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# **WESTLEA HOUSING ASSOCIATION LIMITED**

## **REPORT AND FINANCIAL STATEMENTS**

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**◆ For the year ended 31 March 2021 ◆**

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**BOARD MEMBERS, DIRECTORS and ADVISORS****Board at 31 March 2021:**

Chair	R Bailey
Other Members	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 Directors:**

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

**Secretary:**

S Atkinson (from 12 July 2021)  
M Arnold (to 31 December 2020)  
F Hobbs (Interim from 1 January 2021)

**Registered Office until 31 March 2021:**

Methuen Park  
Chippenham  
Wiltshire  
SN14 0GU

**Registrations:**

Co-operative and Community Benefit Society	No.28095R
Regulator of Social Housing	No. LH4083

**External auditor:**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

**Principal solicitors**

Anthony Collins LLP  
134 Edmund Street  
Birmingham  
B3 2ES

**Principal banker**

National Westminster Bank PLC  
30 High Street  
Chippenham  
Wiltshire, SN15 3HB

**BOARD MEMBERS, DIRECTORS and ADVISORS *continued***

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).

On that date Westlea Housing Association Limited became a wholly owned subsidiary of Accord.

In accordance with FRS102 the 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

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:**

Chair	E Buggins CBE
Deputy Chair	R Bailey
Other Members	P Andres M Clarke S Eastwood D Greenhalgh N Johal S Pearce S Reehana R Cooke (CEO) S Fisher (Deputy CEO) (to 30 July 2021)

**Accord Housing Association Limited Executive Directors at 1 April 2021:**

Chief Executive	R Cooke
Chief Finance Officer & Deputy Chief Executive	S Fisher (to 30 July 2021)
Executive Director of Governance	S Atkinson (from 12 July 2021)
Executive Director of Corporate Services	I Bacon (to 28 May 2021)
Executive Director of Operations	R Crownshaw
Executive Director of Development	C Currie (from 17 May 2021)
Executive Director of Assets	T Graham
Executive Director of People	H Moss
Executive Director of Communities	S Woodall (to 30 July 2021)
Executive Director of Care & Support	M Espley

**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

## STRATEGIC REPORT

The Board presents its report and audited financial statements for the year ended 31 March 2021.

### Introduction

Westlea Housing Association Limited ('the Association') is a public benefit entity administered by a Board and involved in the provision and management of affordable rented accommodation. The Association operates in Wiltshire and Gloucestershire from its head office in Chippenham.

The Association was a subsidiary of GreenSquare Group Limited (GreenSquare). GreenSquare is a Co-operative and Community Benefit Society, registered with the Regulator for Social Housing (RSH) as a social landlord.

GreenSquare provides a range of central services – communications, compliance, development, finance, governance, human resources, information and communications technology, performance & planning, procurement, property services, and risk & 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 Association and Group pre-merger and the future plans of the merged organisation.

### 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.

**STRATEGIC REPORT** *continued*

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**

Westlea Housing Association is a charitable, public benefit entity providing affordable housing across Wiltshire and Gloucestershire.

The Association operates three 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; and
- low-cost home ownership, primarily shared ownership whereby residents purchase a share in the equity of their homes and pay rent to the Association on the remainder.

As well as owning and managing over 7,800 properties, the Association has helped develop new affordable housing in the area and works in strategic development partnership within the GreenSquare Group.

The Association employs 275 staff on a full-time equivalent basis.

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

**STRATEGIC REPORT** *continued*

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)

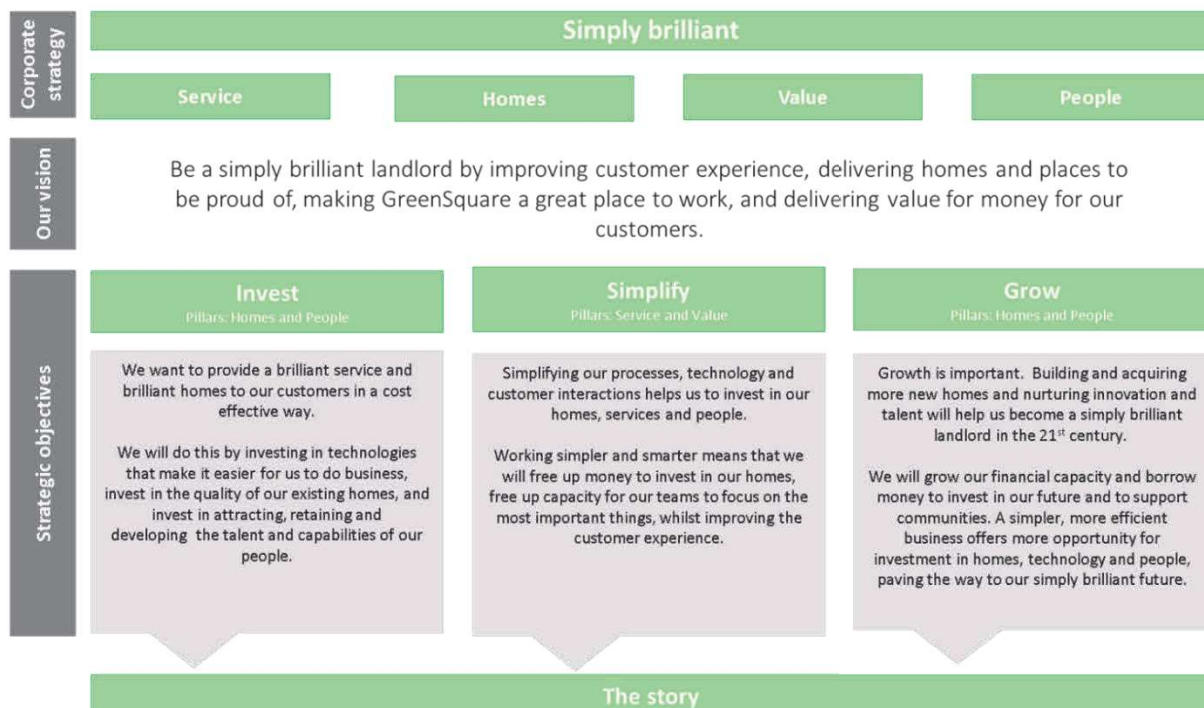
Our purpose really was that simple; and we wanted our product to be simple and affordable. We also recognised that for our customers, people and our business, it’s really important that we get that service and property right first time, every time. We want to be clear about the service we provide, with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

b) Building new homes means the Association continues to support the rest of the Group on 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.



**STRATEGIC REPORT** *continued***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. On the same date Westlea Housing Association became a wholly owned subsidiary of 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.

