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Consolidated Report and Financial Statements

For the year ended 31st March 2022





ATEB GROUP LIMITED

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

For the year ended 31st March 2022

ATEB GROUP LIMITED
CONSOLIDATED REPORT AND FINANCIAL STATEMENTS
For the year ended 31st March 2022

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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)
Ms. H. Belton LLB
Mrs. J. Francis
Mr. A. James
Mr. O. Jones
Mrs. J. Leonard
Mrs. S. Lusher
Mr N. Hampshire (appointed as Co-Opted Board member in November-2021)

Chief Executive: Mr. N. Hampshire, BSc (Hons), MBA, MRICS
Senior Executives: Mr. M. Lewis Executive Director-Housing
Mr. A. Jenkins, BSc (Hons), FCA, Executive Director-Finance
Mr. W Lloyd-Davies, MRICS, Executive Director-Development

Secretary: Ms. C. Morgan LLB

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

External Auditors: Bevan Buckland LLP
Chartered Accountants & Statutory Auditors
Ground Floor
Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Internal Auditors: Mazars
Victoria Street
Bristol BS1 6DP

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

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
bLEND Funding PLC

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 2022.

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

The three companies that make up the ateb Group are focused on the achievement of the three strategic aims:

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

The continuation of covid disruptions from the previous year frustrated our operational aspirations although the relaxation of restrictions later in the year enabled us to provide a more consistent service. External factors such as Brexit and the release of pent-up demand on global supply chains drove our material, build and maintenance costs to higher levels. These global issues also slowed down our development projects, delaying the handover of new homes in both ateb and Mill Bay Homes (MBH). Like others, ateb and its supply chains all experienced recruitment issues due to skills shortages and changing working expectations more generally. Towards the end of the financial year global events continued to raise concern with the outbreak of war in Ukraine signalling additional concerns for global community security and supply chain/economic market uncertainty.

Against this back drop we can report that the ateb group remained corporately strong. Our governance systems continued throughout the year with no interruptions to Board activity. We received a positive Interim Regulatory judgement from the Welsh Government that looked at governance and financial effectiveness.

Performance was positive across the group, West Wales Care & Repair (WWCR) received additional in year funds to deliver more of its critical services. MBH returned a near £2m grant aid in the year from two sites. ateb had positive feedback on its services throughout the year with our rent arrears and inhouse repairs satisfaction continuing to produce high industry standard results.

Nick Hampshire, Chief Executive became a Co-opted member of the ateb group board in the year to further enhance our collective decision-making responsibility with the executive team.

We will shortly be publishing on our website some documents providing more information on ateb group services and our governance and financial review for 2021/22.

Risk management

The Group Board is responsible for risk management. Our approach 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.

In the year we launched our Assure framework, the framework uses our risk appetite and ateb vision document to set 16 strategic risks that our Assurance Committee and Boards monitor. Each of these risks have a series of controls (policies, strategies, systems etc) that we then test to ensure they are indeed controlling our strategic and business critical risks.

After reviewing the forecasts and projections the Board has a reasonable expectation that the Association and the Group has adequate resources to continue in operational existence for the foreseeable future.

ATEB GROUP LIMITED REPORT OF THE BOARD OF MANAGEMENT

Financial review

As with the 2020/21 year there was significant amount of uncertainty owing to the Covid-19 pandemic. The adaptations made by the Association and Group in the previous year meant it was well prepared to cope with the continuing challenges and an element of virtual normality returned. Teams are still working from home and some services saw a follow-on disruption from the prior year but we continued to work with our clients and stake holders to minimise the impact.

2021-22 returned another strong financial performance for the Group. Total Comprehensive Income before pension adjustments for the year was £4.3m which was a £1.7m decrease on the exceptional result of 2020-21.

Turnover reduced by 5.9% to £27.5m due to a lower number of units being sold by MBH. The number of homes in management increased by 64 units (2021: 126). In comparison operating costs increased by 10.8% between the two years driven by the catch up of backlog accumulated during the prior financial year.

The Statement of Financial Position has increased in strength with housing properties increasing by 3.1% to £239m and reserves by 14.2% to £45.3m. Cash and ready access to secured loan facilities ensures that all current commitments are fully funded.

During the year £7.3m in Social Housing Grant (2021: £6.45m) was made available by the Welsh Government in support of the social housing development programme.

As at 31st March 2022, we maintained £22m of secured undrawn facilities available for immediate drawdown, and £21.3m of cash in hand making a total available liquidity of £43.3m. This is sufficient to cover our policy of having 18 months of cover for our net cash outflows.

At the year-end 90% of the current debt total of £95.5m 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.

Mill Bay Homes continues to perform well and is a leading provider of new build properties in Pembrokeshire. At £1.9m the profit for the year (2021: £2.7m) exceeded the Business Plan target by £0.7m and in line with the business model the profit will be covenanted to the parent organisation for investment in the provision of affordable homes. Two sites were under construction during the year namely Boars Head, Templeton and Hayes Lane, Sageston. All bar one property at Boars Head, Templeton has been sold. Construction work continues at Hayes Lane, Sageston. During the year a development site was purchased at Broadhaven and the team is working on the final plans before construction starts.

