparing this to the carrying amount of each scheme, we do not consider there to be an impairment charge against social housing assets.

Turnover

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.

Revenue recognition

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting after deducting voids. 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 support services funded under Supporting People are recognised as they fall due under the contractual arrangements with administering authorities. Gas servicing income is recognised on the basis of work performed and the relevant company's reasonable certainty that it is entitled to receive revenues.

Interest payable

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents either:

a) interest on borrowings specifically financing the development programme after deduction of interest on social housing grant (SHG) in advance; or

b) interest on borrowings of the Group as a whole after deduction of interest on SHG in advance to the extent that they can be deemed to be financing the development programme.

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

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.

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.

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 asset.

Pensions

The Group previously participated in two funded multi-employer defined benefit schemes, SHPS and the WCCPF. Both schemes were closed on 31 March 2016 and members transferred to a SHPS defined contribution scheme.

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

For accounting purposes, a valuation of the scheme were carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward for accounting year ends from 31 March 2019 to 29 February 2020 inclusive.

Similarly, actuarial valuations of the scheme was carried out with an effective date of 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive, and as at 30 September 2020 to inform the liabilities for accounting year ends from 31 March 2021 to 28 February 2022 inclusive.

The liabilities are compared, at the relevant accounting date, with the Group and Association fair share of the Scheme's total assets to calculate the net deficit or surplus. Further details are provided in note 27(b).

For the WCCPF, scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the statement of financial position. A net surplus is recognised only to the extent that it is recoverable by the Group through reduced contributions or through refunds from the plan.

Lump sum payments are being made to reduce the deficits in schemes closed to new entrants. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income.

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.

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.

Donated land

Land donated by local authorities and others is added to cost at the market 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 market value and cost is added to other grants. Where the donation is from a non-public source, the value of the donation is included as income.

Government grants

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

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once reasonable assurance has been gained that the 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.

Deemed cost transitional relief

The Group has taken advantage of transitional relief for deemed cost and treated all grants received for housing properties on transition under the performance model with subsequent grant under the accrual model.

Government grants received for housing properties are subordinated to the repayment of loans by agreement with Homes England. Government grants released on 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.

Other grants

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.

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.

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

Structure	125 years
Roofs	60 years
Bathrooms	30 years
Windows	30 years
Lifts	25 years
Kitchens	20 years
Warden Call System (inc. Fire)	20 years
Heating	15 years
Facias & Guttering	30 years
Doors	25 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.

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.

Other tangible fixed assets

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. Only fixed assets costing in excess of £1,000 are capitalised. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Freehold office buildings	50-75 years
Furniture, fixtures and fittings	5-10 years
Computers and office equipment	3-5 years
Motor vehicles	5-7 years
Service charge equipment	5-25 years

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

Investment properties

Investment properties consist of commercial properties and other properties not held for the social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year end, with changes in fair value recognised in income and expenditure.

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.

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 FRS102 are accounted for under an amortised historic cost model.

Basic financial instruments are recognised at amortised historical cost.

Non-basic financial instruments are recognised 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 (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.

Stock and properties for sale

Stocks comprise shared ownership first tranche sales, completed properties for outright sale, property under construction and raw materials and consumables and are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade 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.

Gift Aid

The parent entity only recognises gift aid income within income when a gift aid payment is paid.

Provisions for liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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 profit or loss in the period 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 at the salary cost payable for the period of absence.

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 2021 was £24k (2020: £26k).

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 2021 was £45k (2020: £32k).

Revaluation Reserve

The difference on transition to FRS 102 between the fair value of social housing properties (deemed cost) and the historical cost carrying value is credited to the revaluation reserve.

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

	Note	Turnover	Cost of Sales	Operating Costs	Operating surplus/ (deficit)	Turnover	Cost of Sales	Operating Costs	Operating surplus/ (deficit)
					2021				2020
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings	**4**	**65,988**	**-**	**(44,435)**	**21,553**	**62,714**	**-**	**(45,835)**	**16,879**
Other social housing activities:									
Supporting people contract income		1,229	-	(1,180)	49	2,927	-	(2,832)	95
Development costs not capitalised		-	-	(193)	(193)	-	-	(709)	(709)
First tranche shared ownership sales		9,284	(6,816)	-	2,468	8,304	(6,255)	-	2,049
BIG lottery fund –restricted funds		146	-	(159)	(13)	130	-	(112)	18
		10,659	(6,816)	(1,532)	2,311	11,361	(6,255)	(3,653)	1,453
Activities other than Social Housing:									
Market rent lettings and other commercial initiatives		6	-	(100)	(94)	4	-	(86)	(82)
Student accommodation lettings		159	-	(110)	49	173	-	(206)	(33)
Development for sale		13,674	(12,560)	-	1,114	9,579	(7,603)	-	1,976
Gas servicing		-	-	-	-	466	-	(1,033)	(567)
Partnership costs		-	-	(539)	(539)	-	-	-	-
Other		720	-	(1,413)	(693)	645	-	(547)	98
Gains on disposal of housing properties	7	-	-	-	2,135	-	-	-	2,293
		14,559	(12,560)	(2,162)	1,972	10,867	(7,603)	(1,872)	3,685
		91,206	**(19,376)**	**(48,129)**	**25,836**	**84,942**	**(13,858)**	**(51,360)**	**22,017**

