



ATEB GROUP LIMITED

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

For the year ended 31st March 2019

ATEB GROUP LIMITED
CONSOLIDATED REPORT AND FINANCIAL STATEMENTS
For the year ended 31st March 2019

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ATEB GROUP LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

Welsh Government Registered Number: PO72
Financial Conduct Authority Registered Number: 23308R

Board of Management:
Mr. D. Birch (Chair)
Mr. Hugh Watchman (Vice-Chair)
Mr. M. Lewis, CPFA (resigned July 2018)
Mr. R. Butler, PG Dip (Con.Mgmt.), FRICS (resigned April 2018)
Mrs. D. Campbell (resigned September 2018)
Mrs. H. Dahill LLB
Mrs. J. Francis (appointed October 2018)
Mr. O. Jones (appointed June 2018)
Mrs. J. Leonard (appointed October 2018)
Mrs. S. Lusher (appointed October 2018)

Group Chief Executive: Mr. N. Hampshire, BSc (Hons), MBA, MRICS
Senior Executives: Mr. A. Williams, FCCA (Group Finance Director)
Mrs. E. Brock BSc, MSc, MCIH (Housing Director) (resigned March 2019)
Mr. M. Lewis (Interim Housing Director) (appointed May 2018)
Mr. N. Sinnett, BSc, MRICS, AaPS (Group Property Services Director)

Secretary: Mrs. C. Barnett LLB

Registered Office: Meyler House, St. Thomas Green, Haverfordwest, Pembrokeshire. SA61 1QP

External Auditors: Bevan Buckland LLP
Chartered Accountants & Statutory Auditors
Langdon House
Langdon Road
Swansea SA1 8QY

Internal Auditors: RSM
Regus House
Cardiff Gate Business Park
Cardiff CF23 8RU

Principal Solicitors: Hugh James Devonshires Blake Morgan
Two Central Square 30 Finsbury Circus One Central Square
Cardiff CF10 1FS London EC2M 7DT Cardiff CF10 1FS

Bankers: Barclays Bank PLC
Windsor Court
3 Windsor Place
Cardiff CF10 3AX

Funders: Barclays Bank PLC
The Royal Bank of Scotland PLC
Principality Building Society
The Housing Finance Corporation
Yorkshire Building Society
M&G Investments
BAE Systems Pension fund
Welsh Government

ATEB GROUP LIMITED REPORT OF THE BOARD OF MANAGEMENT

The Board of Management present their report and the audited financial statements for the year ended 31st March 2019.

Strategic Report

Principal activities and corporate structure

Ateb Group Limited is the parent of the **ateb** Group and the affordable and social housing business. Mill Bay Homes Limited (MBH) is the property development business building new homes for sale. West Wales Care and Repair Limited (WWCR) provides support services to older clients enabling them to continue living in their own homes. The remaining entity in the Group structure is a dormant company – Effective Building Solutions Limited (EBS).

The principal activities of Ateb Group Limited are in the provision of quality social housing and affordable homes for rent.

It is registered under the Co-operative and Community Benefit Societies Act 2014 on charitable rules and is a Registered Social Landlord.

It is the ultimate parent organisation in the Ateb Group that sets the overall strategic direction and policy framework for the Group and provides management and administrative support to other Group members.

Board of Management

The Board of Management of Ateb Group Limited consists of voluntary members who have responsibility for the strategic direction, general policy and non-executive management of the Association and the Group. The day to day management of operations is delegated to the Group Chief Executive and the Executive Management Team.

The Board Members who served during the year are shown on page 1.

The Group Board can comprise up to twelve full members and three co-opted members. Board members are drawn from a wide background bringing together a diverse skills-set. The primary role of the Board is to focus on strategic direction, growth and investment and risk. The Board meets formally ten times a year for regular business and at other times to discuss strategic issues.

The Group Board is supported by three committees with specific responsibilities:

- Personnel - deals with any personnel matters such as grievances and appeals.
 - Remuneration Committee – responsible for our policy on remuneration and terms and conditions of employment.
 - Assurance Committee – responsible for the operations of internal audit, the appointment of internal auditors, the scope of the internal and external audit plans and their reports. The committee has delegated responsibility for the risk management strategy. It reports to the Group Board on the effectiveness of the internal control arrangements and provides an annual report to the Group Board on the work undertaken by the Assurance Committee.
- Mill Bay Homes Limited, West Wales Care and Repair Limited and Effective Building Solutions are wholly controlled subsidiaries.

ATEB GROUP LIMITED REPORT OF THE BOARD OF MANAGEMENT

Strategic Plan

This is the first year of the 3-year Group Strategic Plan that was launched in 2018.

Business resources in all companies in the Group are focused on the achievement of the three strategic aims:

- Increase corporate strength
- Improve service delivery
- New business growth

Ateb Group Limited, the parent organisation in the Group, is also the provider of affordable housing for rent. Demand for the product remains high. During the year, the Welsh Government commissioned an independent review of affordable housing supply – the Affordable Housing Supply Review. The recommendations are expected to be clarified in 2019/20. We have already commenced planning initiatives on how to deal with the likely implications.

Universal Credit is very much on our radar in this business with our preparations to date producing positive responses to combating the threat to income that the new arrangement poses.

Compliance works remain high on the agenda thereby ensuring that the safety of our customers is paramount.

We continue to improve our approach to governance throughout the Group with the development of a new integrated risk and assurance management framework. New Board members have been recruited bringing a wide spectrum of skills and experience to the Group's businesses.

We continue to improve our understanding of customer expectation through the 'Engage' initiative which is aimed at gaining a better understanding of those service areas where our customers seek further improvements.

Our digital transformation strategy was launched during the year. The digital age continues to challenge customer expectations; how we work and how services and products are delivered. This is a challenging project which we aim to deliver over an extended period.

Investment in the infrastructure is key to business growth and we will continue to develop our plans to deliver more affordable housing in a number of different ways. The demand for our services and products remains strong. During the year 102 additional new homes were rented at social rents with another 359no. expected in the latest business plan.

The subsidiary business, Mill Bay Homes Limited, performed well in a competitive external market place with 42 new homes sold to a range of customers. Plans for further expansion of the business have been compiled for launch post-clarification of the Brexit impact on the housing market.

West Wales Care and Repair Limited remains an integral part of our holistic approach to the provision of much needed customer services throughout the Group. Over 3,000 clients benefitted from the services provided in 2018/19.

The Group business remains financially strong having taken on board the corporate accounting changes in relation to the defined benefits pension fund which resulted in an increase in the share of the fund deficit for both ateb Group Limited and West Wales Care and Repair Limited. Mill Bay Homes offered the defined contributions scheme and was, therefore, unaffected.

Risk management

The Group Board is responsible for strategic risk management. There is a risk management framework in place that manages and mitigates key strategic and business critical risks.

ATEB GROUP LIMITED REPORT OF THE BOARD OF MANAGEMENT

Our approach to risk management is continually reviewed and monitored by the Assurance Committee on behalf of the Group Board. All subsidiary businesses are required to comply with the risk management framework.

The Risk Register is managed by the Risk Panel which consists of representatives from across the Group. Each representative is a 'risk owner' acting as an early warning of changes or new and emerging risks.

This approach enables the Group to foresee risks and to implement mitigating controls before they adversely impact on the business or delivery of key targets. This will be further improved with the development of the new integrated risk and assurance management framework.

The Assets and Liabilities Register is also monitored by the Risk Panel and the Assurance committee.

Financial review

2018-19 returned another strong financial performance for the Group. The Total Comprehensive Income for the year (before the Prior Year Pension Deficit Adjustment) increased to £4.53m from £3.08m in 2017-18 due to operating cost savings, Donated Land Value Adjustment and increased profit from Mill Bay Homes.

Donated land value adjustments in respect of properties acquired from developers under Section 106 planning obligations have also resulted in an increase in the Total Comprehensive Income. This can vary significantly from year to year and is largely outside the control of the business.

The wholly owned subsidiary private housebuilder Mill Bay Homes Limited returned over £1.3m in gift aid (2018: £1.0m) to the parent for investment in the social and affordable homes building programmes.

The adjustments arising from the new corporate accounting requirements in relation to the defined benefits pension fund have resulted in an increase of £2m in our share of the deficit. This is shown as an increase in current year operating costs (£217k) and an increase in current year net interest expense (£58k) in the 'Statement of Comprehensive Income' together with a decrease in prior year reserves (£1.72m) in 'Other Comprehensive Income'.

The Statement of Financial Position has increased in strength with reserves increasing by 10.8% to £28.8m (after adjusting for the decrease in reserves due to the pension fund costs of £1.72m detailed above).

£6.4m in Social Housing Grant (2018: £6.9m) was made available by the Welsh Government in support of the social housing development programme.

As at 31 March 2019, we maintained £15m of secured undrawn facilities available for immediate drawdown, and £3.3m of cash in hand making a total available liquidity of £18.3m. In addition, we have an overdraft facility of £2m which is intended to act as a short-term liquidity buffer.

At the year-end 80% of the current debt total of £80m was on fixed rate terms with a good mix of lenders/investors, types of loan and terms to repayment.

All lenders' covenants have been complied with by a comfortable margin and there are no matters of concern to the regulator.

A comprehensive report on performance will be included in the 2018-19 Corporate Review.

Maintenance and investment in our assets

We aim to maintain our assets to a high standard and in accordance with the Welsh Housing Quality Standard (WHQS). The deadline for bringing our properties to WHQS standard has been fully complied with.

ATEB GROUP LIMITED

REPORT OF THE BOARD OF MANAGEMENT

Financial strength

Maintaining the financial strength of the Association enables reinvestment in the homes and communities that we serve and facilitates the raising of additional funding in the financial markets. Our financial resources are utilised in accordance with our business strategy and are aimed at maximising the delivery of new homes in the social housing development programme.

Value for money

Our strategic direction places a great deal of focus on Value for Money (VFM) and we will continue to develop this further in a clear and transparent way around core indicators year on year.

When measured against the current Global Accounts VFM indicators, we perform very well.

We are committed to delivering value for money through our procurement strategy. Our procurement specialists work closely with the National Procurement Service and Value Wales and our use of the Welsh Government's procurement card continues to increase. We have made significant cost savings in a number of service areas and we continue to build on this success.

Regulation

Ateb Group Limited is regulated by the Welsh Government.

The Future

Ateb Group Limited, as the ultimate parent organisation in the Group, is committed to achieving the Group's primary business purpose which is defined as:

- **Creating better living solutions for the people and communities of West Wales**

This is intended to encapsulate what the organisation stands for and drive everything that it does.

Long term strategic planning and financial modelling are fully supportive of this aim.

Changes in Fixed Assets

Details of fixed assets are set out in notes 10 to 12.