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. The Agency has supported over 2,500 clients throughout Pembrokeshire and Ceredigion through grant funded and commissioned works including the newly funded 70+ Cymru Energy Redress Project

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 Group 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 Group 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 Group'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 Group for the year ended 31st March 2022. 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 Group 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 will be proposed at the Annual General Meeting.

By Order of the Board



**Ms C. Morgan
Company Secretary**

Date: 30/06/22

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 2022, 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.

A Vickers

Bevan Buckland LLP

Chartered Accountants & Statutory Auditors
Ground Floor
Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Date: 30/06/22

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 2022 which comprise the consolidated and Association statements of comprehensive income, consolidated and Association 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 2022 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 5), 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.

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

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management, including obtaining and reviewing supporting documentation, concerning the organisation's policies and procedures relating to:
 - identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas;
 - Purchasing in relation to the development and maintenance programmes, including any sales to connected individuals at below market value;
 - The recognition of development and maintenance expenditure in the correct period;

- The rationale of any major fund flows during the period;
- The potential of rent fraud arising as a result of collusion between the asset and housing teams.
- obtaining an understanding of the legal and regulatory frameworks that the organisation operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the organisation.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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.

A Vickers

Bevan Buckland LLP

Chartered Accountants & Statutory Auditors
 Ground Floor
 Cardigan House
 Castle Court
 Swansea Enterprise Park
 Swansea
 SA7 9LA

Date: 30/06/22

ATEB GROUP LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2022**

	Notes	2022 £	2021 £
Turnover	2	27,487,953	29,231,208
Cost of Sales		(6,128,125)	(7,953,455)
Gross Surplus		21,359,828	21,277,753
Less: Operating costs	2	(13,911,745)	(12,565,862)
Gain on disposal of Property, Plant & Equipment	6	46,103	53,408
Operating Surplus	5	7,494,187	8,765,299
Finance / Investment Income	7	45,096	4,028
Finance Costs	8	(3,587,997)	(3,495,043)
Interest Capitalised		98,147	287,687
Housing Finance Grant	9	257,050	238,406
Finance Charges / Issue Costs		(169,573)	(138,502)
Donated Land Value Adjustment		227,238	409,270
Other Income		9,905	3,632
Pension Fund Net Interest Costs	20	(63,000)	(26,000)
Total Comprehensive Income before transfers		4,311,053	6,048,777
Taxation		-	-
Total Comprehensive Income for the year after taxation		4,311,053	6,048,777
Other Comprehensive Income			
Initial recognition of multi-employer defined benefit scheme	20	-	-
Actuarial Gain / (Loss) in respect of pension schemes	20	1,318,590	(1,851,301)
Total Comprehensive Income for the Year		5,629,644	4,197,477

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 2022**

	Revenue Reserve £	Designated Reserve £	Restricted Reserve £	Total Reserves £
Balance at 1 April 2021	39,244,618	192,780	231,562	39,668,960
Surplus from statement of comprehensive income	5,629,644	-	-	5,629,644
Transfer of Reserves	-	-	-	-
Balance at 31 March 2022	44,874,262	192,780	231,562	45,298,604

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

	Revenue Reserve £	Designated Reserve £	Restricted Reserve £	Total Reserves £
Balance at 1 April 2020	29,814,922	5,431,598	230,774	35,477,294
Surplus from statement of comprehensive income	4,191,665	-	-	4,191,665
Transfer of Reserves	5,238,031	(5,238,818)	787	-
Balance at 31 March 2021	39,244,618	192,780	231,561	39,668,959

ATEB GROUP LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2022**

	Notes	2022 £	2021 £
Turnover	2a	18,199,904	17,299,516
Less: Operating expenditure	2a	(12,890,619)	(11,596,770)
Gain/(Loss) on disposal of Property, Plant & Equipment	6a	46,103	53,408
Operating Surplus	5a	5,355,388	5,756,155
Finance / Investment Income	7a	196,800	332,233
Finance Costs	8a	(3,587,997)	(3,495,043)
Interest Capitalised		98,149	287,689
Housing Finance Grant		257,050	238,406
Finance Charges / Issue Costs		(169,573)	(138,502)
Donated Land Value Adjustment		227,238	409,272
Other Income		9,905	3,632
Pension Fund Net Interest Cost	20a	(58,000)	(24,000)
Income from subsidiary company	8b	1,915,885	2,664,085
Total Comprehensive Income before transfers		4,244,845	6,033,927
Other Comprehensive Income			
Initial recognition of multi-employer defined benefit scheme	20a	-	-
Actuarial gains / (losses) in respect of pension schemes	20a	1,222,391	(1,720,848)
Total Comprehensive Income for the Year		5,467,236	4,313,079

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 2022**

	Revenue Reserve £	Designated Reserve £	Restricted Reserve £	Total Reserves £
Balance at 1 April 2021	39,100,344	-	140,000	39,240,344
Surplus from statement of comprehensive income	5,467,236	-	-	5,467,236
Transfer of Reserves	-	-	-	-
Balance at 31 March 2022	44,567,580	-	140,000	44,707,580

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

	Revenue Reserve £	Designated Reserve £	Restricted Reserve £	Total Reserves £
Balance at 1 April 2020	29,549,209	5,243,872	140,000	34,933,081
Surplus from statement of comprehensive income	4,301,449	-	-	4,301,449
Transfer of Reserves	5,243,872	(5,243,872)	-	-
Balance at 31 March 2021	39,094,531	-	140,000	39,234,531

