ANNUAL REPORT

AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH

2023

TABLE OF CONTENTS

The Board, Executives and Advisors	03
Chair and Group Chief Executive’s joint statement	04
Strategic Report	07
Report of the Board	58
Independent auditor’s report to the members	68
Consolidated statement of comprehensive income	79
Consolidated statement of changes in reserves	80
Consolidated statement of financial position	81
Consolidated statement of cash flows	82
Society statement of comprehensive income	83
Society statement of changes in reserves	83
Society statement of financial position	83
Notes to the financial statements	84

THE BOARD, EXECUTIVES AND ADVISORS

NON-EXECUTIVE BOARD MEMBERS

TOM MISKELL
Chair

ILONA BLUE
Appointed 1 April 2023, previously co-opted

NICI AUDHLAM-GARDINER
Appointed 31 January 2023, previously co-opted

HELEN JAGGAR

JAMES KELLY

ARCHANA MAKOL

STEVE PEARSON

AKSHAY SHAH
Appointed 1 March 2023

RICHARD WILKINSON

DAVID WILLIAMS
Appointed 1 March 2023

SALLY ORMISTON
Resigned 2 January 2023

ROB SELDON
Resigned 19 March 2023

CO-OPTED EXECUTIVE DIRECTOR

PAUL DOLAN

COMPANY SECRETARY

KIRSTY SPARK
Appointed 31 March 2023

MATTHEW SUGDEN
Resigned 31 March 2023

EXECUTIVE DIRECTORS

SARAH IRELAND

KIRSTY SPARK

JULIE WITTICH

CLAIRE STONE
Resigned 16 September 2022

MATTHEW SUGDEN
Resigned 31 March 2023

Registered Office
Charlestown House
Acorn Park Industrial Estate
Charlestown
Shipley
West Yorkshire
BD17 7SW

Registered Numbers
Charitable Registered Society No. 30444R under the Co-operative and Community Benefit Societies Act 2014

Registered by the Regulator of Social Housing (RSH) No. L4511

External Auditor
BDO LLP
3 Hardman Street
Spinningfields
Manchester
M3 3AT

Internal Auditor
Mazars Limited
30 Old Bailey
London
EC4M 7AU

Banker
National Westminster Bank PLC
3rd Floor
2 Whitehall Quay
Leeds
LS1 4HR

We believe that everyone should have access to an affordable, sustainable, and safe home, and once again, this year has proven how important that is.

CHAIR AND GROUP CHIEF EXECUTIVE

Tom Miskell and Paul Dolan

CHAIR AND GROUP CHIEF EXECUTIVE'S JOINT STATEMENT

Amid the cost-of-living crisis, driving value for customers has been a priority this year. Striving to reduce costs and ensuring our customers feel supported, not dependent, is critical to all areas of our work, and we continue to put the customer voice at the forefront of our delivery and decision making as we work at pace to deliver on our strategic priorities.

We do this as our sector itself is also under increased pressure following the announcement of the 7% rent cap, the current economic climate, and increased inflation rates. Despite this, Accent's strong financial resilience has allowed us to implement significant transformational service improvements whilst continuing to deliver our development programme; as more people are exposed to the harsh economic environment, we remain committed to building new homes for those who need them and retrofitting our existing ones to ensure they are cost effective to run.

We understand the impact our work can have in creating better places for people to live by providing well-designed housing, which is in short supply, and building sustainable communities where people choose to live. Having completed our first full year as a Home's England Strategic Partner, we have drawn down just over £51 million in grant from the 2021-26 Affordable Homes Programme and welcomed Thrive Homes as our fourth delivery partner. Where we've seen others in our sector pull back on their development ambitions, we've continued to progress with pace. Last year we saw 399 starts on site and 221 completions and plan to see an increase on these figures next year.

We are not just about building new homes. We invest in our existing homes to make sure they offer our residents the very best in living standards by adapting to meet new ideas, environmental changes, new regulations for safety and security and modern technology to make them a home for life, in every way our customers need them to be. We have been working hard to ensure the fire safety of our high-rise buildings meets the latest legislation and guidance, following the Grenfell Tower tragedy. We are nearing completion of extensive fire safety and renovation works on our homes in Aldershot, Alexander House and Stafford House - our only two buildings which were in need of fire safety remedial work. The work is scheduled for completion in the next few months.

Caring for our customers also means caring for their environment. With our ambitious energy-efficient development plans which includes building all our new build homes on land-led sites to an EPC A rating, our adoption of the Carbon Literacy Statement, and our retrofitting projects modernising our homes; we are putting sustainability at the fore so that we can drive value for customers now and in the future. Our retrofit works – supported by funding from the Social Housing Decarbonisation Fund and West Yorkshire Combined Authority's 'Mayors Fund' - are a key area of focus for us as we look to improve the energy efficiency of some of our poorest performing homes. A substantial proportion of our homes are modern – 82% of our homes already run at EPC C or above and over 60% of our homes are less than 40 years old. Our road to net zero has begun from a strong starting position.

The results of our latest independent governance review was strong and together with our newly reshaped leadership team we are equipped with the expertise to allow us to work with pace and agility; this has proven critical as we've continued to adapt to meet the needs of our customers and be resilient in a volatile operating environment.

We recognise that every pound spent at Accent must reflect the priorities of our customers. Our new Value for Money (VFM) Strategy focusses on how we can improve our services in a cost-effective way – but we are realistic and know that our ability to derive the best customer outcomes will be to focus on driving value adding activity, not on simple cost reduction.

Our strong leadership and governance structure and continued financial resilience allowed us to make a step-change in how we deliver our repairs and maintenance service; an area of operation we know is most important to our customers. Supported by a new, highly skilled team and technical hub, we have embedded our new repairs and maintenance operating model, reshaped contractor arrangements and added increased oversight and processes around critical service areas, such as how we manage damp and mould. In the face of skills shortages across the sector, we've rolled out training and apprenticeships to 'grow our own' next generation of professionals and collaborated with peers to find innovative solutions to issues faced by the sector. Already we're reporting improvement to our 'first time fix' rate, seen large reductions in legacy repair orders and delivered the improved service at a cost saving of c.£1.8m. We are confident this will translate through to improved customer satisfaction scores in the year ahead.

CHAIR AND GROUP CHIEF EXECUTIVE'S JOINT STATEMENT (CONTINUED)

Using the feedback from our customers to shape our new repairs and maintenance service served as a powerful example of the power of our customers' voice and how we can only thrive as a business if we work in collaboration with those who we serve. That's why we are supportive of the Better Social Housing Review and were eager to take part in the IDA's consumer regulation pilot as another means of identifying where we can continue to improve. Reshaping how we work alongside our customers through the lens of the new consumer standards will be a priority as we move into the final year of our corporate strategy.

Regardless of where a customer lives or their specific requirements, on a day-to-day level it is important that we are visible and supportive in our communities. We want to improve how we work efficiently and consistently across the country, whilst meeting the quality standards set by the regulator and government. As we closed the financial year, we launched a new structure to ensure our services are more accessible and easier for customers to utilise. This shift will allow customers to see more of Accent in their communities and strengthen their links with us – something our customers have told us is important and in need of improvement. Our customer excellence training, which will roll out to every colleague in Summer 2023, will support the new structure by resetting and aligning the way we provide services. We want all our customers to be highly satisfied and know we have work to do, but we are already on the journey which will bring us closer to this ambition.

As anchor institutions in the communities where we work, it's important we leverage partnerships and seek opportunities for customers that provide the foundations for better living, championing self-reliance, not dependency which ensures the sustainability of tenancies. We have been proactively utilising our fuel poverty matrix to identify homes in need of investment and crucially, customers who may benefit from more focussed support.

Next year we will utilise the expertise of a new community development and inclusion team to shape innovative working practices and forge new community partnerships to support people facing financial hardship.

At Accent, we make a stand for what we believe in. Our reason for being is anchored to a strong social purpose; we have been compelled to play our part in reframing some of the negative perceptions of our sector and demonstrate the many ways housing associations provide valued services to our customers and communities. More than Homes - a campaign conceived by Accent and launched at the height of the COVID-19 pandemic – has picked up a renewed pace this year as we work to build on the collective power of the social housing sector to support people experiencing food poverty. More than Homes, which hopes to raise £1 million for the Trussell Trust, also works to raise awareness of the social imbalances at play in society, and profile the work the housing sector is already doing across the country to meet the growing needs of some of our residents because of the cost-of-living crisis. We partnered with Ocean Media this year to run large scale fundraising initiatives – most notably, 'Housing Rocks' - a charitable fundraiser which will take place during Housing 2023 and help catapult us towards the £500k mark.

This report will further detail our performance during 2022/23 and how we have adapted to meet the changing needs of our customers in what has continued to be a volatile and challenging operating environment. This has been possible because of the commitment, dedication and shared desire from our Board, Committees, and colleagues to better our customers' experience. Reflecting on our achievements over the last 12 months, we are confident we will continue to progress into 2023/24 to achieve even more and continue to improve service delivery for our customers.

We would like to pass on our sincere thanks to all colleagues and stakeholders for their hard work and support this year.

TOM MISKELL
CHAIR

PAUL DOLAN
CHIEF EXECUTIVE

STRATEGIC REPORT

FINANCIAL REVIEW AND RESULTS

Consolidated statement of comprehensive income	2023 £m	2022 restated £m	2021* £m	2020* £m	2019* £m
Total turnover	115	108	103	100	95
Operating expenditure and cost of sales	(87)	(83)	(71)	(76)	(74)
Other income	4	2	-	-	2
Operating surplus	32	27	32	24	23
Net interest cost	(11)	(13)	(13)	(26)	(13)
Net (decrease)/increase in valuation of housing properties*	-	-	(3)	-	43
Surplus / (deficit) for the year	21	14	16	(2)	53
Consolidated statement of financial position					
Net book value of intangible and tangible fixed assets	855	791	762	716	688
Net current assets	80	117	74	69	9
Total assets less current liabilities	935	908	836	785	697
Loans and long term creditors due after one year	(789)	(782)	(409)	(396)	(305)
Pension liability	(7)	(14)	(25)	(28)	(34)
Total net assets	**139**	**112**	**402**	**361**	**358**
Revaluation reserve	-	-	122	103	104
Revenue reserve	139	112	280	258	254
Total reserves	**139**	**112**	**402**	**361**	**358**

Accommodation owned or managed	2023 No.	2022 No.	2021 No.	2020 No.	2019 No.
Social housing	15,936	15,928	15,786	15,748	15,588
Shared ownership and leasehold	2,032	2,014	1,969	1,962	1,942
Supported housing and housing for older people	1,876	1,890	1,901	2,191	2,267
Non-social housing	845	819	792	820	826
	20,689	20,651	20,448	20,721	20,623

*During 2022/23 the Group changed its accounting policy in relation to the recognition of its housing stock from the valuation model to the historical cost method. The figures disclosed for years 2019 – 2021 are as originally published and have not been restated.

At Accent we benchmark ourselves using the Regulatory Standard VFM Metrics, compared against the sector. The measures chosen by Accent are those of the seven core areas identified by the Regulator of Social Housing but in addition we monitor and record a number of KPI's that help us assess progress in key areas. These are ones which are considered strategically important in measuring our effectiveness and success and are discussed in detail on pages 39 - 43.

DEFINITIONS

Accent Group Limited is the ultimate holding entity into which the results of all subsidiary companies are consolidated. The terms "Group" or "Accent" in the report and financial statements refers to the consolidation of Accent Group Limited and all its subsidiaries. The term "Society" refers to the statutory entity Accent Group Limited. The subsidiaries in the Group include Accent Housing Limited, Accent Homemade Limited, Domus Services Limited and Accent Capital PLC.

PURPOSE AND CORPORATE STRATEGY

Accent is a national provider of social housing with a 50-year history and successful track record of delivering much needed homes and services to our communities.

PURPOSE AND CORPORATE STRATEGY

Our group structure is straightforward with one principal operating registered provider, but we have a diversified regional presence with over 20,000 homes across five core regions. With homes in Yorkshire, the South, East, North West and North East of England, our geography promotes organisational diversity, mitigates risk and supports agility.

Building Better Futures, our current corporate strategy to 2024 is the product of our largest ever consultation programme which incorporated the voices of over 2,000 people. Launched in 2021, the strategy was developed with an early understanding of the profound impact the COVID-19 pandemic would have on all businesses, with resulting health and financial implications for our customers; new challenges and opportunities for how and where we worked; changes in customer expectations for access to services; and acute disruption to the wider economic and operating environment.

The strategy centres on three priorities:

Quality Homes, Sustainable Communities

Retaining and building on our development ambitions for new homes, and our continued focus on the safety and quality of existing homes, whilst ensuring we are strengthening our sustainability both financially and environmentally.

Personal Customer Experience

Driving true customer centricity through our Accent Partnership, engaging on an individual and community level and delivering a first-class customer experience.

Inspirational Workplace

Creating our inspirational organisational culture, building a collaborative, inspiring workplace experience and empowering and equipping teams to work with agility and flexibility to deliver great business and customer outcomes.

Within these priorities our key aims are:

- Providing housing choices for the many not the few.
- Delivering housing and services which enable progression and independence.
- Building stronger customer relationships and community partnerships.
- Strengthening colleague engagement.
- Building a culture which enables and rewards high performance.

WE WILL ACHIEVE OUR VISION THROUGH LIVING OUR VALUES:

CARING

We are customer centric, authentic and compassionate

DRIVEN

We take ownership, keep our promises and focus on solutions

SMART

We are curious, we learn from mistakes and welcome feedback

INCLUSIVE

We collaborate, we value all perspectives and celebrate difference

PRINCIPAL RISKS AND UNCERTAINTIES

The past three financial years have seen unprecedented levels of change and increasing risk in our operating environment, and this has been reflected in regular reviews of our stress testing and resilience planning in conjunction with regular discussion with the Board.

The Board review Accent's strategic risk register at every other meeting, with the Audit and Risk Committee (the ARC) conducting regular horizon scanning and comparative reviews within and outside of the sector.

In January 2023 the Board and the ARC reviewed analysis of the Sector Risk Profile 2022 and received assurance that Accent's risk registers provided appropriate coverage of all relevant risks highlighted in the Sector Risk Profile (SRP).

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

At 31 March 2023 Accent's highest current risks, all relating to the external economic and political environment, were considered to be:

- Significant imbalance between income and expenditure:
  Accent is always conscious of risks deriving from the external economic environment and is acutely aware of the cost-of-living crisis and its potential impact upon the organisation, its partners and its customers. Now that the 7% rent increase cap has been agreed for 2023/24, the risk has been updated to refer to the imbalance between income, which is restricted, and expenditure which continues to rise through inflation and above inflation increases in certain costs, for example construction materials. Controls that help to mitigate the impact of this risk include regular stress testing, appropriate recovery plans and clear value for money targets. Accent's financial position is strong and there are no immediate concerns, however key discussions on trade-offs and risk appetite will be taking place as we develop the next iteration of the corporate strategy.

- Repairs and Maintenance (R&M) partner contractor fails or withdraws from contract:
  This has been one of Accent's highest risks for the past five years due to the harsh external economic environment, significant internal changes have been made to mitigate this risk. Changes include the move from 'Price per Property' (PPP) contracting to Schedule of Rates (SoR) contracts, increasing the network of suppliers who are available to us if needed and restructuring internal teams (for example creating the Technical Hub) to ensure that the relevant colleagues are highly skilled and equipped to support residents in reporting repairs. This means that the volume of repairs reported has reduced and contractors are set up to get repairs 'right first time' and successfully deliver on agreed contract outcomes. Increasing the efficiency of this work creates a better outcome for customers and reduces waste for contractors. Accent also adopts a prompt payment policy, monitors supplier financial health daily and, most importantly, has developed open and honest relationships with suppliers to ensure that expectations are fully understood, and contracts are set up to succeed.

- Cyber-attack:
  This is an ever-present and increasing risk area globally and, in reflection, Accent has increased the assessment of this risk, Accent has increased the assessment of this risk, moving it into the top three on the strategic risk register in financial year 2022/23. It is apparent that insurers are increasingly reluctant to provide cover for cyber-attack risks in the sector however Accent has successfully secured insurance cover for the coming year recognising that we have a good level of cyber security in place including the cyber essential plus accreditation. The ICT team run regular user awareness and testing campaigns and have improved back-up systems to mitigate ransomware attacks. Colleagues are involved in the Housemark cyber forum and sector business continuity forums to ensure awareness of the latest trends and issues. The ARC receives regular updates on cyber security, most recently at the January 2023 meeting.

- Recruitment and retention:
  This risk was added to the strategic risk register in September 2022 following a period of high employee turnover (partly because of the economic environment in the UK and partly as a result of significant internal restructuring). Ensuring we recruit and retain colleagues to provide capacity to support us in delivering our strategy is key. The period of internal change is now coming to an end and turnover is likely to reduce, however, given that the external employment market remains volatile, the risk remains in focus. Further actions to reduce the risk have been identified including benchmarking reward packages to ensure that Accent is competitive and training for managers on recruitment techniques and change management to ensure we retain and attract the right people.

A risk around 'reputation' was added to the strategic risk register this year. Reputation has previously been viewed as an outcome of other risks materialising, but given the increased public, political and media interest in the sector, this has been added as a risk to ensure focus and oversight on specific controls and mitigations such as increased resource for complaints training and oversight.

As changes in our way of working and in delivery of services have taken place over the past 12 months, alongside significant changes in the UK economy and the global risk environment, the Board is now planning a further review of risk appetite. This will include broader risk appetites such as financial, governance, health and safety and reputation and is timed to support creation of the next iteration of Accent's corporate strategy which will be launched in April 2024.

STRATEGIC DELIVERY AND FUTURE PLANS

DEVELOPMENT AND GROWTH

As we enter the final year of our Development and Growth Strategy (2019-2024) we have remained resilient against an increasingly challenging market.

We have built on the strategy's success to date to continue our significant growth ambitions and progress our land-led programme with greater focus on securing larger opportunities on more strategic sites, utilising the strong partnerships we have made, and the reputation developed as a partner of choice. This focus will continue into 2023/24.

We are not alone in experiencing severe delays with the planning system, but encouragingly, we have secured the land to satisfy our immediate programme commitments. At the end of the financial year 2022/23, Accent Housing has 23 developments underway to deliver 983 new affordable homes. Accent's whole approved development pipeline is in excess of 1,300 homes.

We have fallen slightly short of our original targets for the year due to delays with utility connections on some of our land led sites. This led to a final year end delivery of 221 new homes. We will, however, see handovers increase sharply on these schemes over the next few months with several developments completing across Cambridgeshire.

Accent completed its first full year of its Strategic Partnership with Homes England and has drawn down just over £51 million in grant from the 2021-26 Affordable Homes Programme (AHP) where we have a total grant allocation of £210m.

We remain committed to providing housing across a variety of tenures, including supporting people ready to take their first step into homeownership. We have maintained strong levels of interest in our shared ownership homes, with mortgage availability remaining good. As a result, we have exceeded our target for income from shared ownership sales by £1.3m by selling 39 new properties within the year, with a further 14 awaiting sale as of 31st March 2023.

Delivering on our commitment to build all homes on land led sites to an EPC rating of A has significantly contributed to our sustainability commitment. Currently, 70% of the homes in our approved pipeline are land led schemes and are being built to this higher environmental standard.

ASSET MANAGEMENT

IN ADDITION TO OUR NEW BUILD HOMES, WE CONTINUE TO PROGRESS THE REDEVELOPMENT OF OUR RIPLEYVILLE SCHEME IN BRADFORD FOLLOWING THE CONCLUSION OF A CUSTOMER AND COMMUNITY CONSULTATION WITH OVER 2,000 PEOPLE INVOLVED.

The regeneration project represents a significant investment in the area

It will provide 73

new family homes for affordable rent

These will be built using innovative modern methods of construction and use a fabric first approach, guaranteeing that they meet Accent's commitment of all newly built homes achieving an EPC rating of 'A'. The scheme is targeted for completion in 2025.

Significant changes have been made this year to increase both our skills and capacity in relation to the delivery of our asset management and sustainability priorities. Following the incorporation of all asset management services under a new directorate last year, the team has been restructured to bring together the management of stock condition, sustainability, and cyclical replacements into a single delivery model which will enable delivery of our sustainability strategy as part of our business-as-usual activities.

This investment will continue to ensure that our 30-year financial plan reflects the needs of our housing stock, strengthening our focus on data quality and driving certainty within our Repairs and Maintenance investment profiles. Already this year we have increased our physical stock condition data from 58.88% to 80.02% of our homes.

In addition to structural changes, we have also changed the way we procure major works from 'fit only' to 'supply and fit'. This has helped us to deliver our planned maintenance programmes and created a more efficient working model.

SUSTAINABILITY

We are committed to reducing our environmental impact across our existing housing stock, corporate activities and new build homes.

We are committed to this, not only because increasing our green credentials is the right thing to do, but because we have an opportunity to strengthen the affordability of our homes for customers and future generations and contribute to building a better future.

Following our success in securing £1.1m of funding via the Social Housing Decarbonisation Fund (SHDF - Wave 1) we are in the process of enhancing the energy efficiency of 21 homes in Yorkshire and 52 homes in Surrey.

Following extensive retrofit works all homes have achieved an EPC band C rating and we have received positive feedback from our customers on the improved warmth and comfort within their home.

We have been awarded c£650k in the second round of the Social Housing Decarbonisation Fund, which will benefit a further 67 homes. Accent have also been awarded c£180k to retrofit 99 homes across Yorkshire through the West Yorkshire Combined Authority's Mayors Fund.

Accent are providing co-funding towards both the Social Housing Decarbonisation Fund and the Mayors Fund.

Our new Sustainability Strategy has been drafted and shaped around six key principles agreed at Capital Investment Committee (CIC) which are targeted at reducing our environmental impact across our existing homes, from our corporate activities and within our new build homes. The strategy is due for launch and includes our roadmap to net zero. Encouragingly, we have established that following a data cleanse, 82% of our stock already meets the EPC C standard, enabling us to make concrete plans to ensure that all our stock will meet the Government’s fuel poverty target by 2030.

HEALTH AND SAFETY

The health and safety of all Accent customers and colleagues is paramount.

We have rigorous processes in place to ensure a safe working environment for colleagues and to ensure that residents are safe in their homes.

Our Assets and Compliance team has been restructured with dedicated colleagues now in post to manage specialist safety areas including fire, electrical, gas, asbestos, lifts and water hygiene. These specialists are supported by a customer safety administration team to ensure close management of contractors, administration of compliance certification and liaison with housing teams to ensure residents understand the need for, and permit, contractors to access for safety work. Where residents are not allowing access, work is undertaken to understand the reasons and to communicate effectively with residents, including checking on their welfare.

Monthly reports of performance in the completion of statutory tests as well as all remedial work are provided to the senior leadership team, health and safety committee and the board. A full health and safety report is provided to each Board meeting and independent audit of our health and safety reporting has provided substantial assurance.

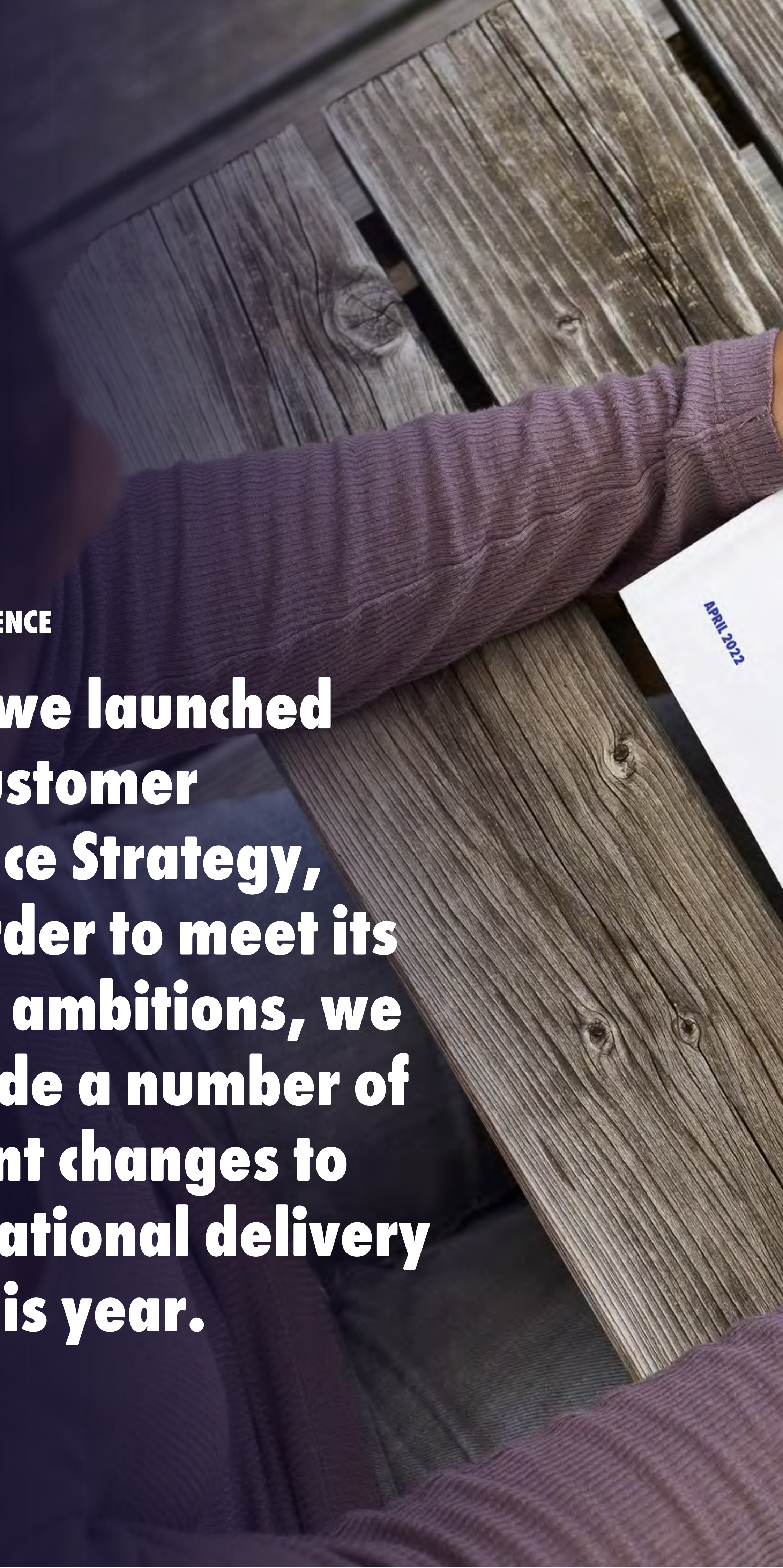
We have developed a new approach to damp and mould management including staff and contractor training and implementing proactive questioning of residents at contact opportunities to identify any concerns about damp or mould. Processes for reporting and resolving damp and mould and disrepair issues have been established and we have trained contractors to ask key questions around damp and mould every time they visit a resident's home regardless of the repair they are attending for. Disrepair surveyors have been recruited and an administrator is in place to ensure cases are resolved promptly.

BUILDING SAFETY AND FIRE SAFETY REGULATIONS

We have further strengthened the management of building safety with improved contract management arrangements via a dedicated resource, with responsibility for ensuring Fire Remedial Action (FRA) works are completed within their given timescales and by a suitable contractor. They will also support our dedicated Building Safety Manager in providing added assurance as to the quality and safety of our homes.