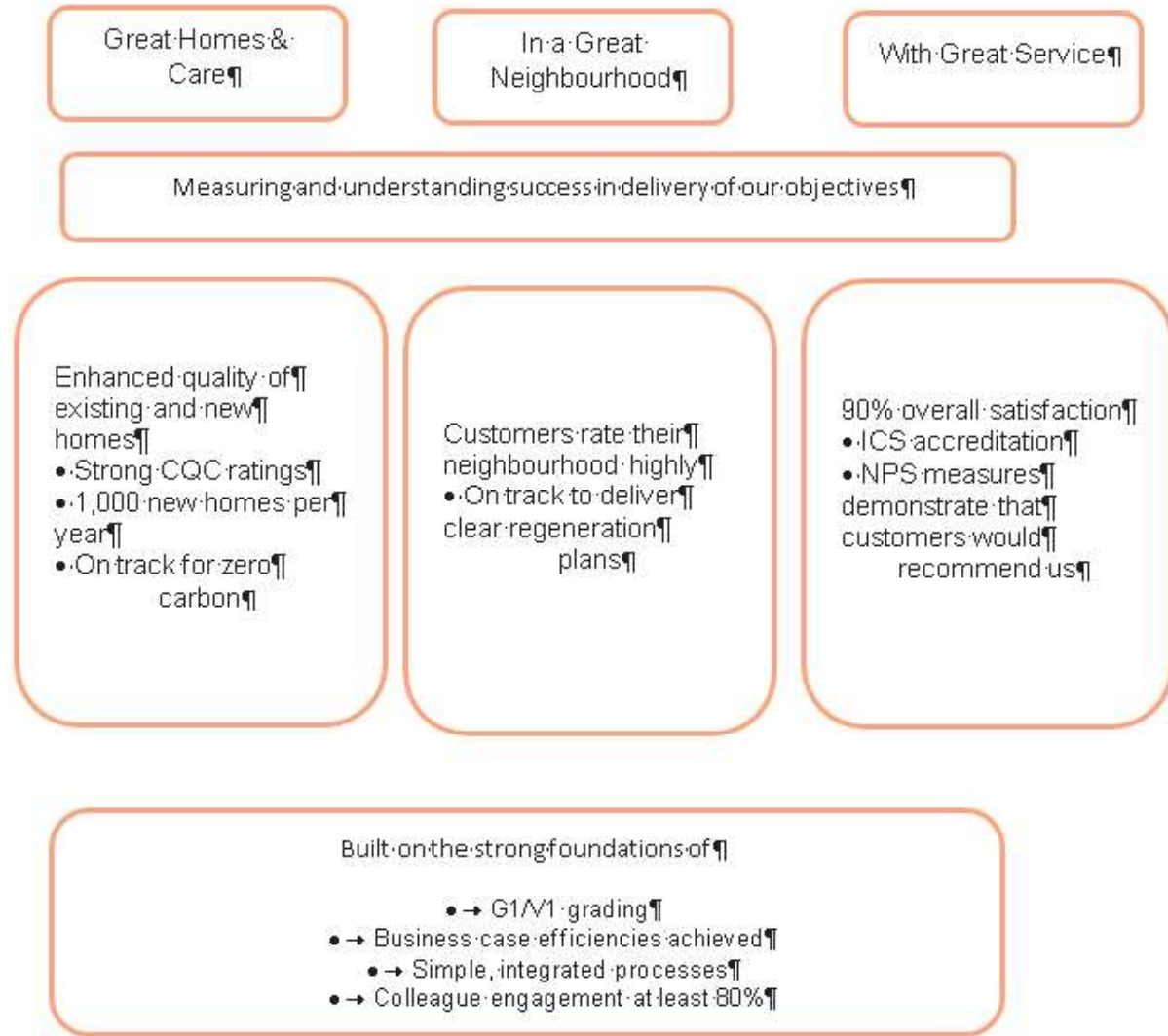
Where other services can no longer deliver, when opportunities dry up, when funding is unavailable, GreenSquareAccord will remain the organisation that can, and will, help the people in the greatest need.

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



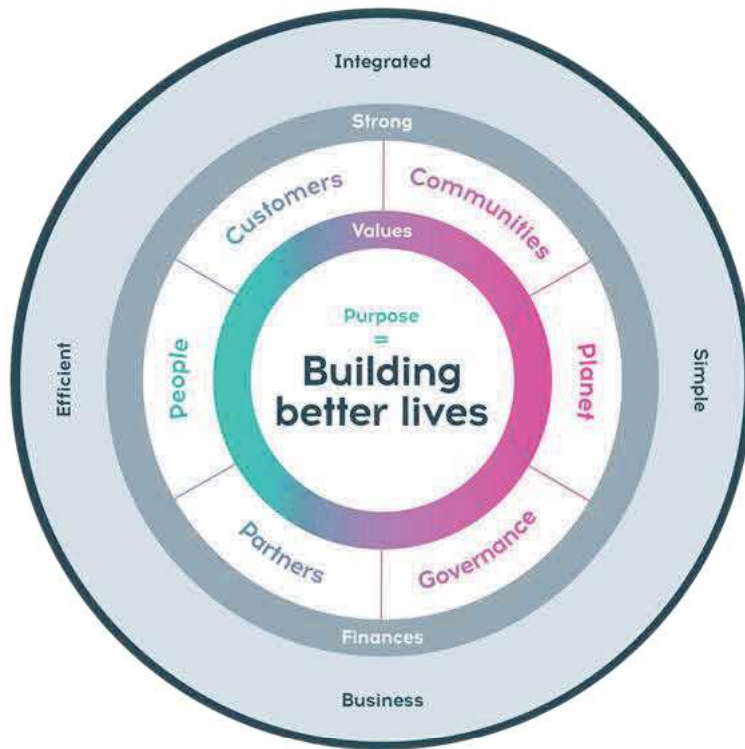
**STRATEGIC REPORT** *continued*

**Our New Corporate Objectives**



**GreenSquareAccord key priorities – our promises & commitments**

Surrounded by robust values and a strong financial position, GreenSquareAccord is committed to putting customers, communities, people, partners, governance and the planet at heart of what we do. The diagram below shows the key components of the five year Corporate Plan that will enable GreenSquareAccord to deliver its purpose of ‘building better lives’.

STRATEGIC REPORT *continued***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 & 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

**STRATEGIC REPORT** *continued*

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 & 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

## **STRATEGIC REPORT** *continued*

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 Group are essential for GreenSquareAccord to deliver its five year Strategic Plan.

Full details of the Corporate Plan of the Association and the Group and a report looking back at how we have done against the 2020/21 plan and an update on our progress are set out in the Financial Statements of GreenSquare Group Limited.

## FINANCIAL REVIEW

### Overview

The year ended 31 March 2021 was incredibly challenging with the coronavirus pandemic impacting on both financial and operational performance. The Group'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.

The Statement of Comprehensive Income and Statement of Financial Position are summarised on pages 36 and 37. The following paragraphs highlight key features of the Association's financial position at 31 March 2021:

### Financial Highlights

STATEMENT OF COMPREHENSIVE INCOME	2021 £'000	2020 £'000
Turnover	37,746	38,039
Operating costs	(28,302)	(31,918)
Disposal of properties	1,109	1,239
<b>Operating surplus</b>	<b>10,553</b>	<b>7,360</b>
Net interest and taxation	(5,440)	(6,494)
<b>Net surplus before refinancing costs</b>	<b>5,113</b>	<b>866</b>
Refinancing costs	(4,803)	0
<b>Net surplus for the year</b>	<b>310</b>	<b>866</b>
<b>Key Financial Metrics</b>		
Operating margin (excl property sales)	25.0%	16.1%
EBITDA MRI	249%	143%

We are pleased to report continuing improvement in operating surplus to £10.6m, a £3.2m increase on 2019/20 (2020: £7.4m) with a turnover of £37.7m (2020: £38.0m). Our operating margin (excluding property sales), which shows how much of our income is left after operating expenses, increased from 16.1% to 25.0%. We use the operating margin as one of our key measures for delivering a sustainable business and driving efficiency.

Our operating surplus included a £1.1m surplus on housing property disposals (2020: £1.2m) which included disposal of strategic assets to fund regeneration.

In the year we restructured our loan portfolio 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, which resulted in the repayment of £45.0m of loans. This gave rise to the one off refinancing costs of £4.8m, which accounting rules required being fully written off in year in year but will provide significant average cost of finance savings going forward.

The results following these refinancing costs mean we are reporting a small surplus position of £0.3m (2020: £0.9m surplus).

The total comprehensive income for the year shows an overall deficit of £3.9m (2020: £1.1m surplus) due to the actuarial movements in respect of the pension schemes

**FINANCIAL REVIEW** *continued*

<b>STATEMENT OF FINANCIAL POSITION</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Fixed assets	374,117	375,545
Net current assets	9,367	6,057
Long-term liabilities & provisions	(183,583)	(177,779)
<b>Net assets</b>	<b>199,901</b>	<b>203,823</b>
<b>Reserves</b>	<b>199,901</b>	<b>203,823</b>
<b>Key Financial Metrics</b>		
Units owned/managed	7,812	7,816
Liquidity	230%	146%

Within fixed assets, £367.9m represents housing properties held at deemed historic cost and unamortised grant is held in creditors. The increased carrying cost included £3.1m investment in new homes and £2.5m spent on improvements and component replacements to existing homes. To date we have received £90.5m social housing and capital grant to support our development programmes

The Association had net current assets of £9.4m and manages its working capital around the loan facility.

Long-term liabilities are £5.8m higher due to the refinancing and recognition of pension deficits.