ATEB GROUP LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2022

	Notes	2022 £	2021 £
Property, Plant & Equipment			
Housing properties - depreciated cost	10	238,858,031	231,785,475
Other	11	866,204	827,100
		-----	-----
		239,724,235	232,612,575
Investments	12	3	3
Investment Property	12	98,326	98,326
Homebuy loan	12	2,514,298	2,675,998
		-----	-----
		242,336,862	235,386,902
Current assets			
Inventories	13	4,115,485	3,908,767
Properties held for sale		-	60,049
Receivables: amounts falling due within one year	14a(i)	4,804,579	5,262,938
Receivables: amounts falling due after more than one year	14b(i)	4,921,243	5,012,176
Cash		21,925,062	20,282,831
		-----	-----
		35,766,369	34,526,761
Payables: amounts falling due within one year	15a(i)	(9,101,862)	(9,354,787)
		-----	-----
Net current assets		26,664,507	25,171,974
		-----	-----
Total assets less current liabilities		269,001,369	260,558,876
Payables: amounts falling due after more than one year	15b(i)	(222,214,746)	(218,003,879)
Provisions for liabilities			
Pension - deficit funding liability	20	(1,488,000)	(2,886,000)
		-----	-----
Net assets		45,298,623	39,668,997
		=====	=====
Equity			
Called up share capital	16	22	38
Restricted reserves	17	231,561	231,561
Designated Reserves		192,779	192,779
Revenue reserve	17	44,874,260	39,244,618
		-----	-----
		45,298,623	39,668,997
		=====	=====

The financial statements on pages 10 to 30 were approved by the Board of Management on 30 June 2022 and were signed on its behalf by:


David Birch (Jul 1, 2022 09:32 GMT+1)

Mr D Birch, Chair


Hugh Watchman (Jul 1, 2022 10:11 GMT+1)

Mr H Watchman, Vice-Chair



Ms C Morgan, Company Secretary

ATEB GROUP LIMITED

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2022**

	Notes	2022 £	2021 £
Property, Plant & Equipment			
Housing properties - depreciated cost	10a	238,858,032	231,785,474
Other	11a	849,164	810,745
		-----	-----
		239,707,196	232,596,219
Investments	12a	3	3
Investment Property	12a	98,326	98,326
Homebuy loan	12a	2,514,298	2,675,998
		-----	-----
		242,319,823	235,370,546
		-----	-----
Loans to subsidiary companies	14b	4,284,350	1,671,500
Current assets			
Inventories	13a	158,165	147,314
Properties held for sale		-	60,049
Receivables: amounts falling due within one year	14a	3,482,830	6,149,654
Receivables: amounts falling due after more than one year	14b	4,835,487	4,945,421
Cash		21,298,265	19,752,828
		-----	-----
		29,774,747	31,055,266
Payables: amounts falling due within one year	15a	(8,401,403)	(8,258,903)
		-----	-----
Net current assets		21,373,344	22,796,364
		-----	-----
Total assets less current liabilities		267,977,517	259,838,410
Payables: amounts falling due after more than one year	15b	(221,883,915)	(217,923,027)
Provisions for liabilities	20a		
Pension - deficit funding liability		(1,386,000)	(2,675,000)
		-----	-----
Net assets		44,707,602	39,240,382
		=====	=====
Equity			
Called up share capital	16a	22	38
Restricted reserves	17a	140,000	140,000
Designated reserve	17a	-	-
Revenue reserve	17a	44,567,580	39,100,344
		-----	-----
		44,707,602	39,240,382
		=====	=====

The financial statements on pages 10 to 30 were approved by the Board of Management on 30 June 2022 and were signed on its behalf


David Birch (Jul 1, 2022 09:32 GMT+1)

Mr D Birch, Chair


Hugh Watchman (Jul 1, 2022 10:11 GMT+1)

Mr H Watchman, Vice-Chair



Ms C Morgan, Company Secretary

ATEB GROUP LIMITED

CONSOLIDATED STATEMENT OF CASHFLOWS
for the year ended 31 March 2022

		2022		2021	
	Notes	£	£	£	£
Net cash inflow from operating activities	(i)		7,850,324		13,390,194
Cash flow from investing activities					
Payments to acquire and develop property		(10,734,920)		(13,007,140)	
Receipts from sales of Property, Plant and Equipment		46,103		53,408	
Social Housing Grant and contributions received		9,907,867		6,358,592	
Purchase of other fixed assets		(201,554)		(397,018)	
Finance/Investment income		(131,723)		4,028	
Net cash outflow from investing activities			(1,114,227)		(6,988,130)
Cash flow from financing activities					
Finance costs		(3,395,821)		(3,531,266)	
Issue of share capital	(iv)	-		-	
Mortgage and other loans received					
- housing	(iv)	1,000,000		27,000,000	
Finance costs of loans issued	(iv)	(121,965)		(30,249)	
Loans repaid					
- housing	(iv)	(2,576,081)		(19,429,760)	
THFC Premium Account		-		5,523,260	
Net cash inflow from financing			(5,093,867)		9,531,985
Net change in cash and cash equivalents	(ii) , (iii)		1,642,230		15,934,049
Cash and cash equivalents at beginning of the year			20,282,831		4,348,783
Cash and cash equivalents at end of the year			21,925,061		20,282,832