In addition, we have introduced new software to allow us to tag individual components within our portfolio, such as fire doors, to provide us with a clear history and current condition status to support us in meeting our fire safety obligations.


Rhino SafeStow
illiams
oking after Buildings
ian
accent
ian williams
Salamander Pumps
Tel: 44 (0) 191 5162002
www.salamanderpumps.co.uk
CT50XTRA
WRAS



CUSTOMER EXPERIENCE

In 2022 we launched a new Customer Experience Strategy, and in order to meet its strategic ambitions, we have made a number of significant changes to our operational delivery model this year.


CUSTOMER
EXPERIENCE
STRATEGY
This strategy supports our ultimate ambition which
is to support every Accent customer to be included
economically, socially and digitally wherever they live.
accent

CUSTOMER EXPERIENCE

In response to challenging customer feedback about our repairs and maintenance service we have overhauled our contractor arrangements and enhanced our technical skills to drive Value for Money (VFM) and consistency in service delivery. We have moved away from Price Per Property (PPP) and Open Book contracts to a more traditional Schedule of Rate (SOR) model.This delivered increased VFM by enabling us to have more control over both scope and spend, in conjunction with improved outcomes for customers.

Our newly shaped property services and assets and compliance teams have also improved capacity and technical expertise through a new structure, led by experienced senior technical specialists. To support this new way of working, in October 2022 we launched our new Technical Hub, a dedicated contact centre for asset management queries, ensuring that we are delivering efficient repairs diagnostics, customer advice and contractor liaison. The aim of the Hub is to help customers work with us to diagnose required works through support from technically trained colleagues thus allowing the correct contractor to be booked first time.

In parallel with these changes, we are implementing a generic housing services delivery model during 2023/24. This will help to streamline our services and mitigate against local inconsistencies in delivery, simplify our operating model and drive better accountability.

A new ‘Housing Partner’ role will manage a small patch of properties including all tenancy and income management, anti-social behaviour issues and estate management. The allocations' function will be managed centrally for the whole of Accent, and we have created a centre of excellence to manage housing related contact by refocussing the existing contact centre as a specialist Housing Hub. Additional value has been created through specialist teams focussed on Community Development and Financial Inclusion. Older persons accommodation and other more specialist accommodation such as temporary accommodation will be managed in a separate team, and where appropriate options appraisals will be undertaken in 2023/24 for specific schemes to determine investment decisions.

Our commitment to continually improve both our processes and ways of working to serve our homeowners is now well underway. A major part of this work was a redesign of how the team operates and, importantly, how they collaborate with key teams and colleagues throughout the organisation.

We continue to understand the importance of advancing our digital agenda to create operational efficiencies and cost savings, whilst also diversifying opportunities for customer engagement. This work will be shaped around our new operating model and the needs of our customers. We are in the process of developing a new website which is being developed in consultation with customers and is due to launch in Q3 of 2023.

CUSTOMER VOICE

We have seen a gradual decrease in engagement rates over the past 12 months and recent surveying of the Accent 1000 showed we still have work to do to demonstrate how we are listening and acting on customer feedback. The introduction of the new Housing Partner role and the community development and inclusion team will help to grow grassroots community engagement and drive greater staff visibility.

In 2023/24 we will also work with customers to co-design a new strategy, which will aim to deliver best practice in accordance with current and upcoming regulation and will outline how we will engage customers; how we will communicate; and how we will drive our customers’ voice strongly through the organisation to guide our decision making and hold us to account.

PEOPLE STRATEGY

This year we completed the restructure of our Senior Leadership Team (SLT) to drive an increased focus on performance, change management and culture.

Recruitment to the team has now been completed with a new Director of People set to join Accent in the summer of 2023. The new SLT brings together specialist skillsets and experience to support the delivery of improvements made to our core operating model.

To support the new structure and create a sharper focus on our performance, we have developed a new Performance Reporting Framework (PRF). The framework creates a golden thread of performance measurement and brings increased assurance and transparency on strategic and operational delivery. This includes greater insight and understanding into performance relative to our peers.

In 2021, aligned with the commitment to Equality, Diversity & Inclusion (EDI) set out in our Corporate Strategy, Accent Board approved a new EDI strategy. This included four publicly visible commitments aimed at addressing the key areas in which we needed to improve:

- Addressing Pay Gaps that might be present between diversity characteristics.
- Building a more representative board, leadership and organisation, reflecting the diverse makeup of the areas in which we operate.
- Being open and transparent in all that we do.
- Challenging each other to continue our growth and understanding, to create an environment in which everyone can thrive.

Following gaps in resource the decision was taken to pause delivery, but our new EDI Specialist joined in January 2023 and is driving this agenda. Immediate priorities are to gather and analyse data to drive decision-making, specifically in the form of internal HR data (to support extended pay gap and recruitment/retention analysis), and engagement data (to support the creation of an inclusive culture). During the period of paused delivery we focussed on learning and engagement opportunities for colleagues and have used the NHF Data Tool and participation in the Yorkshire and Humber EDI report, as well as membership with the Employers Network for Equality and Inclusion (ENEI) which has contributed to maintaining best practice.

We understand happy and empowered colleagues drive the best performance and we are committed to continually improving our workplace culture. We have begun a review of our culture, mapping our cultural aspirations by conducting workshops with colleagues, non-exec directors and customers. We are continuing to capture insight across a wide-ranging number of focus areas, including the employee voice, our policies and processes, leadership capability and styles and our performance management approach. This insight will also be used to shape a new people strategy.


accent

HOW ARE WE PERFORMING?

Our method for collecting customer satisfaction data has centred around the UK Customer Satisfaction Index (UKCSI) for our annual perception survey, and Rant and Rave for transactional satisfaction data. In 2022 it was decided that focus on the Tenant Satisfaction Measures (TSMs), introduced by the Regulator of Social Housing, for our annual satisfaction survey would avoid confusion and duplication for customers and we ended our membership with UKCSI. May 2022 was our last UKCSI survey and our customer score of 62.5 was up 2.7 points on our 2021 performance, but still some way off our target score of 70.

We consulted with customers on the tenant perception TSMs, which was a key part of preparing our consultation response to the RSH. This feedback shaped the decision to collect the tenant perception TSMs through an annual census perception survey, which we will undertake in Autumn 2023.

We have procured a specialist third party research agency to administer the perception survey. This will ensure statistical validity and protect internal resource capacity for other customer engagement activity.

Last year we reported the ambition to make customers' access to performance information available on a quarterly basis, and we launched our 'how are we performing' webpage. Our new Performance Reporting Framework (PRF) has been designed through a 'TSM lens' by ensuring the management information measures to be submitted to the regulator are incorporated in the PRF. In readiness for the reporting of TSMs we will utilise and grow this page to capture this data, ensuring we report transparently with customers.

SERVICE AREA	Average Score (scale 1 to 5)	Volume of feedback	%Satisfied (= scores of 4 and 5) 2022/23	% Satisfied (= scores of 4 and 5) 2021/22	% Satisfied (= scores of 4 and 5) 2020/21
CONTACT CENTRE SATISFACTION	4.41	7,470	84.75%	87.35%	90.30%
REPAIRS SATISFACTION	3.81	9,269	69.18%	77.29%	78.70%
PLANNED WORKS AND SERVICING SATISFACTION	4.47	2,835	86.17%	83.11%	86.10%
NEW TENANT SATISFACTION	4.49	486	86.42%	88.15%	88.40%
NEW BUILD HOMES SATISFACTION	4.7	17	100%	84.78%	57.10%
COMPLAINTS	2.94	705	46.81%	72.84%	75.30%
EXIT SURVEY	3.64	149	63.76%	71.09%	66.70%

IN OCTOBER 2022 WE LAUNCHED OUR NEW TECHNICAL HUB

CONTACT CENTRE

We have experienced a slight dip in customer satisfaction regarding our contact centres, from 87.35% to 84.75%, however we have been through significant change as we switched from a generic service to two specialist hubs. Additionally, for a period of time ahead of the changes, we did experience a reduction in staffing levels which contributed to performance dips.

Since launch on the 4 October our housing and technical hubs have together managed over 104,000 calls and 68,000 emails. We expect satisfaction scores to increase as the service continues to embed.

COMPLAINTS

In 2022/23 Accent received 2,350 complaints in total. 67% of all complaints related to repairs and maintenance. A dedicated Customer Liaison Team has been established to deal with formal repairs and maintenance complaints. The Customer Liaison Team works proactively with contractors to address service failures/dissatisfaction.

A new role of Complaints Performance Manager has also been established to support the organisation to improve complaints performance, reporting and controls, and overseeing learning from complaints to ensure it is driving impactful change.

Our complaints policy has been reviewed to make it clearer for customers and staff on how we manage service requests separately to complaints, and to ensure timescales align with the Housing Ombudsman Service guidance. These changes will help to ensure our benchmarking is more accurate, and that our timescales for managing them are more realistic.

We engage in bi-lateral discussions with the Housing Ombudsman Service to ensure we are aware of sector challenges and best practice, facilitated via our membership of the Northern Housing Consortium.

REPAIRS

Our first-time fix performance has improved significantly this year.

The new technical hub has supported the resolution of faults over the phone and offered expert repairs advice, reducing duplicate orders and cancellations through improved diagnostics, meaning repairs are raised more accurately first time. We completed over 80% of all routine repairs within our published timescale of 28 days, with the average job in 2022/23 being completed in 21.6 days.

The greater clarification over our repairs responsibilities has impacted on customers' satisfaction with our repairs service, however this was an important piece of work to ensure we were driving VFM and providing equity for all customers in the delivery of our repairs service. We anticipate that satisfaction will increase as we embed the improvements we have made.

DECENT HOMES

2022/23	2021/22	2020/21	2019/20	2018/19
99.95%	99.53%	99.28%	98.73%	98.97%

AVERAGE TIME TO COMPLETE A REPAIR (DAYS)

2022/23	2021/22	2020/21	2019/20	2018/19
21.6	16.2	14.5	12.7	11.6

PERCENTAGE FIRST TIME FIX

2022/23	2021/22	2020/21	2019/20	2018/19
86.40%	79.80%	80.60%	81.60%	80.60%

PERCENTAGE SATISFIED WITH RESPONSIVE REPAIRS

2022/23	2021/22	2020/21	2019/20	2018/19
69.18%	77.29%	78.70%	75.10%	88.10%

PERCENTAGE GAS SERVICED

2022/23	2021/22	2020/21	2019/20	2018/19
99.97%	99.84%	99.90%	99.95%	99.98%

INCOME

Despite incremental improvement initiatives this year we have experienced a small increase in our rent arrears, driven largely by inflation and the cost-of-living crisis. As a result, we have fundamentally reshaped our approach to income management and invested in an award-winning system which will complement our new housing services structure. The new system, Voicescape Caseload Manager, harnesses the power of Artificial Intelligence, machine learning and behavioural insight to support our income service to make personalised, automated interventions. This will free up colleagues to focus on other important areas of their work, such as supporting those in need of manual intervention.

Encouragingly, arrears from homeowners have continued to reduce this year with £135k in-year reduction. We expect this trend to continue over the coming 12-months through our increased investment and focus across leaseholders and shared owners.

Our partnerships with national and local specialist organisations continue to support us and our customers to overcome financial hardship. We used data to inform proactive communication plans to support customers most vulnerable to access support when they need it most. Our partnership working will accelerate this coming year with the addition of our community development and inclusion team.

Our investment in systems, our people and partners are deliberate strategic choices that will improve our performance. Our aim is to collect more income to deliver our financial and strategic obligations and support people through the cost-of-living crisis.

LETTINGS AND EMPTY HOMES

As part of our new housing management structure, a new central allocations team will be created headed up by a specialist manager.

This will allow for a review of our lettings strategy and ensure we are allocating homes quicky and effectively by delivering a consistent strategy across all areas of operation. We have seen the volume of void properties decrease this year and hope to build on this into 2023/24 as part of this work.

As we continued to embed contractor changes through the financial year, we did experience some delays to works which impacted on our re-let times. We plan to review the customers' voids process, alongside the development of our lettings strategy to pinpoint any pressure points we need to focus improvement works on.

ASB

This year we have dealt with a few isolated areas of serious ASB issues which have driven up the number of cases reported. Mitigating plans are already in place in these areas and we are working closely alongside local police, other housing associations and community partners to resolve the issues for our customers.

CURRENT TENANT RENT ARREARS

2022/23	2021/22	2020/21	2019/20	2018/19
3.31%	**3.26%**	**3.21%**	**3.18%**	**2.50%**

AVERAGE RE-LET TIMES (GROSS DAYS)

2022/23	2021/22	2020/21	2019/20	2018/19
59.5	**46.9**	**68.7**	**29.8**	**31.5**

EMPTY PROPERTIES

2022/23	2021/22	2020/21	2019/20	2018/19
1.10%	**1.40%**	**1.50%**	**1.40%**	**0.90%**

ASB CASES PER 1,000 PROPERTIES

2022/23	2021/22	2020/21	2019/20	2018/19
36.6	**30.9**	**29.4**	**21.9**	**27.6**

FINANCIAL REVIEW

The year to 31 March 2023 has resulted in a surplus before tax of £21.5m (restated 2022: £14.4m).

The Group continues to operate in a challenging environment due to the impact of the cost-of-living crisis and wider economic uncertainty.

The core business of providing affordable housing remains strong and has produced a financial result in line with expectations. The principal highlights are as follows:

- The Group's core affordable housing business made an operating surplus of £26.1m (restated 2022: £22.6m), the increase arising from a combination of:
  - Increased rental income of £4.9m reflecting the current rent policy of increasing rents by CPI plus 1% alongside income generated from new properties coming into management.
  - decreased repairs and maintenance costs of £1.8m a result of the change from 'Price per Property' contracting to Schedule of Rates contracts, before the apportionment of salaries and overheads.
  - increased utility service charge expenditure (irrecoverable in year) of £2.1m due to the energy price increases.
  - increased depreciation of £2.6m, driven by investment in new assets and accelerated depreciation due to replacing components during the year.
- Other activities made an operating surplus of £3.5m (2022: £2.6m) principally arising on the sale of first tranche properties of £1.5m and open market sales of £1.5m.
- During the year housing properties amounting to £39m (2022: £37.4m) were completed, in line with the Group's strategic plan and continued focus on development of new homes. For more details of this three-year strategy please see the Building Better Futures Strategic Plan available on the web site of www.accentgroup.org. 2021/22 represented the first full year of the development program delivery and as referred to on pages 15 - 19, Development and Growth in this Strategic report.
- Investment assets were re-valued by Savills as at 31 March 2023 providing an uplift on the 2022 review of £1.3m (2022: £0.2m).
- During the year to 31 March 2023 the Group saw a net actuarial gain of £7.1m (2022: £8.08m gain) within the Accent Group Pension Scheme (AGPS) and a net actuarial loss of £1.1m (2022: £0.9m gain) in respect of the Social Housing Pension Scheme (DB). These movements are reported below the surplus for the year but within comprehensive income and resulted in a net decrease in the pension deficit of £7.5m. The gain on the AGPS was primarily driven by an increase in the equity assets of the scheme of £3.22m coupled with a decrease in the schemes' overall defined benefit obligation of £5.25m due to actuarial gains. The actuarial gain revealed in these accounts (see Note 26) is driven by an increase in discount rate from 2.75% to 4.70% reflecting movements in the market's long-term view on interest rates.
- During the year the Group invested £39.8m (2022: £41.4m) in repairs and maintenance, both capital and revenue, reflecting the continued focus of the Group on improving the quality of our existing homes.

After the transfer of the total comprehensive surplus for the year of £27.6m, the Group's reserves amounted to £139.1m (restated 2022: £111.6m).

INVESTMENTS AND TREASURY MANAGEMENT

Following the issuance of the bond in July 2019, along with the sale of the retained bond in October 2021, the Group now holds a significant amount of liquid funds.

This positions the Group well to deliver its corporate strategic aims, which include improving the quality of existing homes and services, delivering on our decarbonisation commitments, and delivering sustainable and quality new homes through our development strategy.

The strong liquidity position also gives the Group the flexibility to deal with the current challenges faced by the UK economy. These liquid resources are managed in line with the Board-approved Treasury Management Policy and Investment Policy. Both policies are regularly reviewed and updated and are subject to detailed scrutiny with guidance from external expert advisors.

The Group operates a centralised treasury function, with responsibility for managing liquidity, interest rate, and counterparty risks. The strategy has an overriding objective of avoiding unacceptable risk, with surplus cash being invested with approved counterparties (banks and money market funds) in line with the Treasury Management Policy that defines credit quality criteria and maximum exposure limits.

In 2022/23 we saw the real increase from the pressures on costs through higher inflation working its way through and impacting our customers with the rise in food prices and incidence of fuel poverty. For Accent it was manifested through increases in utilities and building materials. Accent has however benefited from interest rate increases on the deposits. As a business we are ever mindful of our role and impact on our customers lives with a constant need for us to focus on efficient services and delivery in a digital world whilst recognising that one solution will not fit all. As a responsible registered provider, Accent has continued to put the health and wellbeing of our customers and staff at the heart of everything we do.

We also recognise the need and demand for our housing which is set to increase and therefore providing more homes and more efficient homes has remained a focus.

VALUE FOR MONEY (VFM)

VFM has and will remain at the heart of what Accent does and our approach remains embedded and holistic.

VALUE FOR MONEY (VFM)

Every procurement and proposal for changes in systems, processes and procedures is always considered in the context of VFM but the Board recognises it can be demonstrated in a variety of ways and that 'cheapest is not always best' in a business that manages for the long term and with a determination to deliver what is best for the customer.

Value for Money (VFM) principles have previously been woven through our corporate strategy and other key strategic documents. Given the increasingly challenging operating environment, a separate VFM strategy was approved in January 2023.

Our focus is on driving value adding activity, not on simple cost reduction, deriving the best outcome for customers is at the heart of the strategy.

The strategy outlines very clear with 'SMART' targets under each of our strategic objectives. These targets were set based on our annual Housemark cost and performance benchmarking results and have been built into relevant strategies and team Operational Plans.

In addition to these we have targets against the VFM metrics set by the RSH.

THERE ARE FIVE STRATEGIC VFM AIMS:

1 TO MAKE THE BEST USE OF OUR ASSETS TO IMPROVE THE VALUE OF THE STOCK AND THE QUALITY OF THE HOME FOR OUR CUSTOMERS.

TARGETS:

VFM AIM	TARGET	CURRENT (END OF FY)
INCREASE THE % OF PHYSICAL STOCK CONDITION SURVEYS	100%	99.83% - 'BLOCKS' 77.92% - DOMESTIC PROPERTIES
INCREASE REINVESTMENT IN HOUSING STOCK	14.33%	11.3%
INCREASE THE RATIO OF PLANNED TO REACTIVE SPEND	70:30	69:31
MAINTAIN BENCHMARK FOR CPU MAJOR WORKS/CYCLICAL	2ND QUARTILE	HOUSEMARK ANNUAL REPORT DUE AUTUMN 23

2 TO PROVIDE NEW HOMES IN A RANGE OF HOUSING TENURE OPTIONS THAT MEET LOCAL HOUSING NEEDS.

TARGETS:

VFM AIM	TARGET	CURRENT
INCREASE % OF NEW SUPPLY	1.53%	1.1%
NEW HOMES COMPLETIONS	314 HOMES	221 HOMES
INCREASE RENTAL INCOME VIA GROWTH	£2.9M ADDITIONAL	£1.7M ADDITIONAL
SHARED OWNERSHIP SALES INCOME	£4.6M	£5.3M

3 TO COMBAT INCREASING LEVELS OF FUEL POVERTY THAT PREVENT OUR CUSTOMERS FROM LIVING COMFORTABLY AND AFFORDABLY IN THEIR HOMES.

TARGETS:

VFM AIM	TARGET	CURRENT
HOMES ABOVE EPC C	100% BY 2030	82%
HOMES ABOVE EPC A	100% OF LAND-LED SCHEMES	100% OF NEW HOMES IN LAND-LED SCHEMES

4 TO IMPROVE THE QUALITY AND COST EFFECTIVENESS OF CORE SERVICES TO DRIVE SATISFACTION AND ENSURE WE CAN INVEST IN VALUE ADDING ACTIVITY.

TARGETS:

VFM AIM	TARGET	CURRENT
REDUCE COSTS OF R&M DELIVERY	£1M SAVING	£1.8M SAVING
REDUCE NUMBER OF REPAIRS PER PROPERTY	3.1	2.79
REDUCE MANAGEMENT CPU	15% REDUCTION	HOUSEMARK (HM) ANNUAL REPORT NOT DUE AUTUMN 23
ACHIEVE BENCHMARK FOR CURRENT TENANT RENT ARREARS	2ND QUARTILE	2ND QUARTILE
REDUCE RENT LOSS FROM EMPTY HOMES	1.8%	1.63%

5 WE WILL TRANSFORM AND SIMPLIFY HOW WE WORK.

TARGETS:

VFM AIM	TARGET	CURRENT
REDUCE THE % OF WORKING DAYS ACCENT LOSES EACH MONTH DUE TO SICKNESS	4%	5.2% (AVERAGE)
REDUCE VOLUNTARY STAFF TURNOVER	12%	29.4%
RETAIN OR IMPROVE ON BEST COMPANIES ACCREDITATION SCORE	2 STAR	2 STAR

VALUE FOR MONEY (VFM) (CONTINUED)

What are the key controls and assurance systems?

- Proposals for all significant operational expenditure are reviewed by a 'procurement gateway board' and all major investment decisions are discussed at Board and with committees, particularly in respect of development works which are reviewed by our Capital Investment Committee (CIC) in line with delegated authorities.
- The CIC scrutinises detailed development reports which provide assurance around Accents 'golden rules' and reflect the Board's risk appetite and agreed financial hurdle levels. All developments include a VFM assessment from the Employer's Agent.
- In addition to delivering our strategic VFM aims and supporting activities, we also report monthly against a suite of organisational VFM metrics via the monthly management accounts. These include the RSH mandatory metrics plus some additional Accent measures and are reported to Board, Executive Team, and Senior Leadership Team (SLT).
- This pro-active approach to monitoring allows corrective action to be taken on a timely basis if any indicator suggests a deviation from the corporate plan.

GOVERNANCE OF VFM

- The Board approve the VFM strategy and review progress in delivering VFM objectives and approve the annual VFM statement of compliance to the VFM standard.
- They receive a VFM update twice a year, in Q1 to include our end of year assessment and statement of compliance, and in Q3 to incorporate our annual cost and performance benchmarking results.
- The Executive and Senior Leadership Team oversee the strategic delivery programme (Operational Plan) including the appraisal of options to improve VFM. They set annual budgets and operationally manage BAU activity to drive VFM improvements.

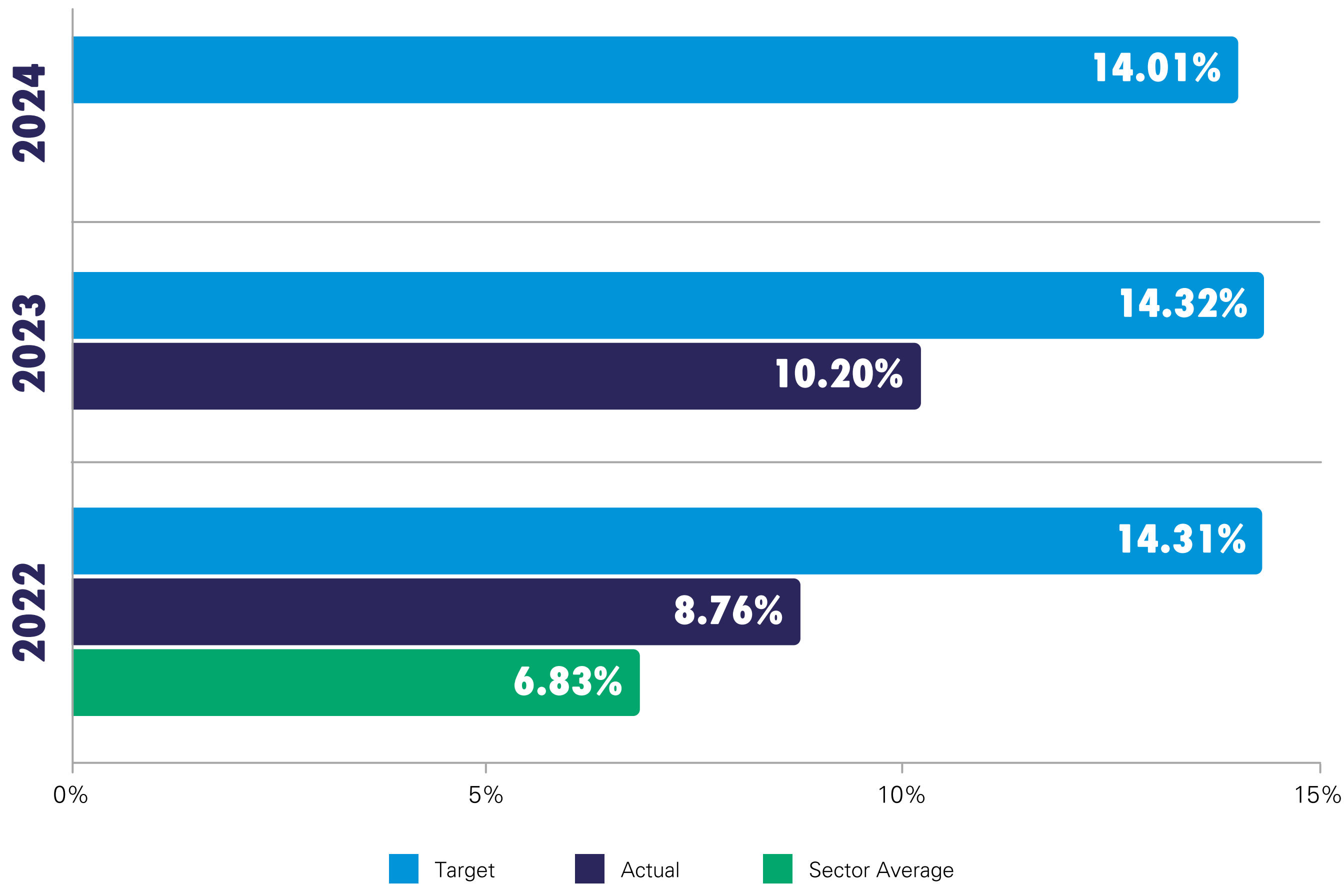
HOW DO WE MEASURE OUR SUCCESS

AT ACCENT WE BENCHMARK OURSELVES USING THE REGULATORY STANDARD VFM METRICS, COMPARED AGAINST THE SECTOR.

In a time of real pressures brought on by high inflation, high fuel costs, increase in interest rates, it is more difficult to directly compare performance not least because the statistics available from the Regulator through the published Global Accounts reflect performance in the previous 12 months (2021/22) and not those for the 2022/23 financial year, therefore the movement in Accent's performance year on year is perhaps of greater importance than before.

The measures chosen by Accent are those of the seven core areas identified by the Regulator of Social Housing but in addition we monitor and record a number of KPI's that help us assess progress in key areas. These are ones which are considered strategically important in measuring our effectiveness and success.