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

	Note	Turnover	Cost of Sales	Operating Costs	Operating surplus/ (deficit) 2021	Turnover	Cost of Sales	Operating Costs	Operating surplus/ (deficit) 2020
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings	**4**	**25,867**	**-**	**(15,607)**	**10,260**	**23,924**	**-**	**(14,769)**	**9,155**
Other social housing activities:									
Supporting people contract income		1,028	-	(1,001)	27	1,035	-	(1,062)	(27)
Development costs not capitalised		-	-	(212)	(212)	-	-	(667)	(667)
First tranche shared ownership sales		8,611	(6,198)	-	2,413	7,776	(5,719)	-	2,057
BIG lottery fund – restricted funds		146	-	(159)	(13)	130	-	(112)	18
		9,785	(6,198)	(1,372)	2,215	8,941	(5,719)	(1,841)	1,381
Activities other than social housing:									
Commercial property lettings		6	-	(100)	(94)	4	-	(86)	(82)
Partnership costs		-	-	(539)	(539)	-	-	-	-
Other		-	-	(802)	(802)	-	-	-	-
Gains on disposal of housing properties	7	-	-	-	1,034	-	-	-	1,047
		6	-	(1,441)	(401)	4	-	(86)	965
		35,658	**(6,198)**	**(18,420)**	**12,074**	**32,869**	**(5,719)**	**(16,696)**	**11,501**

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

	General needs housing £'000	Supported housing and for older people £'000	Low cost home ownership £'000	Garages £'000	2021 Total £'000	2020 Total £'000
Rent receivable net of identifiable service charges	51,313	6,242	3,347	493	61,395	58,859
Service charge receivable	1,245	1,934	259	-	3,438	3,118
Other income	398	192	81	-	671	487
Net rental income	**52,956**	**8,368**	**3,687**	**493**	**65,504**	**62,534**
Amortisation of grant	206	25	19	-	250	166
Other revenue grants	171	63	-	-	234	14
Turnover from social housing lettings	**53,333**	**8,456**	**3,706**	**493**	**65,988**	**62,714**
Services	2,224	2,258	282	2	4,766	4,546
Management	10,616	1,098	671	125	12,510	11,340
Routine maintenance	8,062	1,449	31	25	9,567	10,678
Planned and major repairs expenditure	5,946	818	52	9	6,825	8,820
Rent losses from bad debts	376	(2)	-	-	374	293
Depreciation of housing properties	8,726	1,224	443	-	10,393	10,158
Operating costs on social housing lettings	**35,950**	**6,845**	**1,479**	**161**	**44,435**	**45,835**
Operating surplus on social housing lettings	**17,383**	**1,611**	**2,227**	**332**	**21,553**	**16,879**
Void losses	**559**	**289**	**4**	**70**	**922**	**709**

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

	General needs housing	Supported housing and for older people	Low cost home ownership	2021 Total	2020 Total
	£'000	£'000	£'000	£'000	£'000
Rent receivable net of identifiable service charges	17,387	3,926	2,422	23,735	21,937
Service charge receivable	408	1,170	202	1,780	1,723
Other income	116	103	55	274	219
Net rental income	**17,911**	**5,199**	**2,679**	**25,789**	**23,879**
Amortisation of grant	31	25	11	67	45
Other revenue grants	6	5	-	11	-
Turnover from social housing lettings	**17,948**	**5,229**	**2,690**	**25,867**	**23,924**
Services	781	1,351	203	2,335	2,084
Management	4,050	520	460	5,030	3,953
Routine maintenance	1,896	814	26	2,736	2.775
Planned and major repairs expenditure	987	561	43	1,591	2,113
Rent losses from bad debts	35	20	4	59	122
Depreciation of housing properties	2,834	715	307	3,856	3,722
Operating costs on social housing lettings	**10,583**	**3,981**	**1,043**	**15,607**	**14,769**
Operating surplus on social housing lettings	**7,365**	**1,248**	**1,647**	**10,260**	**9,155**
Void losses	**218**	**180**	**-**	**398**	**236**

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:

	Group		Association	
	2021 No.	2020 No.	2021 No.	2020 No.
Social Housing:				
General needs - social	8,275	8,259	2,221	2,196
- affordable	1,138	1,014	631	509
Supported housing and housing for older people	984	986	664	664
Intermediate rent	62	64	51	51
Mortgage rescue	83	85	55	56
Low cost home ownership (LCHO)	1,077	997	711	636
Leasehold properties	508	505	158	158
Total owned	12,127	11,910	4,491	4,270
Accommodation managed for others	7	7	334	334
Total units in management	12,134	11,917	4,825	4,604
Units owned but managed by other agencies	299	299	96	96
Non-social Housing:				
Student accommodation	34	34	-	-
Market rent lettings	3	5	3	5
Total units owned and managed	**12,470**	**12,255**	**4,924**	**4,705**
Accommodation in development at the year end	559	270	531	74

During the year there were 245 units added into management; 156 General needs, 1 Supported housing & housing for older people and 88 LCHO shared ownership units. There were 6 LCHO shared ownership unit disposals (100% staircase), 10 strategic disposals, 1 Right to Acquire sale, 2 Right to Buy sales and 11 units demolished for regeneration. Other movements during the year were due to tenure and management changes.