Responsibilities of the Board of Management

Housing Association legislation requires the Association's Board of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of its income and expenditure for that year. In preparing those financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards and the Statement of Recommended Practice for Registered Social Landlords have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue to operate.

ATEB GROUP LIMITED
REPORT OF THE BOARD OF MANAGEMENT

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and The Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Internal Financial Controls

The Board is ultimately responsible for the Association's system of internal financial control, which is designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information used within the business.

The following mechanisms were in place and were designed to provide effective internal control:

- clearly defined management and reporting structures;
- clearly defined standing orders and financial regulations;
- financial training programme;
- procedures manuals for staff;
- management information and accounting systems with monthly reporting of financial results and other performance indicators;
- rolling five-year business plans;
- risk management process, including an annual risk review; and
- monitoring of the control system by the Assurance Committee, internal auditors and external audit;
- policy statement on fraud covering prevention, detection and reporting of fraud and the recovery of assets.

The Board of Management has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31st March 2019. No weaknesses were found in internal financial controls, which resulted in material losses, contingencies, or uncertainties, which require disclosure in the financial statements or in the auditors' report on the financial statements.

The Board of Management and Executive Officers

The Board of Management and Executive Officers of the Association are listed on Page 1.

Each member of the Board of Management holds one fully paid share of £1 in the Association. The Executive Officers of the Association hold no interest in the Association's share capital and although not having the legal status of directors they act as executives within the authority delegated by the Board.

Post Balance Sheet Events

There are no significant post balance sheet events.

Auditors

A resolution to reappoint Bevan Buckland LLP will be proposed at the Annual General Meeting.

By Order of the Board


G. Barnett
Secretary

Date: 25/07/19

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATEB GROUP LIMITED REGISTERED UNDER THE CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES ACT 2014

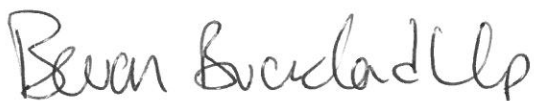
In addition to our audit on the financial statements for the year ended 31st March 2019, we have reviewed the Board's statement of ATEB Group Limited's ("the Group") compliance with the Welsh Government Circular 02/10, Internal Financial Control and Financial Reporting ("the Circular").

The objective of our review is to enable us to conclude on whether the Board has provided the disclosures required by the Circular and whether the statement is consistent with the information of which we are aware from our audit work on the financial statements.

We are not required to form an opinion on the effectiveness of the Group's corporate governance procedures or its internal financial control.

Opinion

With respect to the Board's statement on internal financial control on page 6, in our opinion the Board of Management has provided the disclosures required by the Circular and the statement is consistent with the information of which we are aware from our audit work in the financial statements.



Bevan Buckland LLP

Chartered Accountants & Statutory Auditors
Langdon House
Langdon Road
Swansea
SA1 8QY

Date: 25/07/19

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATEB GROUP LIMITED REGISTERED UNDER THE CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES ACT 2014

Opinion

We have audited the financial statements of ATEB Group Limited ("the Association") for the year ended 31 March 2019 which comprise the consolidated and Association statements of comprehensive income, consolidated and Associated statements of changes in reserves, the consolidated and Association statements of financial position, the consolidated cash flow statement and its related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Association's affairs as at 31st March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

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 are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Boards' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group and Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board are responsible for the other information. 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. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATEB GROUP LIMITED REGISTERED UNDER THE CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES ACT 2014

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 require us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Group and Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account of the Group and Association; 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 (set out on page 14), 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 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 Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Association's members, as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.



Bevan Buckland LLP

Chartered Accountants & Statutory Auditors
Langdon House
Langdon Road
Swansea
SA1 8QY

Date: 25/07/19

ATEB GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2019

	Notes	2019 £	2018 £
Turnover	2	24,133,781	24,239,090
Cost of Sales		(5,815,437)	(6,906,172)
Gross Surplus		18,318,345	17,332,919
Less: Operating costs	2	(11,313,790)	(11,029,396)
Operating Surplus	5	7,004,555	6,303,522
Gain/(loss) on disposal of property, plant and equipment	6	15,000	(25,242)
Finance / Investment Income	7	46,703	32,505
Finance Costs	8	(3,323,633)	(3,494,083)
Housing Finance Grant	9	227,889	239,057
Finance Charges / Issue Costs		(190,479)	(256,772)
Donated Land Value Adjustment		812,172	345,134
Other Income		9,935	42,884
Pension Fund Net Interest Costs	20	(58,000)	-
Corporate Rebranding		(10,592)	(108,650)
Total Comprehensive Income before transfers		4,533,549	3,078,355
Taxation		-	-
Total Comprehensive Income for the year after taxation		4,533,549	3,078,355
Other Comprehensive Income			
Initial recognition of multi-employer defined benefit scheme	20	(1,178,103)	-
Actuarial losses in respect of pension schemes	20	(546,500)	-
Pension Fund Deficit Adjustment	20	-	(81)
Total Comprehensive Income for the Year		2,808,946	3,078,274

CONSOLIDATED RESULTS

Companies included are as follows :

- Ateb Group Limited - parent.
- West Wales Care & Repair Limited - subsidiary.
- Mill Bay Homes Limited - subsidiary.
- Effective Building Solutions - subsidiary

CONTINUING OPERATIONS

None of the Group's activities was acquired or discontinued during the two financial years.

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
for the year ended 31 March 2019

	Revenue Reserve £	Designated Reserve £	Restricted Reserve £	Total Reserves £
Balance at 1 April 2018	25,539,870	203,108	218,213	25,961,191
Surplus from statement of comprehensive income	2,808,946	-	-	2,808,946
Transfer of Reserves	(4,177,613)	4,177,613	-	-
Balance at 31 March 2019	24,171,203	4,380,721	218,213	28,770,137

ATEB GROUP LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2019**

	Notes	2019 £	2018 £
Turnover	2a	15,783,910	14,993,441
Less: Operating expenditure	2a	(10,412,554)	(10,166,550)
Operating Surplus	5a	5,371,356	4,826,891
Gain/(loss) on disposal of property, plant and equipment	6a	15,000	(25,242)
Finance / Investment income	7a	309,065	403,808
Finance Costs	8a	(3,323,633)	(3,515,409)
Housing Finance Grant		227,889	239,057
Finance Charges / Issue Costs		(190,479)	(256,772)
Donated Land Value Adjustment		812,172	345,134
Other Income		9,935	25,344
Pension Fund Net Interest Cost	20a	(54,000)	-
Corporate Rebranding		(10,592)	(108,650)
Income from subsidiary company	8b	1,304,882	1,015,274
Total Comprehensive Income before transfers		4,471,595	2,949,435
Other Comprehensive Income			
Initial recognition of multi-employer defined benefit scheme	20a	(1,061,717)	-
Actuarial losses in respect of pension schemes	20a	(511,008)	-
Total Comprehensive Income for the Year		2,898,870	2,949,435

CONTINUING OPERATIONS

None of the Association's activities was acquired or discontinued during the two financial years.

**STATEMENT OF CHANGES IN RESERVES
for the year ended 31 March 2019**

	Revenue Reserve £	Designated Reserve £	Restricted Reserve £	Total Reserves £
Balance at 1 April 2018	25,309,513	-	140,000	25,449,513
Surplus from statement of comprehensive income	2,898,870	-	-	2,898,870
Transfer of Reserves	(4,177,613)	4,177,613	-	-
Balance at 31 March 2019	24,030,770	4,177,613	140,000	28,348,383

ATEB GROUP LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2019

	Notes	2019 £	2018 £
Property, Plant & Equipment			
Housing properties - depreciated cost	10	206,117,870	188,738,818
Other	12	508,985	530,627
		-----	-----
		206,626,855	189,269,444
Investments	13	3	3
Homebuy loan	13	3,109,033	3,223,423
		-----	-----
		209,735,891	192,492,870
Current assets			
Inventories	14	6,106,580	5,644,491
Receivables: amounts falling due within one year	15	1,276,343	4,510,482
Receivables: amounts falling due after more than one year	15	4,267,774	3,498,841
Cash		3,716,864	13,177,693
		-----	-----
		15,367,561	26,831,506
Payables: amounts falling due within one year	16	(8,824,005)	(12,899,966)
		-----	-----
Net current assets		6,543,557	13,931,540
		-----	-----
Total assets less current liabilities		216,279,447	206,424,410
Payables: amounts falling due after more than one year	17	(184,787,274)	(180,463,186)
Provisions for liabilities			
Pension - deficit funding liability		(2,722,000)	-
		-----	-----
Net assets		28,770,173	25,961,224
		=====	=====
Equity			
Called up share capital	18	36	34
Restricted reserves	19	222,543	218,213
Designated Reserves		4,366,956	203,107
Revenue reserve	19	24,180,639	25,539,870
		-----	-----
		28,770,173	25,961,224
		=====	=====

The financial statements on pages 10 to 30 were approved by the Board of Management on 25 July 2019 and were signed on its behalf by:


Mr D Birch, Chair


Mr H Watchman, Vice-Chair


Mrs C Barnett, Secretary

ATEB GROUP LIMITED


**STATEMENT OF FINANCIAL POSITION
as at 31 March 2019**

	Notes	2019 £	2018 £
Property, Plant & Equipment			
Housing properties - depreciated cost	10a	206,117,871	188,738,817
Other	11a	502,759	520,654
		-----	-----
		206,620,630	189,259,471
Investments	12a	3	3
Homebuy loan	12a	3,109,033	3,223,423
		-----	-----
		209,729,666	192,482,897
		-----	-----
Loans to subsidiary companies	14b	3,700,000	5,580,000
Current assets			
Inventories	13a	225,523	309,178
Receivables: amounts falling due within one year	14a	2,439,128	3,904,896
Receivables: amounts falling due after more than one year	14b	4,267,774	3,498,841
Cash		3,249,121	12,613,879
		-----	-----
		10,181,546	20,326,793
Payables: amounts falling due within one year	15a	(8,030,040)	(12,531,079)
Net current assets		-----	-----
		2,151,506	7,795,714
Total assets less current liabilities		-----	-----
		215,581,172	205,858,611
Payables: amounts falling due after more than one year	15b	(184,510,752)	(180,409,064)
Provisions for liabilities			
Pension - deficit funding liability		(2,722,000)	-
Net assets		-----	-----
		28,348,419	25,449,547
		=====	=====
Equity			
Called up share capital	16a	36	34
Restricted reserves	17a	140,000	140,000
Designated reserve	17a	4,177,613	-
Revenue reserve	17a	24,030,770	25,309,513
		-----	-----
		28,348,419	25,449,547
		=====	=====


The financial statements on pages 10 to 30 were approved by the Board of Management on 25 July 2019 and were signed on its behalf by:



Mr D Birch, Chair



Mr H Watchman, Vice-Chair



Mrs C Barnett, Secretary

ATEB GROUP LIMITED

CONSOLIDATED STATEMENT OF CASHFLOWS
for the year ended 31 March 2019

		2019		2018	
	Notes	£	£	£	£
Net cash inflow from operating activities	(i)		11,527,291		8,980,530
Cash flow from investing activities					
Payments to acquire and develop property		(19,235,187)		(9,897,354)	
Receipts from sales of Property, Plant and Equipment		-		96,900	
Social Housing Grant and contributions received		7,106,495		4,251,943	
Other grants and contributions received		-		239,057	
Purchase of other fixed assets		(138,376)		(161,792)	
Finance/Investment income		46,544		53,877	
Net cash outflow from investing activities			(12,220,524)		(5,417,369)
Cash flow from financing activities					
Finance costs		(3,328,906)		(2,959,403)	
Issue of share capital	(iv)	3		4	
Mortgage and other loans received					
- housing	(iv)	6,619,083		-	
Finance costs of loans issued	(iv)	(30,125)		(117,565)	
Loans repaid					
- housing	(iv)	(12,027,653)		(2,397,781)	
Net cash inflow from financing			(8,767,598)		(5,474,745)
Net change in cash and cash equivalents	(ii), (iii)		(9,460,831)		(1,911,582)
Cash and cash equivalents at beginning of the year			13,177,693		15,089,275
Cash and cash equivalents at end of the year			3,716,864		13,177,693

CONSOLIDATED CASH FLOW STATEMENT - Additional Disclosure

	2019	2018
	£	£
Free cash flow for the year ended 31 March 2019		
Net cash inflow from operating activities	11,527,291	8,980,530
Finance/Investment income	46,544	53,877
Finance costs	(3,328,906)	(2,959,403)
Adjustments for reinvestment in existing properties		
Component Replacements	(1,408,565)	(1,507,279)
Purchase of other fixed assets	(138,376)	(158,427)
Free cash generated / (consumed) before loan repayments	6,697,987	4,409,298
Loans repaid (excluding revolving credit facilities and overdrafts)	(2,277,095)	(2,515,346)
Free cash generated / (consumed) after loan repayments	4,420,892	1,893,952

ATEB GROUP LIMITED

STATEMENT OF CASHFLOWS
for the year ended 31 March 2019

	Notes	2019	2018
		£	£
Net cash inflow from operating activities	(i)	9,480,411	8,208,432
Cash flow from investing activities			
Payments to acquire and develop property		(19,235,187)	(9,897,354)
Receipts from sales of Property, Plant and Equipment		-	96,900
Social Housing Grant and contributions received		7,106,495	4,251,943
Other grants and contributions received		-	239,057
Purchase of other fixed assets		(137,944)	(156,197)
Finance/Investment income		309,065	403,808
Net cash outflow from investing activities		(11,957,571)	(5,061,843)
Cash flow from financing activities			
Finance costs		(3,328,906)	(2,959,403)
Issue of share capital	(iv)	3	4
Mortgage and other loans received - housing	(iv)	6,619,083	-
Finance costs of loans issued	(iv)	(30,125)	(117,565)
Loans issued - subsidiary company		(4,175,000)	(5,780,000)
Loans repaid - subsidiary company		6,055,000	6,050,000
Loans repaid - housing	(iv)	(12,027,653)	(2,397,781)
Net cash inflow from financing		(6,887,598)	(5,204,745)
Net change in cash and cash equivalents	(ii) , (iii)	(9,364,758)	(2,058,156)
Cash and cash equivalents at beginning of the year		12,613,879	14,672,034
Cash and cash equivalents at end of the year		3,249,121	12,613,879

CASH FLOW STATEMENT - Additional Disclosure

Free cash flow for the year ended 31 March 2019	2019	2018
	£	£
Net cash inflow from operating activities		
Finance/Investment income	9,480,411	8,208,432
Finance costs	(3,328,906)	(2,959,404)
Adjustments for reinvestment in existing properties		
Component Replacements	(1,408,565)	(1,507,279)
Purchase of other replacement fixed assets	(137,944)	(156,197)
Free cash generated before loan repayments	4,914,061	3,989,360
Loans repaid (excluding revolving credit facilities and overdrafts)	(2,277,095)	(2,397,781)
Free cash generated after loan repayments	2,636,966	1,591,579

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(i) Reconciliation of operating surplus to net cash inflow from operating activities

	2019	2018
	£	£
Operating surplus	7,004,555	6,064,291
Depreciation	3,175,997	3,032,367
Amortisation of SHG	(912,384)	(891,261)
Abortive development costs	22,380	45,251
Impairment of housing properties	-	-
(Increase) / Decrease in receivables and inventories	2,008,656	1,568,800
Increase / (Decrease) in payables	126,418	(790,912)
Share capital cancelled	(1)	(38)
Charge for bad debts	44,397	37,253
Donated Land Value Adjustment	812,712	345,134
Amortisation of finance issue costs	(190,579)	115,774
Capitalised Overheads	(329,644)	(288,780)
Other Income	9,935	25,344
Corporate Rebranding	(10,592)	(108,650)
Pension Fund Net Interest Costs	(54,000)	-
Pension deficit contribution paid	(180,557)	(174,043)
Net cash inflow from operating activities	11,527,291	8,980,530

(ii) Analysis of changes in cash and cash equivalents during the year

	2019	2018
	£	£
At beginning of period	13,177,693	15,089,275
Net cash inflow/(outflow)	(9,460,829)	(1,911,582)
At end of period	3,716,864	13,177,693

(iii) Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	2019	2018	Change in year	2018	2017	Change in year
	£	£	£	£	£	£
Cash	3,716,864	13,177,693	(9,460,829)	13,177,693	15,089,275	(1,911,582)
	3,716,864	13,177,693	(9,460,829)	13,177,693	15,089,275	(1,911,582)

(iv) Analysis of changes in financing during the year

	Share Capital		Housing Loans	
	2019	2018	2019	2018
	£	£	£	£
At beginning of year	41	75	85,125,274	87,619,300
Cash inflow from financing	3	4	6,619,083	-
Cash outflow from financing	(1)	(38)	(12,027,653)	(2,256,686)
Cash outflow finance costs	-	-	(30,124)	(117,565)
	43	41	79,686,580	85,245,048
Non cash items:				
Debenture discount	-	-	(4,000)	(4,000)
Amortisation of finance costs	-	-	(85,684)	(115,774)
Finance Costs Accrued	-	-	-	-
At end of year	43	41	79,596,896	85,125,274

ATEB GROUP LIMITED

NOTES TO THE STATEMENT OF CASH FLOWS
for the year ended 31 March 2019

(i) Reconciliation of operating surplus to net cash inflow / (outflow)
from operating activities

	2019	2018
Cash flows from operating activities	£	£
Operating surplus	5,371,356	4,826,891
Depreciation	3,171,818	3,027,269
Amortisation of SHG	(912,384)	(891,261)
Abortive development costs	22,380	45,251
Impairment of housing properties	-	-
(Increase) / Decrease in receivables and inventories	1,009,848	1,299,237
Increase / (Decrease) in payables	704,771	310,545
Share capital cancelled	(1)	(28)
Charge for bad debts	44,397	37,253
Donated Land Value Adjustment	812,172	345,134
Capitalised Overheads	(329,644)	(288,780)
Other Income	9,935	25,344
Corporate Rebranding	(10,592)	(108,650)
Finance Charges / Issue Costs	(190,579)	(256,772)
Pension Fund Net Interest Costs	(54,000)	-
Pension deficit contribution paid	(169,065)	(163,000)
Net cash inflow from operating activities	9,480,411	8,208,432

(ii) Analysis of changes in cash and cash equivalents during the year

	2019	2018
	£	£
At beginning of year	12,613,879	14,672,034
Net cash (outflow)	(9,364,758)	(2,058,155)
At end of year	3,249,121	12,613,879

(iii) Analysis of the balances of cash and cash equivalents as shown in the Statement of Financial Position

	2019	2018	Change in year	2018	2017	Change in year
	£	£	£	£	£	£
Cash	3,249,121	12,613,879	(9,364,758)	12,613,879	14,672,034	(2,058,156)
	3,249,121	12,613,879	(9,364,758)	12,613,879	14,672,034	(2,058,156)

(iv) Analysis of changes in financing during the year

	Share Capital		Housing Loans	
	2019	2018	2019	2018
	£	£	£	£
At beginning of year	34	58	85,125,274	87,619,300
Cash inflow from financing	3	4	6,619,083	-
Cash outflow from financing	(1)	(28)	(12,027,653)	(2,256,686)
Cash outflow from finance costs	-	-	(30,124)	(117,565)
	36	34	79,686,580	85,245,048
Non cash items:				
Debt discount	-	-	(4,000)	(4,000)
Amortisation of finance costs	-	-	(85,684)	(115,774)
Finance costs accrued	-	-	-	-
Other	-	-	-	-
At end of year	36	34	79,596,896	85,125,274

ATEB GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Principal Accounting Policies

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards including Financial Reporting Standard (FRS) 102.

Historically, insufficient information was not available for the SHPS Defined Benefit Scheme to be accounted for as a Defined Benefit Scheme. Instead, in accordance with FRS 102 28.11 and 28.11A, the Association accounted for SHPS as a defined contribution scheme and recognised a liability for the present value of the social landlord's deficit funding agreement.

Following a number of changes made to systems and processes by the Scheme's Actuary, sufficient information is now available for SHPS. Therefore, in accordance with FRS 102 the scheme is now accounted for as a Defined Benefit Scheme.

A summary of the more important policies which have been applied consistently, apart from the SHPS pension, are set out below.

b) Turnover

Turnover is stated net of voids but inclusive of service charges receivable, special needs, management allowances receivable and amortisation of social housing grant. Service charge income is recognised at the point at which it is collected.

Turnover for Mill Bay Homes consists of the proceeds of property sales and related income which are recognised at the point of exchange of contract.

c) Housing Properties

Housing Properties are stated at cost, to include all costs incurred in the delivery of the Association's development programme to include:

- i) Cost of acquiring land and buildings
- ii) Site development costs
- iii) External and internal development on-costs

d) Depreciation

Depreciation is provided in accordance with FRS102 and the Statement of Recommended Practice (SORP) 2014.