The Association participated 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.

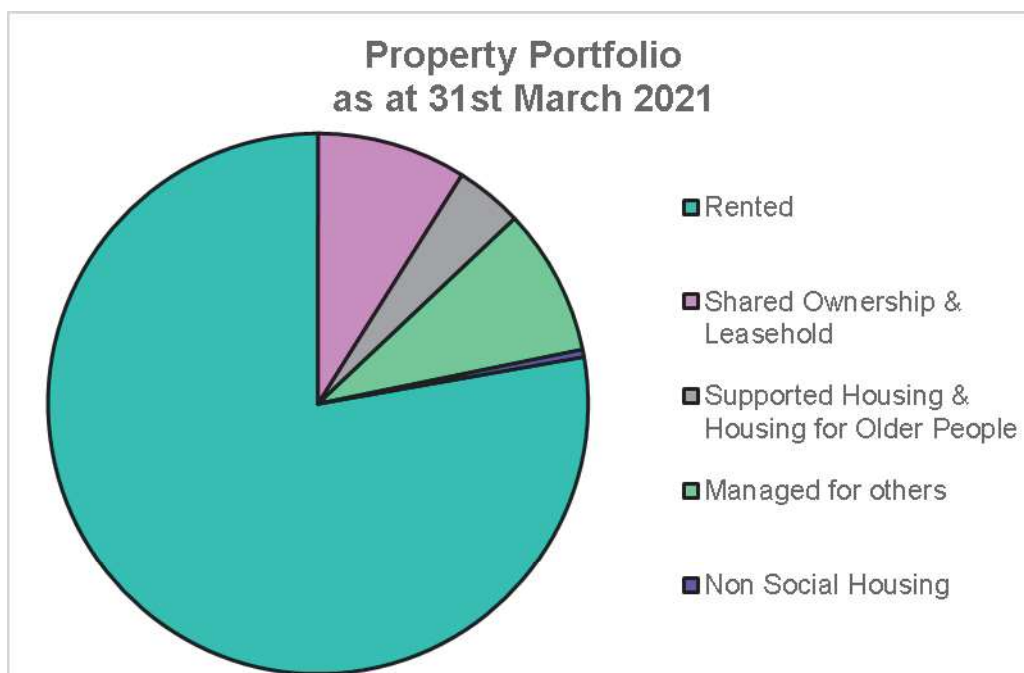
The liability is measured at the present value of the future cash flows in respect of our contractual agreement to make enhanced payments to eliminate the deficit. The Association has contributed to the schemes in accordance with the levels set by the actuaries as part of any deficit funding agreement. 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 22). The year end actuarial deficits increased significantly and the liability at 31 March 2021 was £12.2m (2020: £8.2m).

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 Association. The Association 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 Association decreased to £199.9m (2020: £203.8m) including a revaluation reserve of £159.5m (2020: £161.7m).

At 31 March 2021 the Association owned and managed 7,812 housing properties (2020: 7,816). The properties were carried in the balance sheet at £367.9m.

FINANCIAL REVIEW *continued*

OPERATING SUMMARY BY ACTIVITY	Turnover		Operating surplus	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
General needs	32,083	31,042	8,113	5,732
Supported and housing for older people	3,197	2,922	341	(280)
Garages	493	532	332	173
Shared ownership	940	950	513	457
<b>Total social housing lettings</b>	<b>36,713</b>	<b>35,446</b>	<b>9,299</b>	<b>6,082</b>
First tranche shared ownership sales	673	528	55	(8)
Other social housing activities	201	1,892	41	80
<b>Total social housing activities</b>	<b>37,587</b>	<b>37,866</b>	<b>9,395</b>	<b>6,154</b>
Non-social housing activities	159	173	49	(33)
Disposal of properties			1,109	1,239
<b>Total</b>	<b>37,746</b>	<b>38,039</b>	<b>10,553</b>	<b>7,360</b>

Of the £37.7m of income generated last year, the majority (£37.6) was from social housing activities and turnover has increased by £1.1m since last year. All 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 expenditure on repairs to void properties and responsive repairs.

Exposure to unsold shared ownership stock is not a material issue and there has been no impairment of property values or issues with cladding.



**FINANCIAL REVIEW** *continued*

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

<b>For the year ended 31 March</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Statement of Comprehensive Income</b>					
Total turnover	37,746	38,039	38,024	42,266	40,573
Income from lettings	36,713	35,446	35,790	36,453	37,337
Operating surplus	10,553	7,360	7,872	15,786	13,471
Surplus for the year	310	866	863	8,743	6,289
Total comprehensive income for the year	(3,922)	1,083	(2,415)	10,228	4,437
<b>Statement of Financial Position</b>					
Housing properties	367,935	369,170	368,334	366,923	371,286
Net current assets/(liabilities)	9,367	6,057	15,265	23,310	17,119
Loans (due over one year)	(117,412)	(158,749)	(165,964)	(173,180)	(180,282)
Net pension liability	(12,184)	(8,193)	(11,345)	(6,627)	(8,410)
Reserves : revenue	40,440	42,096	39,838	41,539	30,375
: revaluation	159,461	161,727	162,902	163,616	164,552
: total	199,901	203,823	202,740	205,155	194,927
<b>Statement of Cashflows</b>					
Net cash generated from operating activities	57,559	4,211	22,724	13,741	18,641
Net change in cash and cash equivalents	(1,287)	(14,582)	3,105	2,810	7,265
Net Debt	(106,671)	(151,300)	(144,189)	(154,510)	(164,644)
<b>Accommodation figures</b>					
Total housing stock managed at year end (number of units):	7,812	7,816	7,702	7,456	7,552
In development	28	33	23	34	28
<b>Statistics</b>					
Operating surplus for the year as % of turnover	28.0%	19.3%	20.7%	37.3%	33.2%
Operating surplus for the year as % of income from lettings	28.7%	20.8%	22.0%	43.3%	36.1%
General needs stock:-					
Void rent losses ( <i>voids as % of net rent and service charges receivable</i> )	1.03%	0.76%	0.67%	0.52%	0.68%
Current rent arrears ( <i>gross arrears as % of net rent and service charges receivable</i> )	2.97%	3.02%	3.03%	3.34%	3.19%
Interest cover ( <i>surplus before interest payable and property depreciation less capitalised works to existing properties and amortised grant, divided by interest payable and capitalised interest</i> )	2.49	1.43	1.27	2.37	2.06
Liquidity ( <i>current assets divided by current liabilities</i> )	2.30	1.46	1.81	2.82	2.28



**FINANCIAL REVIEW** *continued***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.

Finance costs are allocated to periods at a constant rate based on the carrying amount.

In April 2020, Westlea Housing Association and its parent entity, 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 this replacement, we redeemed £45.0m (2019:£Nil) of a pre-existing lender to Westlea Housing Association Limited, which gave rise to one off refinancing costs of £4.8m.

**Borrowings and Liquidity**

As part of our new treasury management policy, we significantly increased our liquidity policies, which came into force in full on 1 May 2020, in line with the timing of the refinancing and Treasury harmonisation.

At 31 March 2021 the Association has in place a £75m intragroup loan facility with GreenSquare Group Ltd (see note 32) with £42.1m drawn down (2020: £Nil).

The Association has in place minimum cash and liquidity requirements to ensure the Association 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.

The majority of the Association's lending agreements require security to be charged to them, however a number of unsecured facilities were entered into as part of the refinancing activities discussed earlier. The Association actively manages and monitors its security portfolio to ensure it gains the most efficient use of its asset base to fund future developments. Regular stress testing to consider the fall in value of properties or the impact of collateral requirements are undertaken, ensuring minimum levels of headroom above the requirements are maintained.

The Association had a net cash decrease during the year of £1.3m (2020: decrease £14.6m) and the cash inflows and outflows are shown in the cash flow statement (page 38).

At the year end, the Association's current assets included £13.4m (2020: £14.7m) in liquid funds (cash at bank including overnight money market).

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 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, or people can do the best possible job for our customers, so that we can deliver our core social purpose.