6. Operating Surplus

This is arrived at after charging/(crediting):	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Depreciation of housing properties	10,524	10,184	3,960	3,722
Depreciation of other tangible assets	943	928	647	642
Surplus on disposal of fixed assets	(2,135)	(2,293)	(1,034)	(1,047)
Auditor's remuneration (excluding VAT)				
- for audit services	64	59	24	20
- for non-audit services including taxation	56	32	37	17

7. Gain On Disposal Of Fixed Assets

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Proceeds	6,560	6,156	2,656	2,771
Council clawback	(194)	(707)	-	-
Carrying value of fixed assets	(4,143)	(2,995)	(1,551)	(1,664)
	2,223	**2,454**	**1,105**	**1,107**
Capital grant recycled (note 24)	(88)	(161)	(71)	(60)
	2,135	**2,293**	**1,034**	**1,047**

8. Interest Receivable And Other Income

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Interest from listed investments	13	17	13	17
Interest from other investments	535	964	1,086	1,149
	548	**981**	**1,099**	**1,166**

9. Interest Payable And Similar Charges

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Loans and bank overdrafts	15,587	15,038	10,327	8,450
Finance leases	3,238	3,213	-	-
Other charges	1,361	307	1,231	269
	20,186	**18,558**	**11,558**	**8,719**
Interest payable capitalised on housing properties under construction	(1,225)	(1,047)	(810)	(696)
	18,961	**17,511**	**10,748**	**8,023**
Average capitalisation rate used to determine the amount of finance costs capitalised during the period	3.64%	3.64%	3.62%	3.62%

10. Employees

Average monthly number of employees (37 hours full time equivalent)	Group 2021 No.	Group 2020 No.	Association 2021 No.	Association 2020 No.
Administration	179	199	174	171
Development	31	39	9	10
Housing, support and care	351	302	76	59
	561	**540**	**259**	**240**

	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Staff costs:				
Wages and salaries	17,542	18,342	8,924	8,353
Social security costs	1,622	1,633	840	738
Other pension costs	2,035	4,742	1,147	1,078
	21,199	**24,717**	**10,911**	**10,169**

The Group's employees are members of Social Housing Pension Scheme (SHPS). The SHPS final salary and Career Average Related Earnings (CARE) schemes and Wiltshire County Council Pension Fund (WCCPF) final salary scheme were closed to all members on the 31 March 2016. Membership and auto enrolment for all employees is now only available in the SHPS defined contribution 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. Further information on each scheme is given in note 27 and in the individual subsidiary financial statements.

11. Board Members And Executive Directors

The current Chairman of the Board received remuneration of £13,905 (2020: £13,593) during the year. Total remuneration paid to Board Members in respect of the year was:

	2021 £Total	2020 £Total
R Bailey (Chair)	13,905	13,593
C Victory Rowe (to 31 March 2020)	646	7,750
D Swann (Treasury Chair)	3,787	6,650
P Starkey (Customer Services Chair)	6,657	6,650
J Tibbitts (Development Chair)	6,802	6,650
M Clarke	6,802	6,650
D Greenhalgh	4,713	4,608
P Andres (Audit & Risk Chair)	6,802	5,173
K Horrell (Treasury & Investment Chair)	-	-
P Brandum (to 28 February 2020)	-	4,626
A Willis (to 24 September 2019)	-	3,760
P McLaughlin (to 24 September 2019)	-	2,605
	50,114	**68,715**

Expenses paid during the year to board members amounted to £1,147 (2020: £9,711).

During the financial year independent Customer Panel Chair, L Pettinger, received £3,175 (2020: £nil) for overseeing the portfolio.

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

The emoluments of the highest paid director, the Chief Executive, excluding pension contributions, were £224,024 (2020: £207,956).

Total aggregate remuneration paid to the Executive Directors was:

	2021 £'000	2020 £'000
Emoluments (including benefits in kind and payments in lieu of notice)	790	837
Pension contributions	25	27
	815	**864**

The emoluments of the Executive Directors were:

	Salary £'000	Other benefits £'000	Pension £'000	2021 Total £'000	2020 Total £'000
Chief Executive R Cooke	206	18	-	224	208
Finance Director I Bacon	127	13	7	147	47
S Murray (to 31 July 2019)	-	-	-	-	71
Managing Director - Development B Wood (to 15 Dec 2020)	102	61	7	170	208
Customer Experience Director R Crownshaw	102	11	6	119	117
Property Investment Director R Hopkins (to 2 Apr 2020)	30	-	-	30	115
People Director H Moss (from 6 Apr 2020)	109	11	5	125	-
OD and Corporate Services Director A Reilly (to 31 Aug 2019)	-	-	-	-	98
	676	**114**	**25**	**815**	**864**

The Group and Association paid £290,400 to IRG Advisors LLP t/a Odgers Berndtson for making available the services of Trevor Graham as Interim Director of Assets for the period to 31 March 2021.

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 Finance Director, Managing Director Development, Property Investment Director and Customer Experience Director were members of the Social Housing Pension Scheme. The Group operates an approved salary sacrifice scheme for all employee pension contributions and the table above includes these deductions.