- i) **Housing Properties** - depreciation is charged on the gross historic cost of property components. Grant is allocated to land and the main structure of the property but not to other components. The depreciable amounts are written off over the estimated useful economic lives from the date of purchase/build. Freehold land is not depreciated.
Where a housing property comprises two or more major components with substantially different useful economic lives then each component is accounted for separately. Expenditure relating to the subsequent replacement or renewal of components is capitalised as incurred.
Housing properties are broken down into the following ten components: structure, land, kitchen, bathroom, boiler, wet system, electrical system, windows, external doors and roof.
Leasehold Properties are depreciated over the remaining period of the lease.
Shared Ownership Properties are not depreciated on the basis that the residual value is likely to be greater than the net cost.
- ii) **Other Tangible Fixed Assets**
Depreciation is charged on the historic cost of other fixed assets to write them down to their estimated residual values over their expected useful lives.
Office premises – using component accounting methodology as per housing properties. The office premises is broken down into the following eight components: land, structure, boiler, wet system, windows, external doors, roof & lift. Freehold land is not depreciated.
Office equipment – 10 years
Computer equipment – 4 years
Motor vehicles – evenly over 3 to 5 years to estimated residual values
Tools – 3 years
- ii) **Replacement and Renewals**
Expenditure on assets costing less than £500 (Subsidiaries £250), which do not form part of a larger asset are written off to the Statement of Comprehensive Income in the year in which the expenditure is incurred.

ATEB GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- e) **Social Housing Grant**
Social Housing Grants (SHG) are capital grants receivable from the Welsh Government are shown within trade receivables in the Statement of Financial Position. Grants received for housing properties are recognised as income in the Statement of Comprehensive Income over the expected life of the asset. SHG received after the year end in respect of expenditure before the year end has been included within Trade Receivables. Any SHG repayable or received in advance is included within Trade Payables.
- f) **Development Administration**
Development administration costs, including relevant office and staff overheads, are capitalised where costs are considered to be incremental to the development programme. Non-incremental costs are charged to the Statement of Comprehensive Income in accordance with FRS102.
- g) **Donated Properties Restricted Reserve**
The reserve represents the value of properties donated by the former Soroptomist Housing Association (Tenby & District) Limited. It is intended to ensure the continuing use of the properties for the provision of affordable housing.
- h) **Finance Costs**
Finance costs associated with the provision of loan finance are amortised over the term of the related loans using the effective interest rate.
- i) **Inventories**
Work in progress is valued at the lower of cost or net realisable value of development on proposed schemes.
- j) **Operating Leases**
Costs in respect of operating leases are amortised on a straight-line basis over the lease. In accordance with FRS102.
- k) **Low Cost Home Ownership**
Surplus or deficits made on either the administration of Do It Yourself Home Buy Option or on the development and subsequent sale of Low Cost Home Ownership properties are credited or charged to the Statement of Comprehensive Income at the time the property has been sold. The Association accounts for Home Buy transactions by creating an investment for the loan advanced to the property owner and deducting the grant received from the Welsh Government.
- l) **Pensions**
The Association also participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK. The Association closed this scheme on 31 March 2018.

For financial years ending on or before 28 February 2019, it was not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers, therefore the Association accounted for the Scheme as a defined contribution scheme and for the obligation by stating the present value of agreed future deficit repayment contributions as a deficit provision (as noted in Note 20).

For year ending 31 March 2019, sufficient information is available for the Association to account for its obligations on a defined benefit basis. This has resulted in a change to the way in which the Agency's defined benefit pension obligation in SHPS is stated in the accounts. The deficit provision previously recognised for the present value of the Association's deficit funding agreement has been derecognised (See note 20) and a recognition of the net defined benefit pension liability (See note 20).

Consistent with the guidance in FRED 71 paragraph 4 (FRS 102 paragraph 28.11B), the difference between the deficit funding agreement liability previously recognised for SHPS and the net DB liability for SHPS has been recognised in other comprehensive income (OCI). Refer to note 20 for further disclosures relating to the net defined benefit deficit.

ATEB GROUP LIMITED
NOTES TO THE COSOLIDATED FINANCIAL STATEMENTS

The liability recognised in the Statement of Financial Position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at 31st March 2019 less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.'

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the Statement of Comprehensive Income. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

m) Impairment

An impairment review is undertaken on an annual basis to ensure that all properties are carried in the Statement of Financial Position at the lower of cost or recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in surplus or deficit in the Statement of Comprehensive Income. The recoverable amount of an asset is the higher of its value in use and the fair value less costs to sell. Where assets are held for their service potential value in use is determined by the present value of the asset's remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model. An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and included in the surplus or deficit in the Statement of Comprehensive Income.

n) Improvements

Expenditure will only be capitalised if it results in an increase to the economic performance of the asset.

o) Recycled Capital Grant Fund

Amounts of Social Housing Grant otherwise repayable on disposal of properties are accounted for by credit to a Recycled Capital Grant Fund, which can be used to fund future developments that would be eligible for Social Housing Grant. The fund operates on the basis of first money in, first money out normally within a period of three years.

p) Housing Finance Grant

The Housing Finance Grant (HFG) is a grant introduced by the Welsh Government in 2013/14. It is paid by the Welsh Government to RSL's as a contribution towards the cost of housing assets. The primary purpose of the HFG is to subsidise the capital and interest costs for the provision of affordable housing. The grant will be paid over a period of 30 years but delivery of the housing will take place in the first few years of the 30-year period. The accounting treatment for the grant is covered under the Housing Association Circular RSL 03/13.

q) Donated Land Value Adjustment (S.106 Properties)

Properties or land acquired at below market price from a non-public body under s106 agreements are treated in the following way: the difference between current value and the acquisition price is shown as income in the Statement of Comprehensive Income and PPE in the Statement of Financial Position.

r) Value Added Tax

Due to the nature of the business ateb Group Limited has been granted exemption from registration. Currently West Wales Care & Repair is under the VAT registration threshold and is not able to reclaim VAT. The financial statements include VAT to the extent that it is suffered by the Association and the Agency. Mill Bay Homes is registered for VAT.

s) Corporation Tax

The Association is a charitable organisation registered under the Co-operative and Community Benefit Societies 2014 and as such is not liable for Corporation Tax on its ordinary activities.

ATEB GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- t) Loan Arrangement Fees**
Loan arrangement fees and set up costs are charged to the Statement of Comprehensive Income over the life of the loan using an effective interest rate.
- u) Financial Instruments**
Under FRS102 loans are classified as either basic or complex. The Association has reviewed its loan portfolio and is satisfied that all loans can be classified as basic and are recognised at amortised historical cost.
- v) Provisions for Liabilities**
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Association will be required to settle the obligation in the future and a reliable estimate can be made of the value.
- w) Cash and Cash Equivalents**
Cash and cash equivalents comprise cash on hand and on demand deposits, together with short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.
- x) Restricted Reserves Policy**
Restricted funds are funds subject to specific restrictions specified by the donor.
- y) Financial assets carried at amortised cost**
These comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly. A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.
If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.
- Financial liabilities carried at amortised cost**
These financial liabilities include trade and other payables and interest-bearing loans and borrowings. Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.
A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.
- z) Going Concern**
The company continues to adopt the going concern basis in preparing its financial statements.
- aa) Significant Management Judgements and Key Sources of Estimation Uncertainty.**
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate revised and in any future periods affected. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate revised and in any future periods affected.

ATEB GROUP LIMITED
NOTES TO THE COSOLIDATED FINANCIAL STATEMENTS

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

Impairment of social housing properties

Management have to make an assessment as to whether an indicator of impairment exists. In making this judgement, management considered the detailed criteria set out in the Statement of Recommended Practice for Social Housing Providers (2014). Specifically this includes whether there is an impairment indicator for a cash-generating unit. For these purposes, a cash-generating unit is defined as a property scheme.

Depreciation

Tangible fixed assets, other than investment properties, are depreciated over their useful economic lives based on various factors. The actual lives of the assets are re-assessed on a periodic basis and may vary depending on the standard of the asset.

For housing property assets, the assets are broken down into components based on management's assessment of the properties and the specific costs incurred in replacing these components. Individual economic lives are assigned to these components. Management have reviewed the components and have concluded that the asset lives are appropriate.

Provisions and accruals

Management bases its judgements on the circumstances relating to each specific event and upon currently available information. However, given the inherent difficulties in the estimation of liabilities in these areas, it cannot be guaranteed that additional costs will not be incurred beyond the amounts accrued.

Defined Benefit Pension Scheme

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the Statement of Financial Position. The assumptions reflect historical experience and current trends.

ab) Accounting Estimates – Cost of Sales – Mill Bay Homes

When a property sale is recognised a transfer from inventories / Work In Progress is made to cost of sales based on the anticipated gross profit margin of the total site development. The anticipated gross profit margin is reviewed periodically and updated for actual costs to date and revised forecasts.

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

2 (i) Particulars of Turnover, Operating Cost and Surplus by class of business

	Turnover	Cost of sales	Operating costs	2019 Operating surplus	Interest receivable	Interest payable	Housing Finance Grant	Surplus before taxation
	£	£	£	£	£	£	£	£
Income and expenditure from social housing lettings								
Fully rented housing accommodation	15,783,910	-	(10,390,174)	5,393,736	-	(3,323,633)	-	2,070,103
Total from social housing lettings	15,783,910	-	(10,390,174)	5,393,736	-	(3,323,633)	-	2,070,103
Income and expenditure from housing sales								
Income and expenditure from housing sales	7,592,501	(5,815,437)	(207,556)	1,569,508	-	-	-	1,569,508
Other income and expenditure								
Other income	-	-	-	-	-	-	227,889	227,889
Abortive development costs	-	-	(22,380)	(22,380)	-	-	-	(22,380)
Total from social housing lettings	23,376,411	(5,815,437)	(10,620,110)	6,940,864	-	(3,323,633)	227,889	3,845,120
Finance/Investment Income	-	-	-	-	44,130	-	-	44,130
Surplus on social housing lettings	23,376,411	(5,815,437)	(10,620,110)	6,940,864	44,130	(3,323,633)	227,889	3,889,250
Income and expenditure from other activities								
Grants and contributions	757,370	-	(693,680)	63,691	-	-	-	63,691
Other costs	-	-	-	-	-	-	-	-
Finance/Investment Income	-	-	-	-	2,573	-	-	2,573
Gain/(loss) on disposal of property, plant and equipment	-	-	-	-	-	-	-	15,000
Donated Land Value Adjustment	-	-	-	-	-	-	-	812,172
Finance Charge / Issue Costs	-	-	-	-	-	-	-	(190,479)
Pension Fund Net Interest Costs	-	-	-	-	-	-	-	(58,000)
Corporate Rebranding	-	-	-	-	-	-	-	(10,592)
Other Income (Legacy Income)	-	-	-	-	-	-	-	9,935
Surplus on ordinary activities before taxation	24,133,781	(5,815,437)	(11,313,790)	7,004,555	46,703	(3,323,633)	227,889	4,533,549
Income and expenditure from lettings:								
Fully rented housing accommodation	14,983,441	-	(10,121,299)	4,872,143	-	(3,515,409)	-	1,356,734
Total from social housing lettings	14,983,441	-	(10,121,299)	4,872,143	-	(3,515,409)	-	1,356,734
Income and expenditure from housing sales								
Income and expenditure from housing sales	8,433,219	(6,906,172)	(160,602)	1,366,445	-	-	-	1,366,445
Other income and expenditure								
Other income	-	-	-	-	-	-	239,057	239,057
Abortive development costs	-	-	(45,251)	(45,251)	-	-	-	(45,251)
Total from social housing lettings	23,426,660	(6,906,172)	(10,327,152)	6,193,337	-	(3,515,409)	239,057	2,916,985
Finance/Investment Income	-	-	-	-	31,243	-	-	31,243
Surplus on social housing lettings	23,426,660	(6,906,172)	(10,327,152)	6,193,337	31,243	(3,515,409)	239,057	2,946,228
Income and expenditure from other activities								
Grants and contributions	812,430	-	(702,244)	110,186	-	-	-	110,186
Other costs	-	-	-	-	1,262	21,326	-	21,326
Finance/Investment Income	-	-	-	-	-	-	-	1,262
Gain/(loss) on disposal of property, plant and equipment	-	-	-	-	-	-	-	(25,242)
Donated Land Value Adjustment	-	-	-	-	-	-	-	345,134
Finance Charge / Issue Costs	-	-	-	-	-	-	-	(256,772)
Corporate Rebranding	-	-	-	-	-	-	-	(108,660)
Other Income	-	-	-	-	-	-	-	42,884
Surplus on ordinary activities before taxation	24,239,090	(6,906,172)	(11,029,396)	6,303,523	32,505	(3,494,003)	239,057	3,078,355