**VALUE FOR MONEY** *continued*

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. At the same time Westlea Housing Association became a wholly owned subsidiary of 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.

**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
<ul style="list-style-type: none"> <li> <b>Property Safety Transformation Programme (Compliance Big Six Programme)</b> 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.         </li> </ul>	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.

**VALUE FOR MONEY** *continued*

<ul style="list-style-type: none"> <li>• <b>Data Quality and Reporting Programme</b> – 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.</li> </ul>	<p>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’.</p> <p>Enables a higher quality of reporting and better informed decision making within business teams.</p>
<ul style="list-style-type: none"> <li>• <b>Repairs Transformation Programme</b> – 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.</li> </ul>	<p>Introduction of customer focussed web-based self-service approach to resolution of simple household problems, with a series of “How to Guides”.</p> <p>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 callouts and increasing the number of first-time-fix solutions.</p>

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

**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. Westlea Housing Association has become a wholly owned subsidiary of 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.

**VALUE FOR MONEY** *continued*

The focus for 2021/22 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.

Full details of the VFM statement of the Association and the Group including the revised VFM regulatory standard sector scorecard metrics are published in the Financial Statements of GreenSquare Group Limited.

## RISK MANAGEMENT

### Introduction

The management of risk is acknowledged as being fundamentally important to the Group and Association. Risks are continually assessed to measure their significance. The Board has responsibility for risk management and reviews risk appetite regularly. Risk management updates and the risk register itself are subject to review by the Board of Management and the Audit, Risk and Finance Committee. The Executive Board regularly reviews risk. This supports effective and strategic decision-making and ensures Accord 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 below.

### Landlord Health and Safety

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

#### Principal Controls & 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.

**RISK MANAGEMENT** *continued***Data Management**

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

**Principal Controls & 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*

**Principal Controls & 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 (eg 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.



**RISK MANAGEMENT** *continued***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.*

**Principal Controls & Mitigations**

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>✓ The annual budget, business and financial planning is reviewed and approved by both the Executive Team and the Board</li> <li>✓ Stress testing of the business plan is presented to and reviewed by the Group Board.</li> <li>✓ The Group has dedicated and established resources in construction, development, and sales..</li> </ul> | <ul style="list-style-type: none"> <li>✓ The GreenSquare Homes Board and senior management regularly monitors related financial and operational KPIs.</li> <li>✓ Planned developments are subject to ongoing appraisal, including consideration of tenure changes if appropriate.</li> <li>✓ The Group actively manages pipeline opportunities through monitoring local planning activity, meeting with agents and developers and funders.</li> </ul> |
|---|---|

**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 & Mitigations**

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>✓ NHS style major incident response.</li> <li>✓ Daily structured teams and communications.</li> <li>✓ Command and Control approach to leadership, decision making and business continuity arrangements.</li> <li>✓ Following government guidance to ensure consistency in protecting customers and colleagues. Clear processes for cascading guidance</li> </ul> | <ul style="list-style-type: none"> <li>✓ Social distancing policies</li> <li>✓ Underlying Covid19 risk register also being maintained.</li> <li>✓ Risk assessment of all front line and back office activity</li> <li>✓ Staff redeployment - home working supported by appropriate IT systems</li> </ul> |
|---|--|

**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.



**RISK MANAGEMENT** *continued***Integration**

<b>Risk</b> : Failure to delivery merger promises and integration efficiencies.	
<b>Principle Controls &amp; Mitigations</b>	
✓ 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
<b>Comments:</b> 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.

Full details of the key risks and uncertainties facing the Association and the Group are disclosed in the financial statements of GreenSquare Group Limited.

## GOVERNANCE AND INTERNAL CONTROL

### 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.

The Association 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.

The Association has always prioritised the privacy and security of the data 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 & 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 was issued with an interim judgement of G1:V2 demonstrating continued compliance with the regulatory standards.

**GOVERNANCE AND INTERNAL CONTROL** *continued***Statement of the Responsibilities of the Board for the Report and Financial Statements**

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

Co-operative and Community Benefit Society legislation requires the Board to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards as reflected in FRS102 and applicable laws).

Under the Co-operative and Community Benefit Society legislation the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the Association for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers update 2018, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 1.

***The Board***

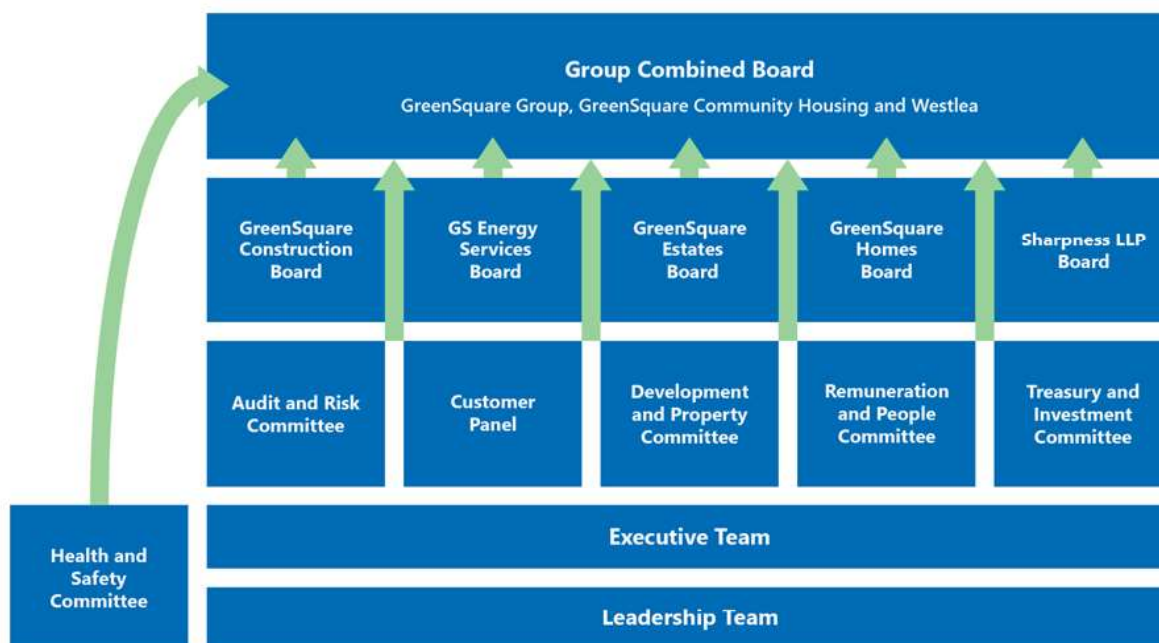
The Board comprised up to twelve members and was responsible for the Group and Association's strategy, policy framework and managing the affairs of the Group. The Chief Executive was a co-opted member.

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.

**GOVERNANCE AND INTERNAL CONTROL** *continued***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:

Board Member	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					

**GOVERNANCE AND INTERNAL CONTROL** *continued*

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 intercompany 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.

**GOVERNANCE AND INTERNAL CONTROL** *continued***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.

**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 Board Members received no remuneration from the Association during the year, and are remunerated by other Group companies.

Details of the emoluments of Board Members and Executive Directors are set out in the Financial Statements of GreenSquare Group Limited, the ultimate parent undertaking.

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 2.

**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.

**GOVERNANCE AND INTERNAL CONTROL** *continued***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 Association prepares its financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102).

The 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 22 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.



**GOVERNANCE AND INTERNAL CONTROL** *continued***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. We are pleased to demonstrate there has been a 6% reduction in emissions this year in comparison with 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.



**GOVERNANCE AND INTERNAL CONTROL** *continued***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 Audit & Risk 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. The Committee also reviewed its skillset to ensure membership remained appropriate. The Board receives an annual report from the Chair of the Committee highlighting the work undertaken in the year.

**GOVERNANCE AND INTERNAL CONTROL** *continued*

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 2 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 completed a transfer of engagements to merge its operations into that of Accord Housing Association Limited. Consequently, GreenSquare Group Limited ceased to exist at that date. Furthermore, there is an intention for subsidiary Westlea Housing Association Limited to also complete a transfer of engagements to Accord Housing Association Limited before 31 March 2022. Therefore, the Board does not consider the Association to be a going concern.