The full time equivalent number of staff (including directors) who received emoluments (excluding pension):

	2021 No.	2020 No.
£60,001 to £70,000	15	11
£70,001 to £80,000	7	7
£80,001 to £90,000	3	2
£90,001 to £100,000	3	2
£100,001 to £110,000	1	2
£110,001 to £120,000	2	1
£130,001 to £140,000	1	-
£160,001 to £170,000	1	-
£190,001 to £200,000	-	1
£200,001 to £210,000	-	1
£220,001 to £230,000	1	-

12. Tax On Surplus On Ordinary Activities For The Period

(a) Analysis of tax charge in period

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Current tax				
UK corporation tax on surpluses for the period	302	361	-	-
Adjustments in respect of prior periods	-	-	-	-
	302	**361**	**-**	**-**
Deferred Tax				
Charge for the year	-	-	-	-
Tax charge on surplus on ordinary activities	302	361	-	-

(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	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
(Loss)/surplus for the year before tax	(23)	4,919	63	4,402
Theoretical tax of 19% (2020: 19%)	**(4)**	**935**	**12**	**836**
Effects of:				
Surpluses not liable to tax	-	(574)	(12)	(836)
Short term timing differences	306	-	-	-
Current tax charge for the period	302	361	-	-

13. Tangible Fixed Assets Housing Properties: Group

	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 31 March 2020	749,863	7,140	14,293	71,541	6,304	849,141
Additions	-	-	26,764	-	9,258	36,022
Works to existing properties	3,139	-	-	-	-	3,139
Interest capitalised	-	-	604	-	293	897
Schemes completed	26,248	-	(25,972)	10,736	(11,012)	-
Disposals	(1,812)	(3)	-	(503)		(2,318)
At 31 March 2021	**777,438**	**7,137**	**15,689**	**81,774**	**4,843**	**886,881**
Depreciation and impairment						
At 31 March 2020	73,346	1,197	-	1,836	-	76,379
Charged in year	9,935	153	-	436	-	10,524
Disposals	(985)	-	-	(16)	-	(1,001)
At 31 March 2021	**82,296**	**1,350**	**-**	**2,256**	**-**	**85,902**
Net book value						
At 31 March 2021	**695,142**	**5,787**	**15,689**	**79,518**	**4,843**	**800,979**
At 31 March 2020	**676,517**	**5,943**	**14,293**	**69,705**	**6,304**	**772,762**

13. Tangible Fixed Assets Housing Properties: Association

	Social housing properties held for letting £'000	Social housing properties under construction £'000	Shared ownership properties held for letting £'000	Shared ownership properties under construction £'000	Total £'000
Cost					
At 31 March 2020	315,685	13,101	51,147	5,229	385,162
Additions	-	25,845	-	7,856	33,701
Works to existing properties	643	-	-	-	643
Interest capitalised	-	561	-	249	810
Schemes completed	25,467	(25,191)	9,647	(9,923)	-
Disposals	(375)	-	(250)	-	(625)
At 31 March 2021	**341,420**	**14,316**	**60,544**	**3,411**	**419,691**
Depreciation and impairment					
At 31 March 2020	24,420	-	1,148	-	25,568
Charged in year	3,652	-	308	-	3,960
Disposals	(248)	-	(5)	-	(253)
At 31 March 2021	**27,824**	**-**	**1,451**	**-**	**29,275**
Net book value					
At 31 March 2021	**313,596**	**14,316**	**59,093**	**3,411**	**390,416**
At 31 March 2020	**291,265**	**13,101**	**49,999**	**5,229**	**359,594**

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Social housing assistance				
Total accumulated SHG receivable at 31 March was:				
Recognised in the Statement of Comprehensive Income	250	166	67	45
Held as deferred income (note 26)	26,438	24,549	10,014	9,025
Subsumed within reserves	183,052	185,238	103,852	103,807
	209,740	**209,953**	**113,933**	**112,877**
Expenditure on works to existing properties:				
Components capitalised	3,139	5,695	643	1,523
Amounts charged to income and expenditure account	6,825	8,820	1.591	2,113
	9,964	14,515	2,234	3,636
Housing properties book value, net of depreciation comprises:				
Freehold land and buildings	793,075	764,535	388,299	357,283
Long leasehold land and buildings	7,462	7,781	1,675	1,865
Short leasehold land and buildings	442	446	442	446
	800,979	772,762	390,416	359,594

The Group has taken advantage of deemed cost transitional relief.

Included in the Group housing properties are assets held under finance leases with a net book value of £51.3m (2020: £51.9m).

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

14. Investment Properties Non-Social Housing Held For Letting

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
At 1 April 2020	544	1,655	544	1,509
Transfers to housing properties	-	(146)	-	-
Disposals	(258)	(965)	(258)	(965)
At 31 March 2021	**286**	**544**	**286**	**544**

GreenSquare Group Limited, owns 3 market-rental properties, which were last valued by Savills LLP, 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.

15. Investment In Joint Ventures: Group Only

	2021 £'000	2020 £'000
At 1 April	1,030	958
Investment in year	346	150
Share of operating loss	(78)	(78)
At 31 March	**1,298**	**1,030**

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.

16. Tangible Fixed Assets - Other: Group

	Freehold offices £'000	Office equipment and fittings £'000	Computers £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2020	6,902	3,665	3,818	1,229	15,614
Additions	19	79	229	51	378
Disposals	(1,933)	(3)	-	(173)	(2,109)
At 31 March 2021	**4,988**	**3,741**	**4,047**	**1,107**	**13,883**
Depreciation					
At 1 April 2020	2,207	2,084	2,453	945	7,689
Charged in year	123	270	441	109	943
Disposals	(1,040)	-	-	(171)	(1,211)
At 31 March 2021	**1,290**	**2,354**	**2,894**	**883**	**7,421**
Net book value					
At 31 March 2021	**3,698**	**1,387**	**1,153**	**224**	**6,462**
At 31 March 2020	4,695	1,581	1,365	284	7,925

16. Tangible Fixed Assets - Other: Association

	Freehold offices £'000	Office equipment and fittings £'000	Computers £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2020	1,933	2,485	3,240	431	8,089
Additions	-	53	229	51	333
Disposals	(1,933)	(3)	-	(54)	(1,990)
At 31 March 2021	**-**	**2,535**	**3,469**	**428**	**6,432**
Depreciation					
At 1 April 2020	1,033	1,258	2,063	175	4,529
Charged in year	7	171	382	87	647
Disposals	(1,040)	-	-	(52)	(1,092)
At 31 March 2021	**-**	**1,429**	**2,445**	**210**	**4,084**
Net book value					
At 31 March 2021	**-**	**1,106**	**1,024**	**218**	**2,348**
At 31 March 2020	900	1,227	1,177	256	3,560

17. Fixed Asset Investments

	2021 £	2020 £
Shares in Group undertakings at 31 March	16	16

As at 31 March 2021 the Association owned issued share capital of the following companies incorporated and registered in England.