CONSOLIDATED CASH FLOW STATEMENT - Additional Disclosure

		2022		2021	
		£	£	£	£
Free cash flow for the year ended 31 March 2022					
Net cash inflow from operating activities			7,850,324		13,390,194
Finance/Investment income			(131,722)		4,028
Finance costs			(3,572,639)		(3,531,266)
Adjustments for reinvestment in existing properties					
Component Replacements			1,210,048		(468,971)
Purchase of other fixed assets			(201,554)		(397,017)
Free cash generated / (consumed) before loan repayments			5,154,458		8,996,968
Loans repaid (excluding revolving credit facilities and overdrafts)			(2,576,081)		(1,192,809)
Free cash generated / (consumed) after loan repayments			2,578,377		7,804,159

ATEB GROUP LIMITED

STATEMENT OF CASHFLOWS
for the year ended 31 March 2022

		2022		2021	
	Notes	£	£	£	£
Net cash inflow from operating activities	(i)		10,206,873		9,857,354
Cash flow from investing activities					
Payments to acquire and develop property		(10,734,920)		(13,007,140)	
Receipts from sales of Property, Plant and Equipment		46,103		53,408	
Social Housing Grant and contributions received		9,907,867		6,358,592	
Purchase of other fixed assets		(193,753)		(382,748)	
Finance/Investment income		196,800		332,233	
Net cash outflow from investing activities			(777,902)		(6,645,654)
Cash flow from financing activities					
Finance costs		(3,572,639)		(3,531,265)	
Issue of share capital	(iv)	-		-	
Mortgage and other loans received					
- housing	(iv)	1,000,000		27,000,000	
Finance costs of loans issued	(iv)	(121,965)		(30,249)	
Loans issued - subsidiary company		(7,291,250)		(4,227,500)	
Loans repaid - subsidiary company		4,678,400		8,201,000	
Loans repaid					
- housing	(iv)	(2,576,081)		(19,429,760)	
THFC Premium Account		-		5,523,260	
Net cash inflow from financing			(7,883,535)		13,505,486
Net change in cash and cash equivalents	(ii) , (iii)		1,545,436		16,717,186
Cash and cash equivalents at beginning of the year			19,752,828		3,041,458
Cash and cash equivalents at end of the year			21,298,264		19,758,643

CASH FLOW STATEMENT - Additional Disclosure

		2022		2021	
		£	£	£	£
Free cash flow for the year ended 31 March 2022					
Net cash inflow from operating activities			10,206,873		9,857,354
Finance/Investment income			196,800		332,233
Finance costs			(3,572,639)		(3,531,265)
Adjustments for reinvestment in existing properties					
Component Replacements			1,210,048		(468,971)
Purchase of other replacement fixed assets			(193,753)		(382,747)
Free cash generated before loan repayments			7,847,330		5,806,604
Loans repaid (excluding revolving credit facilities and overdrafts)			(2,576,081)		(1,192,809)
Free cash generated after loan repayments			5,271,249		4,613,795

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

	2022	2021
	£	£
Operating surplus	7,494,187	8,759,485
Depreciation	3,754,101	3,380,141
Amortisation of SHG	(1,108,570)	(1,005,282)
Abortive development costs	58,209	22,290
Decrease in receivables and inventories	666,611	2,874,104
(Decrease) in payables	(2,851,026)	(197,011)
Share capital cancelled	(16)	(1)
Charge for bad debts	4,994	106,507
Amortisation of finance issue costs	(121,965)	(652,869)
Capitalised Overheads	(252,569)	(262,347)
Other Income	9,905	3,632
Housing Finance Grant	337,922	337,922
Pension Fund Current Service Costs	135,416	296,000
Pension deficit contribution paid	(277,401)	(272,379)
Loss on disposal	527	-
	-----	-----
Net cash inflow from operating activities	7,850,324	13,390,194
	=====	=====

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

	2022	2021
	£	£
At beginning of period	20,282,831	4,348,783
Net cash inflow	1,642,231	15,934,048
	-----	-----
At end of period	21,925,062	20,282,831
	=====	=====

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

	2022	2021	Change in year	2021	2020	Change in year
	£	£	£	£	£	£
Cash	21,925,062	20,282,831	1,642,231	20,282,831	4,348,783	15,934,048
	-----	-----	-----	-----	-----	-----
	21,925,062	20,282,831	1,642,231	20,282,831	4,348,783	15,934,048
	=====	=====	=====	=====	=====	=====

(iv) Analysis of changes in financing during the year

	Share Capital		Housing Loans	
	2022	2021	2022	2021
	£	£	£	£
At beginning of year	42	43	96,240,879	88,813,142
Cash inflow from financing	-	-	1,000,000	27,000,000
Cash outflow from financing	(16)	(1)	(2,576,081)	(19,429,760)
Cash outflow finance costs	-	-	(121,965)	(30,249)
	-----	-----	-----	-----
	26	42	94,542,833	96,353,133
Non cash items:				
Debenture discount	-	-	(4,000)	(4,000)
Amortisation of finance costs	-	-	(47,607)	(108,254)
	-----	-----	-----	-----
At end of year	26	42	94,491,226	96,240,879
	=====	=====	=====	=====