Nonetheless, the Board have assessed that the operations 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 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:



**R Bailey**  
Board Member



**R Cooke**  
Chief Executive

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTLEA HOUSING ASSOCIATION LIMITED****Opinion on the financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2021 and of the Association's 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 Westlea Housing Association Limited ("the Association") for the year ended 31 March 2021 which comprise the Association statement of comprehensive income, the Association statement of changes in reserves, the Association statement of financial position, the 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 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 the board intends to transfer of all the Association's assets, liabilities and engagements to Accord Housing Association Limited, at which point the Association will cease to be a legal entity, and therefore the board do not consider the 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.

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

**Other information**

The board are responsible for the other information. The other information comprises the information included in the 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTLEA HOUSING ASSOCIATION LIMITED *continued*

### 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 24, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- 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 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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTLEA HOUSING ASSOCIATION LIMITED** *continued*

- 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the 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.

DocuSigned by:  
  
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BDO LLP  
Statutory Auditor  
London, United Kingdom  
Date: 08 September 2021

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

## STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2020

	Note	2021 £'000	2020 £'000
Turnover	3	37,746	38,039
Operating expenditure	3	(28,302)	(31,918)
Gain on disposal of housing properties	3,7	1,109	1,239
<b>Operating surplus</b>	3,6	10,553	7,360
Interest receivable and other income	8	34	300
Interest and financing costs	9	(5,271)	(6,546)
Refinancing expenses		(4,803)	-
Other finance charges	22	(203)	(248)
<b>Surplus for the financial year</b>		310	866
Actuarial (loss)/gain in respect of pension schemes	22	(4,232)	217
<b>Total comprehensive income for the year</b>		(3,922)	1,083

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



R Bailey  
Board Member



R Cooke  
Board Member



S Atkinson  
Company Secretary

The Association's results relate wholly to continuing activities. The accompanying notes form part of these financial statements.

## STATEMENT OF CHANGES IN RESERVES for the year ended 31 March 2021

	Revaluation Reserve £'000	Revenue Reserve £'000	Total £'000
Balance as at 1 April 2019	162,902	39,838	202,740
Surplus for the year	-	866	866
Actuarial gain on deferred pension scheme	-	217	217
Transfers from revaluation reserve to revenue reserve	(1,175)	1,175	-
Balance at 31 March 2020	161,727	42,096	203,823
Surplus for the year	-	310	310
Actuarial (loss) on deferred pension scheme	-	(4,232)	(4,232)
Transfers from revaluation reserve to revenue reserve	(2,266)	2,266	-
Balance at 31 March 2021	159,461	40,440	199,901

The accompanying notes on pages 39-63 form part of these financial statements



**STATEMENT OF FINANCIAL POSITION**  
**at 31 March 2021**

	Note	2021 £'000	2020 £'000
<b>Tangible fixed assets</b>			
Housing properties	12	367,935	369,170
Other tangible fixed assets	13	3,997	4,190
		<u>371,932</u>	<u>373,360</u>
Fixed asset investments	14	<u>2,185</u>	<u>2,185</u>
		<u>374,117</u>	<u>375,545</u>
<b>Current assets</b>			
Stock and property held for sale	15	817	2,450
Trade and other debtors	16	2,366	2,049
Cash and cash equivalents		13,380	14,667
		<u>16,563</u>	<u>19,166</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>(7,196)</u>	<u>(13,109)</u>
<b>Net current assets</b>		<u>9,367</u>	<u>6,057</u>
<b>Total assets less current liabilities</b>		383,484	381,602
<b>Creditors: amounts falling due after more than one year</b>	18	(171,284)	(169,408)
<b>Net pension liability</b>	22	(12,184)	(8,193)
<b>Provisions for liabilities</b>	23	(115)	(178)
<b>Total net assets</b>		<u>199,901</u>	<u>203,823</u>
<b>Capital and reserves</b>			
Non-equity share capital	24	-	-
Income and expenditure reserve		40,440	42,096
Revaluation reserve		159,461	161,727
<b>Total Reserves</b>		<u>199,901</u>	<u>203,823</u>

The financial statements were approved by the Board on 5 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 39-63 form part of these financial statements.

**STATEMENT OF CASH FLOWS**  
 for the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
<b>Net cash generated from operating activities</b>	26	57,559	4,211
<b>Cash flow from investing activities</b>			
Purchase and construction of properties		(7,211)	(8,078)
Purchase of other fixed assets		(45)	(22)
Proceeds from sale of properties (net of Council clawback)		3,662	2,664
Grants received		1,083	598
Interest received		34	300
<b>Net cash from investing activities</b>		(2,477)	(4,538)
<b>Cash flow from financing activities</b>			
Interest and refinance charges paid		(10,355)	(6,782)
Issue costs on new long term loans		(1,142)	-
Repayments of loans		(44,872)	(7,473)
		(56,369)	(14,255)
<b>Net change in cash and cash equivalents</b>		(1,287)	(14,582)
<b>Cash and cash equivalents at beginning of the year</b>		14,667	29,249
<b>Cash and cash equivalents at the end of the year</b>		13,380	14,667

The accompanying notes on pages 39-63 form part of these financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

### 1. LEGAL STATUS

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

### 2. ACCOUNTING POLICIES

#### Basis of accounting

The financial statements of the 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 Association.

The financial statements are presented in Sterling (£).

#### Going concern

On 1 April 2021, the parent Association GreenSquare Group Limited completed a transfer of engagements to Accord Housing Association Limited and, consequently, ceased to exist at that date. There is an intention for Westlea Housing Association Limited to also complete a transfer of engagements to Accord Housing Association Limited before 31 March 2022. Therefore, the Board does not consider the Association to be a going concern.

Nonetheless, the Board have assessed that the operations of the Association will continue as a part of Accord Housing Association Limited (trading as GreenSquareAccord) for the foreseeable future following the transfer of engagements. The Board of Accord Housing Association Limited have reviewed the approved Westlea Housing Association Limited 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 Association's assets or liabilities because of the financial statements being prepared on a basis other than going concern.

The Association'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 programmes, along with the Association'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 Association can remain a going concern. The GreenSquareAccord 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 Association that have the most significant effect on the financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS****31 March 2021****2. Accounting Policies** *continued*

The 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.

**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.

**Significant judgements and estimates (continued)**

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

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.

**Financial Instruments**

The Association 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. £0.2m (2020: £1.9m) 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. Accumulated depreciation including other fixed assets at 31 March 2021 was £55.3m.

**NOTES TO THE FINANCIAL STATEMENTS****31 March 2021****2. Accounting Policies** *continued***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 22). The liability at 31 March 2021 was £12.2m.

**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.

**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.

**Turnover**

Turnover comprises rental income receivable in the year, income from shared ownership first tranche sales, sales of properties built for sale, revenue from grants receivable 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.

**Value added tax**

The Association charged value added tax (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 Association and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at year end is included as a current liability or asset.

**Interest payable**

Interest, including issue costs, is allocated at a constant rate on the carrying amount over the period of the borrowing. 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 Association 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.

**Financial instruments**

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

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 association has 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 of the issue, and amortised over the life of the instrument.

**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.

**NOTES TO THE FINANCIAL STATEMENTS****31 March 2021****2. Accounting Policies** *continued*

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

**Creditors**

Short term 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.

**Pensions**

The Association previously participated in two funded multi-employer defined benefit schemes, the Social Housing Pension Scheme ('SHPS') and the Wiltshire County Council Pension Fund ('WCCPF').

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

For financial years ending on or after 1 March 2019, it is possible to obtain sufficient information to enable the 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 Association fair share of the Scheme's total assets to calculate the net deficit or surplus. Further details are provided in note 22.

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 grants and other revenue grants are claimed by the Association as owner of the property. The grants are included in the statement of comprehensive income and statement of financial position of the Association. The treatment of other income and expenditure in respect of supported housing projects depends on whether the Association carries the financial risk.

Where the Association carries the financial risk, for example, for losses from voids and arrears, all the project's income and expenditure is included in the Association's statement of comprehensive income (see note 3).