Company	Type of Share	% Held	Principal Activity
Westlea Housing Association Ltd	Ordinary £1	100%	Registered housing provider (1)
GreenSquare Community Housing	Ordinary £1	100%	Registered housing provider (1)
GreenSquare Homes Limited	Ordinary £1	87.5% (a)	Commercial letting (2)
GreenSquare Homes Limited	Preference £1	60.2% (b)	Commercial letting (2)
GreenSquare Construction Limited	Ordinary £1	100%	Housing construction (2)
GS Energy Services Limited	Ordinary £1	100% (c)	Gas servicing (2)
GreenSquare Estates Limited	Ordinary £1	100% (d)	Grounds maintenance (2)

(1) Registered in England under the Co-operative and Community Benefit Societies Act 2014

(2) Limited liability company incorporated in England under the Companies Act 2006

(a) The remaining 12.5% is held by Westlea Housing Association
(b) The remaining 39.8% is held by Westlea Housing Association
(c) Shares held by GreenSquare Homes Limited
(d) Shares held by GreenSquare Homes Limited

In May 2019, following the year end, the Directors of GS Energy Services Limited announced the decision to close the subsidiary and cease trading operations.

GreenSquare Group Limited was the ultimate parent undertaking.

For all Group undertakings, the registered office was Methuen Park, Chippenham, Wiltshire, SN14 0GU.

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

	2021 £'000	2020 £'000	Allocation basis
GreenSquare Homes Ltd Management Services	240	193	Fixed
GS Energy Services Ltd Management Services	-	36	Fixed
GreenSquare Estates Ltd Management Services	27	24	Fixed

18. Stock And Property Held For Sale

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Raw materials and consumables	373	241	-	-
Properties being developed for sale	22,650	20,316	-	-
Shared ownership properties:				
Properties under construction	1,980	3,684	1,536	3,119
Completed properties	808	1,641	808	1,641
	25,811	**25,882**	**2,344**	**4,760**

19. Trade And Other Debtors

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Due within one year				
Rent and service charges receivable	4,575	4,641	1,929	2,062
Less: provision for bad and doubtful debts	(1,999)	(1,893)	(560)	(612)
	2,576	**2,748**	**1,369**	**1,450**
Due from subsidiary undertakings	-	-	-	1,434
Other taxation and social security	969	940	-	-
Other debtors	1,962	2,594	1,034	1,220
Prepayments and accrued income	888	541	844	491
	6,395	**6,823**	**3,247**	**4,595**
Due after more than one year				
Due from subsidiary undertakings	-	-	52,752	9,785
	6,395	**6,823**	**55,999**	**14,380**

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

20. Current Asset Investments

	Group		Association	
	2021	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
Investments listed on a recognised stock exchange	544	483	544	483
	544	**483**	**544**	**483**

The listed investments are held at market value. The historical cost of these investments at 31 March 2021 for Group and Association was £478,629 (2020: £483,765).

21. Creditors: Amounts Falling Due Within One Year

	Group		Association	
	2021	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
Debt (note 23)	3,430	8,661	791	1,443
Trade creditors	3,831	3,723	1,003	3,239
Amount due to subsidiary undertakings	-	-	-	267
Rent and service charges received in advance	2,113	1,738	808	638
Recycled capital grant fund (note 24)	484	678	376	-
Corporation tax	321	361	-	-
Other taxation and social security	-	-	-	-
Other creditors	1,594	2,228	520	1,097
Accruals and deferred income	7,752	7,853	4,321	3,717
	19,525	**25,242**	**7,819**	**10,401**

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

	Group		Association	
	2021	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
Debt (note 23)	512,638	451,290	336,230	234,453
Deferred capital grant (note 26)	26,438	24,549	10,014	9,025
Recycled capital grant fund (note 24)	707	989	658	989
Disposal proceeds fund (note 25)	-	-	-	-
Sinking funds for leasehold schemes	2,509	2,190	1,286	1,150
Loan stock	7	7	7	7
Other long term creditors	604	-	537	-
	542,903	**479,025**	**348,732**	**245,624**

Loans are stated after the deduction of £6.7m (2020: £3.1m) 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. Residents contribute through the service charge.

23. Debt Analysis

	Group		Association	
	2021	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
Due within one year				
Bank loans	3,430	8,661	791	1,443
	3,430	**8,661**	**791**	**1,443**
Due after more than one year				
Bank loans	519,372	454,404	340,577	236,168
Less: issue costs	(6,734)	(3,114)	(4,347)	(1,715)
	512,638	**451,290**	**336,230**	**234,453**
Total debt	**516,068**	**459,951**	**337,021**	**235,896**

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.