REINVESTMENT IN HOUSING STOCK



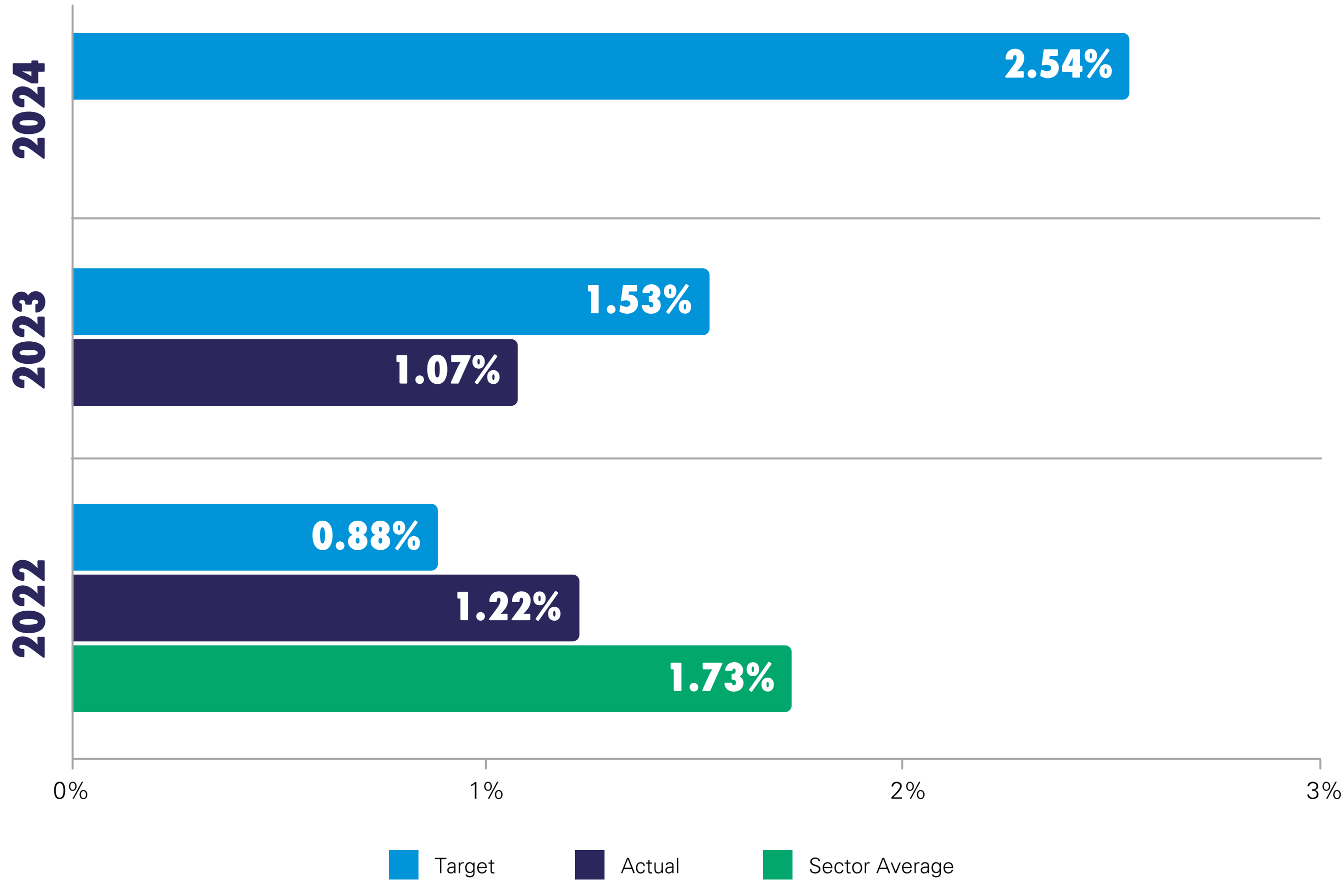
This metric looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held.

Accent launched its development strategy five years ago with a commitment to becoming a more significant player in the UK's response to the housing crisis. Despite recent challenges faced by the UK economy, such as high inflation, high fuel costs, an increase in interest rates, and supply chain challenges, Accent has made strong progress over the last couple of years. The new supply delivered has reduced in the year due to a number of constraints in the operating environment including delays in planning consent. The Group has continued to secure new development sites and has a strong pipeline of sites to enable future development.

The capital spend on existing properties in 2022/23 was £12.5m, which is lower than 2021/22 capital spend of £13.4m. The lower spending is due to a slower than expected start of works with challenges including contractor delays and supply chain issues.

Accent will continuously set ambitious targets for investing in both existing and new properties. Accent plans to deliver circa 3,600 new homes before 2031, indicating its commitment to actively playing its part in addressing the UK's housing crisis. In addition, decarbonisation is a key area of focus for Accent and the sector and will lead to additional investment in existing homes in the coming years as we look to meet the government's targets and support the carbon reduction agenda.

NEW SUPPLY DELIVERED



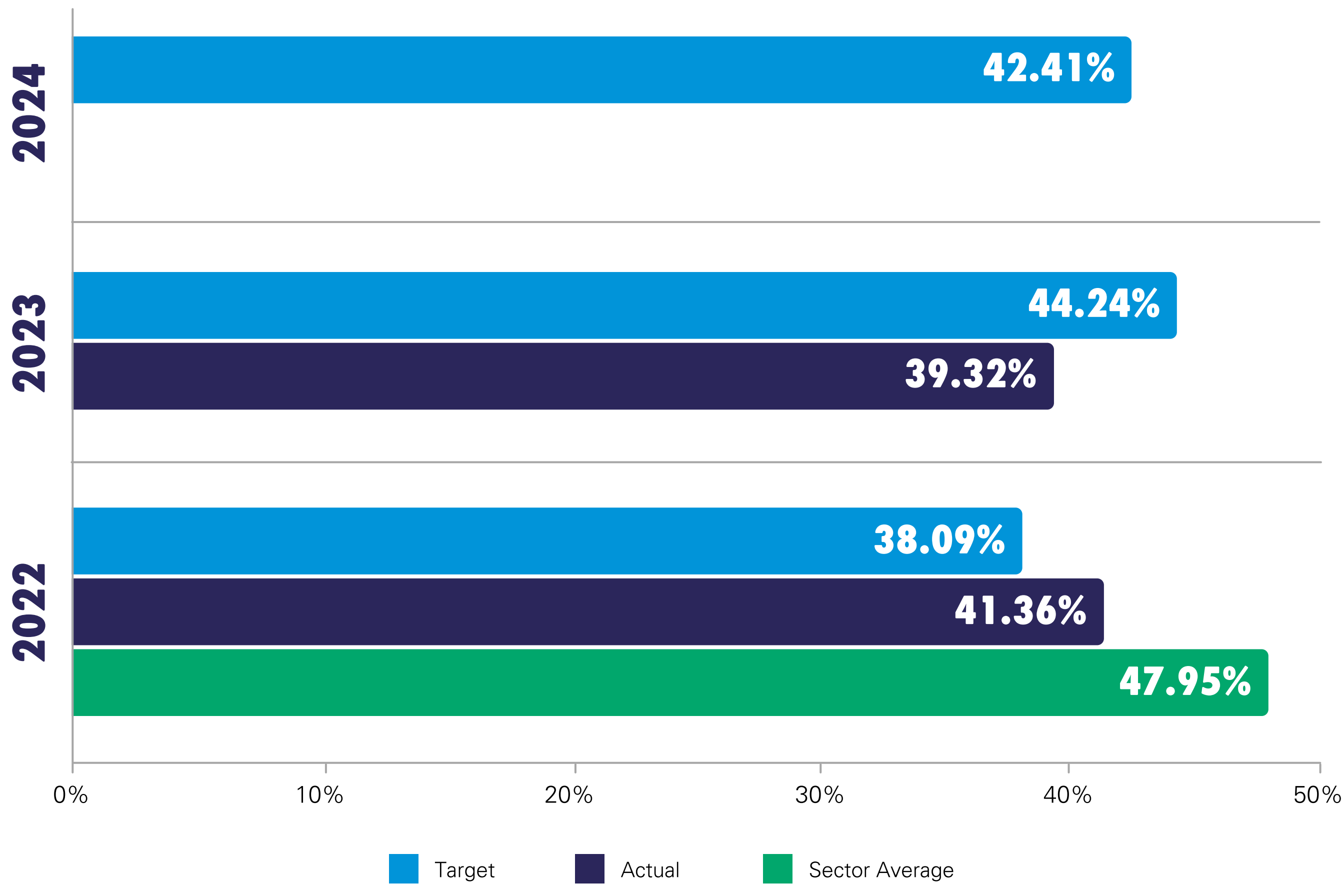
The new supply metric sets out the number of new social housing units that have been acquired or developed in the year as a proportion of total social housing units owned at period end.

Accent's commitment to providing quality, affordable homes to those in need has been further strengthened through its development strategy and ambition. The establishment of a dedicated development team with years of combined experience has enabled Accent to carefully identify development sites that best meet the needs of its future customers while aligning with its overarching strategy. The new supply delivered has reduced from 1.22% to 1.07% in the year due to a number of constraints in the operating environment including delays in planning consent. The identified and working sites are expected to exceed this performance in the 2023/24 financial year, showcasing the strategic changes made at Accent and the success of the new development team in enabling more customers to live in decent, energy-efficient modern homes.

While Accent's focus remains on providing affordable housing, the organisation recognises the importance of shared ownership and has plans in place to deliver a program of new units to meet strong demand. With its commitment to value for money (VFM), Accent's development strategy is aimed at maximising the efficient use of resources to achieve the best outcomes for its customers and stakeholders.

During last year we delivered 11 market based (non-social) homes, which were sold in the year. As the number of non social units developed is so minimal the metric does not translate into a meaningful graph and is not included on that basis. Plans going forward do not include any great exposure to the market excepting a programme of shared ownership new units where we continue to see strong demand despite current uncertainties in the economy.

GEARING

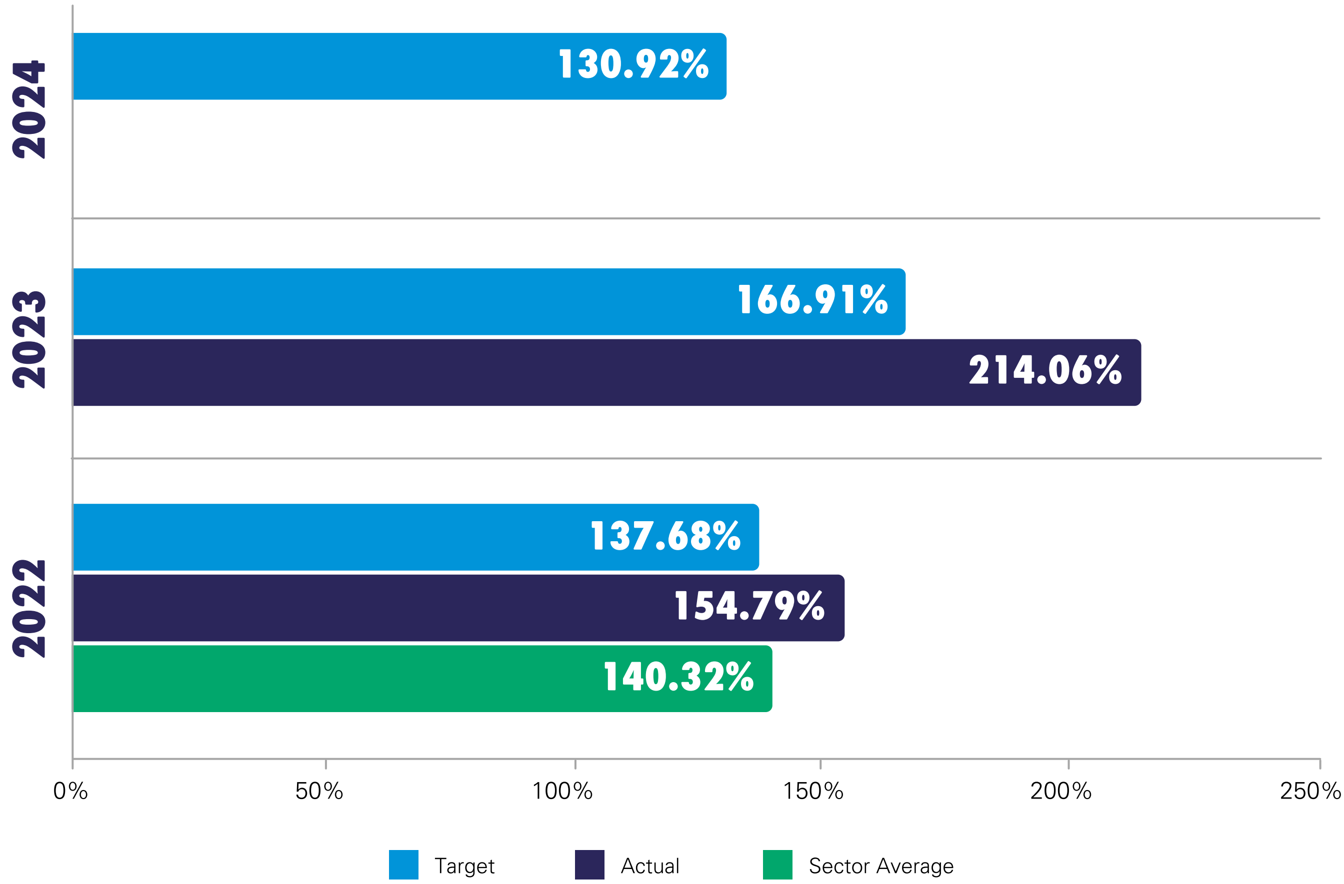


This metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of a registered provider's appetite for growth.

Accent has maintained relatively low levels of gearing for several years, and this trend continued in 2022/23, with a year-end position of 39.32%, down from the previous year's 41.36%. Our surplus funds have benefited from high interest rates and have been used to pay down existing variable rate facilities. The 2022 sector average was recorded at 47.95% but this is of course a blend of developing businesses and those less focussed on growth.

The low level of gearing does give Accent the capacity and opportunity to borrow further funds to continue with its commitment to develop more much needed new homes for rent and sales. This capacity has been factored into our medium and long-term plans, which have been reviewed and approved by the Board. We have also considered our 'Going Concern' accounting statement and reaffirm the future strength and viability of the business in respect of our capacity.

EBITDA MRI COVER



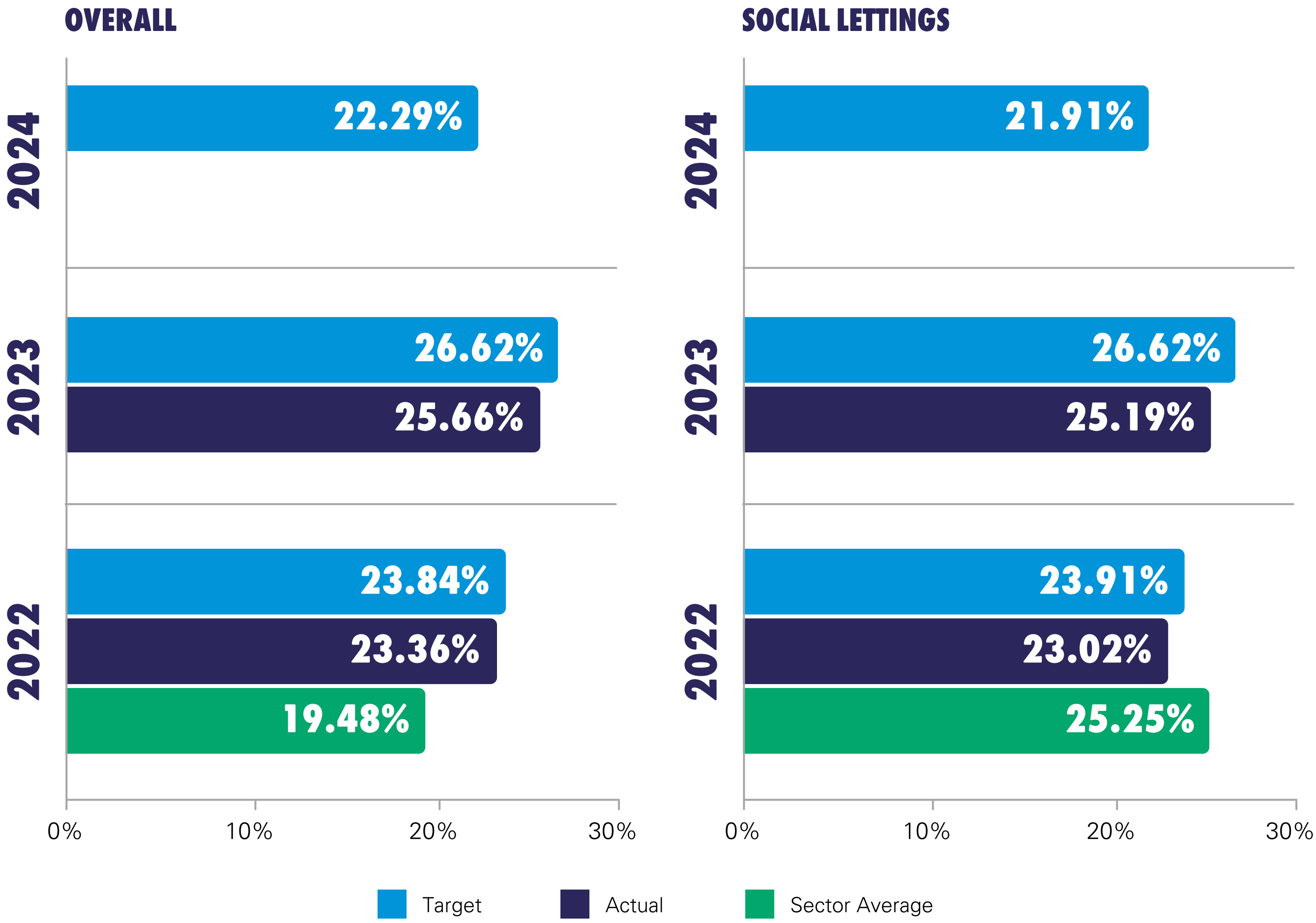
The EBITDA MRI interest cover measure (Earnings Before Interest Tax Depreciation and Amortisation Major Repairs Included Interest Cover) is a key indicator for liquidity and investment capacity. The EBITDA MRI ratio measures the ability of businesses to generate cash.

In the financial year 2022/23, Accent's EBITDA MRI cover improved significantly to 214.06%, up from 154.79% the previous year. This performance reflects the initial financial costs of delivering new homes and the structural changes in debt funding that we made in 2019 and 2021.

However, it's important to note that our ability to deliver our development program was constrained in 2022/23 by planning delays and resulted in lower development spend, which partially influenced the performance compared to budget.

The target for 2023/24 reflects our commitment to invest in our existing and new stock, reflecting at the same time the income rent cap of 7%. We are confident that our commitment to financial discipline and value for money will enable us to continue delivering quality homes to our customers while ensuring the long-term strength and viability of the business.

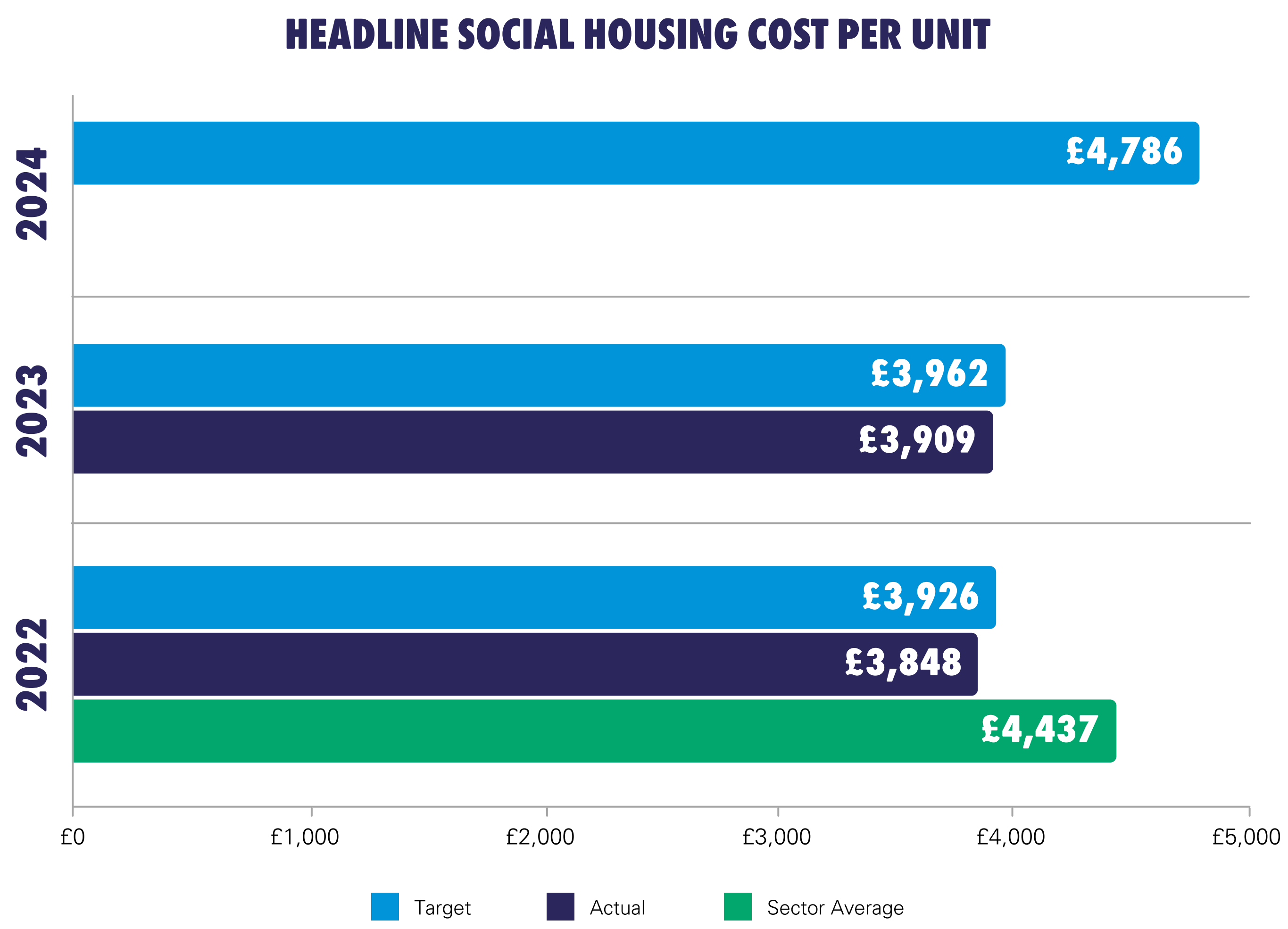
OPERATING MARGIN



The operating margin demonstrates the profitability of operating assets before exceptional expenses are considered.

Accent's operating margin remains consistent, which is a testament to the Group's ability to navigate through the challenging economic environment during the cost-of-living crisis. The Group has effectively managed its costs, made tough decisions to restructure how we operate for future efficiency, and re-engineered processes to achieve savings. These improvements reflect Accent's strong commitment to its social purpose.

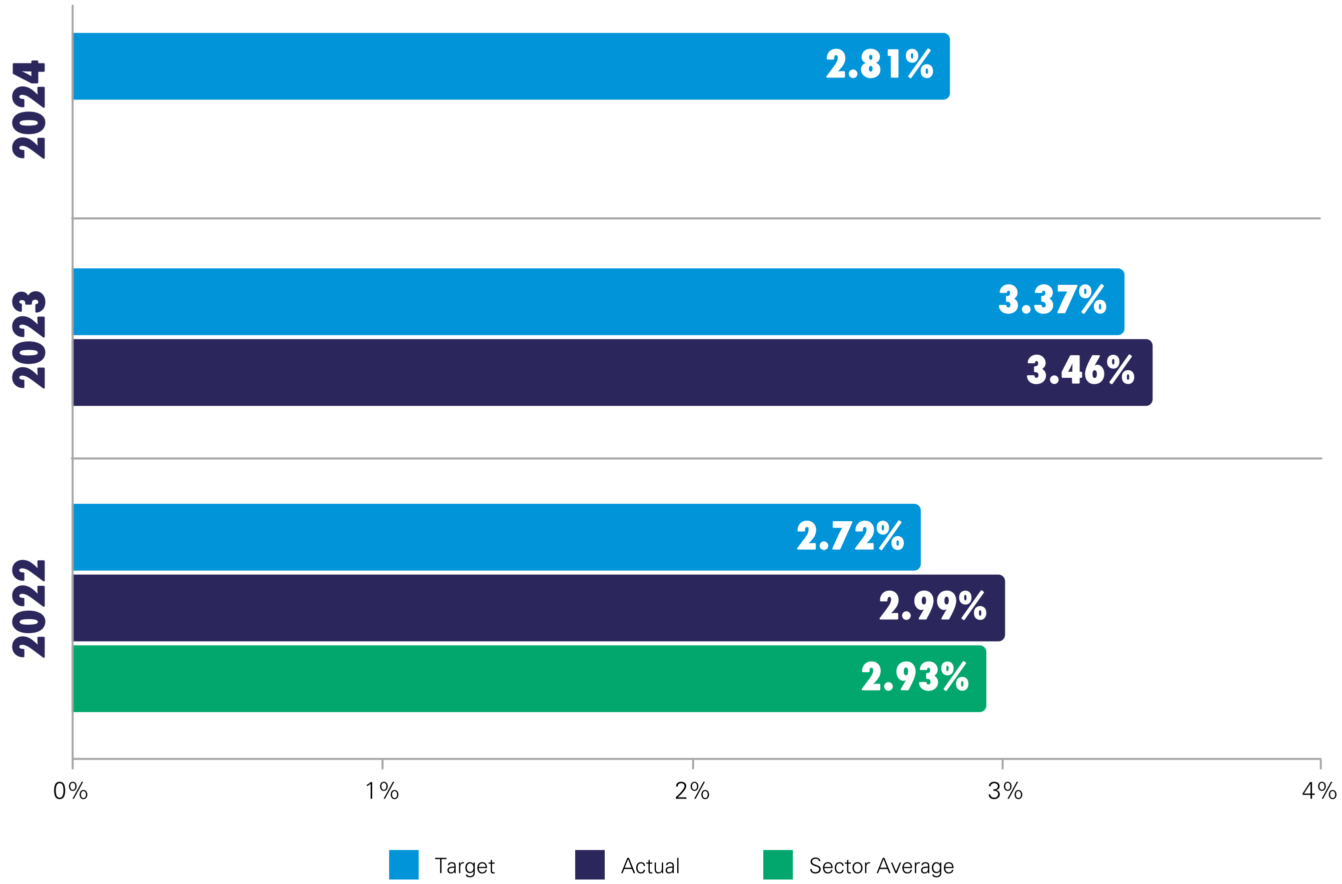
Going forward, the Group will continue to focus on Value for Money and drive operational efficiency. The aim is to balance the benefits of business growth with the addition of new homes while minimising the proportional increase in management costs.