Where the agency carries the financial risk, the statement of comprehensive income includes only that income and expenditure which relates solely to the Association. Other income and expenditure of projects in this category is excluded from the Association's statement of comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS****31 March 2021****2. Accounting Policies** *continued***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 fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

**Donated land**

Land and other assets donated by local authorities and other government sources is added to cost at the fair value of the land at the time of the donation. Where the land is not related to a specific development and is donated by a public body an amount equivalent to the increase in value between fair value and consideration paid is treated as a non-monetary grant and recognised on the statement of financial position as a liability. The terms of the donation are deemed to be performance related conditions. 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 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 Association 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 the Regulator for Social Housing (RSH). 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.

**NOTES TO THE FINANCIAL STATEMENTS****31 March 2021****2. Accounting Policies** *continued***Depreciation of housing properties**

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

The Association 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
Kitchens	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**

Other tangible fixed assets are stated at cost less accumulated depreciation. Only fixed assets costing in excess of £1,000 are capitalised. 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.

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	3-10 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.

**Leased assets**

Rentals payable under operating leases are charged to income and expenditure on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor.

**Cash and cash equivalents**

Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2021****Accounting policies** *continued***Loan notes**

Loan notes which are basic financial instruments are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest method. Loan notes that are receivable within one year are not discounted.

**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.

**Investments**

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

**Provisions for liabilities**

Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that the Association 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 Association recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

**Reserves**

The Association 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.

**Revaluation Reserve**

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



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2021**

**3. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS – continuing activities**

	Turnover £'000	Cost of sales £'000	Operating costs £'000	2021 Operating Surplus/ (Deficit) £'000	Turnover £'000	Cost of Sales £'000	Operating Costs £'000	2020 Operating Surplus/ (Deficit) £'000
<b>Social housing lettings (Note 4)</b>	36,713	-	(27,414)	9,299	35,446	-	(29,364)	6,082
<b>Other social housing activities</b>								
Supporting people contracts	201	-	(179)	22	1,892	-	(1,770)	122
Development costs not capitalised	-	-	19	19	-	-	(42)	(42)
First tranche shared ownership sales	673	(618)	-	55	528	(536)	-	(8)
	874	(618)	(160)	96	2,420	(536)	(1,812)	72
<b>Activities other than Social Housing</b>								
Student and market rent accommodation lettings	159	-	(110)	49	173	-	(206)	(33)
Gain on disposal of housing properties (Note 7)	-	-	-	1,109	-	-	-	1,239
	37,746	(618)	(27,684)	10,553	38,039	(536)	(31,382)	7,360

**NOTES TO THE FINANCIAL STATEMENTS**  
31 March 2021

**4. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS – continuing activities**

	General Needs Housing	Supported Housing & housing For older people	Low cost home ownership	Garages	2021 Total	2020 Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income</b>						
Rent receivable net of identifiable service charges	30,719	2,290	855	493	34,357	33,695
Service charge income	786	760	52	-	1,598	1,408
Other income	282	89	26	-	397	253
Amortisation of social housing grant	131	-	7	-	138	76
Other revenue grants	165	58	-	-	223	14
<b>Turnover from social housing lettings</b>	<b>32,083</b>	<b>3,197</b>	<b>940</b>	<b>493</b>	<b>36,713</b>	<b>35,446</b>
<b>Operating expenditure</b>						
Services	1,383	899	79	2	2,363	2,376
Management	6,460	577	210	125	7,372	7,261
Routine maintenance	5,771	647	5	25	6,448	7,376
Planned and major repairs expenditure	4,753	253	9	9	5,024	6,430
Bad debts	302	(22)	(4)	-	276	153
Depreciation of housing properties	5,301	502	128	-	5,931	5,768
<b>Operating expenditure on social housing lettings</b>	<b>23,970</b>	<b>2,856</b>	<b>427</b>	<b>161</b>	<b>27,414</b>	<b>29,364</b>
<b>Operating surplus/(deficit) on social housing lettings</b>	<b>8,113</b>	<b>341</b>	<b>513</b>	<b>332</b>	<b>9,299</b>	<b>6,082</b>
<b>Void losses</b>	<b>326</b>	<b>109</b>	<b>4</b>	<b>70</b>	<b>509</b>	<b>453</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 31 March 2021

#### 5. ACCOMMODATION IN MANAGEMENT AND DEVELOPMENT

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

	2021 No.	2020 No.
<b>Social Housing:</b>		
General needs		
- Social rent	5,547	5,556
- Affordable rent	497	495
Supported housing and housing for older people	315	317
Intermediate rent	5	7
Mortgage rescue	28	29
Low cost home ownership (LCHO)	348	342
Leasehold properties	350	347
Total owned	7,090	7,093
Accommodation managed for others	485	486
Total units in management	7,575	7,579
Units owned but managed by other agencies	203	203
<b>Non-Social Housing:</b>		
Student accommodation	34	34
<b>Total units managed and owned</b>	<b>7,812</b>	<b>7,816</b>
Accommodation in development at the year end	28	33

During the year, there was 2 General needs and 7 LCHO shared ownership units added. There were 6 LCHO shared ownership unit disposals (100% staircase) and 13 strategic disposals. Other movements during the year were due to tenure and management changes.

#### 6. OPERATING SURPLUS

This is arrived at after charging/(crediting):

	2021 £'000	2020 £'000
Depreciation of housing properties	5,957	5,794
Depreciation of other tangible fixed assets	238	284
Surplus on disposal of tangible assets	(1,109)	(1,239)
Auditor's remuneration (excluding VAT)		
- for audit services	17	15
- for non-audit services including taxation	5	4

#### 7. SURPLUS ON DISPOSAL OF FIXED ASSETS

	2021 £'000	2020 £'000
Disposal proceeds	3,856	3,371
Council clawback	(194)	(707)
Carrying value of fixed assets	(2,536)	(1,324)
	1,126	1,340
Capital grant recycled (note 19)	(17)	(101)
	1,109	1,239

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2021**

**8. INTEREST RECEIVABLE AND OTHER INCOME**

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Bank interest receivable	34	300

**9. INTEREST AND FINANCING COSTS**

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Loans and bank overdrafts	5,260	6,588
Other charges	98	6
	<u>5,358</u>	<u>6,594</u>
Interest payable capitalised on housing properties under construction	(87)	(48)
	<u>5,271</u>	<u>6,546</u>
Capitalisation rate used to determine the amount of finance costs capitalised during the period	3.67%	3.67%

**10. EMPLOYEES**

	<b>2021</b> <b>No.</b>	<b>2020</b> <b>No.</b>
<b>Average monthly number of employees expressed in full time equivalents:</b>		
Housing support and care	<u>275</u>	<u>266</u>
	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
<b>Employee costs:</b>		
Wages and salaries	8,032	8,837
Social security costs	718	780
Other pension costs	854	3,619
	<u>9,604</u>	<u>13,236</u>

The Association employees are members of the Social Housing Pension Scheme (SHPS). The SHPS final salary and Career Average Related Earnings (CARE) schemes and 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

Further information on each scheme is given in note 22.

**11. BOARD MEMBERS AND EXECUTIVE DIRECTORS**

The Board Members and Executive Directors received no remuneration from the Association during the year, and are remunerated by other Group companies.

Details of the emoluments of Board Members and Executive Directors are set out in the Financial Statements of GreenSquare Group Limited, the ultimate parent undertaking.

Expenses paid during the year to Board members amounted to £nil (2020: £nil).

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

One full time equivalent member of staff received remuneration (excluding pension) greater than £60,000 in range £60,001 to £70,000 (2020: none).