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 2048. At the year end, the Association had approximately 80% of its debt fixed with an average interest rate of 3.49%, with the remaining floating debt at an average interest rate of 1.20%, giving an overall average of 3.04% (2020: 3.62%).

During the year the Association raised new finance totalling £245m. At 31 March 2021, the Group had undrawn loan facilities of £150m (2020: £20m).

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

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Within one year	3,430	8,661	791	1,443
Between one and two years	3,429	8,662	791	1,443
Between two and five years	92,365	25,985	68,027	4,330
After five years	416,844	416,643	267,412	228,680
	516,068	**459,951**	**337,021**	**235,896**

24. Recycled Capital Grant Fund

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
At 1 April	1,667	1,596	989	1,023
Grants recycled	88	161	71	60
Withdrawals	(565)	(101)	(27)	(101)
Interest accrued	1	11	1	7
Balance at 31 March	**1,191**	**1,667**	**1,034**	**989**

25. Disposals Proceeds Fund

	Group and Association	
	2021	**2020**
	£'000	**£'000**
At 1 April	-	135
Grants recycled	-	(135)
Interest accrued	-	-
Balance at 31 March	**-**	**-**

26. Deferred Capital Grant

	Group		Association	
	2021	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
At 1 April	24,549	21,228	9,025	6,181
Grants received in the year	2,139	3,487	1,056	2,890
Released to income in year	(250)	(166)	(67)	(46)
Balance at 31 March	**26,438**	**24,549**	**10,014**	**9,025**

27. Pensions

The Group's employees are members of Social Housing Pension Scheme (SHPS). One subsidiary also participated in the Wiltshire County Council Pension Fund (WCCPF) but is not open to active members. Further information on each scheme is given below and in the individual subsidiary financial statements.

(a) Wiltshire County Council Pension Fund (WCCPF) – Scheme closed by employer

One of the Group's subsidiaries, Westlea Housing 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 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 2021 % Per Annum	31 March 2020 % Per Annum
Inflation (CPI)	3.0	2.2
Salary increases	3.0	2.2
Pension increases	3.0	2.2
Discount rate	1.8	2.1
RPI Increases	3.5	3.0

Mortality Assumptions

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2020 model, with a 0% weighting of 2020 data, standard smoothing (Sk7), initial adjustment of 0.5% 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	21.9 years	24.4 years
Future pensioners	22.9 years	26.2 years

Contributions

The contributions to the Wiltshire County Council Pension Fund by the Association for the year ended 31 March 2021 are shown below.

	2021 £'000	2020 £'000
Employer contributions	16	2,775

At 31 March 2021, two current employees were active members of the scheme (2020:1).The employers past deficit contribution for 2020/21 were £nil, and this is expected to be £533,000 in 2021/22. The member's contribution rate was nil.

Amounts recognised in surplus or deficit

	2021 £'000	2020 £'000
Current service costs	(21)	(11)
Amounts charged to operating costs	(21)	(11)

	2021 £'000	2020 £'000
Interest income on plan assets	430	511
Interest cost on defined benefit obligation	(527)	(633)
Amounts charged to other finance costs	(97)	(166)

Re-measurements recognised in other comprehensive income

	2021 £'000	2020 £'000
Return on Fund assets in excess of interest	3,144	(1,660)
Changes in demographic assumptions	(924)	611
Other experience	417	230
Changes in financial assumptions	(4,144)	(2)
	(1,507)	**(821)**

Fair value of employer assets

	2021 £'000	2020 £'000
Equities	13,162	12,199
Bonds	7,521	6,100
Property	2,820	2,524
Cash	-	210
Total	**23,503**	**21,033**

Net pension liability

	2021 £'000	2020 £'000
Fair value of employer assets	23,503	21,033
Present value of the defined benefit obligation	(29,725)	(25,646)
Net liability	**(6,222)**	**(4,613)**

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

	2021 £'000	2020 £'000
Opening scheme liabilities	25,646	26,797
Service cost	21	11
Interest cost	527	633
Participants contributions	3	2
Estimated benefits paid	(1,123)	(958)
Re-measurements	4,651	(839)
Closing scheme liabilities	**29,725**	**25,646**

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

	2021 £'000	2020 £'000
Opening fair value of scheme assets	21,033	20,363
Interest income on plan assets	430	511
Participants contributions	3	2
Contributions by employers	16	2,775
Benefits paid	(1,123)	(958)
Return on assets less interest	3,144	(1,660)
Closing fair value of scheme assets	**23,503**	**21,033**

Sensitivity Analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 March 2021	Approximate Increase to Employer Liability (%)	Approximate Monetary Amount (£'000)
0.5% decrease in Real Discount Rate	8%	2,241
0.5% increase in the Salary Increase Rate	0%	-
0.5% increase in the Pension Increase Rate (CPI)	7%	2,203

(b) Social Housing Pension Scheme (SHPS)

The Group and Association participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK. The Scheme was closed to membership on 31st March 2016 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 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

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

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

For financial years ending on or after 31 March 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 was carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2019 to 29 February 2020 inclusive.

Similarly, actuarial valuations of the scheme were carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive, and as at 30 September 2020 to inform the liabilities for accounting year ends from 31 March 2021 to 28 February 2022 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.

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 2021 % Per Annum	31 March 2020 % Per Annum
Inflation (CPI)	3.0	1.9
Salary increases	3.0	2.2
Pension increases	3.0	2.2
Discount rate	2.0	2.1
RPI Increases	3.5	2.9

Mortality

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2018 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	21.6 years	23.5 years
Future pensioners	22.9 years	25.1 years

Contributions

The contributions to SHPS for the year ended 31 March 2021 are shown below.