Headline Social Housing cost per unit is very sensitive to fluctuations in repairs delivery activity and to a lesser degree from decisions that impact our asset base, such as disposals etc. The Headline Social Housing cost per unit has shown a slight increase from £3,848 to £3,909. Despite the challenging economic environment, Accent has managed its cost bases tightly, resulting in excellent performance compared to the sector as a whole, which is facing higher costs. To ensure that we continue to provide value for money, Accent will maintain a careful approach to managing costs, always looking to achieve best value while maintaining customer safety and satisfaction.

Looking ahead to 2023/24, we anticipate a challenging time as we balance our budgets, especially taking into account recent inflationary increases, along with our commitment to invest in our services and existing units to improve our customers' homes and lives. These considerations are reflected in the 2023/24 targets. With our continued focus on cost management and value for money, we are confident that we will continue to make progress in improving our social housing cost per unit.

RETURN ON CAPITAL EMPLOYED

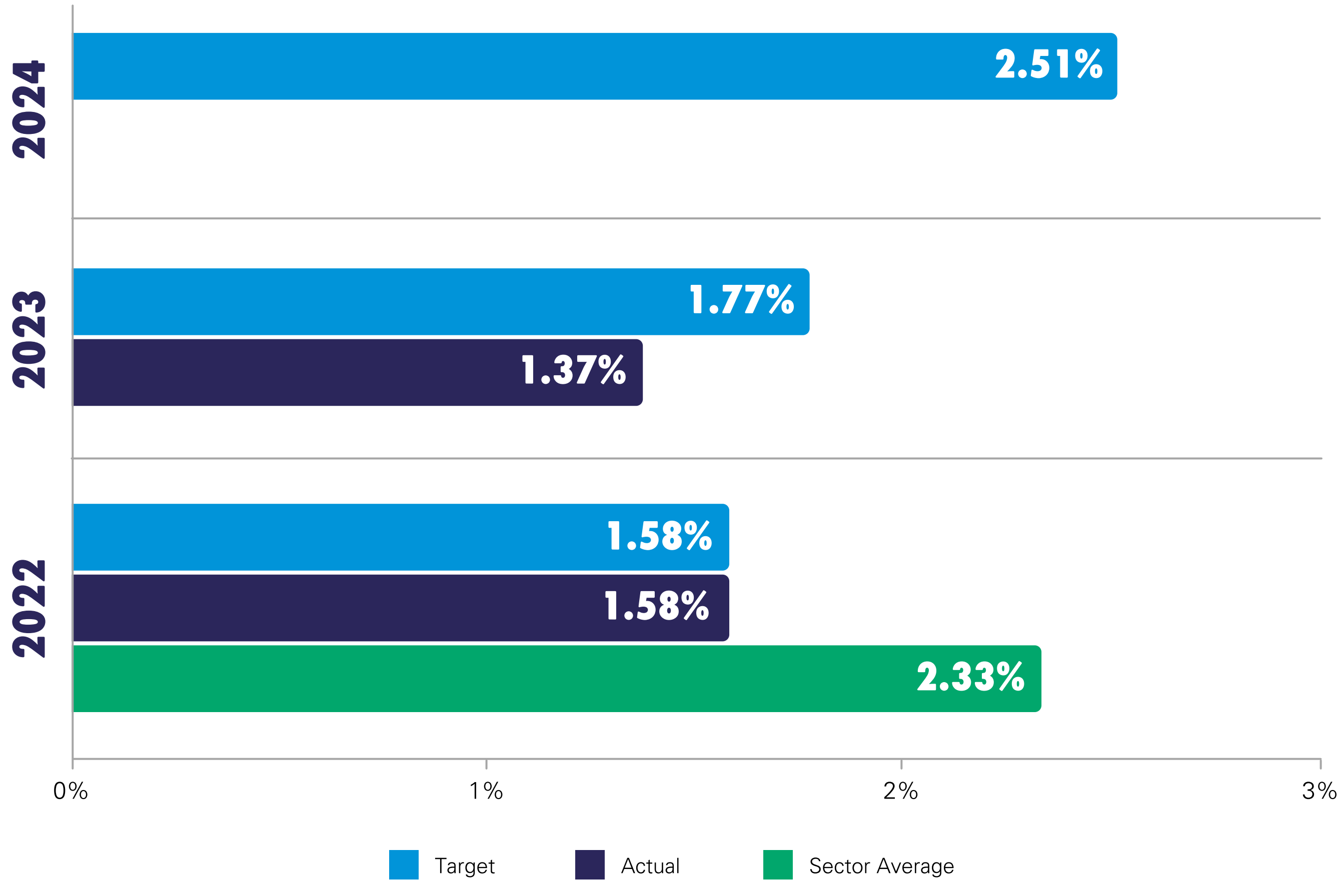


Another key measure of financial performance is the Return on Capital Employed. This provides investors with an assessment on how effective an organisation's assets are being used to drive economic returns.

The return on capital employed (ROCE) for 2022/23 has improved from 2.99% to 3.46%. This is excellent performance in this tough high inflation environment. Accent remains committed to improving its operating margin and ROCE, while ensuring that quality and reinvestment in sustaining its existing stock are not compromised.

In the coming years, Accent plans to invest more in existing homes, customer service, and digital innovation, alongside raising further debt to support these programs. Additionally, repairs and planned maintenance expenditure will start to increase as part of Accent's strategy to invest in existing homes to meet government targets for carbon reduction and energy efficiency measures. This will likely have a short to medium-term impact on ROCE for all housing associations, including Accent, as they make difficult choices regarding their cost base and investment.

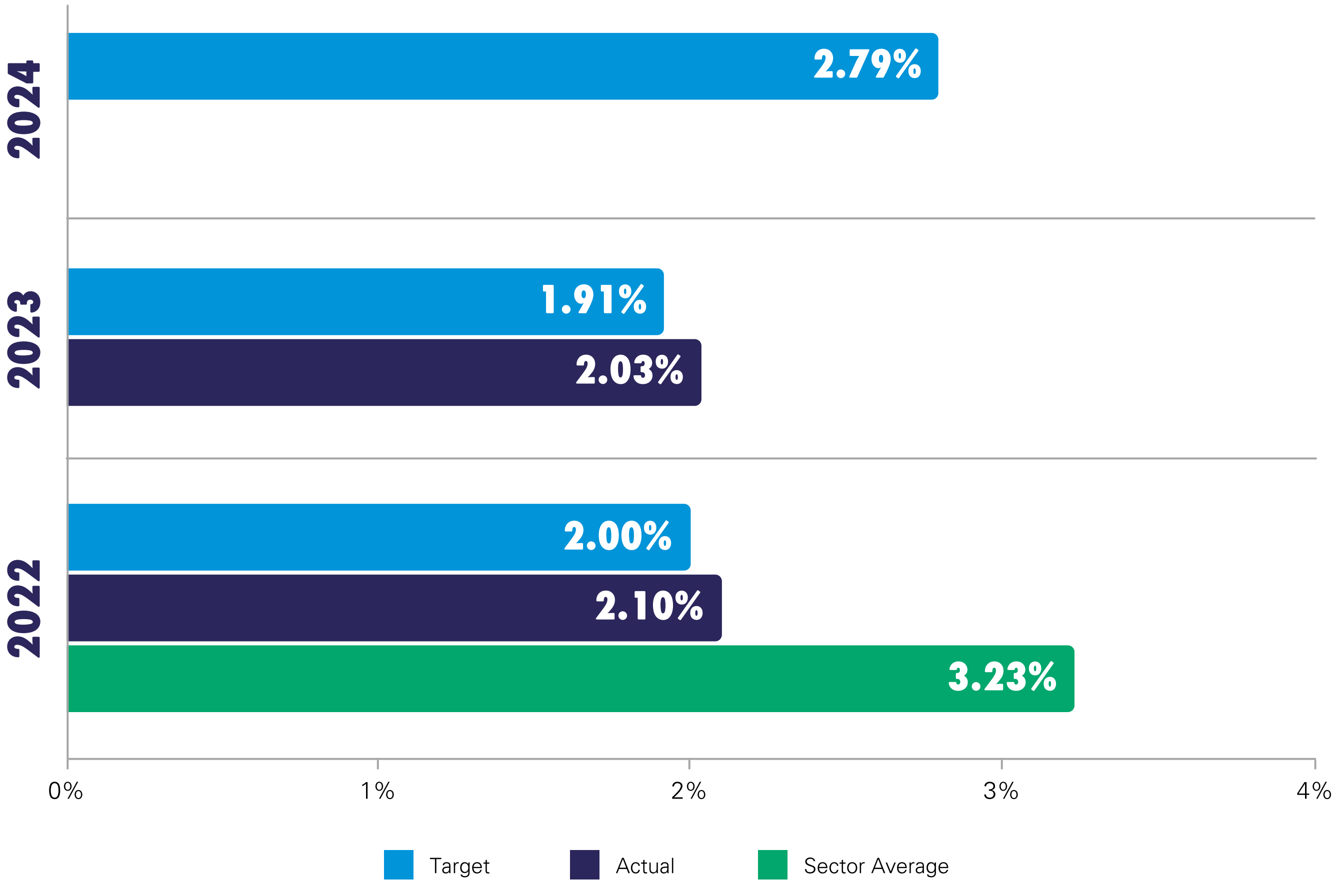
OTHER KPI'S MONITORED BY THE BOARD INCLUDE:
RENT VOIDS AND BAD DEBTS



Accent has delivered strong results with a 1.37% void and bad debt rate, the best performance within the last 2-3 years. Historically, we have maintained relatively low levels of voids and bad debts, consistently running below 2%.

Despite the challenges posed by the cost-of-living crisis and high inflation, our bad debt record remains low. The reletting of homes has recovered from the previous year, and void property repairs have improved.

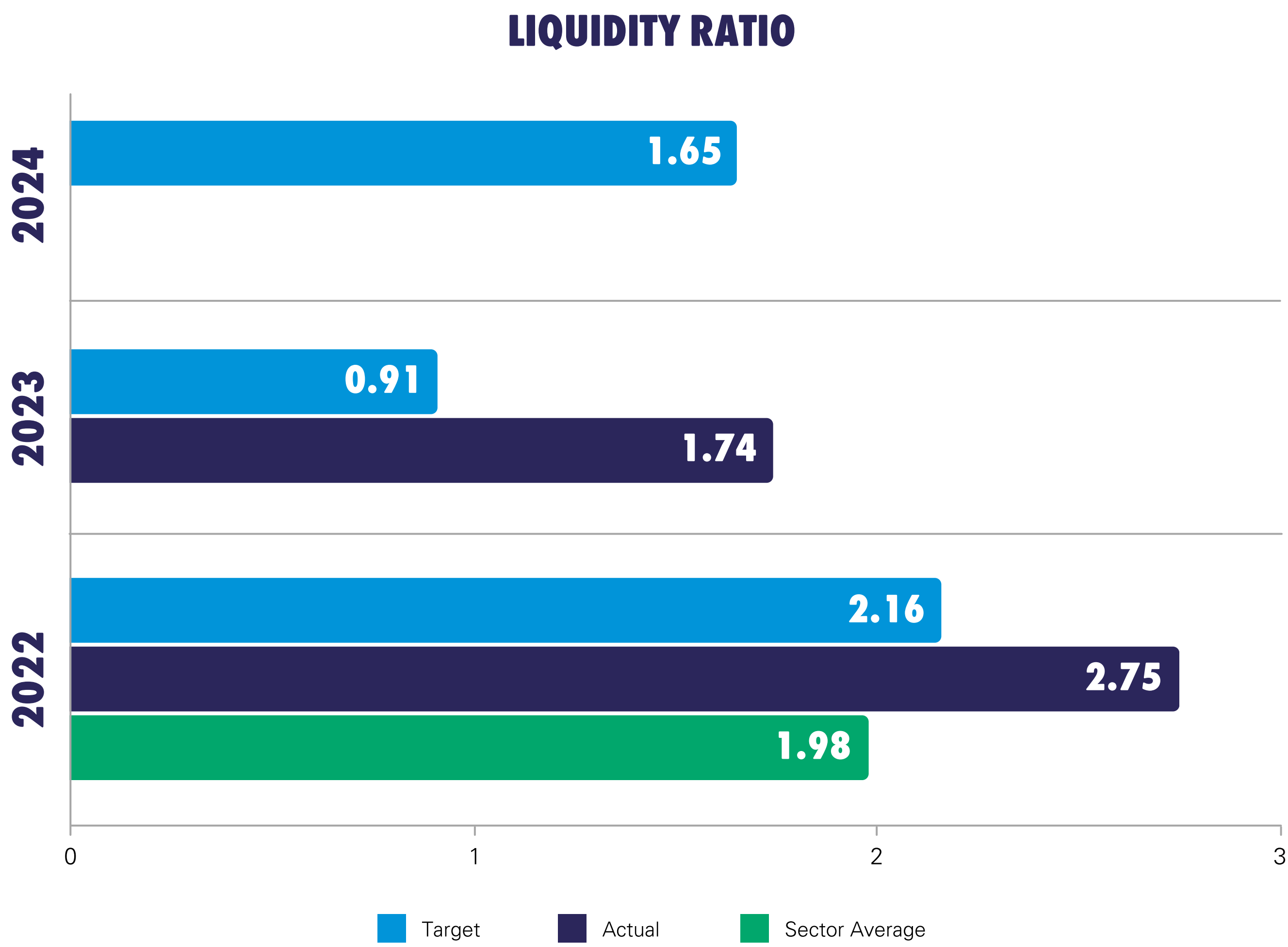
RENT ARREARS



In the face of an increasingly challenging operating environment and acute financial pressures felt by many of our customers due to the cost-of-living crisis and high inflation, Accent has demonstrated a strong performance in rent arrears, which has decreased from 2.10% to 2.03%, compared to sector average of 3.23% (in 2022).

Although slightly above our target (which was set before the cost-of-living crisis was known) this achievement is a testament to our team's commitment to engaging and supporting customers through these difficult times.

Our income collection strategy involves taking a much more supportive approach to handling arrears with customers, using behavioural analytics to target activity towards preventing those most at risk of falling into rent debt. This approach has had a positive impact on minimising increases in overall arrears. We remain dedicated to supporting our customers and ensuring their financial wellbeing, while maintaining the financial sustainability of our organisation. The target for next year has been set considering the projected bad debts profile and taking into account the anticipated economic impacts and the prevailing cost-of-living crisis.



Liquidity is the ability to convert assets into cash quickly.

Due to increased activity in our development programme and investment in the existing stock base, the liquidity ratio has decreased from 2.75 to 1.74. This is significantly higher than our target of 0.91 as a result of delays in our development expenditure emanating from planning challenges. However, Accent continues to maintain strong liquidity with careful management of our cash reserves.

As we continue to deliver on our corporate strategy of Building Better Futures, which prioritises our customers' needs, it remains critical for Accent to manage our cash reserves effectively. We must ensure we have sufficient funds to support our initiatives, with new financing expected within our approved Budget and Business Plan for 2023/24.

VALUE FOR MONEY (VFM) (CONTINUED)

Summary of the results produced by Accent Group and comparing the key criteria set by the Regulator of Social Housing:

Key Measures	Sector Average 2022	Accent 2022	Accent 2023 Target	Accent 2023
REINVESTMENT %	6.83%	8.76%	14.32%	10.20%
NEW SUPPLY DELIVERED/ SOCIAL HOUSING	1.73%	1.22%	1.53%	1.07%
NEW SUPPLY DELIVERED/NON SOCIAL HOUSING	0.03%	0.05%	0.03%	0.00%
GEARING	47.95%	41.36%	44.24%	39.32%
EBITDA MRI	140.32%	154.79%	166.91%	214.06%
OPERATING MARGIN OVERALL	19.48%	23.36%	26.62%	25.66%
OPERATING MARGIN SOCIAL HOUSING	25.25%	23.02%	26.62%	25.19%
HEADLINE SOCIAL HSG COST PER UNIT	£4,437	£3,848	£3,962	£3,909
ROCE	2.93%	2.99%	3.37%	3.46%

VALUE FOR MONEY (VFM) (CONTINUED)

FORWARD LOOKING

Accent sets clear and well thought through targets for all aspects of Value for Money on an annual basis, all of which underpin our corporate strategy and its delivery. Setting forward looking targets for the organisation remains an important aspect of the strategic planning cycle and budgets are set with this in mind. Moving into the 2023/24 financial year Accent has again set a stretching budget but one which meets the needs of our customers and seeks to address some of the existing customer expectations on works and improvements to their homes whilst also ensuring there remains capacity to deliver more new homes to new customers that need them.

2023/24 is also the final year of Building Better Futures, and we have started the process to develop our new strategy for 2024 onwards. In March we brought together all our non-executive directors to hear from Kate Henderson, Chief Executive of the National Housing Federation about shifts in our external operating environment, and to consider how our strategic priorities should respond.

Subsequent discussions explored how Accent are positioned to manage the risks and grasp the opportunities presented by the shifting external environment.

We will build on these discussions through stakeholder engagement as we develop the strategy, but we are very clear that we are in a world which has changed significantly over the last three years. There is greater than ever pressures on households meaning we are ever mindful of the need to be as efficient as possible without compromising the standards of delivery our customers expect.

Having a clear understanding of the financial resources and constraints that underpin our business and driving value through everything we do with the customer at the heart is key to our future success and something every member of the team is committed to.

The Strategic Report was approved and authorised by the Board and signed on its behalf by:

DocuSigned by:
K Spark
D3ACBFF0C8004E3...

04 August 2023

KIRSTY SPARK
SECRETARY

DATE


homemade
homes by accent
accent
BETTER
ACCENTGROUP.ORG/DEVELOPMENT


12
10

REPORT OF THE BOARD

REPORT OF THE BOARD

The Board presents its report and the financial statements for the year ended 31 March 2023.

REPORT OF THE BOARD

Principal activities

The principal activity of the Group is the management and development of affordable housing for those in most need, operating in the East, North East, North West, South East of England and in Yorkshire. The Group also provides housing through low-cost home ownership schemes and leasehold schemes for the elderly. It also operates an assisted living scheme and keyworkers accommodation.

Management judgements and estimates

The preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made are described in note 1 – Accounting Policies.

Performance for the year and future developments

Details of the Group's performance for the year and future plans are set out in the Strategic Report on pages 7 - 56.

Going concern

The Group and Society's business activities and its current financial position are set out above in the Strategic Report and the Report of the Board. In preparing the financial statements on the going concern basis the Board considered the current economic situation with immediate potential for increased costs resulting from higher inflation, higher wage costs, higher interest costs, higher material costs and factored in the following possibilities and outcomes:

- That the current budget, medium- and long-term financial forecasts, including pension obligations, demonstrate that the Group and the Society have sufficient resources to meet all liabilities as they fall due, for the foreseeable future and at least for the 12 months following approval of these accounts.
- Flexing and stress testing of long-term financial forecasts have been prepared to demonstrate that appropriate and practical mitigations are available to the Group and the Society in the case of wider economic uncertainty. The stress tests, which included but were not limited to factors such as increased inflation rates, increased interest rates, rent cap, exceptional expenditure, development delays, and sales price fluctuation, aimed to determine their impact on the plan. Multiple stress scenarios were also applied, and when the plan was 'broken', meaning bank covenants have been breached, mitigating actions were identified, quantified, and their timing determined.
- That banking covenants and funders' requirements have been met and are forecast to be met going forward.
- The impact of the war in Ukraine, Brexit and the rising inflation with its impact especially on utility costs as well as supply challenges have all been considered within the forecasts and stress tests applied to assess the potential impact of varying scenarios. The Group and the Society continue to maintain sufficient liquid resources and committed funding to mitigate any immediate and foreseeable impact in the short, medium and long term to ensure it can manage the potential impact of increase of the risks identified including inflation, increased interest rates and a significant decline in the housing market.

The Group cash position as at 31 March 2023 was £164m, with net cash generated from operating activities of £47m. Cashflow projections do not rely on Government support schemes. The primary reliance the Group and the Society have in respect of Government funding is attributable to rents and service charges settled through Universal Credit and other customer focussed support. Appropriate stress testing, including rent cap, has been undertaken to ensure that a variation in Government policy on such payments can be accommodated within cash flow forecasts.

The Board has reviewed and considered the expected performance and commitments of the Group and the Society over the short and medium term and believes there is a reasonable expectation that the Group has adequate resources to continue in operational existence for foreseeable future, thus ensuring a period of at least 12 months after the date on which the report and financial statements are signed. For this reason, the Board continues to adopt the going concern basis in the financial statements.

REPORT OF THE BOARD (CONTINUED)

Board Members and Co-opted Executive Director

The Board members and co-opted executive director (the current Group Chief Executive) are shown on page 3. The principal responsibilities of the Board are to:

- Mission -
  Lead the Society in pursuit of achieving its social purpose. The Group Board sets the company's mission and values, and regularly reviews and reaffirms their relevance.
- Resident focus -
  The needs and safety of the Society's current and future residents and other customers are placed at the heart of the Group Board's decision-making.
- Equality, diversity and inclusion -
  Demonstrate a clear and active commitment to achieve equality of opportunity, diversity and inclusion in all of the Society's activities, as well as in its own composition. It has policies and publicly visible statements which meaningfully demonstrate this commitment and sets priorities and objectives for the organisation.
- Culture -
  Regularly consider and define the culture and behaviours that will best enable the Society to deliver its mission and values.
- Integrity -
  Ensure that the Group Board, its members and the Society maintain high standards of probity and conduct.
- Accountability -
  Operates openly and transparently, and demonstrates accountability to key stakeholders including residents, other customers, and partner statutory bodies.
- Reputation and trust -
  Take into account in its actions and decisions the importance of maintaining trust in the Society and upholding its reputation.

Our corporate strategy has three key objectives; first, to deliver high quality homes in response to the UK's housing crisis, second, to transform how we provide services to our customers and third to provide an inspirational workplace that allows our colleagues to thrive and deliver outstanding outcomes for customers. Our Board has set a clear statement of intent to use our significant financial capacity to deliver around 2,000 new homes over the next five years, to play our part in addressing the UK's broken housing market.

To monitor the implementation of our corporate strategy and ensure that our business delivers operationally the Board has put in place a committee structure. This committee structure, and its effectiveness, is regularly reviewed by external consultants as part of a triennial independent governance review.

The committee structure in operation during the year comprised:

- Group Audit and Risk Committee -
  which supports the Board in relation to the audit and risk function and to provide reassurance that internal control arrangements across the Group are appropriate and operate to the highest standards.
- Group People Committee -
  which supports the Board in relation to and provides assurance that appropriate governance arrangements are in place in respect of Executive and Non-Executive appointments, succession plans, performance assessments, development plans, and Executive and Non-Executive reward and remuneration.
- Group Treasury Committee -
  which advises the Board on performance and effectiveness of the treasury management function, provide additional scrutiny of treasury proposals and execute any specific delegated decisions.
- Group Capital Investment Committee -
  which is responsible for ensuring delivery of Accent's development programme and asset management strategy. This includes procuring, developing and disposing of land and property.
- Group Customer Experience Committee -
  which reviews the performance and operational service delivery of all housing and customer services and property customer facing functions, including resident feedback. Approves annual operational key performance indicators and set targets for agreed areas of operational service delivery.
- Group Health and Safety Committee -
  which ensure that our policies, procedures and working practices regarding health and safety meet or exceed any legal obligations, with the object of promoting the well-being and safety of our customers, colleagues and communities. The Committee has agreed key performance indicators for both colleague and customer safety and has oversight of a dedicated health and safety risk register.

REPORT OF THE BOARD (CONTINUED)

External Governance Review

Accent commissioned the David Tolson Partnership Limited (DTP) to conduct an independent and objective review of its governance arrangements.

The review was scheduled in accordance with the National Housing Federation (NHF) Code of Governance 2020 Section 3.9, which requires the board to evaluate its effectiveness and assess its business practices. DTP analysed the size, structure, and overall effectiveness of the governance arrangements. In their report, DTP determined that Accent's governance approach is operating well and effective. They found no evidence of non-compliance in respect of the Regulator of Social Housing's (RSH) Governance and Financial Viability Standard or the NHF Code of Governance 2020. Their suggestions were not formal recommendations but rather made in the context of further, continuous improvement for Accent to consider. The Group has the flexibility to apply them or not, but they were made with the aim of enhancing compliance and optimising resource utilisation.

The key recommendations included streamlining the number and composition of committees, reviewing non-executive remuneration, and further developing board reporting.

The Board reviewed and approved the suggestions in the DTP Report, and an Implementation Plan was agreed upon. The Board will oversee the plan's execution until completion in 2023/24.

Board Members and Co-opted Executive Directors

The current process for reviewing individual Board and Committee members' performance has been further improved with external challenge provided by the DTP consultants. The appraisal meetings will continue to appraise contribution, attendance and training and development needs. All Board and Committee members are required to provide an annual governance declaration, including declarations of interest, to ensure on-going independence.

During the past year the Board comprised of the Group Chair and nine non-executive directors and the Group Chief Executive. Two members retired during the year and two new appointments have been made. For details, please see page 3. Biographies for individual Board members are available on the Group's website at www.accentgroup.org. The current Group Chief Executive is employed on terms that are consistent with market practice including a six-month notice period. Details of Board members' remuneration are included in note 7 to the audited financial statements. Board members' remuneration is benchmarked by external consultants. The co-opted executive director is entitled to a vehicle allowance. Group insurance policies indemnify Board members and officers against liability when acting in their professional capacity on Group business.

REPORT OF THE BOARD (CONTINUED)

Remuneration details and attendance levels for Non-Executive Board members at Board and Committee Meetings for the year ended 31 March 2023 is as follows:

	Board/Committee	Meetings Attended	Total Remuneration^
TOM MISKELL (CHAIR)	Group Board: Remuneration and Nominations:	7/7 5/5	**£21,584**
NICI AUDHLAM-GARDINER	Group Board: Audit and Risk:	6/7 4/5	**£9,000**
ILONA BLUE	Group Board: Remuneration and Nominations:	6/7 5/5	**£10,664**
HELEN JAGGAR	Group Board: Customer Experience:	6/7 4/4	**£9,017**
JAMES KELLY	Group Board: Audit and Risk:	6/7 4/5	**£9,138**
ARCHANA MAKOL	Group Board: Audit and Risk:	6/7 5/5	**£9,000**
STEVE PEARSON	Group Board: Capital Investment:	7/7 7/7	**£9,181**
AKSHAY SHAH	Group Board: Treasury:	1/1 4/4	**£4,500**
RICHARD WILKINSON	Group Board: Customer Experience: Health and Safety:	5/7 4/4 4/5	**£9,445**
DAVID WILLIAMS	Group Board: Health and Safety:	1/1 5/5	**£4,826**
SALLY ORIMISTON	Group Board: Customer Experience:	3/5 3/3	**£9,000**
ROB SELDON	Group Board: Audit and Risk: Treasury: Remuneration and Nominations:	6/6 4/5 4/4 5/5	**£9,000**

^Inclusive of expenses and employers national insurance contributions

Pensions

The Group participates in the following pension scheme arrangements:

Employees across the Group are eligible to join the Accent Group Pension Scheme (AGPS), a defined benefit pension scheme in which the Society and employees contribute to the scheme.

The Group also participates in the Social Housing Pension Scheme (SHPS) defined contribution (money purchase) scheme.

Both AGPS and SHPS schemes comply with auto enrolment legislation. The co-opted executive director and executive directors are all active members of the Accent Group Pension Scheme. They participate in the scheme on the same terms as all other eligible staff.