ATEB GROUP LIMITED

NOTES TO THE STATEMENT OF CASH FLOWS
for the year ended 31 March 2022

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

	2022	2021
Cash flows from operating activities	£	£
Operating surplus	5,355,388	5,756,154
Depreciation	3,747,512	3,374,891
Amortisation of SHG	(1,108,570)	(1,005,282)
Abortive development costs	58,209	22,290
Decrease in receivables and inventories	2,477,762	1,310,184
Increase / (Decrease) in payables	(177,515)	825,198
Share capital cancelled	(16)	(1)
Charge for bad debts	4,994	106,507
Capitalised Overheads	(252,569)	(262,347)
Other Income	9,905	3,632
Housing Finance Grant	337,922	337,922
Finance Charges / Issue Costs	(121,965)	(652,869)
Pension Fund Current Service Costs	135,416	296,000
Pension deficit contribution paid	(259,600)	(254,926)
	-----	-----
Net cash inflow from operating activities	10,206,873	9,857,354
	=====	=====

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

	2022	2021
	£	£
At beginning of year	19,752,828	3,041,458
Net cash inflow	1,545,437	16,711,370
	-----	-----
At end of year	21,298,265	19,752,828
	=====	=====

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

	2022	2021	Change in year	2021	2020	Change in year
	£	£	£	£	£	£
Cash	21,298,265	19,752,828	1,545,437	19,752,828	3,041,458	16,711,370
	-----	-----	-----	-----	-----	-----
	21,298,265	19,752,828	1,545,437	19,752,828	3,041,458	16,711,370
	=====	=====	=====	=====	=====	=====

(iv) Analysis of changes in financing during the year

	Share Capital		Housing Loans	
	2022	2021	2022	2021
	£	£	£	£
At beginning of year	38	39	96,240,879	88,813,142
Cash inflow from financing	-	-	1,000,000	27,000,000
Cash outflow from financing	(16)	(1)	(2,576,081)	(19,429,760)
Cash outflow from finance costs	-	-	(121,965)	(30,249)
	-----	-----	-----	-----
	22	38	94,542,833	96,353,133
Non cash items:				
Debenture discount	-	-	(4,000)	(4,000)
Amortisation of finance costs	-	-	(47,607)	(108,254)
	-----	-----	-----	-----
At end of year	22	38	94,491,226	96,240,879
	=====	=====	=====	=====

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 The Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015, Financial Reporting Standard (FRS) 102 and the Statement of Recommended Practice (SORP) 2018. Ateb Group Limited is a public benefit entity (PBE) as defined in FRS 102. A summary of the more important policies which have been applied consistently 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.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Surpluses or deficits resulting from the sales of properties and fixed asset investments are shown in the income and expenditure account under surpluses/deficits from the sale of fixed assets. Revenue is recognised when sale completion of the property has been achieved

Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met. Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities. Amortisation of Social Housing and other government grants is accounted for in line with the accounting policy.

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) 2018.

- 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 to 10 years

Motor vehicles – evenly over 3 to 5 years to estimated residual values

Tools – 3 years

ATEB GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

iii) **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.

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 Group 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 Association closed the scheme to further accrual on the 31 March 2022 with members transferring to the Social Housing Pension Scheme's Defined Contribution scheme.

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

ATEB GROUP LIMITED
NOTES TO THE COSOLIDATED FINANCIAL STATEMENTS

Regulator and Technical Actuarial standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

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

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

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

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the Group to account for the Scheme as a defined benefit scheme.

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

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

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

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. Such enhancement can occur if the improvements result in either: an increase in rental income, a material reduction in future maintenance costs, a significant extension to the life of the property or a significant increase in the market value of the property.

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.

ATEB GROUP LIMITED
NOTES TO THE COSOLIDATED FINANCIAL STATEMENTS

- 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 fair 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.
- t) Capitalised Interest**
Interest incurred during the development period is capitalised and added to the cost of completed housing properties based on the net investment and its average borrowing costs during the year.
- u) 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.
- v) 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.
- w) 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.
- x) 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.
- y) Restricted Reserves Policy**
Restricted funds are funds subject to specific restrictions specified by the donor.

ATEB GROUP LIMITED
NOTES TO THE COSOLIDATED FINANCIAL STATEMENTS

z) 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. 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.

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.

aa) Investment in Subsidiary

Investment in the subsidiary is accounted for at cost less any impairment.

ab) Home Buy Option

Where the Group received an allowance from Welsh Assembly Government to administer the sale of property under the "Home Buy Option" initiative and in turn has made an interest free loan to the purchaser secured by a charge on the property, the loan is accounted for under investments at cost with the associated grant included in long term liabilities on the statement of financial position.

ac) Employee Benefits

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

ad) Going Concern

After reviewing the current situation with regards to Covid 19 and the Association's and Group's forecasts and projections, the Board has a reasonable expectation that the Association and Group has adequate resources to continue in operational existence for the foreseeable future.

The company continues to adopt the going concern basis in preparing its financial statements.

ae) Investment Property

Investment Property is held at market value if readily available otherwise held at cost. If the investment property was built as part of a larger build project then an appropriate apportionment should be applied to determine cost.

af) 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.