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

2a (i) Particulars of Turnover, Operating Cost and Surplus by class of business

	Turnover	Operating costs	2019 Operating surplus	Interest receivable	Interest payable	Housing Finance Grant	Income from Mill Bay Homes	Surplus
	£	£	£	£	£	£	£	£
Income and expenditure from social housing lettings								
Fully rented housing accommodation	15,783,910	(10,390,174)	5,393,736	-	(3,323,633)	-	-	2,070,103
Total from social housing lettings	15,783,910	(10,390,174)	5,393,736		(3,323,633)			2,070,103
Other income and expenditure								
Other income	-	-	-	-	-	227,889	1,304,882	1,532,772
Abortive development costs	-	(22,380)	(22,380)	-	-	-	-	(22,380)
Total from social housing lettings	15,783,910	(10,412,554)	5,371,356		(3,323,633)	227,889	1,304,882	3,580,494
Finance/Investment Income								
Gain/(loss) on disposal of property, plant and equipment				309,065				309,065
Corporate Rebranding								15,000
Donated Land Value Adjustment								(10,592)
Finance Charges / Issue Costs								812,172
Pension Fund Net Interest Costs								(190,479)
Other Income								(54,000)
								9,935
Surplus on social housing lettings			5,371,356	309,065	(3,323,633)	227,889	1,304,882	4,471,595
Income and expenditure from social housing lettings								
Fully rented housing accommodation	14,993,441	(10,121,299)	4,872,142	-	(3,515,409)	-	-	1,356,733
Total from social housing lettings	14,993,441	(10,121,299)	4,872,142		(3,515,409)			1,356,733
Other income and expenditure								
Other income	-	-	-	-	-	239,057	1,015,274	1,254,331
Abortive development costs	-	(45,251)	(45,251)	-	-	-	-	(45,251)
Total from social housing lettings	14,993,441	(10,166,550)	4,826,891		(3,515,409)	239,057	1,015,274	2,565,813
Finance/Investment Income								
Gain/(loss) on disposal of property, plant and equipment				403,808				403,808
Corporate Rebranding								-25,242
Donated Land Value Adjustment								(108,650)
Finance Charges / Issue Costs								345,134
Other Income								(256,772)
								25,344
Surplus on social housing lettings			4,826,891	403,808	(3,515,409)	239,057	1,015,274	2,949,435

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

2 (ii) Turnover from social housing lettings

	2019			2018		
	General Needs & Sheltered Housing £	Supported Housing £	Total £	General Needs & Sheltered Housing £	Supported Housing £	Total £
Rent receivable net of void losses *	13,351,997	320,867	13,672,864	12,515,895	303,426	12,819,321
Service charges	1,075,559	32,093	1,107,652	1,161,687	31,920	1,193,607
	14,427,556	352,960	14,780,515	13,677,582	335,346	14,012,928
Income from support services	65,557	-	65,557	59,181	-	59,181
SHG Amortisation	898,750	13,634	912,384	877,628	13,634	891,261
Digital inclusion grant	25,453	-	25,453	30,071	-	30,071
	15,417,316	366,594	15,783,910	14,644,462	348,980	14,993,441
	25,766	-	25,766	30,002	-	30,002

* Void losses

2 (iii) Operating costs from lettings

	2019			2018		
	General Needs & Sheltered Housing £	Supported Housing £	Total £	General Needs & Sheltered Housing £	Supported Housing £	Total £
Service charges	1,075,559	32,093	1,107,652	1,161,687	31,920	1,193,607
Management	2,249,421	158,187	2,407,608	1,928,270	129,116	2,057,386
Routine maintenance	2,569,915	20,416	2,590,331	2,412,498	20,562	2,433,060
Major repairs	1,203,143	-	1,203,143	1,512,799	-	1,512,799
Depreciation of housing properties	3,021,289	15,754	3,037,043	2,872,190	15,004	2,887,194
Losses from bad debts	44,397	-	44,397	37,253	-	37,253
	10,163,724	226,450	10,390,174	9,924,697	196,602	10,121,299
Operating costs on social housing lettings						
	5,253,592	140,144	5,393,736	4,719,765	152,378	4,872,143
Operating surplus on social housing lettings						

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

3 Officers' and Senior Executives' Emoluments

Officers and Senior Executives are defined as the members of the Board of Management, Chief Executive and the Directors of ateb Group Limited.

	2019	2018
	£	£
Emoluments (including pension contributions and benefits in kind).	481,405	390,637
	=====	=====

During the year the emoluments (excluding pension contributions) of the Chief Executive who was the highest paid Senior Executive was £123,434 (2018: £111,760).

The Senior Executives who served during the year were remunerated as follows:

	2019	2018
£60,001 to £70,000	2	1
£70,001 to £80,000	-	-
£80,001 to £90,000	-	1
£90,001 to £100,000	2	1
£100,001 to £110,000	-	-
£110,001 to £120,000	1	1

2019 reflects 59 months of Senior Executives' management cost (2018: 48 months).

None of the Board received any emoluments during the year.

The Chief Executive is an ordinary member of the SHPS final salary contributory pension scheme.

4 Staff numbers and cost

The average number of full time equivalent persons (including Senior Executives) employed during the year by the Group was :

	2019	2018
Office staff	74.52	73.91
Direct Labour	40.00	41.00
Cleaning staff	0.60	0.60
	-----	-----
	115.12	115.51
	=====	=====

	2019	2018
	£	£
Staff costs for the above persons were:		
Wages and salaries	3,337,900	3,137,687
Social security costs	317,156	292,461
Pension costs (note 20)	303,659	205,952
	-----	-----
	3,958,715	3,636,100
	=====	=====

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019**

3a Officers' and Senior Executives' Emoluments

Officers and Senior Executives are defined as the members of the Board of Management, Group Chief Executive and the Directors.

	2019	2018
	£	£
Emoluments (including pension contributions and benefits in kind)	481,405	390,637
	=====	=====

During the year the emoluments (excluding pension contributions) of the Chief Executive who was the highest paid Senior Executive was £123,434 (2018: £111,760).

The Senior Executives who served during the year were remunerated as follows:

	2019	2018
£60,001 to £70,000	2	1
£70,001 to £80,000	-	-
£80,001 to £90,000	-	1
£90,001 to £100,000	2	1
£100,001 to £110,000	-	-
£110,001 to £120,000	-	1
£120,001 to £130,001	1	-

2019 reflects 59 months of Senior Executives' management cost (2018: 48 months).

None of the Board received any emoluments during the year.

The Chief Executive is an ordinary member of the SHPS final salary contributory pension scheme.

4a Staff numbers and cost

The average number of full time equivalent persons (including Senior Executives) employed during the year was:

	2019	2018
Office staff	59.94	59.21
Direct Labour	35.00	36.00
Cleaning staff	0.60	0.60
	-----	-----
	95.54	95.81
	=====	=====

	2019	2018
	£	£
Staff costs for the above persons were:		
Wages and salaries	2,785,250	2,616,936
Social security costs	270,588	247,713
Pension costs (note 20a)	264,664	181,109
	-----	-----
	3,320,502	3,045,758
	=====	=====

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

5 Operating surplus

	2019	2018
	£	£
The operating surplus is stated after charging/(crediting):		
Depreciation	3,175,997	3,032,391
Finance issue costs	190,479	233,339
Debenture discount charge	4,000	4,000
Auditors remuneration		
- In their capacity as auditors, including VAT	13,663	13,268
- In respect of other services, including VAT	3,559	-
	=====	=====

6 Gain/(loss) on disposal of property, plant and equipment

	2019	2018
	£	£
Surplus / (loss) on sale of properties	15,000	(25,242)
	-----	-----
	15,000	(25,242)
	=====	=====

7 Finance/Investment Income

	2019	2018
	£	£
Finance/Investment Income	311,638	405,070
	=====	=====

8 Finance Costs

	2019	2018
	£	£
On loans repayable in instalments wholly or partly in more than 5 years	3,233,383	3,425,159
On loans repayable other than in instalments wholly or partly in more than 5 years	90,250	90,250
	-----	-----
	3,323,633	3,515,409
	=====	=====

9 Taxation

Mill Bay Homes Limited is the only company liable for corporation tax. The other companies are registered with charitable rules under the Co-operative and Community Benefit Societies Act 2014 and are not liable for corporation tax on their normal activities.

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019**

5a Operating surplus	2019	2018
	£	£
The operating surplus is stated after charging/(crediting):		
Depreciation	3,171,818	3,027,269
Finance issue costs	190,479	233,339
Debenture discount charge	4,000	4,000
Auditors remuneration		
- In their capacity as auditors, including VAT	10,440	10,140
- In respect of other services, including VAT	3,559	-
	=====	=====
6a Gain/(loss) on disposal of property, plant and equipment	2019	2018
	£	£
Surplus/(loss) on sale of properties	15,000	(25,242)
	-----	-----
	15,000	(25,242)
	=====	=====
7a Finance/Investment Income	2019	2018
	£	£
Finance/Investment Income	309,065	403,808
	=====	=====
8a Finance Costs	2019	2018
	£	£
On loans repayable in instalments wholly or partly in more than 5 years	3,233,383	3,425,159
On loans repayable other than in instalments wholly or partly in more than 5 years	90,250	90,250
	-----	-----
	3,323,633	3,515,409
	=====	=====
8b Transfer from subsidiary company	2019	2018
	£	£
Gift Aid payment	1,304,882	1,015,274
	-----	-----
	1,304,882	1,015,274
	=====	=====
9a Taxation		
Due to its charitable status, the Association is not liable for Corporation Tax on its normal activities.		