The Group previously participated in the Social Housing Pension Scheme (SHPS) defined benefit scheme. This scheme was closed to Accent employees from 1 August 2016.

REPORT OF THE BOARD (CONTINUED)

Employees, diversity and inclusion

The strength of the Group lies in the quality and commitment of its employees. The Group's ability to meet its objectives and commitments to residents in an efficient and effective manner depends on the contribution of all its employees. The Group continues to provide information on its objectives, progress and activities through regular office and departmental meetings and detailed one to one meetings for staff members with their line managers.

The Group is an equal opportunity employer and complies with all current legislation with regard to equal opportunities. As part of this policy, encouragement is given to the employment of disabled people.

Political and charitable donations

The Group made grants and awards of £8.5k (2022: £2.9k) to individuals and groups based in the communities in which we work. No donations were made to political parties during the year.

Regulatory compliance

Corporate governance

The Board understands that robust governance arrangements are essential to ensure delivery of our corporate strategy and to meet the needs of our stakeholders.

All registered providers are required by the Regulator of Social Housing Governance and Financial Viability Standard to adopt a code of governance. A code of governance sets out the standards that organisations can reasonably be expected to achieve if they are to be well governed.

The Board is committed to ensuring that it has robust governance arrangements that deliver its aims and objectives for tenants and potential tenants in an effective, transparent and accountable manner. Accent was rated as V1 G1 on 26 June 2019 by the Regulator of Social Housing following its In-depth Assessment in March 2019 and this was re-affirmed by the Regulator of Social Housing on 8 December 2021 and 14 December 2022 following annual stability checks.

The National Housing Federation (NHF) 2020 Code of Governance has been adopted by the Board as a formal framework to underpin its governance arrangements. This particular code of governance was selected as it is bespoke to the housing sector and it is a widely recognised example of best practice. Compliance with this code follows the four principles below:

- Mission and Values
- Strategy and delivery
- Board effectiveness
- Control and assurance

Compliance with the Regulatory Standards ensures we will:

- Adhere to all relevant laws.
- Ensure that its constitutional documents are, and remain, fit for purpose.
- Be accountable to residents and relevant stakeholders.
- Safeguard taxpayers' interests and the reputation of the housing sector.
- Have an effective risk management and internal controls assurance framework.

The Board has assessed compliance through self-assessment processes which have included a detailed examination of the effectiveness of the internal controls framework, a comprehensive review of compliance with the Regulatory Standards (which includes adherence to all relevant laws) and an assessment of compliance with the NHF 2020 Code of Governance. An external review of governance, as outlined above, has also been undertaken by external consultants, DTP, within 2022/23 and provided assurance that Accent complies with its chosen code. The Board has assessed that it fully complies with its chosen code of governance.

As part of the annual accounts process the Audit and Risk Committee undertakes a detailed review of regulatory compliance in accordance with standards set by the Regulator of Social Housing.

A regulatory review was undertaken and presented to the committee in July 2022. The Audit and Risk Committee have received suitable assurance that Accent complies with the Governance and Financial Viability Standard.

REPORT OF THE BOARD (CONTINUED)

Accent utilises a range of additional assessment methods to monitor performance and maintain standards. This includes, for example, the annual self-assessment of internal controls and assurance and a number of external independent reviews of key business areas. The insight and opinion of third-party specialists provides the Board with robust assurance and enables Accent to benefit from knowledge of best practice across the sector.

The Board has routinely reviewed Accent's performance against a clear set of agreed measures including the metrics outlined in the Regulator's Value for Money Standard. The pandemic has had a significant impact on the UK economy and our operating environment and so the financial plan has been revised and remodelled accordingly. Board has reviewed, and received assurance from, the increasingly stringent stress tests that have been incorporated into business planning alongside considered mitigating actions which could be implemented should a stressor occur.

The following section outlines the results of our self-assessment of internal controls in more detail.

Internal controls assurance

Introduction

Risk levels in our operating environment have remained high over the past year with no sign of diminishing in the short term. The pandemic and immediate Brexit concerns may have abated but the ongoing Russian invasion of Ukraine and the UK's cost of living crisis has exacerbated risks, in particular those related to rent arrears and third-party dependence. New risks have emerged in recruitment and retention as the UK employment market has evolved to incorporate hybrid working and the political and media spotlight on social housing shines ever brighter, bringing increased reputational risk.

At Accent we complete a review of the internal controls framework annually as part of the accounts adoption process. On the basis of the previous year's internal audit findings and management of risks our framework has been assessed as effective.

Strategic approach

The Board has received quarterly assurance updates regarding progress in delivering against strategic objectives. This has included reports on value for money initiatives, savings and improvements in each area of the corporate strategy. 2022/23 has been year two of the three-year strategy and significant progress has been reported to the Board along with acknowledgement of challenges and clear information about how future plans will address challenges.

Directors have been engaged in plans to prepare for the final year of the corporate strategy and to ensure a timely and effective schedule is in place ahead of launching the next iteration of the corporate strategy in April 2024.

A need for structural change and culture shift to support delivery of the corporate strategy was identified a year ago and significant changes have taken place across the organisation in 2022/23. The Executive and Senior Leadership Team has been re-shaped and includes a blend of colleagues with a wealth of organisational knowledge and experience alongside colleagues who have come into the organisation in the last 12 months bringing fresh perspective, energy and ideas. A significant number of internal teams have undergone a restructure and professionalisation is now a priority to equip colleagues with the best possible customer-focussed skills. This will cement the cultural changes that have been introduced this year and will have a positive impact on delivery of strategic objectives in the year to come.

REPORT OF THE BOARD (CONTINUED)

Risk management

Accent's governance forums have been alive to external and internal changes throughout the year and strategic risks have been constantly discussed and re-assessed, Horizon scanning, peer review and analysis of risk publications - within and outside of sector – has taken place at Executive team, Audit and Risk Committee and Board meetings. As a result, Accent's strategic risk register has been continually updated to ensure it is relevant and meaningful.

The Board has confirmed a date for review of risk appetite as part of the business planning cycle. The risk appetite review is scheduled to follow discussion of the 30-year business plan to ensure full and current understanding of financial capacity but with sufficient time ahead of devising the new iteration of the corporate strategy.

To support risk management at all levels of the organisation, risk management software was implemented in 2022 and over the past year, this has been used to improve the engagement of risk owners and the visibility and understanding of risks and relevant controls.

The emerging risk section of this report on page 13 and 14 includes our assessment of key risks and so this is not repeated here.

Internal Controls

Accent's co-sourced internal audit function was subject to external quality assessment in 2022 and was found to be conforming to professional practice standards.

The three-year risk-based internal audit plan has delivered assurance reports to the Audit and Risk Committee on key risk areas such as rent setting, risk management, health and safety, assets and liabilities register, business continuity planning and diversity and inclusion.

Trends and themes apparent from internal audit work have been discussed by the Executive team and by the ARC and have been used to provide direction and focus in continuous improvement activity.

Assurance

The Board and ARC have obtained assurance through a variety of sources including management reports, internal and external audit work, reviews from independent subject matter experts and direct discussion with consultants. Not least of these has been the in-depth review of governance carried out in 2022 that confirmed strong governance is in place at Accent and made recommendations for best practice improvements that are now being implemented.

Accent's customer engagement strategy has successfully driven the customer voice through governance, into strategy and service development. Customer scrutiny and service improvement has been facilitated through Accent's National Scrutiny Group and through our virtual panel of engaged customer, the Accent 1000. Increased opportunities for customers to influence decision making are planned for the year ahead with regular updates to CEC and the Board.

REPORT OF THE BOARD (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 Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under the Co-operative and Community Benefit Society legislation the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the Society and Group for that period. In preparing these financial statements, the Board are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers 2018, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Society and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It is also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to auditor

At the date of making this report each of the Group's members, as set out on page 3, confirm the following:

- So far as each member is aware, there is no relevant information needed by the Group's auditors in connection with preparing their report of which the Group's auditors are unaware.
- Each member has taken all the steps that they ought to have taken as a member in order to make themselves aware of any relevant information needed by the Group's auditors in connection with preparing their report and to establish that the Group's auditors are aware of that information.

External auditor

BDO LLP has been appointed as auditor of the Group and the Society, which has been approved by the Board.

The report of the Board was approved and authorised by the Board and signed on its behalf by:

DocuSigned by:

D3ACBFF0C8004E3...

04 August 2023

KIRSTY SPARK
SECRETARY

DATE

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCENT GROUP LIMITED

Opinion on the financial statements

In our opinion:

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

We have audited the financial statements of Accent Group Limited ("the Society") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the Consolidated statement of comprehensive income, the Consolidated statement of changes in reserves, the Consolidated statement of financial position, the Consolidated statement of cash flows, the Society statement of comprehensive income, the Society statement of changes in reserves, the Society statement of financial position 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. Our audit opinion is consistent with the additional report to the Audit and Risk Committee.

Independence

Following the recommendation of the Audit and Risk Committee, we were appointed by the Board on 13 January 2023 to audit the financial statements for the year ended 31 March 2023 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is one year, covering the year ended 31 March 2023.

We remain independent of the Group and the Parent Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Society.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Board's assessment of the Group and the Parent Society's ability to continue to adopt the going concern basis of accounting included:

- obtaining management's assessment that supports the Board's conclusions with respect to the disclosures provided around going concern;
- assessing the internal forecasting process to confirm the projections are prepared by appropriate personnel that are aware of the detailed figures in the forecast and also have a high level understanding of the Group's markets, strategy and profile in the customer base;
- considering the forecasts prepared by management and challenging key assumptions based on our knowledge of the business. As referred to in the basis of going concern policy, management have modelled reasonably possible downside scenarios to incorporate the impact of Russia/Ukraine Crisis, Brexit and rising inflation. We have considered the appropriateness of the downside scenarios stated above and challenged management to confirm that they had suitably addressed the inputs, which are most susceptible to change, including those in respect of rental income, property sales, margins and cost savings;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCENT GROUP LIMITED (CONTINUED)

- challenging management on the suitability of the mitigating actions identified by management in their assessment and the quantum and period ascribed to these mitigating actions;
- obtaining and assessing the availability of financing facilities, including the nature of the facilities, repayment terms and financial covenants. We considered management's financial covenant compliance calculations through to September 2024 and concluded on the consistency of such calculations with the ratios stated in relevant lender agreements; and
- considering the adequacy of the disclosures in the financial statements against the requirements of the accounting standards and consistency of the disclosure against the going concern assessment performed.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Overview

COVERAGE	*100% of Group surplus before tax* *100% of Group revenue* *100% of Group total assets*	
KEY AUDIT MATTERS	Change in accounting policy from valuation to historic cost for Housing Properties	2023 ✔
MATERIALITY	*Group financial statements as a whole* £1,021k based on 7% of adjusted operating surplus	

An overview of the scope of our audit

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

Audit work on all components was performed by BDO UK both for the purposes of reporting on the individual financial statements and for group/consolidation purposes. However, we identified three components which, in our view required an audit of their complete financial information independent of their statutory requirement due to their size or risk characteristics and were therefore considered to be significant components:

-Accent Housing Limited
-Accent Capital plc
-Accent Homemade Limited

All entities within the Group have been subject to a full scope audit by BDO UK.

Key audit matters

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCENT GROUP LIMITED (CONTINUED)

KEY AUDIT MATTER		HOW THE SCOPE OF OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Change in accounting policy from valuation to historic cost for Housing Properties Accounting Policies – Prior period restatement – accounting policy change Note 2 & 8 for impact of Grant treatment, 10 for impact on Housing Properties, 15, 16 & 18 for impact on Deferred Grant & 29 for overall impact of prior year restatement	As disclosed in note 29, during the current year, Accent changed the accounting policy for the measurement of Housing Properties moving from the revaluation model to the cost model. In doing so management believe their accounts will provide more reliable and comparable information as this brings them in line with the majority of the Sector. Further, as a result of the above, the policy for Grant recognition becomes the accrual model rather than the performance model as stipulated by the Housing SORP 2018. The grant is capitalised when initially recognised and amortised over the life of the asset it is supporting (Housing – Structure). As required by FRS 102, the change in accounting policy has been applied retrospectively. Retrospective application requires the restatement of the statement of financial position, statement of comprehensive income, statement of cash flows, and accompanying notes; and disclosure of the effect on the current period, prior periods, and in aggregate for earlier periods. There is a risk that the accounting for the change in policy will lead to inaccurate or incomplete Housing Property, Grant values or associated income / expenditure. Given the high number of individual balances impacted by this change and the overall impact on the financial statements the risk was considered to be significant and we considered this to be a key audit matter.	Our audit response involved the following: • Review and challenge of Management's assessment of the requirement for a change in policy, including 3rd Party expert advice and impact on current and comparative periods. This represents management's most significant assumption attaching to the key audit matter. • In order to gain assurance over completeness of Housing Properties and Grants we obtained the reconciliation of the Fixed Asset Register, Grant Register, General Ledger and Financial Statements disclosure and agreed the relevant balances. • In order to gain assurance over accuracy and existence of assets we agreed a sample of property components to external third party invoices to confirm the original cost. • We have agreed the reconciliation from the housing properties details per the Audited Accounts to third party property valuation reports on the asset valuation. • We have conducted sample testing on the accuracy and completeness of these reports and considered the qualifications of the third party expert. • We have considered the audit work of the predecessor auditor as part of our assessment of opening balances. • In order to gain assurance over accuracy of Grant balances a sample of Grant additions have been agreed to external third party issuers website to assess the original values. Key observations: We noted no material exceptions through performing these procedures.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCENT GROUP LIMITED (CONTINUED)

Our application of materiality

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

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

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

	GROUP FINANCIAL STATEMENTS	PARENT SOCIETY FINANCIAL STATEMENTS
	2023	2023
MATERIALITY	£1,021k	£1k
BASIS FOR DETERMINING MATERIALITY	Based on 7% of adjusted operating surplus as defined by the Group's lending covenants.	Based on 1% of total assets capped at de-minimis limit of £1,000
RATIONALE FOR THE BENCHMARK APPLIED	Management reports its performance to key stakeholders and monitors the business based adjusted operating surplus as defined by the loan covenants. Under the definition, depreciation is added back, grant amortisation, loss of disposal of fixed assets and capitalised major repairs are deducted.	The Parent Society has no trade or expenditure, it exists only to hold the investment in Accent Housing Limited which is the trading housing entity which further hold the other trading and financing subsidiaries. The investment is held at cost, therefore any stakeholders would consider the value of investment in making decisions.
PERFORMANCE MATERIALITY	£715k	£1k
BASIS FOR DETERMINING PERFORMANCE MATERIALITY	Performance materiality was set at 70% of materiality.	Performance materiality was set at 70% of materiality. However value is already capped at de-minimis limit of £1,000.
RATIONALE FOR DETERMINING PERFORMANCE MATERIALITY	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and our understanding of the audit entity.	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and our understanding of the audit entity.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCENT GROUP LIMITED (CONTINUED)

Component materiality

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group, apart from the Parent Society whose materiality is set out above, based on a percentage of between 39% and 93% of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £400,000 to £950,000. In the audit of each component, we further applied performance materiality levels of 70% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit & Risk Committee that we would report to them all individual audit differences in excess of £40,000. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Board are responsible for the other information. The other information comprises the information included in the Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of responsibilities of the Board, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCENT GROUP LIMITED (CONTINUED)

Auditor’s responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations

Based on:
- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance, the Audit & Risk Committee and Internal Audit;
- Obtaining and understanding of the Group’s policies and procedures regarding compliance with laws and regulations; and
- Review of Financial Conduct Authority Regulatory Permissions

We considered the significant laws and regulations to be FRS 102, Co-operative and Community Benefit Societies Act 2014, Direction for Private Registered Providers of Social Housing 2019, UK tax legislation and the Financial Services and Markets Act 2000 (FSMA).

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be data protection, Financial Conduct Authority Regulatory Permissions and health and safety legislation.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCENT GROUP LIMITED (CONTINUED)

Fraud

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

- Enquiry with management and those charged with governance, Accent Group internal auditor and their co-sourced external provider regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance (which include a Fraud Register review) for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be management's incentives and opportunities for fraudulent manipulation in relation to posting inappropriate journal entries to revenue or capitalised major expenditure.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Involvement of forensic specialists in the audit to challenge our planning review and the assumptions we were making over the areas fraud would most likely be perpetrated;
- Assessing significant estimates made by management for bias in particular the justification for moving Housing Properties from Valuation to Historic Cost; and
- Considering the IT controls around the journal posting and the impact control limitations could have on the validity of data available and the testing conducted.

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCENT GROUP LIMITED (CONTINUED)

Use of our report

This report is made solely to the members of the Society, as a body, in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Society'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 Society and the members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
BDO LLP
829727ECC12041D...

BDO LLP
STATUTORY AUDITOR
Manchester, United Kingdom

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

04 August 2023

DATE

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £'000	2022 restated £'000
Turnover	2	115,345	107,886
Other income	2	1,294	220
Operating costs	2	(87,040)	(82,903)
Gain on disposal of housing properties	2	2,805	1,978
OPERATING SURPLUS		**32,404**	**27,181**
Deficit from interest in associated undertakings	27	(7)	(102)
Interest receivable and other income	5	3,100	324
Interest payable and financing costs	6	(14,011)	(13,078)
Movement in fair value of financial instruments	25	-	62
SURPLUS FOR THE YEAR BEFORE TAXATION	8	**21,486**	**14,387**
Taxation on ordinary activities	9	-	203
SURPLUS FOR THE YEAR AFTER TAXATION		**21,486**	**14,590**
Actuarial gain in respect of Accent Group Pension Scheme	26	7,127	8,077
Actuarial (loss)/ gain in respect of Social Housing Pension Scheme	26	(1,060)	901
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**27,553**	**23,568**

All amounts relate to continuing activities.

The accompanying notes on pages 84 to 135 form part of these financial statements.

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

DocuSigned by: 69377C1F8D074AE...	DocuSigned by: Archana Makol 97F0F0C46E574C6...	DocuSigned by: K Spark D3ACBFF0C8004E3...
TOM MISKELL	**ARCHANA MAKOL**	**KIRSTY SPARK**
CHAIR	**MEMBER**	**SECRETARY**
DATE 04 August 2023	04 August 2023	04 August 2023

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2023

	Revenue reserve restated £'000	Revaluation reserve restated £'000	Total restated £'000
Balance at 1 April 2021	279,899	122,300	402,199
Prior period adjustment (note 29)	(191,894)	(122,300)	(314,194)
Balance at 1 April 2021 restated	**88,005**	**-**	**88,005**
Surplus for the year	14,590	-	14,590
Other comprehensive income for the year:			
Actuarial gain in respect of Accent Group Pension Scheme	8,077	-	8,077
Actuarial gain in respect of Social Housing Pension Scheme	901	-	901
Balance at 31 March 2022 restated	**111,573**	**-**	**111,573**
Surplus for the year	21,486	-	21,486
Other comprehensive income/(loss) for the year:			
Actuarial gain in respect of Accent Group Pension Scheme	7,127	-	7,127
Actuarial loss in respect of Social Housing Pension Scheme	(1,060)	-	(1,060)
Balance at 31 March 2023	**139,126**	**-**	**139,126**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Notes	2023 £'000	2022 restated £'000
Tangible fixed assets			
Housing properties	10	844,985	780,747
Other tangible fixed assets	11	5,230	6,410
Other intangible fixed assets	11	206	409
Investment properties	11	4,995	3,701
		855,416	791,267
Interest in associated and joint venture undertakings			
Share of net assets		9	16
		855,425	791,283
Current assets			
Properties held for sale	13	14,258	14,483
Debtors: due within one year	14	5,236	3,123
due after one year	14	1,702	1,691
Current asset investments	12	25,002	25,002
Cash at bank held in constructive trust		6,823	5,308
Cash at bank and in hand		132,457	134,121
		185,478	183,728
Current liabilities			
Creditors: Amounts falling due within one year	15	(105,359)	(66,315)
Net current assets		80,119	117,413
Total assets less current liabilities		935,544	908,696
Creditors: Amounts falling due after more than one year	16	(789,167)	(782,348)
Net pensions liability	26	(7,251)	(14,775)
Total net assets		**139,126**	**111,573**
Capital and reserves			
Share capital	21	-	-
Revenue reserve		139,126	111,573
Total reserves		**139,126**	**111,573**

The accompanying notes on pages 84 to 135 form part of these financial statements.

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

DocuSigned by: 69377C1F8D074AE...	DocuSigned by: 97F0F0C46E574C6...	DocuSigned by: D3ACBFF0C8004E3...
TOM MISKELL CHAIR	**ARCHANA MAKOL** MEMBER	**KIRSTY SPARK** SECRETARY
DATE 04 August 2023	04 August 2023	04 August 2023

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £'000	2022 restated £'000
Net cash generated from operating activities	22	47,243	27,057
Cash flow from investing activities			
Purchase of tangible fixed assets - Housing properties		(90,142)	(55,481)
Purchase of tangible fixed assets - Other fixed assets		(436)	(643)
Proceeds from sale of tangible fixed assets		5,837	4,822
Grants received		41,125	16,515
Interest received		2,355	123
		(41,261)	(34,664)
Cash flow from financing activities			
Interest paid		(15,401)	(13,554)
Interest element of finance lease rental payments		-	(20)
Repayments of borrowings		(5,730)	(47,860)
New secured loan		15,000	130,649
New loan issue costs		-	(753)
Capital element of finance lease rental payments		-	(5)
		(6,131)	68,457
Net change in cash and cash equivalents		(149)	60,850
Cash and cash equivalents at beginning of the year		164,431	103,581
Cash and cash equivalents at end of the year		**164,282**	**164,431**
Current asset investments		25,002	25,002
Cash at bank held in constructive trust		6,823	5,308
Cash at bank and in hand		132,457	134,121
Cash and cash equivalents at end of the year		**164,282**	**164,431**

The accompanying notes on pages 84 to 135 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

During the year the Society undertook no transactions. The Society has not traded since its incorporation on 1 April 2008.

Audit fees were borne and Board members were remunerated by Accent Housing Limited.

STATEMENT OF CHANGES IN RESERVES

The Society has not traded since incorporation and does not have any accumulated reserves, other than share capital.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Notes	2023 £'000	2022 £'000
Fixed asset investments		8	9
Current assets			
Debtors		1	-
Current liabilities			
Creditors		-	(1)
		9	8
Capital and reserves			
Share capital	21	9	8

The accompanying notes on pages 84 to 135 form part of these financial statements.

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

DocuSigned by:
69377C1F8D074AE...

TOM MISKELL
CHAIR

DocuSigned by:
Archana Makol
97F0F0C46E574C6...

ARCHANA MAKOL
MEMBER

DocuSigned by:
K Spark
D3ACBFF0C8004E3...

KIRSTY SPARK
SECRETARY

DATE 04 August 2023 — 04 August 2023 — 04 August 2023

NOTES TO THE FINANCIAL STATEMENTS

Legal status and Group structure

Accent Group Limited is the ultimate holding entity into which the results of all subsidiary companies are consolidated. The terms “Group” or “Accent” in the report and financial statements refers to the consolidation of Accent Group Limited and all its subsidiaries. The term “Society” refers to the statutory entity Accent Group Limited.

The subsidiaries in the Group include Accent Housing Limited, Accent Homemade Limited, Domus Services Limited and Accent Capital PLC.

The Society is a charitable society incorporated under the Co-operative and Community Benefit Societies Act 2014, registered society number 30444R, and registered with the Regulator of Social Housing (RSH), registered number L4511.

Accent Housing Limited is a charitable society incorporated in England under the Co-operative and Community Benefit Societies Act 2014, registered society number 19229R, and registered with the Regulator of Social Housing (RSH), registered number LH1722.

Accent Homemade Limited is a limited company incorporated and registered under the Companies Act 2006 in England and Wales, registered number 05591747.

Domus Services Limited is a company limited by guarantee incorporated and registered under the Companies Act 2006 in England and Wales, registered number 01841639.

Accent Capital PLC is a public limited company, incorporated on 20 May 2019 and registered in England and Wales, registered number 12007129. The Company is registered under the Companies Act 2006 and has listed debt on the London Stock Exchange. The registered office is Charlestown House, Acorn Park Industrial Estate, Charlestown, Shipley, West Yorkshire, BD17 7SW.

1. ACCOUNTING POLICIES

Basis of accounting and comparative amounts

The financial statements of the Group and Society are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS102) and the Housing SORP2018; Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

The financial statements are prepared in Sterling (£).

The individual accounts of the Society have also adopted the following disclosure exemptions:

- The requirement to present a statement of cash flows and related notes.
- Financial instrument disclosures.

Accent Group Limited is a public benefit entity in accordance with FRS102.

Going concern

The Group and Society’s business activities and its current financial position are set out above in the Strategic Report and the Report of the Board. In preparing the financial statements on the going concern basis the Board considered the current economic situation with immediate potential for increased costs resulting from higher inflation, higher wage costs, higher interest costs, higher material costs and factored in the following possibilities and outcomes:

- That the current budget, medium- and long-term financial forecasts, including pension obligations, demonstrate that the Group and the Society have sufficient resources to meet all liabilities as they fall due, for the foreseeable future and at least for the 12 months following approval of these accounts.
- Flexing and stress testing of long-term financial forecasts have been prepared to demonstrate that appropriate and practical mitigations are available to the Group and the Society in the case of wider economic uncertainty. The stress tests, which included but were not limited to factors such as increased inflation rates, increased interest rates, rent cap, exceptional expenditure, development delays, and sales price fluctuation, aimed to determine their impact on the plan. Multiple stress scenarios were also applied, and when the plan was ‘broken’, meaning bank covenants have been breached, mitigating actions were identified, quantified, and their timing determined.
- That banking covenants and funders’ requirements have been met and are forecast to be met going forward.
- The impact of the war in Ukraine, Brexit and the rising inflation with its impact especially on utility costs as well as supply challenges have all been considered within the forecasts and stress tests applied to assess the potential impact of varying scenarios. The Group and the Society continue to maintain sufficient liquid resources and committed funding to mitigate any immediate and foreseeable impact in the short, medium and long term to ensure it can manage the potential impact of increase of the risks identified including inflation, increased interest rates and a significant decline in the housing market.

1. ACCOUNTING POLICIES (CONTINUED)

Cashflow projections do not rely on Government support schemes. The primary reliance the Group and the Society have in respect of Government funding is attributable to rents and service charges settled through Universal Credit and other customer focussed support. Appropriate stress testing, including rent cap, has been undertaken to ensure that a variation in Government policy on such payments can be accommodated within cash flow forecasts.

The Board has reviewed and considered the expected performance and commitments of the Group and the Society over the short and medium term and believes there is a reasonable expectation that the Group has adequate resources to continue in operational existence for foreseeable future, thus ensuring a period of at least 12 months after the date on which the report and financial statements are signed. For this reason, the Board continues to adopt the going concern basis in the financial statements.

Segmental reporting

For the purpose of segmental reporting, the chief operating decision maker (CODM) is considered to be the Group Executive. In line with the segments reported to the CODM, the presentation of these financial statements and accompanying notes are in accordance with the Accounting Direction for Private Registered Providers of Social Housing 2022 and is considered appropriate. Information about income, expenditure and assets attributable to material operating segments are presented on the basis of the nature and function of housing assets held by the Group. This is appropriate on the basis of the similarity of the services provided, the nature of the risks associated, the type and class of customer and the nature of the regulatory environment across all of the geographical locations in which the Group operates. The CODM do not review disaggregated financial information of assets and liabilities at this level of operating segment. Segmental information is disclosed in note 2.