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:

ATEB GROUP LIMITED
NOTES TO THE COSOLIDATED 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.

Economic Life of Assets

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.

Defined Benefit Pension Scheme

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

ag) 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 2022

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

	Turnover £	Cost of sales £	Operating costs £	2022 Operating surplus £	Interest receivable £	Interest payable £	Housing Finance Grant £	Surplus before taxation £
Income and expenditure from social housing lettings								
Fully rented housing accommodation	18,199,904	-	(12,817,289)	5,382,616	-	(3,587,997)	-	1,794,618
Total from social housing lettings note 2(ii)	18,199,904	-	(12,817,289)	5,382,616	-	(3,587,997)	-	1,794,618
Income and expenditure from housing sales								
Income and expenditure from housing sales	8,429,319	(6,128,125)	(233,349)	2,067,845	-	-	-	2,067,845
Other income and expenditure								
Other income	-	-	-	-	-	-	257,050	257,050
Abortive development costs	-	-	(58,209)	(58,209)	-	-	-	(58,209)
Gain/(loss) on disposal of property, plant and equipment	-	-	-	-	-	-	-	46,103
Total from social housing lettings	26,629,223	(6,128,125)	(13,108,847)	7,392,251	-	(3,587,997)	257,050	4,107,407
Finance/Investment Income	-	-	-	-	44,825	-	-	44,825
Surplus on social housing lettings	26,629,223	(6,128,125)	(13,108,847)	7,392,251	44,825	(3,587,997)	257,050	4,152,232
Income and expenditure from other activities								
Grants and contributions	858,730	-	(802,899)	55,832	-	-	-	55,832
Other costs	-	-	-	-	-	-	-	-
Finance/Investment Income	-	-	-	-	271	-	-	271
Donated Land Value Adjustment	-	-	-	-	-	-	-	227,238
Finance Charge / Issue Costs	-	-	-	-	-	-	-	(169,573)
Pension Fund Net Interest Costs	-	-	-	-	-	-	-	(63,000)
Capitalised Interest	-	-	-	-	98,149	-	-	98,149
Other income (Legacy income)	-	-	-	-	-	-	-	9,905
Surplus on ordinary activities before taxation	27,487,953	(6,128,125)	(13,911,745)	7,448,083	143,245	(3,587,997)	257,050	4,311,053
	=====	=====	=====	=====	=====	=====	=====	=====
	Turnover £	Cost of sales £	Operating costs £	2021 Operating surplus £	Interest receivable £	Interest payable £	Housing Finance Grant £	Surplus before taxation £
Income and expenditure from lettings:								
Fully rented housing accommodation	17,299,516	-	(11,574,480)	5,725,036	-	(3,495,043)	-	2,229,993
Total from social housing lettings note 2(ii)	17,299,516	-	(11,574,480)	5,725,036	-	(3,495,043)	-	2,229,993
Income and expenditure from housing sales								
Income and expenditure from housing sales	11,160,573	(7,953,455)	(214,264)	2,992,853	-	-	-	2,992,853
Other income and expenditure								
Other income	-	-	-	-	-	-	238,406	238,406
Abortive development costs	-	-	(22,290)	(22,290)	-	-	-	(22,290)
Gain/(loss) on disposal of property, plant and equipment	-	-	-	-	-	-	-	53,408
Total from social housing lettings	28,460,089	(7,953,455)	(11,811,034)	8,695,600	-	(3,495,043)	238,406	5,492,370
Finance/Investment Income	-	-	-	-	3,440	-	-	3,440
Surplus on social housing lettings	28,460,089	(7,953,455)	(11,811,034)	8,695,600	3,440	(3,495,043)	238,406	5,495,810
Income and expenditure from other activities								
Grants and contributions	771,119	-	(754,827)	16,292	-	-	-	16,292
Other costs	-	-	-	-	-	-	-	-
Finance/Investment Income	-	-	-	-	588	-	-	588
Donated Land Value Adjustment	-	-	-	-	-	-	-	409,270
Finance Charge / Issue Costs	-	-	-	-	-	-	-	(138,502)
Pension Fund Net Interest Costs	-	-	-	-	-	-	-	(26,000)
Capitalised Interest	-	-	-	-	287,689	-	-	287,689
Other Income	-	-	-	-	-	-	-	3,632
Surplus on ordinary activities before taxation	29,231,208	(7,953,455)	(12,565,862)	8,711,891	291,717	(3,495,043)	238,406	6,048,779
	=====	=====	=====	=====	=====	=====	=====	=====