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

10 Property, Plant and Equipment - Housing Properties

	Housing properties held for letting		Shared ownership properties held for letting	Total £
	Completed £	Under Construction £	Completed £	
Cost				
At 1 April 2018	201,583,616	10,578,224	366,185	212,528,025
Additions	3,692,065	16,436,316	287,975	20,416,356
Reclassification	7,507,647	(7,507,647)	-	-
Disposals	(457,356)	-	-	(457,356)
At 31 March 2019	212,325,972	19,506,893	654,160	232,487,025
Depreciation				
At 1 April 2018	(23,789,209)	-	-	(23,789,209)
Charged for the year	(2,913,128)	-	-	(2,913,128)
Disposals	333,181	-	-	333,181
At 31 March 2019	(26,369,155)	-	-	(26,369,155)
Net book value				
At 31 March 2019	185,956,817	19,506,893	654,160	206,117,870
At 31 March 2018	177,794,408	10,578,224	366,185	188,738,817

The total net book value of housing properties comprises:

	2019 £	2018 £
Freehold property	205,738,535	188,359,481
Long leasehold property	54,294	54,294
Short leasehold property	325,042	325,042
	206,117,871	188,738,817

Development administration expenditure and other indirect costs capitalised during the year amounted to £329,644 (2018: £288,780).

Interest capitalised during the year amounted to £nil (2018: £nil).

Component Replacement spend for the year amounted to £1,408,565 (2018: £1,507,279)

Housing Properties includes Land with a carrying value of £30,252,016 (2018: £26,284,116)

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

10a Property, Plant and Equipment - Housing Properties

	Housing properties held for letting		Shared ownership properties held for letting	Total £
	Completed £	Under Construction £	Completed £	
Cost				
At 1 April 2018	201,583,616	10,578,224	366,185	212,528,025
Additions	3,692,065	16,436,316	287,975	20,416,356
Reclassification	7,507,647	(7,507,647)	-	-
Disposals	(457,356)	-	-	(457,356)
At 31 March 2019	212,325,972	19,506,893	654,160	232,487,025
Depreciation				
At 1 April 2018	(23,789,209)	-	-	(23,789,209)
Charged for the year	(2,913,128)	-	-	(2,913,128)
Disposals	333,181	-	-	333,181
At 31 March 2019	(26,369,155)	-	-	(26,369,155)
Net book value				
At 31 March 2019	185,956,817	19,506,893	654,160	206,117,871
At 31 March 2018	177,794,408	10,578,224	366,185	188,738,817

The total net book value of housing properties comprises:

	2019 £	2018 £
Freehold property	205,738,535	188,359,481
Long leasehold property	54,294	54,294
Short leasehold property	325,042	325,042
	206,117,871	188,738,817

Development administration expenditure and other indirect costs capitalised during the year amounted to £329,644 (2018: £288,780).

Interest capitalised during the year amounted to £nil (2018: £nil).

Component Replacement spend for the year amounted to £1,408,565 (2018: £1,507,279)

Housing Properties includes Land with a carrying value of £30,252,016 (2018: £26,284,116)

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

11 Property, Plant & Equipment - Other Fixed Assets

	Freehold Offices £	Tools & Equipment £	Motor vehicles £	Computer Equipment £	Total £
Cost					
At 1 April 2018	490,981	594,402	60,619	639,473	1,785,476
Additions	-	16,438	-	121,938	138,376
Disposals/Write off/Adj.	-	-	-	-	-
At 31 March 2019	490,981	610,840	60,619	761,411	1,923,852
Grants and contributions					
At 1 April 2018	-	-	(44,101)	-	(44,101)
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2019	-	-	(44,101)	-	(44,101)
Depreciation					
At 1 April 2018	(241,767)	(478,238)	(15,778)	(474,964)	(1,210,748)
Charged for the year	(9,465)	(42,673)	(2,440)	(110,393)	(164,971)
Disposals/Write off/Adj.	-	-	4,953	-	4,953
At 31 March 2019	(251,233)	(520,911)	(13,265)	(585,357)	(1,370,766)
Net book value					
At 31 March 2019	239,749	89,929	3,253	176,054	508,986
At 31 March 2018	249,214	116,164	740	164,509	530,627

12 Investments

	2019 £	2018 £
Cost of Home Buy Loans	3,109,033	3,223,423
	3,109,033	3,223,423

The above investments represent a 30% and 50% interest in 97 (2018: 101) properties acquired under the Welsh Government Low Cost Home Ownership Schemes.

13 Inventories

	2019 £	2018 £
Completed properties held for sale	-	1,075,154
Schemes under construction	6,106,580	4,569,337
	6,106,580	5,644,491

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019**

11a Property, Plant & Equipment - Other Fixed Assets

	Freehold Offices £	Tools & Equipment £	Motor vehicles £	Computer Equipment £	Total £
Cost					
At 1 April 2018	490,981	553,393	60,619	625,220	1,730,213
Additions	-	16,438	-	121,507	137,944
Disposals/Write off/Adj.	-	-	-	-	-
At 31 March 2019	490,981	569,830	60,619	746,727	1,868,157
Grants and Contributions					
At 1 April 2018	-	-	(44,101)	-	(44,101)
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2019	-	-	(44,101)	-	(44,101)
Depreciation					
At 1 April 2018	(241,767)	(445,346)	(15,778)	(462,566)	(1,165,458)
Charged for the year	(9,465)	(39,210)	(2,440)	(109,678)	(160,792)
Disposals/Write off/Adj.	-	-	4,953	-	4,953
At 31 March 2019	(251,232)	(484,556)	(13,265)	(572,244)	(1,321,297)
Net book value					
At 31 March 2019	239,750	85,274	3,253	174,483	502,759
At 31 March 2018	249,214	108,046	740	162,654	520,654

12a Investments

	2019 £	2018 £
Cost of Home Buy Loans	3,109,033	3,223,423
	3,109,033	3,223,423

The above investments represent a 30% and 50% interest in 97 (2018: 101) properties acquired under the Welsh Government Low Cost Home Ownership Schemes.

Shares in subsidiary companies :	2019	2018
Mill Bay Homes Limited	1	1
West Wales Care & Repair Limited	1	1
Effective Building Solutions Limited	1	1
	3	3

13a Inventories

	2019 £	2018 £
Work In Progress	225,523	309,178
	225,523	309,178

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

14a Receivables

Amounts falling due within one year

	2019	2018
	£	£
Arrears of Rent and Service Charges	579,496	490,743
Less: Provision for bad and doubtful debts	(74,000)	(59,000)
	-----	-----
Prepayments and accrued income	505,496	431,743
Social Housing Grant and capital contributions receivable	113,961	1,745,183
Housing Finance Grant	288,706	2,094,788
Other receivables	79,338	59,774
	288,843	178,993
	-----	-----
	1,276,343	4,510,482
	=====	=====

Other receivables includes £0 (2018: £1,161) in respect of car loans to staff for assisted car purchase repayable within one year. The number of staff included in the scheme at 31 March 2019 was 0 (2018: 1).

14b Amounts falling due after more than one year

	2019	2018
	£	£
Housing Finance Grant	4,267,774	3,498,841
	-----	-----
	4,267,774	3,498,841
	=====	=====

15a Payables

Amounts falling due within one year

	2019	2018
	£	£
Rental income prepaid	237,962	184,358
Accrued interest	853,215	862,488
Amounts owed in respect of housing development	693,198	425,180
Taxation, pension and social security	137,715	109,788
Social Housing Grant and contributions received in advance	448,284	4,553,108
Other payables	332,692	115,921
Accruals and deferred income	2,410,478	1,803,409
Housing loans	2,296,221	3,208,401
Grant Recycling Fund	376,601	484,741
SHG - Deferred Income	963,792	918,398
Annual Leave Accrual	56,736	46,146
Past Service Pension Liability	17,110	188,027
	-----	-----
	8,824,005	12,899,966
	=====	=====

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019**

14a Receivables	2019	2018
Amounts falling due within one year	£	£
Arrears of Rent and Service Charges	579,496	490,743
Less: Provision for bad and doubtful debts	(74,000)	(59,000)
	-----	-----
Prepayments and accrued income	505,496	431,743
Inter-company debtors - subsidiary companies	107,535	107,693
Social Housing Grant and capital contributions receivable	1,306,473	1,105,140
Housing Finance Grant	288,706	2,094,788
Other receivables	79,338	59,774
	151,581	105,757
	-----	-----
	2,439,128	3,904,896
	=====	=====

Other receivables includes £0 (2018: £1,161) in respect of car loans to staff for assisted car purchase repayable within one year. The number of staff included in the scheme at 31 March 2019 was 0 (2018: 1).

14b Amounts falling due after more than one year	2019	2018
Loan to subsidiary company	£	£
	3,700,000	5,580,000
	-----	-----
	3,700,000	5,580,000
	=====	=====
	 £	 £
Housing Finance Grant	4,267,774	3,498,841
	-----	-----
	4,267,774	3,498,841
	=====	=====

15a Payables	2019	2018
Amounts falling due within one year	£	£
Rental income prepaid	237,962	184,358
Accrued interest	853,215	862,488
Amounts owed in respect of housing development	318,921	258,568
Taxation, pension and social security	137,715	109,788
Social Housing Grant and capital contributions received in advance	448,284	4,553,108
Inter-company creditors - subsidiary companies	24,129	604
Other payables	253,991	17,171
Accruals and deferred income	2,076,164	1,721,467
Housing loans	2,296,221	3,208,401
Grant Recycling Fund	376,601	484,741
SHG - Deferred Income	963,792	918,398
Annual Leave Year End Accrual	43,044	35,452
Past Service Pension liability	-	176,535
	-----	-----
	8,030,040	12,531,079
	=====	=====

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

15b Payables

Amounts falling due after one year	2019 £	2018 £
Housing Loans	77,300,675	81,916,873
SHG - Deferred Income	103,921,718	94,397,020
Retentions	262,958	-
Homebuy Grant - Deferred Income	3,109,033	3,223,423
Past Service Pension Liability	192,890	925,870
	-----	-----
	184,787,274	180,463,186
	=====	=====

15c(i) Housing Loans

Housing loans are secured by specific charges on the Association's housing properties and are repayable as follows:

Repayable by instalments	2019 £	2018 £
One year or less	2,296,221	3,208,401
Between one and five years	15,070,393	10,440,507
In five years or more	61,818,342	71,367,606
	-----	-----
	79,184,955	85,016,514
Finance Costs	(689,087)	(774,721)
	-----	-----
	78,495,868	84,241,793
	=====	=====
Repayable otherwise than by instalments in more than five years	2019 £	2018 £
In more than five years	1,000,000	1,000,000
Less : Debenture Discount Account	(12,972)	(16,972)
	-----	-----
	987,028	983,028
	=====	=====

Long term finance from Banks, Building Societies and Bond providers represent loans taken out over a 5 to 33 year period. At 31 March 2019 of the total loans outstanding the ratio of fixed rate loans to variable rate interest loans was 80:20 (2018: 76:24). At the year-end interest rates ranged from 2.05% to 9.87%.