	Group £'000	Association £'000
Employer contributions	1,113	685

At 31 March 2021, no current employees are active members of the scheme (2020: nil). The employers contribution rate for 2020/21 was Group £1,113,000, Association £685,000. The past deficit annual monetary amount is expected to be Group £1,102,000, Association £679,000 for 2021/22. The member's contribution rate was nil.

Amounts recognised in surplus or deficit

	Group £'000	Association £'000
Current service costs	-	-
Past service cost	-	-
Amounts charged to operating costs	**-**	**-**

	Group £'000	Association £'000
Interest income on plan assets	704	438
Interest cost on defined benefit obligation	(926)	(575)
Amounts charged to other finance costs	**(222)**	**(137)**

Re-measurements recognised in other comprehensive income

	Group £'000	Association £'000
Other actuarial gains on assets	4,075	2,432
Changes in financial assumptions	(10,549)	(6,252)
Changes in demographic assumptions	(185)	(114)
	(6,659)	**(3,934)**

Fair value of employer assets

	Group £'000	Association £'000
Equities	6,033	3,729
Bonds	2,236	1,382
Property	4,052	2,505
Cash	230	142
Other	25,302	15,639
Total	**37,853**	**23,397**

Net pension liability

	Group £'000	Association £'000
Fair value of employer assets	37,853	23,397
Present value of the defined benefit obligation	(53,115)	(32,697)
Net Liability	**(15,262)**	**(9,300)**

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

	Group £'000	Association £'000
Opening scheme liabilities as at 1 April 2020	(43,073)	(26,823)
Interest cost	(926)	(575)
Estimated benefits paid	1,166	723
Re-measurements	(10,282)	(6,022)
Closing scheme liabilities as at 31 March 2021	**(53,115)**	**(32,697)**

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

	Group £'000	Association £'000
Opening fair value of scheme assets as at 1 April 2020	33,579	20,909
Interest income on plan assets	704	438
Contributions by employers	1,113	685
Benefits paid	(1,166)	(723)
Return on assets less interest	3,623	2,088
Closing fair value of scheme assets as at 31 March 2021	**37,853**	**23,397**

Deficit contributions schedule

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

Group Year ending	2021 £'000	2020 £'000	2019 £'000
Year 1	1,102	1,080	1,059
Year 2	1,124	1,102	1,080
Year 3	1,146	1,124	1,102
Year 4	1,169	1,146	1,124
Year 5	1,192	1,169	1,146
Year 6	608	1,192	1,169
Year 7	-	608	1,192
Year 8	-	-	608

28. Provisions For Liabilities

Group	Leave Pay £'000	Deferred Taxation £'000	Dilapidations £'000	Total £'000
At 1 April 2020	172	-	98	270
Additions	35	-	-	35
Released in the year	(21)	-	(98)	(119)
At 31 March 2021	**186**	**-**	**-**	**186**

Association	Leave Pay £'000	Total £'000
At 1 April 2020	91	91
Provided in the year	-	-
Released in the year	(20)	(20)
At 31 March 2021	**71**	**71**

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.

29. Non-Equity Share Capital

	Group and Association	
	2021	2020
	£	£
Shares of £1 each issued and fully paid		
At 1 April	69	80
Shares issued/(redeemed) during the year	(37)	(11)
At 31 March	**32**	**69**

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:

	2021	2020
	£'000	£'000
Expenditure contracted for but not provided in the accounts	98,676	74,673
Expenditure authorised by the Board, but not contracted	106,288	75,316
	204,964	**149,989**

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:

	2021	2020
	£'000	£'000
Temporary housing and office equipment leases expiring:		
One to five years	160	90
	160	**90**

Obligations under Finance Leases

Some housing assets are held under finance lease arrangements. As of 31 March 2021, the net carrying amount of the facility is £58.9m (2020: £58.1m) and this is disclosed within loans due after more than one year in 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:

	2021 **£'000**	**2020** **£'000**
Due within one year	3,287	3,249
Between one and five years	13,608	13,467
Due after five years	105,690	109,111
	122,585	**125,827**

31. Cash Flow From Operating Activities

Group	**2021** **£'000**	**2020** **£'000**
(Deficit)/surplus for the year	**(325)**	**4,558**
Adjustments for non-cash items:		
Depreciation and impairment of tangible fixed assets	11,467	11,112
Amortisation of government grants	(250)	(166)
Decrease/(increase) in stock	398	(5,265)
(Decrease) in debtors	1,520	254
(Decrease) in creditors	(3,577)	(2,096)
(Decrease) in provisions	(83)	(10)
Share of operating loss in joint venture	78	78
Pensions costs less contributions payable	(789)	(3,402)
Movement in fair value of financial instruments	(60)	39
Carrying amount of property disposals	4,230	3,302
	12,609	**8,404**
Adjustments for investing or financing activities		
Proceeds from sale of tangible fixed assets	(6,366)	(5,595)
Taxation	302	361
Refinancing charges	7,088	-
Interest payable	18,961	17,511
Interest received	(548)	(981)
Net cash inflow from operating activities	**32,046**	**19,700**