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

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

	Turnover	Operating costs	2022 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	18,199,904	(12,832,410)	5,367,494	-	(3,587,997)	-	-	1,779,496
Total from social housing lettings	18,199,904	(12,832,410)	5,367,494	-	(3,587,997)	-	-	1,779,496
Other income and expenditure								
Other income	-	-	-	-	-	257,050	1,915,885	2,172,935
Abortive development costs	-	(58,209)	(58,209)	-	-	-	-	(58,209)
Gain/(loss) on disposal of Property, Plant & Equipment	-	-	-	-	-	-	-	46,103
Total from social housing lettings	18,199,904	(12,890,619)	5,309,285	-	(3,587,997)	257,050	1,915,885	3,940,326
Finance/Investment Income	-	-	-	196,800	-	-	-	196,800
Corporate Rebranding	-	-	-	-	-	-	-	-
Donated Land Value Adjustment	-	-	-	-	-	-	-	227,238
Finance Charges / Issue Costs	-	-	-	-	-	-	-	(169,573)
Pension Fund Net Interest Costs	-	-	-	-	-	-	-	(58,000)
Capitalised Interest	-	-	-	-	98,149	-	-	98,149
Other Income	-	-	-	-	-	-	-	9,905
Surplus on social housing lettings			5,309,285	196,800	(3,489,849)	257,050	1,915,885	4,244,845
2021								
	Turnover	Operating costs	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	17,299,516	(11,574,480)	5,725,036	-	(3,495,043)	-	-	2,229,993
Total from social housing lettings	17,299,516	(11,574,480)	5,725,036	-	(3,495,043)	-	-	2,229,993
Other income and expenditure								
Other income	-	-	-	-	-	238,406	2,664,085	2,902,491
Abortive development costs	-	(22,290)	(22,290)	-	-	-	-	(22,290)
Gain/(loss) on disposal of Property, Plant & Equipment	-	-	-	-	-	-	-	53,408
Total from social housing lettings	17,299,516	(11,596,770)	5,702,746	-	(3,495,043)	238,406	2,664,085	5,163,602
Finance/Investment Income	-	-	-	332,233	-	-	-	332,233
Corporate Rebranding	-	-	-	-	-	-	-	-
Donated Land Value Adjustment	-	-	-	-	-	-	-	409,272
Finance Charges / Issue Costs	-	-	-	-	-	-	-	(138,502)
Pension Fund Net Interest Costs	-	-	-	-	-	-	-	(24,000)
Capitalised Interest	-	-	-	-	287,689	-	-	287,689
Other Income	-	-	-	-	-	-	-	3,632
Surplus on social housing lettings			5,702,746	332,233	(3,207,354)	238,406	2,664,085	6,033,926

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2022

2 (ii) Turnover from social housing lettings

	2022			2021		
	General Needs & Sheltered Housing	Supported Housing	Total	General Needs & Sheltered Housing	Supported Housing	Total
	£	£	£	£	£	£
Rent receivable net of void losses *	15,399,966	343,960	15,743,926	14,644,640	348,878	14,993,518
Service charges	1,182,452	35,663	1,218,115	1,145,805	35,663	1,181,468
	-----	-----	-----	-----	-----	-----
	16,582,418	379,623	16,962,041	15,790,445	384,541	16,174,986
Income from support services	129,294	-	129,294	72,256	-	72,256
SHG Amortisation	1,094,936	13,634	1,108,570	991,648	13,634	1,005,282
Digital inclusion grant	-	-	-	46,992	-	46,992
	-----	-----	-----	-----	-----	-----
	17,806,648	393,257	18,199,905	16,901,341	398,175	17,299,516
	=====	=====	=====	=====	=====	=====
* Void losses	99,627	-	99,627	205,723	-	205,723

2 (iii) Operating costs from lettings

	2022			2021		
	General Needs & Sheltered Housing	Supported Housing	Total	General Needs & Sheltered Housing	Supported Housing	Total
	£	£	£	£	£	£
Service charges	1,133,137	35,663	1,181,468	1,145,805	35,663	1,181,468
Management	2,572,900	209,911	2,782,811	2,541,749	189,668	2,731,417
Routine maintenance	3,476,918	28,880	3,505,798	3,074,081	25,530	3,099,611
Major repairs	1,750,676	-	1,750,676	1,183,373	-	1,183,373
Depreciation of housing properties	3,575,320	31,343	3,606,666	3,260,935	16,984	3,277,919
Losses from bad debts	4,994	-	4,994	106,507	-	106,507
	-----	-----	-----	-----	-----	-----
Operating costs on social housing lettings	12,513,945	305,798	12,832,411	11,312,449	267,845	11,580,295
	=====	=====	=====	=====	=====	=====
	-----	-----	-----	-----	-----	-----
Operating surplus on social housing lettings	5,292,703	87,459	5,380,161	5,588,892	130,330	5,719,221
	=====	=====	=====	=====	=====	=====

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

2a (ii) Turnover from social housing lettings

	2022			2021		
	General Needs & Sheltered Housing	Supported Housing	Total	General Needs & Sheltered Housing	Supported Housing	Total
	£	£	£	£	£	£
Rent receivable net of void losses *	15,399,966	343,960	15,743,926	14,644,640	348,878	14,993,518
Service charges	1,182,452	35,663	1,218,114	1,145,805	35,663	1,181,468
	-----	-----	-----	-----	-----	-----
	16,582,417	379,623	16,962,040	15,790,445	384,541	16,174,986
Income from support services	129,294	-	129,294	72,256	-	72,256
SHG Amortisation	1,094,936	13,634	1,108,570	991,648	13,634	1,005,282
Digital inclusion grant	-	-	-	46,992	-	46,992
	-----	-----	-----	-----	-----	-----
Turnover from social housing lettings	17,806,647	393,257	18,199,904	16,901,341	398,174	17,299,516
	=====	=====	=====	=====	=====	=====
* Void losses	99,627	-	99,627	205,723	-	205,723