15d SHG and other grants

	Housing properties held for letting		Shared ownership properties held for letting		Total £
	Completed £	Under Construction £	Completed £		
SHG at 1 April 2018	98,621,710	7,243,384	-		105,865,093
Additions	131,434	10,211,956	139,087		10,482,477
Reclassification	1,935,826	(1,935,826)	-		-
Disposals	-	-	-		-
	-----	-----	-----		-----
At 31 March 2019	100,688,970	15,519,513	139,087		116,347,570
	=====	=====	=====		=====
At 31 March 2018	98,621,710	7,243,384	-		105,865,093
	=====	=====	=====		=====
Amortisation					
At 1 April 2018	(10,549,675)	-	-		(10,549,675)
Charged for the year	(912,384)	-	-		(912,384)
Disposals	-	-	-		-
	-----	-----	-----		-----
At 31 March 2019	(11,462,059)	-	-		(11,462,059)
	-----	-----	-----		-----
Net book value					
At 31 March 2019	89,226,911	15,519,513	139,087		104,885,511
	=====	=====	=====		=====
At 31 March 2018	88,072,035	7,243,384	-		95,315,418
	=====	=====	=====		=====

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

15b Payables

	£	£
Housing Loans	77,300,675	81,916,873
Grant Recycling	-	-
SHG - Deferred Income	103,921,718	94,397,020
Retentions	179,326	-
Homebuy Grant - Deferred Income	3,109,033	3,223,423
Past Service Pension liability	-	871,748
	-----	-----
	184,510,752	180,409,064
	=====	=====

15c Housing Loans

Housing loans are secured by specific charges on the Association's housing properties and are repayable as follows:

Repayable by instalments

	2019 £	2018 £
One year or less	2,296,221	3,208,401
Between one and five years	15,070,393	10,440,507
In five years or more	61,818,342	71,367,606
	-----	-----
Finance Costs	79,184,955 (689,087)	85,016,514 (774,721)
	-----	-----
	78,495,868	84,241,793
	=====	=====

Repayable otherwise than by instalments in more than five years

	2019 £	2018 £
In more than five years	1,000,000	1,000,000
Less : Debenture Discount Account	(12,972)	(16,972)
	-----	-----
	987,028	983,028
	=====	=====

Housing Loans

Long term finance from Banks, Building Societies and Bond providers represent loans taken out over a 5 to 33 year period. At 31 March 2019 of the total loans outstanding the ratio of fixed rate loans to variable rate interest loans was 80:20 (2018: 76:24). At the year-end interest rates ranged from 2.05% to 9.87%.

15d SHG and other grants

	Housing properties held for letting		Shared ownership properties held for letting		Total £
	Completed £	Under Construction £	Completed £		
SHG at 1 April 2018	98,621,710	7,243,384	-		105,865,093
Additions	131,434	10,211,956	139,087		10,482,477
Reclassification	1,935,826	(1,935,826)	-		-
Disposals	-	-	-		-
	-----	-----	-----		-----
At 31 March 2019	100,688,970	15,519,513	139,087		116,347,570
	=====	=====	=====		=====
At 31 March 2018	98,621,710	7,243,384	-		105,865,093
	=====	=====	=====		=====
Amortisation					
At 1 April 2018	(10,549,675)	-	-		(10,549,675)
Charged for the year	(912,384)	-	-		(912,384)
Disposals	-	-	-		-
	-----	-----	-----		-----
At 31 March 2019	(11,462,059)	-	-		(11,462,059)
	-----	-----	-----		-----
Net book value					
At 31 March 2019	89,226,911	15,519,513	139,087		104,885,511
	=====	=====	=====		=====
At 31 March 2018	88,072,034	7,243,384	-		95,315,418
	=====	=====	=====		=====

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

15e Grant Recycling Fund

	2019 £	2018 £
Opening Balance	484,741	586,696
Property Sales	101,850	202,725
Recycled to Development	(209,990)	(304,680)
Closing Balance	376,601	484,741

15f Homebuy Grant

	2019 £	2018 £
Homebuy Grant	3,109,033	3,223,423
Homebuy Grant	3,109,033	3,223,423

16 Called up share capital - non equity

	2019 £	2018 £
Allotted issued and fully paid		
At the beginning of the year	34	58
Issued	3	4
Cancelled	(1)	(28)
At the end of the year	36	34

Members hold shares of £1. The shares are non-transferable and non-redeemable and carry no rights to receive either income or capital payments.

17 Reserves

	At 1 April 2018 £	Surplus for the year £	Transfer of reserves £	At 31 March 2019 £
Revenue Reserve	25,539,870	2,808,946	(4,168,178)	24,180,639
Designated Reserves				
Business Continuity	203,108	-	(13,765)	189,343
Mill Bay Homes Gift Aid	-	-	4,177,613	4,177,613
Restricted Reserves				
Donated Properties	140,000	-	-	140,000
Hardship Fund	60,673	-	4,330	65,003
Legacy Fund	17,540	-	-	17,540
Total	25,961,191	2,808,946	-	28,770,137

Analysed as:

Revenue Reserve	24,180,639
Designated Reserves	4,366,956
Restricted Reserves	222,543
Total	28,770,137

Designated Reserves are unrestricted reserves which are earmarked for specific purposes.

18 Capital Commitments

	2019 £	2018 £
Capital & development expenditure that has been contracted for but has not been provided for in the financial statements:	16,255,165	24,577,296
Capital & development expenditure that has been authorised by the Board of Management but has not yet been contracted for:	18,456,287	15,907,361

The commitments at 31 March 2019 will be funded from grants from the Welsh Government, or local authorities, the balance being funded from private finance loans and sales under the Low Cost Home Programme.

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

15e Grant Recycling Fund

	2019 £	2018 £
Opening Balance	484,741	586,696
Property Sales	101,850	202,725
Recycled to Development	(209,990)	(304,680)
	-----	-----
Closing Balance	376,601	484,741
	=====	=====

15f Homebuy Grant

	2019 £	2018 £
Homebuy Grant	3,109,033	3,223,423
	-----	-----
Homebuy Grant	3,109,033	3,223,423
	=====	=====

16a Called up share capital - non equity

	2019 £	2018 £
Allotted issued and fully paid		
At the beginning of the year	34	58
Issued	3	4
Cancelled	(1)	(28)
	-----	-----
At the end of the year	36	34
	=====	=====

Each member of the Association holds one share of £1. The shares are non-transferable and non-redeemable and carry no rights to receive either income or capital payments.

17a Reserves

	At 1 April 2018	Surplus for the year	Transfer of reserves	At 31 March 2019
	£	£	£	£
Revenue Reserve	25,309,513	2,898,870	(4,177,613)	24,030,770
Designated Reserves				
Mill Bay Homes Gift Aid	-	-	4,177,613	4,177,613
Restricted Reserves				
Donated Properties	140,000	-	-	140,000
	-----	-----	-----	-----
Total	25,449,513	2,898,870	-	28,348,383
	=====	=====	=====	=====

Analysed as:

Revenue Reserve	24,030,770
Designated Reserve	4,177,613
Restricted Reserves (Donated Properties)	140,000

	28,348,383
	=====

18a Capital Commitments

	2019 £	2018 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	11,499,112	16,347,765
	=====	=====
Capital expenditure that has been authorised by the Board of Management but has not yet been contracted for:	15,309,813	6,085,687
	=====	=====

The commitments at 31 March 2019 will be funded from grants from the Welsh Government, or local authorities, the balance being funded from private finance loans and sales under the Low Cost Home Ownership Programme.

ATEB GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019**

19 Operating leases

The companies hold photocopiers, telecommunications equipment and vehicles on non-cancellable operating leases. At the Statement Of Financial Position date the commitments (inc VAT) under such leases are as follows:

	2019 £	2018 £
Commitment:		
Within one year	109,629	112,663
Within two to five years	208,896	265,828
	=====	=====

20 Pensions Obligations

The Association participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined contribution scheme in the UK. The Association closed its defined benefit scheme to new members on 31 March 2018.

The defined benefit scheme was 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, out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522r. A recovery plan has been put in place with the aim of removing this deficit by 30 September 2026.

The scheme is classified as a 'last man standing arrangement'. Therefore the Agency is potentially liable for other participating 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 annuity purchase basis on withdrawal from the scheme.

Prior to 28 February 2019, it has not been possible for the Agency to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme and therefore accounted for the Scheme as a defined contribution scheme and recognised a liability equal to the present value of the employers past service deficit contributions. The position has subsequently changed and for financial years ended on 31 March 2019, it is possible to obtain sufficient information to enable the Association to account for the Scheme as a defined benefit scheme.

The impact of moving to defined benefit accounting under FRS102 has resulted in a significant increase in the pension fund deficit with changes to the charges passing through the 'Statement of Comprehensive Income' for current year costs and in 'Other Comprehensive Income' for the transition to defined benefit accounting applicable as at 01 April 2018.

Present Values of Defined Benefit Obligation, Fair Value of Assets and Defined Benefit Asset (Liability)

	31 March 2019 £k	31 March 2018 £k
Fair value of plan assets	8,425	7,539
Present value of defined benefit obligation	11,357	9,831
Surplus (deficit) in plan	(2,932)	(2,292)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(2,932)	(2,292)

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	Period ended 31 March 2019 £k
Defined benefit obligation at start of period	9,831
Current service cost	423
Expenses	9
Interest expense	258
Contribution by plan participants	84
Actuarial losses (gains) due to scheme experience	96
Actuarial losses (gains) due to changes in demographic assumptions	30
Actuarial losses (gains) due to changes in financial assumptions	823
Benefits paid and expenses	(197)
Defined benefit obligation at end of period	11,357

Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

	Period ended 31 March 2019 £k
Fair value of plan assets at start of period	7,539
Interest income	200
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	319
Contributions by the employer	480
Contributions by plan participants	84
Benefits paid and expenses	(197)
Fair value of plan assets at end of period	8,425

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2019 was £519,000

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019**

19a Operating leases

The Association has photocopiers, telecommunications equipment and vehicles on non-cancellable operating leases. At the Statement Of Financial Position date the Association had annual commitments (inc. VAT) under such leases as follows:

	2019 £	2018 £
Commitment:		
Within one year	91,442	93,759
Within two to five years	180,400	218,930
	=====	=====

20a Pensions Obligations

The Association participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some of its non-associated employers. The scheme is a defined contribution scheme in the UK. The Association closed its defined benefit scheme to new members on 31 March 2018.