Basis of consolidation

Consolidated financial statements have been prepared in accordance with the requirements of FRS102. The Group accounts consolidate the accounts of the Society and all its subsidiaries at 31 March using acquisition accounting. The Group accounts also include its associate and its joint venture at 31 March using the equity method. The subsidiary and associated undertakings and the basis for inclusion within the consolidated financial statements are set out in note 27. Transactions within the Group have been eliminated on consolidation.

Turnover

Turnover represents rental and service charge income receivable, first tranche shared ownership sales, finance lease income receivable, grants, management charges, and the value of goods and services supplied within the year. Turnover is recognised in the statement of comprehensive income on the following bases:

- Rent income is included in turnover for the period that the residents are in occupation of the property during the accounting period, as opposed to the date on which the rent is charged, net of voids.
- The Group adopts a fixed method for calculating and charging service charges to its tenants and a variable method for leaseholders. Income is recognised based on the amounts chargeable. Expenditure is recorded when a service is provided.
- Income from first tranche shared ownership sales is recognised at the point of legal completion of the sale.
- Government grants include grants receivable from Homes England, local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.
- Non-social housing letting income is included in turnover for the period that the tenants are in occupation of the property during the accounting period, as opposed to the date on which the rent is charged.
- Management charges and charges for services are included in income over the period for which the service is provided during the accounting period.

Revenue grants

Grants in respect of revenue expenditure are credited to the statement of comprehensive income in the same period as the expenditure to which they relate.

Supported housing projects managed by agencies

Supported housing grants are managed by the relevant Local Authority (LA). As the grants are paid to cover expenditure related to housing support they are only payable to the organisation that provides the support and is therefore contracted by the LA. It is the Agents that provide the support and the Group provides the housing management. The grants are paid direct to the Agents and the Group invoices on a monthly basis for its charges. The treatment of other income and expenditure in respect of projects depends on whether the Group carries the financial risk.

Where the Group carries the majority of the financial risk, for example, for losses from voids and arrears, all the project's income and expenditure is included in the statement of comprehensive income (see note 2). Where the agency carries the majority of the financial risk, the statement of comprehensive income includes only that income and expenditure which relates solely to the Group. Other income and expenditure of projects in this category is excluded from the statement of comprehensive income.

Where the Group holds the support contract with the Supporting People Administering Authority and carries the financial risk, all the project’s income and expenditure is included in the Group’s statement of comprehensive income (see note 2). Where the agency holds the support contract with the Supporting People Administering Authority and carries the financial risk, the statement of

1. ACCOUNTING POLICIES (CONTINUED)

comprehensive income includes only that income and expenditure which relates solely to the Group. Other income and expenditure of projects in this category is excluded from the Group's statement of comprehensive income.

Value added tax

The Group charges value added tax (VAT) on some of its income and is able to recover only part of the VAT it incurs on expenditure. This irrecoverable VAT is a cost to the Group and consequently the financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Taxation

The charge for corporation tax is based on the surplus or deficit arising from non-charitable activities for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method on all timing differences that have arisen, but not reversed by the statement of financial position date, unless such provision is not permitted by FRS102. Deferred tax liabilities are not discounted. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

In accordance with FRS102 deferred tax is not provided for gains on the sale of non-monetary assets, if the taxable gain will probably be rolled over, or on revaluation gains on housing properties unless there is a binding agreement to sell them at the statement of financial position date.

Deferred tax relating to investment property that is measured at fair value is measured using the tax rates and allowances that apply to the sale of the asset, except for investment property that has a limited useful life and is held in a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time.

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the statement of financial position date.

Tangible fixed assets and depreciation

Housing properties and other properties held for letting

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.

All housing properties are assumed to comprise several components which require periodic replacement and have substantially different useful economic lives. The components comprising a housing property are accounted for separately and are defined as follows:

- 15 years – Heat source (boilers etc)
- 20 years – Kitchen
- 30 years – Windows, doors and rainwater goods; bathroom; heat system (radiators etc); electrical system; and external works
- 60 years – Roof covering
- 100 years – Structure
- Not depreciated – Land

Where components are replaced before they have been fully depreciated the remaining un-depreciated amount is charged to the statement of comprehensive income and disclosed as part of the depreciation charge for the period. In doing this the component is derecognised from the financial statements upon replacement. Replacement components are added to Housing Properties, stated at cost and depreciated over their useful economic life. The estimated useful economic lives are based on the Group's current experience of component replacement. The Group will continue to monitor and review the useful economic lives of all components and make revisions where material changes arise.

Housing properties under the course of construction are stated at cost. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements. Administration costs relating to development are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into its intended use.

Costs are transferred into completed housing properties when practical completion is achieved. Expenditure on schemes which are subsequently aborted is written off in the year in which it is recognised that the scheme or property will not be developed to completion.

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, the remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

1. ACCOUNTING POLICIES (CONTINUED)

Impairment – housing properties
Housing properties are subject to an annual review to ensure whether an event triggering a potential impairment has occurred. Indicators of impairment considered include, but are not limited to, increasing void losses, asset management decisions which may impact the long-term use of the property, government policy decisions (such as changes to the rent settlement) and significant repairs or maintenance requirements.

Where indicators are identified an assessment for impairment is undertaken comparing the property's carrying amount to its estimated recoverable amount. The estimated recoverable amount is calculated with reference to future income streams generated less costs to maintain the properties under review.

Where the carrying amount of a property is deemed to exceed its recoverable amount, the property is written down to its recoverable amount. The recoverable amount is the higher of the assets value in use and fair value less costs to sell. The resulting impairment is recognised as operating expenditure and is charged to the surplus before tax in the statement of comprehensive income. The reversal of an impairment loss is included in the statement of comprehensive income as a separate line within operating expenditure.

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

Government grants received for housing properties are recognised in income over the useful life of the housing property structure.

Homes England Government grants for new developments due from government organisations or received in advance are included as current assets or liabilities until such time development conditions have been met. Once met, they will be paid to Accent Housing consortium partners or allocated to Accent schemes and amortised over the list of the housing property structure.

Social housing grant can be recycled by the Group under certain conditions, if a property is sold, or if another relevant event takes place. Recycled grant can be used for projects approved by Homes England. The recycled grant may have to be repaid if certain conditions are not met or if re-investment is not committed within three years following the year of disposal, then the grant becomes due for repayment. Until the grant is either re-invested or repaid it is included within current liabilities the recycled capital grant fund. The amount repaid will be restricted to net proceeds of sale and subordinated behind any deemed private loans on the properties where appropriate. It is not the general intention of the Group to dispose of property except under the following circumstances:

- where a tenant has exercised a right-to-buy or a right-to-acquire option;
- where the property was specifically built for sale e.g. shared ownership; or
- where rationalisation is carried out as part of the ongoing business of the Group.

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to income and expenditure.

Other grant
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 Group is recognised only when these conditions are met.

A grant received before the revenue recognition criteria are satisfied is recognised as deferred income. Grants relating to other tangible fixed assets are treated as deferred income and released to the statement of comprehensive income over the expected useful lives of the assets concerned.

Other tangible and intangible fixed assets
Other tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged over the expected useful economic lives of the assets on the following bases:

- Freehold offices:
  2% p.a. on cost
- Leasehold offices:
  over the life of the lease
- Service equipment:
  - Other - 5% to 8% p.a. on costs
  - Laundry/door entry - 0% to 12% p.a. on costs
  - Furnishings - 20% p.a. on cost
- Office equipment, fixtures and fittings:
  20% p.a. on cost
- Computer software:
  20% p.a. on cost
- Leased equipment:
  over the life of the lease
- Freehold land is not depreciated

Tangible fixed assets impairment – freehold offices
Freehold offices are subject to an annual review to consider whether an event triggering a potential impairment has occurred. Where indicators are identified an assessment for impairment is undertaken comparing the freehold offices carrying amount to their recoverable amount. Where the carrying amount of an office is deemed to exceed its recoverable amount, the office is written down to its recoverable amount which is fair value less associated costs to sell. The resulting impairment is recognised as operating expenditure and is charged to the surplus before tax in the statement of comprehensive income. The reversal of an impairment loss is included in the statement of comprehensive income as a separate line within operating expenditure.

1. ACCOUNTING POLICIES (CONTINUED)

Investment properties

Investment properties consist of properties let at market rent, are measured at cost on initial recognition and subsequently at fair value at the year end. Fair value is determined through annual formal external valuation or where triggers indicate a valuation may be appropriate. Changes in fair value are recognised in operating activities. Depreciation is not provided.

Donated land

Land 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 difference between fair value and consideration paid is treated as a non-monetary government grant and recognised in the statement of financial position as deferred income within liabilities. Where the donation is from a non-public source, the value of the donation is included as income.

On disposal of an asset for which non-monetary government grant was received by the Group any unamortised grant remaining within liabilities in the statement of financial position is derecognised and recognised as income in the statement of comprehensive income.

Capitalisation of interest and interest payable

Interest on capital specifically borrowed to finance a development is capitalised from the commencement of construction up to the time of practical completion of the scheme, unless there is a prolonged delay. Where schemes are not financed by specific facilities an appropriate proportion of the interest charged on the Group's overall borrowing is allocated to the cost of the scheme up to the date of practical completion. Other interest payable is charged to the statement of comprehensive income account in the year.

Capitalisation of maintenance

Any expenditure on an existing property that meets one of the following circumstances is capitalised into one of the housing property components:

- Replacement or restoration of a component of the property that has been previously treated separately for depreciation purposes and has been depreciated over its individual useful economic life.
- The economic benefits of the property have been enhanced in excess of the previously assessed standard of performance.
- A major overhaul or inspection of a property that restores the economic benefits of the property that have been consumed by the business and have already been reflected in depreciation.

Any expenditure on an existing property that does not replace a component or result in an enhancement to the economic benefits of that property is charged to the statement of comprehensive income.

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.

Pension costs

The Group operates a defined benefit pension scheme, Accent Group Pension Scheme (AGPS) and participated in a funded multi-employer defined benefit scheme, the Social Housing Pension Scheme (SHPS-DB). In addition, the Group contributes to a money purchase scheme (Social Housing Pension Scheme (SHPS-DC), the Auto Enrolment option for staff) for those employees who are not members of the defined benefit scheme and the charge to the financial statements is based on contributions paid.

Accent Group Pension Scheme (AGPS)

Pension costs for AGPS are assessed in accordance with the advice of an independent qualified actuary. Costs include the regular cost of providing benefits, which it is intended should remain at a substantial level percentage of current and expected future earnings of the employees covered. Variations from the regular pension costs are spread evenly through the statement of comprehensive income over the average remaining service lives of current employees.

The assets associated with the AGPS are held separately from the assets of Accent Group Limited and its subsidiaries. The AGPS assets are measured using fair values. The Scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The deficit in respect of AGPS is recognised in full and presented on the face of the statement of financial position for each Group company participating in the scheme. The movement in the Scheme deficit charged or credited to either the operating surplus or the actuarial gain or loss reported on the face of the statement of comprehensive income. Past service costs are recognised in the current reporting period within the statement of comprehensive income. Interest is calculated on the net defined liability. Any re-measurements are reported in other comprehensive income. See note 26 for further details.

Social Housing Pension Scheme (SHPS-DB)

For the SHPS, the Group is able to identify its share of the scheme assets and scheme liabilities from 1 April 2018 and therefore has applied defined benefit accounting from this date onwards.

The scheme assets are measured at fair value. 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. This has been recognised within the defined benefit pension liability on the face of the statement of financial position.

1. ACCOUNTING POLICIES (CONTINUED)

The current service cost and costs from settlements and curtailments are charged against operating surplus.

Past service costs are recognised in the current reporting period within the income and expenditure account.

Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income. Refer to note 26 for more details.

Holiday pay accrual
Unused annual leave accrued by employees as a result of services provided in the period, and to which they are entitled to carry forward and use within the next 12 months, is recognised within accruals. The accrual amount is measured at the salary cost for the period of absence.

Sinking funds
Unutilised contributions to service charge sinking funds which are repayable to tenants or leaseholders or are intended to be reflected in reductions to future service charge contributions are recognised as a liability in the statement of financial position. Sinking funds are split between current and non-current based on budget expectations to realise expenditure.

Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases. Finance lease liabilities are stated at the lower of fair value and minimum lease payments, determined at the lease inception. The finance charge in the statement of comprehensive income is derived by applying the effective interest method. Finance lease assets are stated at the gross amount receivable under the lease less related unearned income, and are included in debtors.

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

Financial leases are subject to a periodic impairment review and consideration given to whether an event triggering a potential impairment has occurred. Where indicators are identified an assessment for impairment is undertaken comparing the lease carrying amount to the recoverable amount. Where the carrying amount of a lease is deemed to exceed its recoverable amount, the lease is written down to its recoverable amount.

The resulting impairment is recognised as operating expenditure unless it is a reversal of a past revaluation surplus in which case it would be charged to the surplus before tax in the statement of comprehensive income.

Operational leases are assessed to determine whether they have onerous conditions.

Financial instruments
Financial instruments which meet the criteria of a basic financial instrument as defined in section 11 of FRS102 are accounted for under the amortised 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 movements posted to the statement of comprehensive income. The Group has not applied hedge accounting for the financial instruments.

Loan and Bond finance issue costs
Loan and bond finance issue costs on basic capital financial instruments are written off evenly over the life of the related funding. Loans are stated in the statement of financial position at the amount of the net proceeds after issue.

Bond financial instruments are held in the statement of financial position at gross proceeds less the cost of raising the funds. The discount or premium on issue is unwound over the life of the instrument utilising the effective interest rate. The Group issued a £350m bond in July 2019.

The bond has been assessed against the criteria of section 11 of FRS102. The bond pays a fixed coupon rate of 2.625% with a fixed maturity date of July 2049, has no provision which could result in the holder losing the principal sum or any interest thereon, prepayment is only permitted for appropriate contractual purposes.

Provisions
A provision is only recognised when; the Group has a present legal or constructive obligation as a result of past events, an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

The amount recognised is the best estimate of the consideration required to settle the liability at the end of the reporting period, taking into account the risk and uncertainties surrounding the obligation. Where the time value of money is material, the amount expected to be required to settle the obligation is recognised at net present value. The unwinding of the net present value in each period is recognised in the statement of comprehensive income in the period to which it relates.

Debtors
Short term debtors are measured at the transaction price, less any impairment. Where deferral of payment terms have been agreed at below market rate, and where material, the balance is shown at the present value, discounted at a market rate.

Long term debtors
Long term debtors are those which fall due for repayment in more than one year at the balance sheet date. These debtors are measured at the transaction price less any impairment.

Liquidity and Interest Service Reserve Fund
Amounts ringfenced in respect of future interest payments on borrowings in accordance with the terms of the respective loans.

1. ACCOUNTING POLICIES (CONTINUED)

Bad debts
A tenant's debt is considered to be bad when there is virtual certainty it will not be paid. All bad debts written-off are charged to the statement of comprehensive income. A tenant's debt is considered to be doubtful when there is some uncertainty whether it will be paid. In this case a provision is created against the doubtful debt and a charge is made to the statement of comprehensive income.

Properties for sale
Shared ownership first tranche sales completed properties for outright sale, and property under construction are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises materials, direct labour and direct development overheads.

As and when Accent re-purchases equity from Leaseholders, they are held in properties held for sale until the lease is sold, they are held at cost.

Included within properties for sale is Charlestown House, Accents Shipley head office which is due to be sold. The property transferred from other tangible fixed assets within the year and is held at net book value.

Cash at bank and in hand
Cash includes cash in hand, deposits repayable on demand and cash equivalents. Deposits repayable on demand are available within 24 hours without penalty. Cash equivalents are short term investments that are readily disposable liquid resources that can be withdrawn without penalty on maturity and are available as Cash within 30 days.

Current asset investments
Deposits and other investments that take over a 30-day but under a 90-day notice period to move into Cash are treated as Current Asset Investments.

Cash held in constructive trust
Cash held on behalf of leaseholders or other third parties is ring fenced in separate bank accounts and disclosed as cash held in constructive trust. The corresponding creditors are recognised in liabilities under notes 15 and 16.

Creditors
Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured subsequently at amortised cost.

Significant judgements and estimates
The preparation of the financial statements requires management to make significant judgements and estimates concerning the future. The items in the financial statements where these judgements and estimates have a significant risk of causing a material adjustment to the carrying values of the assets and liabilities include:

Prior period restatement-accounting policy change
Historically, the Group accounted for its housing stock using valuation model, under EUV-SH method, and found itself misaligned with the wider sector who primarily value at historical cost resulting in challenges in the comparability of the results alongside the negative impact on a significant development programme and balance sheet volatility arising from the valuation methodology. As a result, the Group changed its accounting policy for its housing stock to the historical cost. Adopting historical cost provides a fairer view of the nature of the business and meets the FRS102 criteria in respect of the provision of more reliable and relevant information. Using historic cost accounting enables more meaningful comparisons between the performance of the Group and all other associations with benchmarking more directly comparable.

As a rule, changes in accounting policies must be applied retrospectively in the financial statements. Retrospective application means that an entity implements the change in accounting policy as though it had always been applied. As a result, comparative balances for the Group have been restated to reflect the impact of the changes in accounting policy. Details are included in note 29. These are marked as 'restated'

Key areas impacted by the change in the accounting policy include:

- Net housing properties value has decreased by £67.0m to £780.7m as at 31 March 2022.
- Creditors due within one year have increased by £4.0m to £66.3m following the restatement of social housing grant due to be amortised within one year.
- Creditors due after more than one year have increased by £289.5m to £782.3m due to the restatement of social housing grant subject to amortisation.
- Revenue reserves decreased by £206.8m. Revaluation reserves have decreased by £153.7m following the elimination of the previous revaluation reserve associated with the properties held at Existing Use Value.

Classification and valuation of investment properties
Accent holds some properties as investments (housing properties which are rented out at market rent) and carries these at fair value. In accordance with FRS102 the fair value of these properties must be reviewed for annually. These properties were revalued at MVSTT by externally qualified RICS surveyors, Savills as at 31 March 2023. Management have considered the assumptions and discount rate applied to the properties in arriving at their fair value valuation and are comfortable that they are reasonable. The movement in value thereon is reported within these financial statements. Carrying value at 31 March 2023 £5.0m (2022: £3.7m). See note 11.

1. ACCOUNTING POLICIES (CONTINUED)

Impairment

As part of the Group's continuous review of the performance of its assets, management consider any apparent triggers of impairment which may affect any properties, or schemes. In making this assessment management have made a judgement regarding the indicators that they feel are reflective of an impairment. Triggers considered include but are not limited to increasing void losses suggesting longer term letting issues, government policy changes (such as rent cuts or housing benefit changes) and significant damage or significant repair needs of a property. In the current year consideration has also been given to the impact of the state of the economy on the future income streams of properties, considerations have included the potential increase in rent arrears, voids and cost base implications. Management have also considered any exposure to any unsold new schemes on site where there is or could be exposure to reductions in market values. Having considered the indicators and the potential impact on the Group's management have concluded that in their judgement there were no indicators of impairment present at the reporting date.

This review also considers additions to housing properties both in respect of Shared Ownership and Rented units. Properties held for sale are also considered in this review.

Post year-end no diminution in value has been seen in respect of properties held for sale with completions progressing at expected values and volumes.

Where impairment is found, it is accounted for as a deduction from the relevant fixed asset and a charge in the Statement of Comprehensive Income. Where there is a requirement for a previous impairment to be reversed. Based on the impairment review performed for the year ended 31 March 2023, no impairment charge has been recognised (2022: £0.7m).

Significant management estimates

The following are the areas where management estimates and assumptions have the most significant effect on the recognition and measurement of income and expenditure, and assets and liabilities. The actual results may be substantially different:

Retirement benefits

Section 28 of FRS102 sets out the rules for accounting for defined benefit pension schemes. Accent operates two defined benefit schemes:

- Accent Group Pension Scheme (AGPS) (open to new members) and
- Social Housing Pension Scheme DB (SHPS) (closed to both new members and future accrual of benefits for existing members).

For AGPS the scheme deficit has decreased by £8.1m to £4.5m, this is primarily as a result of market conditions in respect of discount rates and investment performance during the year. Independent actuaries are employed by the Group to prepare the actuarial valuations and disclosures for the AGPS on an annual basis. Key financial assumptions used in calculating the pension liability are the discount rate, rate of increase of pensions in payment, rate of revaluation of deferred pensions, CPI and expected mortality of scheme members. Management review the assumptions applied to the actuarial valuation on an annual basis and consider the sensitivity of the valuation to the variables thereon. The independent actuary appointed to value the schemes assets and liabilities estimates that a 0.5% shift in the discount rate could result in a 8.0% increase in liabilities, amounting to c.£4.71m, similarly a 0.5% increase in the long term projected mortality rate could result in a 2.0% increase in liabilities c.£1.18m. Having considered the variables applied management are comfortable that the assumptions are appropriate for use in calculating the schemes liabilities. See note 26.

For SHPS, the scheme deficit included within the accounts as at 31 March 2023 is £2.79m (2022: £2.21m). See note 26.

2. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS, OPERATING SURPLUS AND DISPOSAL OF PROPERTY

GROUP 2023	Turnover £'000	Other income £'000	Operating costs £'000	Operating surplus/ (deficit) £'000
Social housing lettings	103,779	-	(77,637)	26,142
Other social housing activities				
First tranche low cost home ownership sales	5,287	-	(3,741)*	1,546
Charges for support services	34	-	(152)	(118)
Other	279	-	(1,277)	(998)
	5,600	-	(5,170)	430
Activities other than social housing activities				
Fair value movement of investment properties	-	1,294	(20)	1,274
Non-social letting activities	1,377	-	(1,185)	192
Open market property sales	4,545	-	(3,028)*	1,517
Other	44	-	-	44
	5,966	1,294	(4,233)	3,027
	115,345	**1,294**	**(87,040)**	**29,599**

	Proceeds £'000	Cost of disposal £'000	Amortised grant £'000	Gain on disposal £'000
Disposal of property				
Sale of housing properties	3,259	(1,680)	(164)	1,415
Sale of subsequent tranche low cost home ownership	2,578	(1,109)	(79)	1,390
Gain on disposal of housing properties	5,837	(2,789)	(243)	2,805
Operating surplus				**32,404**

* The operating costs reflected on these rows reflects the cost of sales in relation to the property sale transactions disclosed.

2. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS, OPERATING SURPLUS AND DISPOSAL OF PROPERTY

GROUP 2022 RESTATED	Turnover £'000	Other income £'000	Operating costs £'000	Operating surplus/ (deficit) £'000
Social housing lettings	98,043	-	(75,477)	22,566
Other social housing activities				
First tranche low cost home ownership sales	6,240	-	(4,990)*	1,250
Charges for support services	40	-	(151)	(111)
Other	587	-	(48)	539
	6,867	**-**	**(5,189)**	**1,678**
Activities other than social housing activities				
Fair value movement of investment properties	-	220	-	220
Non-social letting activities	1,358	-	(988)	370
Open market property sales	1,618	-	(1,249)*	369
	2,976	**220**	**(2,237)**	**959**
	107,886	**220**	**(82,903)**	**25,203**

Disposal of property	Proceeds £'000	Cost of disposal £'000	Amortised grant £'000	Gain on disposal £'000
Sale of housing properties	2,189	(1,470)	(142)	577
Sale of subsequent tranche low cost home ownership	2,633	(1,180)	(52)	1,401
Gain on disposal of housing properties	4,822	(2,650)	(194)	1,978
Operating surplus				**27,181**

* The operating costs reflected on these rows reflects the cost of sales in relation to the property sale transactions disclosed.

2. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS - GROUP

	General housing £'000	Supported housing and housing for older people £'000	Shared ownership £'000	Intermediate market rent £'000	2023 Total £'000	2022 Total £'000
Income						
Rent receivable	77,029	8,229	3,642	1,111	90,011	85,099
Service charge income	3,632	4,593	1,571	-	9,796	8,986
Amortisation of government grants	3,650	93	185	44	3,972	3,958
Turnover from social housing lettings	**84,311**	**12,915**	**5,398**	**1,155**	**103,779**	**98,043**
Expenditure						
Management	(15,839)	(2,427)	(1,014)	(217)	(19,497)	(19,765)
Service charge costs	(5,608)	(5,203)	(417)	(20)	(11,248)	(9,166)
Routine maintenance	(16,767)	(1,827)	(171)	(144)	(18,909)	(18,627)
Planned maintenance	(6,027)	(1,434)	(780)	(75)	(8,316)	(9,288)
Bad debts	(317)	(43)	100	(6)	(266)	(487)
Depreciation and write off of replaced components	(16,071)	(413)	(266)	(294)	(17,044)	(14,425)
Impairment	-	-	-	-	-	(721)
Other costs	(2,100)	(153)	(103)	(1)	(2,357)	(2,998)
Operating costs on social housing lettings	**(62,729)**	**(11,500)**	**(2,651)**	**(757)**	**(77,637)**	**(75,477)**
Operating surplus on social housing lettings	**21,582**	**1,415**	**2,747**	**398**	**26,142**	**22,566**
Void losses	(898)	(147)	(26)	(29)	(1,100)	(995)

3. ACCOMMODATION IN MANAGEMENT - GROUP

	Owned and directly managed by Accent Group Number	Managed by Accent Group on behalf of others Number	Owned by Accent Group managed by others Number	2023 Total Number	2022 Total Number
Social housing					
General needs housing:					
– Social rent	14,907	2	19	14,928	15,076
– Affordable rent	841	-	-	841	682
Supported housing	15	-	-	15	30
Housing for older people	1,861	-	-	1,861	1,860
Intermediate rent	163	4	-	167	170
Low cost home ownership *	1,218	-	-	1,218	1,200
Social leased homes **	-	814	-	814	814
Non-social housing					
Market rent	17	-	11	28	17
Leased housing	-	99	-	99	95
Managed freeholders	-	718	-	718	707
Total	**19,022**	**1,637**	**30**	**20,689**	**20,651**

Accent Group also owns and manages 868 (2022: 868) garages.
* Where the purchaser has not acquired 100% of the equity (shared ownership).
** Where the purchaser has acquired 100% of the equity but not the freehold

3. ACCOMMODATION IN MANAGEMENT - GROUP (CONTINUED)

RECONCILIATION OF UNIT NUMBERS	Opening Units Number	Additions Number	Disposed/ Demolished Number	Movements /Others Number	Total Number
Social housing					
General needs housing:					
– Social rent	15,076	14	(177)	15	14,928
– Affordable rent	682	163	-	(4)	841
Supported housing	30	-	(11)	(4)	15
Housing for older people	1,860	-	-	1	1,861
Intermediate rent	170	-	(1)	(2)	167
Low cost home ownership *	1,200	40	(7)	(15)	1,218
Social leased homes **	814	1	(2)	1	814
Non-social housing					
Market rent	17	11	-	-	28
Leased housing	95	4	-	-	99
Managed freeholders	707	3	-	8	718
Total	**20,651**	**236**	**(198)**	**-**	**20,689**

3. ACCOMMODATION UNDER DEVELOPMENT

	2023 Number	2022 Number
Social housing		
General needs housing:		
– Affordable rent	434	471
– Social rent	159	103
Low cost home ownership	390	223
	983	**797**

4. EMPLOYEE INFORMATION - GROUP

Average monthly number of employees expressed as full time equivalents (based on contracted hours compared to our standard working week):	2023 Number	2022 Number
Housing, support and care	313	304
Administration	112	114
Development	23	17
	448	**435**

Staff costs:	2023 £'000	2022 £'000
Wages and salaries	16,998	15,724
Social security costs	1,723	1,555
Pension costs in respect of AGPS (note 26a)	1,929	1,993
Other pension contributions - SHPS Defined Contribution (note 26c)	225	227
	20,875	**19,499**

A salary sacrifice scheme is operated by the Group in order to mitigate national insurance costs.