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2021**

**12. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES**

	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
<b>Cost</b>						
At 1 April 2020	385,867	7,140	1,337	20,394	1,075	415,813
Additions	-	-	1,686	-	1,402	3,088
Works to existing properties	2,438	-	-	-	-	2,438
Interest capitalised	-	-	43	-	44	87
Schemes completed	781	-	(781)	1,089	(1,089)	-
Disposals	(1,350)	(3)	-	(253)	-	(1,606)
At 31 March 2021	387,736	7,137	2,285	21,230	1,432	419,820
<b>Depreciation and impairment</b>						
As at 1 April 2020	44,758	1,197	-	688	-	46,643
Charged in year	5,677	153	-	128	-	5,958
Disposals	(705)	-	-	(11)	-	(716)
At 31 March 2021	49,730	1,350	-	805	-	51,855
<b>Net book value</b>						
At 31 March 2021	338,006	5,787	2,285	20,425	1,432	367,935
At 31 March 2020	341,109	5,943	1,337	19,706	1,075	369,170

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2021**
**12. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES** *continued*

The Association has taken advantage of deemed cost transitional relief.

<b>Social housing assistance</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Total accumulated SHG receivable at 31 March was:		
Recognised in the statement of comprehensive Income	138	76
Held as deferred income	11,182	10,237
Subsumed within reserves	79,200	79,124
	<u>90,520</u>	<u>89,437</u>
<b>Expenditure on works to existing properties</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Components capitalised	2,438	3,927
Amount charged to income and expenditure account	5,024	6,430
	<u>7,462</u>	<u>10,357</u>
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Housing properties book value, net depreciation comprise:</b>		
Freehold land and buildings	362,148	363,254
Long leasehold land and buildings	5,787	5,916
	<u>367,935</u>	<u>369,170</u>

**Impairment**

The association considers individual schemes to be separate Cash Generating Units (CGU's) when assessing for impairment, in accordance with the requirements of FRS102 and SORP 2014.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2021**
**13. TANGIBLE FIXED ASSETS - OTHER**

	Freehold offices	Office equipment and fittings	Computers	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 April 2020	4,969	1,172	403	907	7,451
Additions	19	26	-	-	45
Disposals	-	-	-	(119)	(119)
At 31 March 2021	<u>4,988</u>	<u>1,198</u>	<u>403</u>	<u>788</u>	<u>7,377</u>
<b>Depreciation</b>					
At 1 April 2019	1,174	818	390	879	3,261
Charged in year	116	99	1	22	238
Disposals	-	-	-	(119)	(119)
At 31 March 2020	<u>1,290</u>	<u>917</u>	<u>391</u>	<u>782</u>	<u>3,380</u>
<b>Net book value</b>					
At 31 March 2021	<u>3,698</u>	<u>281</u>	<u>12</u>	<u>6</u>	<u>3,997</u>
At 31 March 2020	<u>3,795</u>	<u>354</u>	<u>13</u>	<u>28</u>	<u>4,190</u>

**14. INVESTMENTS IN SUBSIDIARIES**

	2021 £'000	2020 £'000
Shares in Group undertakings	<u>2,185</u>	<u>2,185</u>

The Association owns issued share capital of the following company incorporated and registered in England:

Company	Type of Share	% Held	Principal Activity
GreenSquare Homes Limited	Ordinary £1	12.5%	Commercial letting
GreenSquare Homes Limited	Preference £1	39.8%	Commercial letting
GreenSquare Construction Ltd	Ordinary £1	100.0%	Housing Construction

No consolidated accounts have been prepared on the basis that the Association is a wholly owned subsidiary of GreenSquare Group Limited, for which consolidated accounts have been prepared.

No recharges in respect of management services were made to non regulated group companies.

**15. STOCK AND PROPERTY HELD FOR SALE**

	2021 £'000	2020 £'000
Raw materials and consumables	373	241
Shared ownership properties:	-	-
Properties under construction	444	565
	<u>817</u>	<u>806</u>
Properties developed for outright sale	-	1,644
	<u>817</u>	<u>2,450</u>

Stocks recognised as an expense in the year were £618k (2020: £536).



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2021**
**16. TRADE AND OTHER DEBTORS**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Due within one year</b>		
Rent and service charges receivable	2,301	2,285
Less: Provision for bad and doubtful debts	<u>(1,185)</u>	<u>(1,062)</u>
	1,116	1,223
Other debtors	340	801
Prepayments and accrued income	10	15
Amounts owed from Group undertakings	<u>900</u>	<u>10</u>
	<u><u>2,366</u></u>	<u><u>2,049</u></u>

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Debt (note 21)	2,639	7,218
Trade creditors	1,259	405
Amount due to group undertakings	349	1,383
Rent and service charges received in advance	1,184	990
Other creditors	140	293
Recycled capital grant fund (note 19)	108	678
Accruals and deferred income	<u>1,517</u>	<u>2,142</u>
	<u><u>7,196</u></u>	<u><u>13,109</u></u>

**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Debt (note 21)	117,412	158,749
Amount due to Group Undertakings	42,076	-
Other Creditors	67	-
Recycled Capital Grant Fund (note 19)	49	-
Deferred capital grant (note 20)	11,182	10,237
Sinking funds for leasehold schemes	<u>498</u>	<u>422</u>
	<u><u>171,284</u></u>	<u><u>169,408</u></u>

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.

**19. RECYCLED CAPITAL GRANT FUND**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
At 1 April	678	573
Grants recycled (note 7)	17	101
Withdrawals	(538)	-
Interest accrued	<u>0</u>	<u>4</u>
Balance at 31 March	<u><u>157</u></u>	<u><u>678</u></u>

Withdrawals from the recycled capital grant fund are used for the purchase and development of new housing schemes.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2021**

**20. DEFERRED CAPITAL GRANT**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
At 1 April	10,237	9,175
Grant received in year	1,081	598
Released to income in year	(136)	(76)
At 31 March	<u>11,182</u>	<u>10,237</u>

**21. DEBT ANALYSIS**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Borrowings</b>		
<b>Due within one year</b>		
Bank loans	2,639	7,218
	<u>2,639</u>	<u>7,218</u>
<b>Due after more than one year</b>		
Bank loans	118,515	158,832
Less: issue costs	(1,103)	(83)
	<u>117,412</u>	<u>158,749</u>
<b>Total loans</b>	<u>120,051</u>	<u>165,967</u>

**Security**

The bank loans are secured by fixed charges on individual properties.

**Terms of repayment and interest rates**

The bank loans are repayable by instalments, with the final instalments due to be paid in the period to 2037. At year end, 67.0% of debt was fixed at an average interest rate of 5.63%, with the remaining floating debt at an average interest rate of 1.33%, giving an average total rate of 4.20%.

At 31 March 2021, the Association had drawn £42.1 million of its £75 million intragroup loan facility with GreenSquare Group Limited (2020: £Nil).

During the year, the association has redeemed £40,076,471 of its loans (2020: £Nil), as part of a refinancing activity.

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Within one year	2,639	7,218
One year or more but less than two years	2,638	7,219
Two years or more but less than five years	24,338	21,655
Five years or more	90,436	129,875
	<u>120,051</u>	<u>165,967</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 31 March 2021

## 22. PENSIONS

The Association employees are members of the Social Housing Pension Scheme (SHPS). The Association previously participated in the Wiltshire County Council Pension Fund (WCCPF). Further information on each scheme is given below.

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

The Association previously participated in the Wiltshire County Council Pension Fund, 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 Wiltshire County Council Pension Fund 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2021**
**22. PENSIONS** *continued*

<b>Amounts recognised in surplus or deficit:</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Current service costs	(21)	(11)
Amounts charged to operating costs	(21)	(11)
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Interest income on plan assets	430	511
Interest cost on defined benefit obligation	(527)	(633)
Amounts charged to other finance costs	(97)	(122)
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Re-measurements recognised in other comprehensive income</b>		
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
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)
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Fair value of employer assets</b>		
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Equities	13,162	12,199
Bonds	7,521	6,100
Property	2,820	2,524
Cash	-	210
Total	23,503	21,033
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Net pension liability</b>		
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
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)
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Reconciliation of opening &amp; closing balances of the present value of the defined benefit obligation</b>		
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
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

## NOTES TO THE FINANCIAL STATEMENTS

### 31 March 2021

#### 22. PENSIONS *continued*

##### 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	<u>23,503</u>	<u>21,033</u>

##### 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	7%	2,203

#### (b) Social Housing Pension Scheme (SHPS)

The 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 March 2021

#### 22. PENSIONS *continued*

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	31 March 2020
	% Per Annum	% 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 2020 are shown below.