32. Analysis of Net Debt

	Group				Association			
	1 April 2020 £'000	Cash flow £'000	Non-cash changes £'000	31 March 2021 £'000	1 April 2020 £'000	Cash flow £'000	Non-cash changes £'000	31 March 2021 £'000
Cash and cash equivalents								
Cash at bank and in hand	74,430	30,638	-	105,068	54,008	31,405	-	85,413
	74,430	**30,638**	**-**	**105,068**	**54,008**	**31,405**	**-**	**85,413**
Borrowings								
Debt due within one year	(8,661)	5,211	20	(3,430)	(1,443)	652	-	(791)
Debt due after one year	(451,290)	(59,326)	(2,022)	(512,638)	(234,453)	(100,781)	(996)	(336,230)
	(459,951)	**(54,115)**	**(2,002)**	**(516,068)**	**(235,896)**	**(101,129)**	**(996)**	**(337,021)**
Total	**(385,521)**	**(23,477)**	**(2,002)**	**(411,000)**	**(181,888)**	**(68,724)**	**(996)**	**(251,608)**

33. Related Parties

There were no tenant member of the Group Board during the year. Any tenant board members are on normal commercial terms and are not able to use their position to their advantage.

Transactions/balances with GS Homes Limited

GreenSquare Group Limited (GreenSquare) owns 87.5% of the ordinary share capital of GreenSquare Homes Limited (GS Homes).

During the year GreenSquare Group Limited (See note 36) purchased goods and services from GS Homes with a value of £1,652,609 (2020: £8,366,479) and sold goods and services to GS Homes with a value of £927,528 (2020: £744,814). At 31 March 2021 there were sums outstanding to GS Homes of £nil (2020: £267,768), and sums outstanding from GS Homes of £246,893 (2020: £nil), and these amounts are disclosed in note 21 as appropriate.

In addition there is a £26,000,000 inter group loan facility agreement in place with £11,285,400 drawn down and owed by GS Homes as at 31 March 2021 (2020: £9,785,000) (see note 19).

The Association has taken advantage of the exemptions conferred by FRS102 in not disclosing transactions with wholly owned members of the GreenSquare Group (see note 36).

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

34. Financial Assets And Liabilities

The board policy on financial instruments is explained in the Board Report as are references to financial risks.

Categories of financial assets and financial liabilities

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Financial assets				
Financial assets that are equity instruments measured at cost less impairment	1,298	1,030	3,315	3,315
Financial assets that are debt instruments measured at amortised cost	110,161	91,643	141,112	68,380
Financial liabilities				
Financial liabilities measured at amortised cost	559,432	506,399	355,588	254,833

Financial assets that are equity instruments measured at cost less impairment consist of investments.

Financial assets that are debt instruments measured at amortised cost consist of cash at bank, current asset investments, rent and service charges receivable, other debtors, and amounts owed from Group undertakings.

Financial liabilities measured at amortised cost consist of loans, trade creditors, amounts due to Group undertakings, other creditors, recycled capital grant fund, accruals, deferred capital grant, sinking funds and other provisions.

Financial liabilities excluding trade creditors – interest rate risk profile

The Group's financial liabilities are sterling denominated. The interest rate profile at 31 March was:

	2021 £'000	2020 £'000
Fixed rate	355,053	332,337
Variable rate	167,800	130,728

The Group's fixed rate financial liabilities have a weighted average interest rate of 3.98% (2020: 4.0%) and the weighted average period for which it is fixed is approximately 15 years (2020: 18 years)

The Group's variable rate financial liabilities have a weighted average interest rate of 3.6% (2020: 3.5%).

The debt maturity profile is shown in note 23.

Borrowing facilities

The Association has undrawn committed borrowing facilities. The facilities available at 31 March in respect of which all conditions precedent had been met were as follows:

	2021 £'000	2020 £'000
Expiring after more than one year	150,000	-
Total	**150,000**	**-**

During the year, GreenSquare Group Limited completed on an extensive funding exercise to increase the liquidity of the group, harmonise terms, align covenants and create a consolidated treasury platform for pooling security and measuring covenant performance with both existing and new lenders.

We agreed a total of £170m of revolving credit facilities in the year of which £75m includes the Group's first Environmental, Social and Governance ('ESG') linked facility, related to improving the thermal efficiency of our existing housing stock and £25m is on an unsecured basis with a new lender to the group. We also agreed a £25m term facility which will be linked to 2 or 3 ESG metrics yet to be agreed.

GreenSquare Group Limited issued £50m of notes with a final maturity due in 2045. These notes were to both existing and new investors, demonstrating support of our organisation from the institutional investor base.

35. Contingent Liabilities

The Group and Association receives grant from Homes England to fund the acquisition and development of housing properties and their components. The Group and Association has a future obligation to recycle such grant once the properties are disposed of. At 31 March 2021, the value of grant received and credited to reserves in respect of properties that had been disposed of was Group: £185.4m (2020: £185.2m) and Association: £103.9m (2020: £103.8m). As the timing of any future disposal is uncertain, no provision has been recognised in these financial statements.

36. Post Balance Sheet Events

Partnership

On 1st April 2021 GreenSquare Group Limited (GreenSquare) entered into a business combination with Accord Housing Association Limited (Accord), a Co-operative and Community Benefit Society (number 27052R) and Registered Social Housing Provider with charitable status (number LH3902) based in West Bromwich.

Concurrently GreenSquare Community Housing (a wholly owned subsidiary of GreenSquare) transferred its engagements to Accord.

In accordance with FRS102 both transfer of engagements (that is all of its assets and liabilities) under section 110 of the Co-operative and Community Benefit Society Act 2014 will be accounted for as an acquisition in the Accord financial statements for the year ended 31 March 2022.

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

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