The number of full time equivalent staff including executive directors whose remuneration for the period fell into the following bands is as follows:	2023 Number	2022 Number
£60,000 - £69,999	10	8
£70,000 - £79,999	7	8
£80,000 - £89,999	-	7
£90,000 - £99,999	4	1
£110,000 - £119,999	-	1
£120,000 - £129,999	1	-
£130,000 - £139,999	-	1
£140,000 - £149,999	2	2
£150,000 - £159,999	1	-
£190,000 - £199,999	1	1

The highest paid director as disclosed in note 7 is included within the bandings above.

5. INTEREST RECEIVABLE AND OTHER INCOME - GROUP

	2023 £'000	2022 £'000
Interest receivable from term deposits and bank deposits	2,933	247
Unwinding of the bond premium and accrued interest	167	77
	3,100	**324**

6. INTEREST PAYABLE AND FINANCING COSTS - GROUP

	2023 £'000	2022 £'000
Interest payable on bank loans and overdrafts	15,282	14,765
Interest on recycled capital grant fund	198	-
Amortisation of loan issue costs	137	123
Unwinding of the bond discount	108	105
Finance lease interest	(83)	20
	15,642	15,013
Net interest cost – Accent Group Pension Scheme (note 26a)	328	424
Net interest cost – Social Housing Pension Scheme (note 26b)	55	71
Less: Capitalised interest (note 10)	(2,014)	(2,430)
	14,011	**13,078**
Interest rate used to determine the finance costs capitalised during the period	3.01%	3.62%

7. BOARD MEMBERS, EXECUTIVE DIRECTORS AND KEY MANAGEMENT PERSONNEL

Aggregate emoluments paid during the year

Executive directors	2023 £'000	2022 £'000
– remuneration	724	718
– redundancy	15	-
– benefits in kind	32	31
– pension contributions	149	184
	920	**933**

Executive directors and senior management team	2023 £'000	2022 £'000
– remuneration	1,473	1,973
– benefits in kind	77	113
– employers NIC	220	252
– pension contributions	285	493
– redundancy	15	27
	2,070	**2,858**

	2023 £'000	2022 £'000
Board members – including employers national insurance contributions	**193**	**178**

	2023 £'000	2022 £'000
Emoluments of the highest paid director (co-opted executive director) during the year excluding pension contributions and employers national insurance contributions and including car allowance	**197**	**194**

The same group of non-executive directors are appointed to each of the following companies; Accent Group Limited and Accent Housing Limited. All directors are remunerated by Accent Housing Limited and their emoluments are disclosed in these financial statements. All of the executive directors that served during the year to 31 March 2023 are members of the Accent Group Pension Scheme. There were no other benefits or special pension arrangements for the co-opted executive director or executive directors or for any Board member.

The highest paid co-opted executive director (the Group Chief Executive) is a member of Accent Group Pension Scheme, which is a defined benefit scheme. He is an ordinary member of the pension scheme and no enhanced or special terms applied. The organisation does not make any further contributions to an individual pension arrangement for the Group Chief Executive. During the year to 31 March 2023 the Group Chief Executive received a salary of £187k (2022: £184k) and car allowance of £10k (2022: £10k). No bonus was paid or accrued to the Group Chief Executive during the year to 31 March 2023 (2022: £nil).

8. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION - GROUP

	2023 £'000	2022 Restated £'000
Surplus on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of fixed assets and write off of replaced assets	17,044	14,425
Depreciation of fixed assets other	718	741
Impairment of housing properties	-	721
Auditors' remuneration (excluding VAT):		
– In respect of audit services (Group and subsidiaries)	175	210
– In respect of other services	20	-
Operating lease rentals:		
– Plant and machinery	240	282
– Land and buildings	168	99
Bad debts:		
– Current residents	(201)	171
– Former residents	456	371
– Other debtors	7	(13)

9. TAXATION ON ORDINARY ACTIVITIES - GROUP

	2023 £'000	2022 £'000
Current tax		
UK corporation tax on surplus for the year	-	-
Adjustments in respect of prior periods	-	-
Total current tax	**-**	**-**

	2023 £'000	2022 £'000
Deferred tax		
Balance at 1 April 2022	(203)	-
Origination and reversal of timing differences	-	(203)
Total deferred tax	**(203)**	**(203)**

	2023 £'000	2022 £'000
Tax (credit) / charge on surplus on ordinary activities	**-**	**(203)**

Factors affecting tax (credit) / charge for period
The tax assessed is at the standard rate of corporation tax in the UK at 19% (2022: 19%). The differences are explained below:

	2023 £'000	2022 Restated £'000
Surplus on ordinary activities before tax	21,486	14,387
Adjustment in respect of charitable activities	(19,661)	(14,332)
Surplus on ordinary activities subject to tax	**1,825**	**55**

	2023 £'000	2022 £'000
Surplus on ordinary activities subject to tax multiplied by the standard rate of corporation tax in the UK of 19% (2022: 19%)	345	10
Effects of:		
Recognition of movement in deferred tax	-	(184)
Amounts relating to changes in tax rate	-	(49)
Adjustment in respect of prior periods	-	20
Charitable tax exemption	(338)	-
Non-deductible expenditure	(7)	-
Current and deferred tax (credit) for period	**-**	**(203)**

10. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES - GROUP

	Housing properties held for letting £'000	Housing properties under construction £'000	Shared ownership housing properties £'000	Supported housing and housing for older people £'000	Intermediate market rent £'000	Total housing properties £'000
Cost or valuation						
At 1 April 2022	651,179	66,281	61,275	56,243	15,068	850,046
Prior year adjustment (note 29)	158,841	7,226	12,569	11,469	6,375	196,480
At 1 April 2022 restated	810,020	73,507	73,844	67,712	21,443	1,046,526
Schemes completed	33,356	(38,870)	5,514	-	-	-
Additions	-	71,650	-	-	-	71,650
Work to existing properties	-	12,543	-	-	-	12,543
Completed components	13,604	(13,823)	23	119	77	-
Transfer between categories	-	-	42	-	(134)	(92)
Write off replaced components	(4,102)	-	(16)	(31)	(31)	(4,180)
Disposals	(1,764)	(187)	(1,742)	(49)	(252)	(3,994)
At 31 March 2023	**851,114**	**104,820**	**77,665**	**67,751**	**21,103**	**1,122,453**
Depreciation						
At 1 April 2022	(1,301)	-	(569)	(289)	(104)	(2,263)
Prior year adjustment (note 29)	(228,940)	-	(7,362)	(23,559)	(3,655)	(263,516)
At 1 April 2022 restated	(230,241)	-	(7,931)	(23,848)	(3,759)	(265,779)
Charge for year	(14,448)	-	(573)	(369)	(295)	(15,685)
Write off replaced components	2,961	-	10	21	16	3,008
Disposals	464	-	413	34	77	988
At 31 March 2023	**(241,264)**	**-**	**(8,081)**	**(24,162)**	**(3,961)**	**(277,468)**
Net book value at 31 March 2023	**609,850**	**104,820**	**69,584**	**43,589**	**17,142**	**844,985**
Net book value at 31 March 2022 restated	**587,005**	**66,281**	**65,913**	**43,864**	**17,684**	**780,747**

Included in the above are finance costs capitalised in the year of £2,014k (2022: £2,430k) which equates to a capitalisation rate of 3.01% (2022: 3.62%).

10. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES - GROUP (CONTINUED)

Social housing grant

Total accumulated social housing grant Received or receivable at 31 March	2023 £'000	2022 Restated £'000
Recognised in the statement of comprehensive income	116,296	112,601
Held as deferred income	291,074	293,515
	407,370	**406,116**

Expenditure on works to existing properties	**2023 £'000**	**2022 £'000**
Amounts capitalised	12,543	13,451
Amounts charged to the statement of comprehensive income	8,316	9,288
	20,859	**22,739**

Impairment

The Group considers individual schemes to be separate Cash Generating Units (CGU's) when assessing for impairment, in accordance with the requirements of FRS102 and SORP 2018. A total impairment provision of £nil (2022: £721k) was made during the year to 31 March 2023 to reduce the carrying value of certain fixed asset and investment properties within the Group to their value in use, being the estimated recoverable amount.

11. OTHER TANGIBLE FIXED ASSETS AND INVESTMENTS - GROUP

	Leasehold and freehold properties £'000	Plant and equipment Restated* £'000	Sub total £'000	Software Restated* £'000	Total £'000
Cost					
At 1 April 2022	7,956	6,154	14,110	6,142	20,252
Additions	-	436	436	-	436
Transferred to stock	(2,400)	-	(2,400)	-	(2,400)
Disposals	(1,483)	(63)	(1,546)	-	(1,546)
At 31 March 2023	**4,073**	**6,527**	**10,600**	**6,142**	**16,742**
Depreciation					
At 1 April 2022	(4,979)	(2,721)	(7,700)	(5,733)	(13,433)
Charge for year	(92)	(423)	(515)	(203)	(718)
Transferred to stock	1,255	-	1,255	-	1,255
Disposals	1,527	63	1,590	-	1,590
At 31 March 2023	**(2,289)**	**(3,081)**	**(5,370)**	**(5,936)**	**(11,306)**
Net book value at 31 March 2023	**1,784**	**3,446**	**5,230**	**206**	**5,436**
Net book value at 31 March 2022	**2,977**	**3,433**	**6,410**	**409**	**6,819**

* Please note the balances for software components have been split for the 31st March 2023 disclosure.

11. OTHER TANGIBLE FIXED ASSETS AND INVESTMENTS - GROUP (CONTINUED)

INVESTMENT PROPERTIES	2023 £'000	2022 £'000
At 1 April	3,701	5,360
Transferred to housing properties	-	(1,879)
Revaluation movement	1,294	220
At 31 March	**4,995**	**3,701**

At 31 March 2023 the Group held 28 (2022: 28) properties which were let on a market rent basis and as such are considered investment properties.

Investment properties owned by the Group held for letting were professionally independently valued by Savills (UK) Limited as at 31 March 2023. This was a full valuation and was undertaken in accordance with the RICS Appraisal and Valuation Standard (The Red Book).

Key assumptions include:

Discount rate applied to Market Value with Vacant Possession - 15% to 25% dependent on nature and age of stock.

Net yield applied of 5.75% to 6% dependant on location.

12. CURRENT ASSET INVESTMENTS - GROUP

	2023 £'000	2022 £'000 restated
Deposits	**25,002**	**25,002**

Deposits take over a 30-day but under a 90-day notice period to move into cash.

13. PROPERTIES FOR SALE - GROUP

	2023 £'000	2022 £'000
Shared ownership properties – completed	1,682	1,145
Shared ownership properties – under construction	10,913	11,390
Properties held for sale	1,663	1,948
	14,258	**14,483**

14. DEBTORS - GROUP

Amounts falling due within one year:	2023 £'000	2022 £'000
Rent and service charges receivable	5,485	5,200
Less: Provision for bad and doubtful debts	(3,454)	(3,224)
	2,031	**1,976**
VAT	38	55
Prepayments and accrued income	2,082	435
Other debtors	1,085	657
	5,236	**3,123**

Included in debtors are £1,423k (2022: £742k) of arrears with payment plans which are outside normal payment terms. No discounting is provided for against this balance as the impact of discounting is not considered to be material.

Amounts falling due after one year:	2023 £'000	2022 £'000
Liquidity and interest service reserve fund	1,182	1,171
Other long term debtors	317	317
Deferred tax asset	203	203
	1,702	**1,691**

Debtor analysis:	2023 £'000	2022 £'000
In one year or less	5,236	3,123
Between one and two years	-	-
Between two and five years	-	-
After more than five years	1,702	1,691
	6,938	**4,814**

The liquidity and interest service reserve fund relates to a requirement within one loan agreement held with The Housing Finance Corporation for Accent to reserve the cash equivalent of not less than one year's interest cost in their favour.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - GROUP

	2023 £'000	2022 Restated £'000
Loans (note 17)	5,752	5,730
Finance lease creditor (note 17)	-	5
Trade creditors	5,185	2,464
Grant received in relation to properties under construction	31,958	20,554
Consortium Homes England grant	26,692	-
Deferred grant income - social housing grant (note 18)	4,120	3,975
Deferred grant income (note 19)	22	22
Recycled capital grant fund (note 20)	2,565	325
VAT	33	-
Other taxation and social security payable	424	451
Rent and service charges in advance	3,059	2,678
General accruals	7,399	5,498
Routine maintenance accruals	4,906	3,025
Home loss and decanting accruals	-	162
Housing properties and major work creditors	8,243	16,522
Loan interest accrual	2,480	2,599
Deferred income	474	667
Sinking funds	534	512
Other creditors	904	1,155
Other tenant recharges	637	-
	105,387	**66,344**
Unamortised premium and accrued interest on issue	171	167
Unamortised discount on issue	(111)	(108)
Capital instrument issue costs	(88)	(88)
	105,359	**66,315**

Held within Housing properties and major work creditors is an accrual of £0.3m (2022: £3.23m) in respect of fire remediation works at Alexander House and Stafford House in Aldershot, Hampshire.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - GROUP

	2023 £'000	2022 Restated £'000
Bond (note 17)	350,000	350,000
Unamortised premium and accrued interest on issue	6,001	6,172
Unamortised discount on issue	(4,094)	(4,205)
	351,907	**351,967**
Bank loans (note 17)	138,778	129,530
Finance lease creditors (note 17)	-	78
Deferred grant income - social housing grant (note 18)	286,954	289,540
Loan premiums	2,544	2,668
Deferred grant income (note 19)	1,517	767
Recycled capital grant fund (note 20)	4,894	5,710
Sinking funds	5,328	4,980
	791,922	**785,240**
Capital instrument issue costs	(2,755)	(2,892)
	789,167	**782,348**

	2023 £'000	2022 £'000
Unamortised premium and accrued interest on issue (see note below)	6,416	6,416
Amortised to date	(244)	(77)
	6,172	**6,339**

	2023 £'000	2022 £'000
Discount on bond:		
Unamortised discount on issue	4,590	4,590
Amortised to date	(385)	(277)
	4,205	**4,313**

17. DEBT ANALYSIS - GROUP

Due within one year	2023 £'000	2022 £'000
Bank loans	5,752	5,730
Finance lease creditors	-	5
Unamortised premium and accrued interest on issue	171	167
Unamortised discount on issue	(111)	(108)
	5,812	**5,794**

Due after more than one year	2023 £'000	2022 £'000
Bank loans	138,778	129,530
Bond	350,000	350,000
Finance lease creditors	-	78
Unamortised premium and accrued interest on issue	6,001	6,172
Unamortised discount on issue	(4,094)	(4,205)
	490,685	**481,575**

Total loans repayable as follows:	2023 £'000	2022 £'000
Within one year	5,812	5,794
Between one and two years	6,749	5,817
Between two and five years	64,422	52,545
After five years	419,514	423,213
Total indebtedness	**496,497**	**487,369**

17. DEBT ANALYSIS - GROUP (CONTINUED)

Facilities, terms of repayment and interest rates

At 31 March 2023 the Group had a facility with Royal Bank of Scotland of £90,125k (2022: £92,675k) of which £10,000k of the term loan was unutilised (2022: £25,000k) plus an unused Revolving Credit Facility of £20,000k (2022: £20,000k). The borrowings are secured by fixed charges on individual properties. The loan is a mixture of fixed and variable rates amortising until expiry in 2027. Fixed rates being plus a margin and variable rates being SONIA (Sterling Overnight Index Average) plus a margin, the margins ranging from 0.59% for the term loan to 1.40% for the Revolving Credit Facility.

At 31 March 2023 the Group had a facility with Lloyds Bank and Scottish Widows of £98,000k (2022: £99,000k) of which £48,000k was a term loan (2022: £51,000k) and £50,000k was an unused revolving credit facility (2022: £48,000k). Within the year an additional £2,000k was added to the Revolving Credit Facility. The borrowings are secured by fixed charges on individual properties. The loans are a mixture of fixed and variable rates amortising until expiry in 2037. Fixed rates being plus a margin and variable rates being SONIA (Sterling Overnight Index Average) plus a margin, the margins ranging from 0.28% to 0.90%.

At 31 March 2023 the Group had a facility with The Housing Finance Corporation of £30,000k (2022: £30,000k) which was fully utilised. The borrowings are secured by fixed charges on individual properties and are repayable at varying rates of interest between 2.89% and 5.20% maturing in 2043.

At 31 March 2023 the Group had a facility of £6,405k (2022: £6,585k) with Orchardbrook Limited. This loan is repayable on a fixed rate basis at 12.08% amortising until expiry in 2037.

At 31 March 2023 the Group held a thirty year bond, with a bullet repayment due in July 2049. The bond was raised on the debt capital markets through wholly owned subsidiary, Accent Capital PLC, with the entire funds on-lent to Accent Housing Limited. The bond was issued on 18 July 2019 at a coupon rate of 2.625% for £350m, of which £225m was sold and £125m retained for future sale. The retained bond was sold on 5 October 2021. The bond is fully secured on housing assets owned by Accent Housing Limited.

18. DEFERRED GRANT INCOME - SOCIAL HOUSING GRANT - GROUP

	2023 £'000	2022 Restated £'000
At 1 April	293,515	294,130
Grant received in the year	2,759	4,149
Released to income in the year	(3,973)	(3,962)
Released on disposal	243	189
Transfer to RCGF	(1,470)	(991)
As at 31 March	**291,074**	**293,515**
Amounts to be released within one year	4,120	3,975
Amounts to be released in more than one year	286,954	289,540
As at 31 March	**291,074**	**293,515**

19. DEFERRED GRANT INCOME - OTHER - GROUP

	2023 £'000	2022 £'000
At 1 April	789	811
Additions	772	-
Released to income in the year	(22)	(22)
Balance at 31 March	**1,539**	**789**

20. RECYCLED CAPITAL GRANT FUND - GROUP

	2023 £'000	2022 £'000
At 1 April	6,035	5,458
Interest received	198	-
Grant recycled	1,470	991
Purchase or development of properties	(243)	(414)
Balance at 31 March	**7,460**	**6,035**
Grant due for repayment	**2,565**	**325**

£2,565k (2022: £325k) of Recycled capital grant fund (RCGF) is due for repayment. Discussions with Homes England are ongoing to agree the rollover of these funds. No repayment was requested in the year to March 2023.

Withdrawals from the recycled capital grant fund have been used for the purchase and development of new housing schemes for letting and shared ownership sale.

21. SHARE CAPITAL - NON EQUITY - SOCIETY

	2023 £'000	2022 £'000
Allotted, issued and fully paid:		
At 1 April	8	8
Issued during the year	3	-
Surrendered during the year	(2)	-
At 31 March	**9**	**8**

Each member of the Board holds one share of £1 in the Society. Shareholders are entitled to vote at general meetings, but do not have any rights to receive dividends or distributions on a winding up.

22. CASH FLOW FROM OPERATING ACTIVITIES - GROUP

	2023 £'000	2022 Restated £'000
Surplus for the year after taxation	21,486	14,590
Adjustments for non-cash items:		
Depreciation of housing assets	15,685	13,513
Depreciation of other assets	718	741
Component wrtite offs	1,359	912
Impairment	-	721
Amortisation of government grants	(3,972)	(3,958)
Pension costs less contributions payable	(1,840)	(1,623)
Gain on disposal of housing properties	(2,805)	(1,978)
Gain on revaluation of investment properties	(1,294)	(220)
Share of operating deficit in joint venture and associate	7	102
Working capital movements:		
Properties for sale	1,370	(7,687)
Debtors	(1,673)	1,123
Creditors	7,291	(1,668)
Adjustments for investing and financing activities:		
Interest payable	14,011	13,078
Interest received	(3,100)	(324)
Fair value movements	-	(62)
Taxation	-	(203)
Net cash generated from operating activities	**47,243**	**27,057**

22. CASH FLOW FROM OPERATING ACTIVITIES - GROUP (CONTINUED)

Analysis of changes in net debt	At 1 April 2022 £'000	Cash flows £'000	Other non cash movements £'000	At 31 March 2023 £'000
Cash	134,121	(1,664)	-	132,457
Cash on constructive trust	5,308	1,515	-	6,823
Deposits	25,002	-	-	25,002
Bank loans due within one year	(5,730)	5,730	(5,752)	(5,752)
Bank loans due greater than one year	(129,530)	(15,000)	5,752	(138,778)
Bond due greater than one year	(350,000)	-	-	(350,000)
Premium/discount on bond issue*	(2,026)	-	59	(1,967)
Finance lease obligations	(83)	-	83	-
	(322,938)	**(9,419)**	**142**	**(332,215)**

* for transparency these unamortised costs / premium figures are now identified separately.

23. CAPITAL COMMITMENTS - GROUP

	2023 £'000	2022 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	168,343	149,555
Capital expenditure that has been authorised by the Board but has not yet been contracted for	127,974	61,672
	296,317	**211,227**

The above commitments are expected to generate Social Housing and other grants totalling:	2023 £'000	2022 £'000
In relation to expenditure contracted for but not provided for	(10,613)	(7,824)
In relation to expenditure authorised by the Board but not yet contracted for	(18,018)	(11,100)
	(28,631)	**(18,924)**

The remaining commitments (net of committed grants) of £267,686k (2022: £192,303k) can be fully funded by the cash, short term investments and loan facilities already in place and cash generated from the operating activities. As at 31 March 2023 the Group had £157,459k (2022: £159,123k) available cash to meet these commitments and had agreed unused facilities of £80,000k (2022: £93,000k).

24. LEASING COMMITMENTS - GROUP

The future minimum lease payments which the Group is committed to make are set out below. The operating leases relate to office and residential space, commercial equipment, and office equipment. The finance lease relates to the office building at Camberley.

The Group's future minimum operating lease payments are as follows:	2023 £'000	2022 £'000
Within one year	503	251
One to five years	1,325	739
Beyond five years	312	222
	2,140	**1,212**

The Group's future minimum finance lease payments are as follows:	2023 £'000	2022 £'000
Within one year	-	25
Between one and five years	-	101
Greater than five years	-	1,915
	-	**2,041**

During the year the Group negotiated the cancellation of the above finance lease relating to former office premises at Station House, Camberley and the building has been vacated.

25. FINANCIAL ASSETS AND LIABILITIES - GROUP

Financial assets - categories	2023 £'000	2022 £'000
Financial assets measured at amortised cost	**169,100**	**168,755**

Financial assets attract interest at a floating rate that varies with bank rates.

Financial liabilities - categories	2023 £'000	2022 £'000
Financial liabilities measured at amortised cost	**606,222**	**550,563**

25. FINANCIAL ASSETS AND LIABILITIES - GROUP (CONTINUED)

Financial liabilities - measured at fair value	2023 £'000	2022 £'000
As at 1 April	-	62
Credit in statement of comprehensive income	-	(62)
As at 31 March	**-**	**-**

Financial liabilities measured at fair value relate to an interest rate fix with Royal Bank of Scotland of £3.1m which expired in December 2021. This instrument was entered into December 1996 in order to fix the interest cost risk on part of the loan facility with Royal Bank of Scotland and was not entered into for trading or speculative purposes. The Group was not required to place collateral with Royal Bank of Scotland to cover mark-to-market movements in relation to this instrument, which mitigates counterparty credit risk.

Financial liabilities – interest rate risk profile

The Group's financial liabilities are sterling denominated. The interest rate profile of the Group's financial liabilities as at 31 March 2023 was 86.4% fixed (2022: 91.7%) and 13.6% variable (2022: 8.3%) which is in line with the Group's Treasury Management Policy:

	2023 £'000	2022 £'000
Fixed rate	427,067	445,280
Variable rate	67,463	40,063
	494,530	**485,343**

The variable rate financial liabilities comprise bank loans that bear interest rates based on three month SONIA. The fixed rate financial liabilities have a weighted average interest rate of 3.33% (2022: 3.20%) and the weighted average period for which it is fixed is 20.4 years (2022: 23.6 years).

25. FINANCIAL ASSETS AND LIABILITIES - GROUP (CONTINUED)

Risks arising on financial instruments

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk and market risk.

Credit risk

Credit risk is managed in accordance with the Board approved Treasury Management Policy, with security of amounts invested being more important than seeking the highest return. Surplus liquid funds are invested only with approved counterparties that meet minimum credit rating thresholds detailed in the Treasury Management Policy, with maximum exposure levels set for each counterparty.

Liquidity risk

Liquidity risk is managed in accordance with the Board approved Treasury Management Policy. The policy is to maintain sufficient cash to cover the next six months cash requirement and sufficient liquidity to cover the next 18 months liquidity requirement. Detailed cash flow forecasts are prepared to ensure compliance with its liquidity policy goals as well as the longer-term growth aspirations of the business.

Apart from its working capital and capital expenditure requirements, the nature of the Group's debt portfolio requires regular repayments of term loan principal and interest to certain lenders.

The maturity profile of debt has been structured to reflect the long term nature of the assets and to achieve a balanced profile of scheduled repayments of loan principal. As at the 31 March 2023 84.5% (2022: 86.8%) of borrowings were due to mature in more than five years.

It is considered that the Group has sufficient financial resources to make these repayments, and therefore the risk of being unable to meet its financial obligations to these lenders is considered to be low.

Interest rate risk

Operations are financed through a mixture of generated cash flows, government grant for development activities and loan borrowings. The interest rate strategy is regularly reviewed and aims to achieve a conservative balance between fixed and variable debt at an acceptable level of risk and cost. Covenant compliance and sensitivity analysis of interest rates are monitored on a regular basis.

Market risk

The treasury management function is responsible for developing and implementing an appropriate financial strategy to ensure the business holds the required level of liquidity to fund its capital investment programme and day to day operating activities. Close monitoring of financial covenants against the business plan to assess risk scenarios is completed on a regular basis.

Borrowing facilities

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

	2023 £'000	2022 £'000
Expiring within one year	10,000	15,000
Expiring in more than one year but not more than two years	-	40,000
Expiring in more than two years	70,000	38,000
	80,000	**93,000**

26. PENSION OBLIGATIONS - GROUP

	2023 £'000	2022 £'000
The net pension liability is comprised as follows:		
Accent Group Pension Scheme - AGPS	4,462	12,566
Social Housing Pension Scheme - SHPS	2,789	2,209
	7,251	**14,775**

The total amounts recognised in the statement of comprehensive income within financing costs or as an actuarial movement, are comprised as follows:

	2023 £'000	2022 £'000
Recognised in the statement of comprehensive income – financing costs		
Charge in respect of Accent Group Pension Scheme	(328)	(424)
Charge in respect of Social Housing Pension Scheme	(55)	(71)
	(383)	(495)
Recognised in the statement of comprehensive income – actuarial and assets movement		
Credit in respect of Accent Group Pension Scheme	7,127	8,077
Credit / (charge) in respect of Social Housing Pension Scheme	(1,060)	901
	6,067	8,978
Total credit recognised in the statement of comprehensive income	**5,684**	**8,483**

26 A. ACCENT GROUP PENSION SCHEME (AGPS)

The Group operates a defined benefit pension scheme, Accent Group Pension Scheme (AGPS) a funded defined benefit scheme which was established on 1 July 1992 to provide retirement and death benefits for employees.