	2021 £'000	2020 £'000
Employer contributions	428	419

At 31 March 2021, no current employees are active members of the scheme (2020: nil). The employers contribution rate for 2020/21 was £428,000, the past deficit annual monetary amount and is expected to be £422,000 for 2021/22. The member's contribution rate was nil.

#### Amounts recognised in surplus or deficit:

	2021 £'000	2020 £'000
Current service costs	-	-
Past service cost	-	-
Amounts charged to operating costs	-	-
	2021 £'000	2020 £'000
Interest income on plan assets	266	300
Interest cost on defined benefit obligation	(351)	(426)
Amounts charged to other finance costs	(85)	(126)

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2021**
**22. PENSIONS** *continued*
**Re-measurements recognised in other comprehensive income**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Other actuarial (loss)gain on assets	1,643	(1)
Changes in financial assumptions	(4,297)	885
Changes in demographic assumptions	(71)	154
	<u>(2,725)</u>	<u>1,038</u>

**Fair value of employer assets**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Equities	2,304	1,853
Bonds	854	722
Property	1,547	1,441
Cash	88	54
Other	9,663	8,600
Total	<u>14,456</u>	<u>12,670</u>

**Net pension liability**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of employer assets	14,456	12,670
Present value of the defined benefit obligation	<u>(20,418)</u>	<u>(16,250)</u>
Net Liability	<u>(5,962)</u>	<u>(3,580)</u>

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Opening scheme liabilities as at 1 April	(16,250)	(17,256)
Interest cost	(351)	(426)
Estimated benefits paid	443	172
Re-measurements	<u>(4,260)</u>	<u>1,260</u>
Closing scheme liabilities as at 31 March	<u>(20,418)</u>	<u>(16,250)</u>

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Opening fair value of scheme assets as at 1 April	12,670	12,345
Interest income on plan assets	266	300
Contributions by employers	428	419
Benefits paid	(443)	(172)
Return on assets less interest	<u>1,535</u>	<u>(222)</u>
Closing fair value of scheme assets as at 31 March	<u>14,456</u>	<u>12,670</u>



## NOTES TO THE FINANCIAL STATEMENTS

### 31 March 2021

#### 22. PENSIONS *continued*

##### Deficit contributions schedule

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

Year ending	2021 £'000	2020 £'000	2019 £'000
Year 1	422	414	406
Year 2	430	422	414
Year 3	439	430	422
Year 4	448	439	430
Year 5	457	448	439
Year 6	233	457	448
Year 7	-	233	457
Year 8	-	-	233

#### 23. PROVISIONS FOR LIABILITIES – OTHER PROVISIONS

	Dilapidations £'000	Leave Pay £'000	Total £'000
At 1 April 2020	97	81	178
Additions	-	34	34
Released in the year	(97)	-	(97)
At 31 March 2021	-	115	115

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.

#### 24. NON EQUITY SHARE CAPITAL

	2021 £	2020 £
<b>Shares of £1 each issued and fully paid</b>		
At 1 April	46	47
Shares issued/(redeemed) during the year	(2)	(1)
At 31 March	44	46

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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2021**
**25. CAPITAL COMMITMENTS**

Capital expenditure commitments are as follows:	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Expenditure contracted for but not provided in the accounts	701	694
Expenditure authorised by the Board, but not contracted	9,333	12,904
	<u>10,034</u>	<u>13,598</u>

The above commitments will be financed primarily through property sales and internal cash balances.

**26. CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Surplus for the year	310	866
Adjustments for non-cash items:		
Depreciation and impairment of tangible fixed assets	6,196	6,078
Amortisation of government grants	(138)	(76)
Decrease/(increase) in stock	1,633	(155)
Decrease/(increase) in debtors	(317)	628
Increase/(decrease) in creditors	41,248	(5,188)
(Decrease)/increase in provisions	(63)	(14)
Pension costs less contributions payable	(241)	(2,935)
Carrying amount of property disposals	2,553	1,425
Adjustments for investing and financing activities:		
Proceeds from the sale of property (net of Council clawback)	(3,662)	(2,664)
Interest payable	5,271	6,546
Refinancing charges	4,803	-
Interest receivable	(34)	(300)
<b>Net cash generated from operating activities</b>	<u>57,559</u>	<u>4,211</u>

**27. ANALYSIS OF NET DEBT**

	<b>1 April 2020 £'000</b>	<b>Cash flow £'000</b>	<b>Non-cash changes £'000</b>	<b>31 March 2021 £'000</b>
<b>Cash and cash equivalents</b>				
Cash at bank and in hand	14,667	(1,287)	-	13,380
	<u>14,667</u>	<u>(1,287)</u>	<u>-</u>	<u>13,380</u>
<b>Borrowings</b>				
Debt due within one year	(7,218)	4,559	20	(2,639)
Debt due after one year	(158,749)	41,455	(118)	(117,412)
	<u>(165,967)</u>	<u>46,014</u>	<u>(98)</u>	<u>(120,051)</u>
<b>Total</b>	<u>(151,300)</u>	<u>44,727</u>	<u>(98)</u>	<u>(106,671)</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 31 March 2021

#### 28. RELATED PARTIES

##### Transactions/balances with GreenSquare Homes Limited

Westlea Housing Association Ltd (Westlea) owns 12.5% of the ordinary share capital of GreenSquare Homes Limited (GS Homes).

During the year Westlea purchased goods and services from GS Homes with a value of £3,406,518 (2020: £3,455,849) and sold goods and services with a value of £1,752,060 (2020: £nil). At 31 March 2020 there were sums outstanding from GS Homes of £333,440 (2020: to GS Homes of £3,753) and these amounts are disclosed in notes 16 and 17 as appropriate.

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

#### 29. ULTIMATE PARENT UNDERTAKING

At the balance sheet date the ultimate parent undertaking was GreenSquare Group Limited, registered in England and Wales as a Co-operative and Community Benefit Society and a registered housing provider. See note 32.

Copies of its Group accounts are available from the registered offices of Accord Housing Association Limited, 178 Birmingham Road, West Bromwich, West Midlands, B70 6QG.

#### 30. 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

	2021 £'000	2020 £'000
<u>Financial assets</u>		
Financial assets that are equity instruments measured at cost less impairment	2,185	2,185
Financial assets that are debt instruments measured at amortised cost	15,736	16,701
	<u>177,060</u>	<u>180,939</u>
<u>Financial liabilities</u>		
Financial liabilities measured at amortised cost	177,060	180,939

Financial assets that are equity instruments measured at cost less impairment consist of investment in subsidiaries.

Financial assets that are debt instruments measured at amortised cost consist of cash at bank, 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, sinking funds, deferred capital grant and other provisions.

**NOTES TO THE FINANCIAL STATEMENTS****31 March 2021****Financial liabilities excluding trade creditors – interest rate risk profile**

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Fixed rate	80,875	102,934
Variable rate	<u>40,303</u>	<u>63,116</u>

The fixed rate financial liabilities have a weighted average interest rate of 5.6% (2020: 4.8%) and the weighted average period for which it is fixed is 6.6 years (2020: 6.9 years).

The variable rate financial liabilities have a weighted average interest rate of 1.3% (2020: 1.8%).

The debt maturity profile is shown in note 21.

**Borrowing facilities**

At 31 March 2021 the Association has in place a £75m intragroup loan facility with GreenSquare Group Ltd (see note 32) with £42.1m drawn down (2020: £Nil).

**31. CONTINGENT LIABILITIES**

The Association receives grant from Homes England to fund the acquisition and development of housing properties and their components. The Association has a future obligation to recycle such grant once the properties are disposed of. At 31 March 2020, the value of grant received and credited to reserves in respect of properties that had been disposed of was £79,338k (2020: £79,200k). As the timing of any future disposal is uncertain, no provision has been recognised in these financial statements.

**32. POST BALANCE SHEET EVENTS****Partnership**

On 1<sup>st</sup> 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.

In accordance with FRS102 the transfer of engagement (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 6<sup>th</sup> April 2021 Accord Housing Association Limited adopted the trading name GreenSquareAccord.