The defined benefit scheme was subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2004. This, together with documents issued by the Pensions Regulator and Technical Actuarial standards issued by the Financial Reporting Council, form 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 Sept 2017. This valuation revealed a deficit of £1,522m. A recovery plan has been put in place with the aim of removing this deficit by 30 September 2026.

The scheme is classified as a 'last man standing arrangement'. Therefore the Agency 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 annuity purchase basis on withdrawal from the scheme. Prior to 28 February 2019, it has not been possible for the Agency to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme and therefore accounted for the Scheme as a defined contribution scheme and recognised a liability equal to the present value of the employers past service deficit contributions. The position has subsequently changed and for financial years ended on 31 March 2019 it is possible to obtain sufficient information to enable the Association to account for the Scheme as a defined benefit scheme.

The impact of moving to defined benefit accounting under FRS102 has resulted in a significant increase in the pension fund deficit with change to the charges passing through the 'Statement of Comprehensive Income' for current year costs and in 'Other Comprehensive Income' for the transition to defined benefit accounting applicable as at 01 April 2018.

Present Values of Defined Benefit Obligation, Fair Value of Assets and Defined Benefit Asset (Liability)

	31 March 2019 £k	31 March 2018 £k
Fair value of plan assets	7,857	7,020
Present value of defined benefit obligation	10,579	9,130
Surplus (deficit) in plan	(2,722)	(2,110)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(2,722)	(2,110)

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	Period ended 31 March 2019 £k
Defined benefit obligation at start of period	9,130
Current service cost	423
Expenses	7
Interest expense	240
Contribution by plan participants	84
Actuarial losses (gains) due to scheme experience	95
Actuarial losses (gains) due to changes in demographic assumptions	28
Actuarial losses (gains) due to changes in financial assumptions	767
Benefits paid and expenses	(195)
Defined benefit obligation at end of period	10,579

Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

	Period ended 31 March 2019 £k
Fair value of plan assets at start of period	7,020
Interest income	186
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	298
Contributions by the employer	464
Contributions by plan participants	84
Benefits paid and expenses	(195)
Fair value of plan assets at end of period	7,857

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2019 was £484,000

ATEB GROUP LIMITED

Balance at 31 March 2019
for the year ended 31 March 2019

Defined Benefit Costs Recognised in Statement of Comprehensive Income

	Period ended 31 March 2019 £k
Current service costs	423
Expenses	9
Net interest expense	58
Defined benefit costs recognised in statement of comprehensive income (SoCI)	490

Defined Benefit Costs Recognised in Other Comprehensive Income

	Period ended 31 March 2019 £k
Experience on plan assets (excluding amounts included in net interest costs) - gain(loss)	319
Experience gains and losses arising on the plan liabilities - gain (loss)	(96)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(30)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(823)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(630)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in other comprehensive income - gain (loss)	(630)

Assets

	31 March 2019 £k	31 March 2018 £k
Global Equity	1,418	1,490
Absolute Return	729	921
Distressed Opportunities	153	73
Credit Relative Value	154	-
Alternative Risk Premia	486	286
Fund of Hedge Funds	38	248
Emerging Markets Debt	291	304
Risk Sharing	254	70
Insurance-Linked Securities	241	198
Property	190	347
Infrastructure	442	193
Private Debt	113	67
Corporate Bond Fund	393	309
Long Lease Property	124	-
Secured Income	301	279
Over 15 Year Gilts	-	-
Liability Driven Investment	3,082	2,747
Net Current Assets	16	7
Total Assets	8,425	7,539

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

Key Assumptions

	31 March 2019 % per annum	31 March 2018 % per annum
Discount Rate	2.33	2.59
Inflation (RPI)	3.28	3.16
Inflation (CPI)	2.28	2.16
Salary Growth	3.28	3.16
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2019 imply the following life expectancies

	Life expectancy at age 65 (Years)
Male retiring in 2019	21.8
Female retiring in 2019	23.5
Male retiring at 2039	23.2
Female retiring in 2039	24.7

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019**

Defined Benefit Costs Recognised in Statement of Comprehensive Income

	Period ended 31 March 2019 £k
Current service costs	423
Expenses	7
Net interest expense	54
Defined benefit costs recognised in statement of comprehensive income (SoCI)	484

Defined Benefit Costs Recognised in Other Comprehensive Income

	Period ended 31 March 2019 £k
Experience on plan assets (excluding amounts included in net interest costs) - gain(loss)	298
Experience gains and losses arising on the plan liabilities - gain (loss)	(95)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(28)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(767)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(592)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in other comprehensive income - gain (loss)	(592)

Assets

	31 March 2019 £k	31 March 2018 £k
Global Equity	1,322	1,387
Absolute Return	680	858
Distressed Opportunities	143	68
Credit Relative Value	144	-
Alternative Risk Premia	453	266
Fund of Hedge Funds	35	231
Emerging Markets Debt	271	283
Risk Sharing	237	65
Insurance-Linked Securities	225	184
Property	177	323
Infrastructure	412	180
Private Debt	105	62
Corporate Bond Fund	367	288
Long Lease Property	116	-
Secured Income	281	260
Over 15 Year Gilts	-	-
Liability Driven Investment	2,874	2,558
Net Current Assets	15	7
Total Assets	7,857	7,020

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

Key Assumptions

	31 March 2019 % per annum	31 March 2018 % per annum
Discount Rate	2.33	2.59
Inflation (RPI)	3.28	3.16
Inflation (CPI)	2.28	2.16
Salary Growth	3.28	3.16
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2019 imply the following life expectancies

	Life expectancy at age 65 (Years)
Male retiring in 2019	21.8
Female retiring in 2019	23.5
Male retiring at 2039	23.2
Female retiring in 2039	24.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

21 Contingent Liabilities

Social Housing Grant may become repayable in the following circumstances:

- Disposal of a property (including disposals on assisted ownership terms) other than to another RSL;
- Change of use of a property to a use that would not be eligible for grant;
- Change of use of a property to a use that would be eligible for a lesser amount of grant;
- Demolition of a property where the site does not form part of a new social housing development by a RSL;
- A disposal given rise to a repayment of discount under Schedule 2 to the Housing Associations Act 1985.

An employer debt could arise on withdrawal from the Association's final salary pension through the Social Housing Pension Scheme (SHPS). The estimated employer debt for the Association on withdrawal from the SHPS plan based on the financial position of the scheme as at 30 September 201 £9,571,528 As events which could crystallise the debt are unlikely to arise in the foreseeable future, no specific provision is deemed necessary.

22 Units in Management

	2019	2018
At end of year	2,792	2,690

23 Legislative Provisions

The Association is a charitable organisation registered under the Co-operative and Community Benefit Societies Act 2014. It is not registered for Value Added Tax.

West Wales Care and Repair Limited is a charitable organisation registered under the Co-operative and Community Benefit Societies Act 2014. It is not registered for Value Added Tax.

Mill Bay Homes is a company limited by shares and is registered under the Companies Act 2006 having converted from a 'registered society' registered under Co-operative and Community Benefit Society Act 2014 in 2017.

Effective Building Solutions is a company limited, registered under the Companies Act 2006 and is currently dormant.

24 Group Structure

The Association holds the controlling interest in three subsidiary companies, Mill Bay Homes Limited and West Wales Care & Repair Limited and Effective Business Solutions Limited.

25 Related Parties

Board members were reimbursed a total of £781 for attending meetings.

WWC&R Board Members Cllr. Mr S Hancock and Cllr. L Frayling are elected representatives of Pembrokeshire County Council.

WWC&R board Members, Cllr. D Edwards and Cllr. A Williams are elected representatives of Ceredigion County Council.

Any transactions with Pembrokeshire County Council and Ceredigion County Council are made at arms length and on normal commercial terms.

26 Pension Provision

The Association has reviewed its pension provision and has closed the Defined Benefit scheme to new members with effect from 31 March 2018. It has introduced an enhanced Defined Contribution scheme for new and existing members.

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2019

21a Contingent Liabilities

Social Housing Grant may become repayable in the following circumstances:

- Disposal of a property (including disposals on assisted ownership terms) other than to another RSL;
- Change of use of a property to a use that would not be eligible for grant;
- Change of use of a property to a use that would be eligible for a lesser amount of grant;
- Demolition of a property where the site does not form part of a new social housing development by a RSL;
- A disposal given rise to a repayment of discount under Schedule 2 to the Housing Associations Act 1985.

An employer debt could arise on withdrawal from the Association's final salary pension through the Social Housing Pension Scheme (SHPS). The estimated employer debt for the Association on withdrawal from the SHPS plan based on the financial position of the scheme as at 30 September 2017 was £8,857,172. As events which could crystallise the debt are unlikely to arise in the foreseeable future, no specific provision is deemed necessary.

22a Units in Management	2019	2018
At end of year	2,792	2,690

23a Legislative Provisions

As at 31st March 2019 the Association is a charitable organisation registered under the Co-operative and Community Benefit Societies Act 2014. It is not registered for Value Added Tax.

West Wales Care and Repair Limited is a charitable organisation registered under the Co-operative and Community Benefit Societies Act 2014.

Mill Bay Homes Limited is a non-charitable organisation registered under the Companies Act 2006.

Effective Building Solutions is a non-charitable organisation registered under the Companies Act 2006 and is currently dormant.

24a Group Structure

The Association holds the controlling interest in three subsidiary companies, Mill Bay Homes Limited and West Wales Care & Repair Limited and Effective Business Solutions Limited.

25a Related Parties

Board members were reimbursed a total of £110 for attending meetings.

Any transactions with Pembrokeshire County Council are made at arms length and on normal commercial terms.

West Wales Care and Repair Limited is a wholly controlled subsidiary company and has an outstanding inter-company debtor balance of £7,264. (2018 debtor: £3,107).

During the year the Parent charged West Wales Care & Repair the following: Office rent £2,592, Management charges £44,914.

Mill Bay Homes Limited is a wholly controlled subsidiary and has an outstanding inter company debtor balance of £5,081,514 (2018: £6,682,034). This is made up of a loan balance of £3,700,000, gift aid of £1,304,882 and management recharges of £76,632.

During the year the parent advanced £4,175,000 in loans and received £6,055,000 in loan repayments from Mill Bay Homes.

The loan is a revolving credit facility on a commercial rate of interest.

During the year the parent charged Mill Bay Homes the following: Office rent £14,010, Management charges £38,943 and Project management charge £5,000.

26a Pension Provision

The Association has reviewed its pension provision and has closed the Defined Benefit scheme to new members with effect from 31 March 2018. It has introduced an enhanced Defined Contribution scheme for new and existing members.