Pension costs for AGPS are assessed in accordance with the advice of an independent qualified actuary. Costs include the regular cost of providing benefits, which it is intended should remain at a substantial level percentage of current and expected future earnings of the employees covered. Variations from the regular pension costs are spread evenly through the statement of comprehensive income over the average remaining service lives of current employees.

During the 2019/20 financial year and following a period of negotiation (based on appropriate actuarial and legal advice being received), agreement was reached with the Trustee Directors of AGPS to amend certain scheme benefits. The changes that were implemented were designed to ensure the scheme remained fair, valuable to employees yet sustainable for the Group.

Once the required consultation process with scheme members was concluded the following changes were implemented, by way of amendment to the scheme deed, with effect from 2 April 2019:

- A reduction in the accrual rate from 60ths to 80ths for future benefits built up on and from 6 April 2019 to 5 April 2023;
- A further reduction in the accrual rate to 90ths for future benefits built up on and from 6 April 2023;
- A reduction in member contributions from 10% of salary to 7.5% of salary on and from 6 April 2019;
- A change to spouse's pensions so that they are calculated as 50% of the member's pension for service on and from 6 April 2019 onwards before 6 April ; and
- A change to use the Consumer Prices Index (CPI), instead of the Retail Prices Index (RPI) as the only measure of the inflation used to increase pensions before and after retirement on and from 6 April 2019.

26 A. ACCENT GROUP PENSION SCHEME (AGPS) (CONTINUED)

During the year Accent Housing Limited paid regular contributions of £1,688k (2022: £1,446k) being 18.9% (2022: 18.9%) of pensionable salaries during the accounting period together with recovery plan payments of £1,700k (2022: £1,700k) and salary sacrifice of £21k (2022: £20k). Employees' contributions were 7.5% (2022: 7.5%) of pensionable salaries.

The Scheme assets are held in a separate trustee-administered fund to meet long-term pension liabilities to past and present employees. The assets are measured using fair values and liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The deficit in respect of AGPS is recognised in full and presented on the face of the statement of financial position. The movement in the scheme deficit is split and charged or credited to either the operating surplus or the actuarial gain or loss reported on the face of the statement of comprehensive income. The assumptions adopted for FRS102 purposes and the results of the calculations are shown below.

The most recent actuarial valuation of the scheme as at 5 April 2020 has been updated by Broadstone Corporate Benefits Limited to 31 March 2023 to take account of the requirements of FRS102. This indicated that there was a deficit of £4,462k (2022: £12,566k) when comparing the actuarial value of the scheme with the value of its liabilities.

Following the actuarial valuation of the Scheme as at 5 April 2020 Accent Housing agreed with the AGPS pension trustee to pay contributions at the rate of 18.9% of pensionable salaries plus additional lump sum amounts of £1,700k flat rate payable annually for a period of 8 years and 1 month from 5 April 2021 to 5 May 2029. This replaced the previous obligation to pay £1,000k annually rising by 10% per annum from 2018 through to 2029 which arose from the 2017 valuation. Contribution rates of pensionable salaries were unchanged as a result of the revaluation. The 2020 valuation was conducted using a Projected Unit method. The main actuarial assumptions used in the valuation are:

The main actuarial assumptions used in the valuation are:

	31 March 2023 % pa	31 March 2022 % pa
Key financial assumptions		
Discount rate	4.70	2.75
Rate of increase in pensions in payment (where capped at 5%)	2.85	3.20
Rate of increase in pensions in payment (where capped at 2.5%)	2.00	2.15
Rate of revaluation of deferred pensions	2.90	3.35
Rate of Inflation (RPI)	3.30	3.70
Rate of Inflation (CPI)	2.90	3.35

Pensions in payment in respect of service from 6 April 1997 to 5 April 2005, and deferred pensions subject to statutory revaluation, have been assumed to increase between 3.2% and 3.75% p.a. Pensions in payment in respect of service after 5 April 2005 have been assumed to increase at 2.15% p.a. The mortality assumption adopted for the purposes of the calculations as at 31 March 2023 (and at 31 March 2022 where applicable) is as follows:

- Base table: 104% of S3PMA / S3PFA_M tables (2022: 104% of S3PMA / S3PFA_M tables).
- Future mortality improvements: CMI_2021 [1.25%; Sk=7.5] (2020: CMI_2019 [1.25%; Sk=7.5]).

26 A. ACCENT GROUP PENSION SCHEME (AGPS) (CONTINUED)

Average life expectancies	As at 31 March 2023 Years	As at 31 March 2022 Years
Male age 65 at reporting date	21.9	21.9
Male age 65 at reporting date +20 years	23.3	23.2
Female age 65 at reporting date	23.7	23.6
Female age 65 at reporting date +20 years	25.2	25.1

Members are assumed to retire at their Normal Retirement Date. Late retirement factors are applied to any tranches where the pension can be taken from an earlier age without reduction. Members are assumed to commute 80% (2022: 80%) of their post 6 April 2006 maximum cash at retirement.

Amounts recognised in the statement of comprehensive income	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Current service cost	1,478	1,605
Expenses	451	388
Interest cost	2,265	1,868
Interest income on Scheme assets	(1,937)	(1,444)
Total charged to the statement of comprehensive income	**2,257**	**2,417**

Reconciliation of defined benefit obligation	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Defined benefit obligation at beginning of year	82,232	87,701
Current service cost	1,478	1,605
Expenses	-	388
Interest cost	2,265	1,868
Contributions by Scheme members	605	578
Actuarial (gain)	(25,896)	(7,902)
Benefits paid	(1,828)	(2,006)
Defined benefit obligation at end of year	**58,856**	**82,232**

26 A. ACCENT GROUP PENSION SCHEME (AGPS) (CONTINUED)

Reconciliation of fair value of Scheme asset	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Fair value of Scheme assets at beginning of year	69,666	66,299
Interest income on Scheme assets	1,937	1,444
Expenses	(451)	-
Actuarial (loss) / gain	(18,769)	175
Contributions by the employer	3,234	3,176
Contributions by Scheme members	605	578
Benefits paid	(1,828)	(2,006)
Fair value of Scheme assets at end of year	**54,394**	**69,666**

Amounts recognised in the statement of financial position	As at 31 March 2023 £'000	As at 31 March 2022 £'000
Fair value of Scheme assets	54,394	69,666
Actuarial value of Scheme liabilities	(58,856)	(82,232)
Deficit in the Scheme	**(4,462)**	**(12,566)**

Analysis of assets	As at 31 March 2023 £'000	As at 31 March 2022 £'000
Equities, property and alternatives	9,639	10,404
Bond/ Liability driven investments	26,280	20,874
Diversified growth/ Multi asset funds	17,447	36,662
Cash	226	618
Other	802	1,108
	54,394	**69,666**

26 A. ACCENT GROUP PENSION SCHEME (AGPS) (CONTINUED)

Assets as a percentage of total plan assets	As at 31 March 2023 %	As at 31 March 2022 %
Equities, property and alternatives	17.7%	14.9%
Bond/ Liability driven investments	48.3%	30.0%
Diversified growth/ Multi asset funds	32.1%	52.6%
Cash	0.4%	0.9%
Other	1.5%	1.6%

Analysis of (loss)/return on assets	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Interest income on Scheme assets	1,937	1,444
Actuarial (losses)/ gains	(18,769)	175
Actual (loss)/ return on assets	**(16,832)**	**1,619**

History of experience gains and (losses)	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
(Loss)/ gain on Scheme assets	(18,769)	175
Experience loss on Scheme liabilities	(3,461)	(77)
Gain on change in assumptions (financial and demographic)	29,357	7,979
Total actuarial gain recognised in the statement of comprehensive income	**7,127**	**8,077**

26 A. ACCENT GROUP PENSION SCHEME (AGPS) (CONTINUED)

Amounts for the current and previous periods are as follows:	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Present value of defined benefit obligation	(58,856)	(82,232)	(87,701)	(82,179)
Fair value of Scheme assets	54,394	69,666	66,299	55,664
Deficit on scheme	(4,462)	(12,566)	(21,402)	(26,515)
Experience (losses)/ gains on assets	(18,769)	175	8,132	(3,292)
Experience (losses) / gains on liabilities	(3,461)	(77)	4,996	1,189

The cumulative amount of actuarial losses recognised since the adoption of FRS17, and subsequently FRS102, is £36,029k (2022: £28,902k).

Sensitivity
The following table provides an indication of the sensitivity of the value of liabilities to changes in assumptions. The impact on the Statement of Comprehensive Income tends to be hard to predict.

	Impact on liablities*	
Change	**Increase**	**Decrease**
Change in discount rate by 0.5% per annum	-8%	+9%
Change in assumed inflation assumption by 0.5% per annum	+5%	-5%
Increase of 0.5% to mortality projection long term rate	+2%	-

* Approximate, not scheme specific.

AGPS is not impacted by GMP equalisation or the McCloud pension ruling.

26 B. SOCIAL HOUSING PENSION SCHEME (SHPS - DB)

Accent Group Limited participated in the Social Housing Pension Scheme (SHPS), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK. The SHPS scheme was closed to the Group's staff from 1 August 2016 and was contracted-out of the State Pension scheme until 5 April 2006. There are no longer any active members employed by the Group.

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

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

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the Group 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 accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year ends from the following 31 March to 28 February inclusive.

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

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

The net defined benefit liability as at 31 March 2023 is £2,789k (2022: £2,209k).

	31 March 2023 % pa	**31 March 2022 % pa**
Key financial assumptions		
Discount rate	4.70	2.79
Rate of Inflation (RPI)	3.30	3.57
Rate of Inflation (CPI)	2.90	3.19
Salary Growth	3.10	4.19
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

26 B. SOCIAL HOUSING PENSION SCHEME (SHPS - DB) (CONTINUED)

Average life expectancies The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:	**31 March 2023 Years**	**31 March 2022 Years**
Male retiring in 2022	21.1	21.1
Female retiring in 2022	23.5	23.7
Male retiring in 2042	22.3	22.4
Female retiring in 2042	25.0	25.2

Amounts recognised in the statement of comprehensive income	**Year ended 31 March 2023 £'000**	**Year ended 31 March 2022 £'000**
Expenses	12	12
Interest cost	55	71
Total charged to the statement of comprehensive income (note 2 and note 6)	**67**	**83**

Reconciliation of defined benefit obligation	**Year ended 31 March 2023 £'000**	**Year ended 31 March 2022 £'000**
Defined benefit obligation at beginning of year	17,637	18,156
Expenses	12	12
Interest cost	486	390
Actuarial loss due to scheme experience	84	1,156
Actuarial (gain) due to change in demographic assumptions	-	(287)
Actuarial gain due to changes in financial assumptions	(4,623)	(1,302)
Benefits paid	(453)	(488)
Defined benefit obligation at end of year	**13,143**	**17,637**

26 B. SOCIAL HOUSING PENSION SCHEME (SHPS - DB) (CONTINUED)

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Reconciliation of fair value of Scheme assets		
Fair value of Scheme assets at beginning of year	15,428	14,677
Interest income on Scheme assets	431	319
Experience (loss)/ gain on plan assets (excluding amounts included in interest income)	(5,599)	468
Contributions by the employer	547	452
Benefits paid	(453)	(488)
Fair value of Scheme assets at end of year	**10,354**	**15,428**

	As at 31 March 2023 £'000	As at 31 March 2022 £'000
Amounts recognised in the statement of financial position		
Fair value of Scheme assets	10,354	15,428
Actuarial value of Scheme liabilities	(13,143)	(17,637)
Deficit in the Scheme	**(2,789)**	**(2,209)**

The impact of GMP equalisation for Accent Group Limited at 31 March 2023 was calculated to be £1k (2022: £1k). This is reflected in the liability disclosed above.

26 B. SOCIAL HOUSING PENSION SCHEME (SHPS - DB) (CONTINUED)

Analysis of assets	As at 31 March 2023 £'000	As at 31 March 2022 £'000
Absolute Return	112	619
Alternative Risk Premia	19	509
Corporate Bonds	-	1,029
Credit Relative Value	391	513
Distressed Opportunities	313	552
Emerging Markets Debt	56	449
Global Equity	193	2,960
Infrastructure	1,183	1,099
Insurance-Linked Securities	261	360
Liability Driven Investment	4,769	4,305
Long Lease Property	312	397
Net Current Assets	26	43
Opportunistic Illiquid Credit	443	518
Private Debt	461	395
Property	446	417
Risk Sharing	762	508
Secured Income	475	575
Opportunistic Credit	1	55
High Yield	36	133
Currency Hedging	20	(60)
Cash	75	52
	10,354	**15,428**

26 B. SOCIAL HOUSING PENSION SCHEME (SHPS - DB) (CONTINUED)

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Analysis of (loss)/return on assets		
Interest income on Scheme assets	431	319
Actuarial (loss)/ gains	(5,599)	468
Actual (loss)/return on assets	**(5,168)**	**787**

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
History of experience gains and (losses)		
(Losses)/ gains on Scheme assets	(5,599)	468
Experience loss on Scheme liabilities	(84)	(1,156)
Gain on change in assumptions (financial and demographic)	4,623	1,589
Total actuarial (loss)/gain recognised in the statement of comprehensive income	**(1,060)**	**901**

Amounts for the current and previous periods are as follows:	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Present value of defined benefit obligation	(13,143)	(17,637)	(18,156)	(14,911)
Fair value of Scheme assets	10,354	15,428	14,677	13,242
Deficit on scheme	(2,789)	(2,209)	(3,479)	(1,669)
Experience (losses)/ gains on assets	(5,599)	468	1,321	236
Experience gains / (losses) on liabilities	4,539	433	(3,528)	2,349

26 C. SOCIAL HOUSING PENSION SCHEME (SHPS - DC)

The Group also participates in the defined contribution section of the Social Housing Pension Scheme (SHPS) with 197 (2022: 208) active members employed by the Group at 31 March, this is the default Auto Enrolment scheme for staff. The regular pension contributions payable by the Group during the year were £225k (2022: £227k).

27. RELATED PARTIES AND INTEREST IN ASSOCIATED UNDERTAKINGS - GROUP

R Seldon is a Board member of Johnnie Johnson Housing Trust Limited (JJHT). Accent Housing Limited and Domus Services Limited (Accent Group Limited) traded with JJHT during the year. Services bought during the year amounted to £106,877 (2022: £133,386) relating to alarm monitoring services. There was a credit of £2,998 (2022: £3,707) due from Accent Group Limited from JJHT as at 31 March 2023. Services sold to JJHT during the year amounted to £1,500 (2022: £4,500) relating to programme management services. There was £nil (2022: £nil) due to Accent Housing Limited from JJHT as at 31 March 2023. Financial Statements for Johnnie Johnson Housing Trust Limited can be obtained from Astra House, Spinners Lane, Poynton, Cheshire. SK12 1GA.

R Wilkinson a Board member is also a resident. His leasehold agreement is on normal commercial terms and he is not able to use his position to his advantage. During the year Accent Housing Limited has received service charges of £1,069 (2022: £1,101). At the 31 March 2023 there was £43 (2022: credit of £10) due to Accent Housing Limited from R Wilkinson.

At 31 March 2023 the subsidiary, joint venture and associate undertakings were:

	Percentage owned or controlled %	Accent Group Limited and Subsidiaries hold 100% of the share capital	Registered Society controlled by Accent Group Limited and regulated by the RSH
Subsidiaries:			
Accent Housing Limited * ^	100		X
Accent Capital PLC	100		
Domus Services Limited	100	Note A	
Accent Homemade Limited	100	X	
Accent Group Pension Trustees Limited	100		
Joint Ventures:			
Franklands Park Limited ^^ (limited by guarantee) A management company for the Franklands Drive development.	50		
Associates:			
Procurement For All Limited ^^ (joint procurement company)	16.67		

All undertakings are incorporated in Great Britain and registered in England and are included in the consolidated financial statements.

* Directors of these subsidiaries hold shares in the respective entities on a non-beneficial basis. In all cases effective control remains wholly with Accent Group Limited.

^ A registered provider of social housing regulated by the Regulator of Social Housing.

^^ These entities are not significant in relation to Accent Group hence, for clarity, certain disclosures have been omitted from this note.

27. RELATED PARTIES AND INTEREST IN ASSOCIATED UNDERTAKINGS - GROUP (CONTINUED)

Note A

Accent Group Limited does not hold any shares in Domus Services Limited. However, it has effective control as the managing body is made up of executive directors/employees of Accent Group Limited undertakings. In addition, the articles of association of Domus Services Limited extend further powers of control to the parent undertaking.

The activities of the principal subsidiaries listed on the previous page are as follows:

Accent Housing Limited

The principal activity of the Society is the provision of rented housing accommodation at affordable rents for those in most need. In addition, the Society provides assisted housing through low cost home ownership schemes and leasehold schemes for the elderly. The Society operates an assisted living scheme, subsidised rented accommodation for students and special needs accommodation.

Accent Housing Limited had the following transactions with related parties during the year:

ACCENT HOMEMADE LIMITED

	2023 £'000	2022 £'000
Received from related group entities:		
Development costs	29,200	10,033
Management fee	348	158
	29,548	**10,191**

	2023 £'000	2022 £'000
Paid to related group entities:		
Management fee and supply of staff	451	348
Interest	182	873
	633	**1,221**

Loan due to group entities:	2023 £'000	2022 £'000
Accent Housing Limited	**-**	**15,900**

Deposits received from group entities:	2023 £'000	2022 £'000
Accent Housing Limited	**3,265**	**28,835**

Accent Homemade Limited provides development services associated with the design and construction of new homes for Accent Group Limited and its subsidiaries. Development costs are charged in totality and management fees cover the provision of development services.

27. RELATED PARTIES AND INTEREST IN ASSOCIATED UNDERTAKINGS - GROUP (CONTINUED)

DOMUS SERVICES LIMITED

	2023 £'000	2022 £'000
Paid to related group entities:		
Gift aid	100	-
Management fee	68	78
	168	**78**

Domus Services Limited provides services for the collection of service charge income and management of related expenditure on behalf of leaseholders. The management fee is in respect of services rendered for the provision of service charge collection and management.

ACCENT CAPITAL PLC

Received from related group entities:	2023 £'000	2022 £'000
Interest	**9,232**	**8,317**

On 18 July 2019 Accent Capital PLC issued a bond on the debt capital markets which then on-lent the funds to Accent Housing Limited.

FRANKLANDS PARK LIMITED

Received from related group entities:	2023 £'000	2022 £'000
Service charge	**93**	**120**

Franklands Park Limited manages a single housing scheme Franklands Drive on behalf of joint owners Accent Housing Limited and Paragon Asra Housing Limited.

27. RELATED PARTIES AND INTEREST IN ASSOCIATED UNDERTAKINGS - GROUP (CONTINUED)

PROCUREMENT FOR ALL LIMITED

Paid to related group entities:	2023 £'000	2022 £'000
Membership fee	**-**	**36**

Received from related group entities:		
Amount returned to shareholder following liquidation	**5**	**-**

The Group has a 16.67% share in Procurement For All Limited, registered company 05472353, which provided services to its members securing value for money through joint procurement of capital and maintenance works. The trading activities of Procurement For All Limited have been wound down in an orderly manner and the business has been solvently liquidated. An initial distribution to shareholders has been received during the financial year with a final distribution due imminently.

INTEREST IN ASSOCIATED UNDERTAKINGS	2023 £'000	2022 £'000
Deficit arising from interest in Franklands Park Limited	-	(88)
Deficit arising from interest in Procurement For All Limited	(7)	(14)
	(7)	**(102)**

28. CONTINGENT LIABILITY

Local Improvement Finance Trust Schemes

There is the potential for Accent Group Limited to be liable for claims in respect of historical contracts relating to local improvement finance trust schemes (LIFT). Future claims in this regard cannot be discounted however the liability cannot be determined and all such claims will be examined on a case by case basis to establish if liability exists and to limit financial exposure with expert third party advice where appropriate. Due to the sensitive nature of this matter Accent Group Limited is unable to disclose any further details regarding the timing or quantum of potential claims as this could be seriously prejudicial.

Social Housing Pension Scheme (SHPS DB)

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

29. PRIOR YEAR RESTATEMENT

During the year ended 31 March 2023 the Group adopted a key change to a significant accounting policy. The Group now recognises housing properties at historical cost where previously they were accounted for at existing use value for social housing. The adoption of this accounting policy has also resulted in a change to the treatment of how the Group accounts for Social Housing Grant which is now accounted for using the accrual method in accordance with the Housing SORP 2018.

The prior year comparative amounts and opening balances have all been restated.

Due to these restatements, the opening reserves (revenue and reserves) as at 1 April 2021 decreased by £314.9m, operating surplus recorded in 2021/22 decreased by £0.2m with overall surplus decreased by £13.5m. The total impact on the reserves balances for the year ended 31 March 2022 is a decrease of £46.3m.

The tables on the following pages summarise the overall movement in the Statement of Comprehensive Income and the Statement of Financial Position, as a result of the above adjustments.

29. PRIOR YEAR RESTATEMENT (CONTINUED)

Statement of comprehensive income	Note	As published for the year ended 31 March 2022 £'000	Restatement impact £'000	As restated for the year ended 31 March 2022 £'000
Turnover	i.	108,108	(222)	107,886
Other income		220	-	220
Operating costs	ii.	(82,424)	(479)	(82,903)
Gain on disposal of housing properties and other fixed assets	iii.	1,437	541	1,978
OPERATING SURPLUS		**27,341**	**(160)**	**27,181**
Deficit from interest in associated undertakings		(102)	-	(102)
Interest receivable and other income		324	-	324
Interest payable and financing costs		(13,078)	-	(13,078)
Movement in fair value of financial instruments		62	-	62
Decrease in valuation of housing properties	iv.	(13,809)	13,809	-
Reversal of previous decrease in valuation of housing properties	iv.	27,191	(27,191)	-
SURPLUS FOR THE YEAR BEFORE TAXATION		**27,929**	**(13,542)**	**14,387**
Taxation on ordinary activities		203	-	203
SURPLUS FOR THE YEAR AFTER TAXATION		**28,132**	**(13,542)**	**14,590**
Re-measurements - unrealised gain on revaluation of housing properties	iv.	32,815	(32,815)	-
Actuarial gain in respect of Accent Group pension scheme		8,077	-	8,077
Actuarial gain in respect of Social Housing pension scheme		901	-	901
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**69,925**	**(46,357)**	**23,568**

i. Grant is no longer recognised using the performance method and is instead amortised over the life of the housing properties in line with the accrual method for grant. This has resulted in a reduction of turnover of £222k.

ii. Housing properties are no longer accounted for based on their Existing Use Value – Social Housing (EUV-SH) and instead are depreciated based on their historical cost. This has resulted in an increase to depreciation of £479k.

iii. The net book value of housing properties disposed changed as a result of the change in the accounting policy.

iv. All movements in revaluation are now eliminated as housing properties are no longer accounted for at EUV-SH, resulting in the reduction in housing properties and increase in grants.

29. PRIOR YEAR RESTATEMENT (CONTINUED)

Statement of financial position	Note	Previously published as at 31 March 2021 £'000	Restatements as at 31 March 2021 £'000	Restated balance as at 31 March 2021 £'000	Reported balances as at 31 March 2022 £'000	Cumulative impact as at 31 March 2022 £'000	Restated balance as at 31 March 2022 £'000
Housing properties	v.	750,016	(18,919)	731,097	847,783	(67,036)	780,747
Creditors due within one year	vi.	(42,428)	(4,113)	(46,541)	(62,340)	(3,975)	(66,315)
Creditors due after more than one year	vii.	(409,526)	(291,162)	(700,688)	(492,808)	(289,540)	(782,348)
Other fixed assets and current assets		104,137	-	104,137	179,489	-	179,489
Net assets total		**402,199**	**(314,194)**	**88,005**	**472,124**	**(360,551)**	**111,573**
Revenue reserve	viii.	279,899	(191,894)	88,005	318,374	(206,801)	111,573
Revaluation reserve	ix.	122,300	(122,300)	-	153,750	(153,750)	-
Reserves total		**402,199**	**(314,194)**	**88,005**	**472,124**	**(360,551)**	**111,573**

v. Housing properties are now stated at historical cost and are no longer valued on an annual basis which has resulted in a cumulative decrease in the carrying value of £67m.

vi. Social housing grant received is now recognised in the statement of financial position using the accrual method which has resulted in a cumulative increase in short term creditors of £4m being the grant due to be amortised within one year.

vii. Social housing grant received is now recognised in the statement of financial position using the accrual method which has resulted in a cumulative increase in long term creditors of £289.5m.

viii. The cumulative impact of restating housing properties to historical cost is a decrease in revenue reserves of £206.8m.

ix. The impact of restating housing properties to historical cost is that all revaluation reserves are eliminated. The cumulative impact on the reported results to March 2022 is a decrease in revaluation reserves of £153.8m. The cumulative impact on the reported results to March 2021 is a decrease in revaluation reserves of £122.3m.

29. PRIOR YEAR RESTATEMENT (CONTINUED)

Cash flow statement - reconciliation of cash flow from operating activities	**Note**	**As published for the year ended 31 March 2022 £'000**	**Restatement impact £'000**	**As restated for the year ended 31 March 2022 £'000**
Surplus for the year after taxation		28,132	(13,542)	14,590
Adjustments for non-cash items:				
Depreciation of housing assets	ii.	13,680	(242)	13,438
Depreciation of other assets		741	-	741
Component write offs		912	-	912
Impairment	ii.	-	721	721
(Gain) arising on revaluation of housing property	iv.	(13,382)	13,382	-
Amortisation of government grants	i.	-	(3,958)	(3,958)
Pension costs less contributions payable		(1,623)	-	(1,623)
Gain on disposal of housing properties	iii.	(1,437)	(541)	(1,978)
Gain on revaluation of investment properties		(220)	-	(220)
Share of operating deficit in joint venture and associate		102	-	102
Working capital movements:				
Properties for sale		(7,687)	-	(7,687)
Debtors		1,198	-	1,198
Creditors		(1,668)	-	(1,668)
Adjustments for investing activities:				
Government grants utilised in the year	i.	(4,180)	4,180	-
Interest payable		13,078	-	13,078
Interest received		(324)	-	(324)
Fair value movements		(62)	-	(62)
Taxation		(203)	-	(203)
Net cash generated from operating activities		**27,057**	**-**	**27,057**

30. SUBSEQUENT EVENTS

The Group plans to consolidate part of its Group structure to simplify the business and associated governance arrangements. The Directors intention is for Domus Services Limited to transfer its assets, liabilities and engagements to Accent Housing Limited in the next 12 months with operational activities and contractual arrangements continuing unchanged with Accent Housing Limited.

Accent Group Ltd

T: 0345 678 0555
E: customerservices@accentgroup.org