2a (iii) Operating costs from social housing lettings

	2022			2021		
	General Needs & Sheltered Housing	Supported Housing	Total	General Needs & Sheltered Housing	Supported Housing	Total
	£	£	£	£	£	£
Service charges	1,133,137	35,663	1,181,468	1,145,805	35,663	1,181,468
Management	2,572,900	209,911	2,782,811	2,541,749	189,668	2,731,417
Routine maintenance	3,476,918	28,880	3,505,798	3,074,081	25,530	3,099,611
Major repairs	1,750,676	-	1,750,676	1,183,373	-	1,183,373
Depreciation of housing properties	3,575,320	31,344	3,606,665	3,260,935	16,984	3,277,918
Losses from bad debts	4,994	-	4,994	106,507	-	106,507
	-----	-----	-----	-----	-----	-----
Operating costs on social housing lettings	12,513,944	305,798	12,832,410	11,312,449	267,844	11,580,294
	=====	=====	=====	=====	=====	=====
	-----	-----	-----	-----	-----	-----
Operating surplus on social housing lettings	5,292,704	87,458	5,380,162	5,588,892	130,330	5,719,222
	=====	=====	=====	=====	=====	=====

ATEB GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2022**

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.

	2022	2021
	£	£
Emoluments (including pension contributions and benefits in kind).	456,240 =====	423,687 =====

During the year the emoluments (excluding pension contributions) of the Chief Executive who was the highest paid Senior Executive was £125,022 (2021: £123,172).

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

	2022	2021
£60,001 to £70,000	-	1
£70,001 to £80,000	-	1
£80,001 to £90,000	-	-
£90,001 to £100,000	3	1
£120,001 to £130,001	1	1

The Board received emoluments of £28,672 during the year (2020: £13,459).

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 :

	2022	2021
Office staff	83.48	80.64
Direct Labour	42.51	40.98
Cleaning staff	0.40	0.40
	-----	-----
	126.39 =====	122.02 =====

	2022	2021
	£	£
Staff costs for the above persons were:		
Wages and salaries	4,083,399	3,667,042
Social security costs	373,060	343,692
Pension costs (note 20)	330,385	309,254
	-----	-----
	4,786,844 =====	4,319,988 =====

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022**

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.

	2022	2021
	£	£
Emoluments (including pension contributions and benefits in kind)	456,240	423,687
	=====	=====

During the year the emoluments (excluding pension contributions) of the Chief Executive who was the highest paid Senior Executive was £125,022 (2021: £123,172).

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

	2022	2021
£60,001 to £70,000	-	1
£70,001 to £80,000	-	1
£80,001 to £90,000	-	-
£90,001 to £100,000	3	1
£120,001 to £130,001	1	1

The Board received emoluments of £28,736 during the year (2021: £28,672).

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:

	2022	2021
Office staff	68.87	64.19
Direct Labour	36.83	35.41
Cleaning staff	0.40	0.40
	-----	-----
	106.10	100.00
	=====	=====

	2022	2021
	£	£
Staff costs for the above persons were:		
Wages and salaries	3,482,425	3,066,949
Social security costs	328,955	288,992
Pension costs (note 20a)	286,557	279,279
	-----	-----
	4,097,937	3,635,220
	=====	=====

ATEB GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2022**

5 Operating surplus

	2022	2021
	£	£
The operating surplus is stated after charging/(crediting):		
Depreciation	3,754,101	3,380,141
Finance issue costs	169,573	138,502
Debenture discount charge	4,000	4,000
Auditors remuneration		
- In their capacity as auditors, including VAT	25,275	25,327
- In respect of other services, including VAT	-	-
	=====	=====

6 Gain on disposal of property, plant and equipment

	2022	2021
	£	£
Surplus on sale of properties	46,103	53,408
	-----	-----
	46,103	53,408
	=====	=====

7 Finance/Investment Income

	2022	2021
	£	£
Finance/Investment Income	197,072	332,822
	=====	=====

8 Finance Costs

	2022	2021
	£	£
On loans repayable in instalments wholly or partly in more than 5 years	3,496,677	3,404,793
On loans repayable other than in instalments wholly or partly in more than 5 years	91,320	90,250
	-----	-----
	3,587,997	3,495,043
	=====	=====

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 2022**

5a Operating surplus	2022	2021
	£	£
The operating surplus is stated after charging/(crediting):		
Depreciation	3,747,512	3,374,891
Finance issue costs	169,573	138,502
Debenture discount charge	4,000	4,000
Auditors remuneration		
- In their capacity as auditors, including VAT	15,150	14,742
- In respect of other services, including VAT	-	-
	=====	=====
6a Gain on disposal of property, plant and equipment	2022	2021
	£	£
Surplus on sale of properties	46,103	53,408
	-----	-----
	46,103	53,408
	=====	=====
7a Finance/Investment Income	2022	2021
	£	£
Finance/Investment Income	196,800	332,233
	=====	=====
8a Finance Costs	2022	2021
	£	£
On loans repayable in instalments wholly or partly in more than 5 years	3,496,677	3,404,793
On loans repayable other than in instalments wholly or partly in more than 5 years	91,320	90,250
	-----	-----
	3,587,997	3,495,043
	=====	=====
8b Transfer from subsidiary company	2022	2021
	£	£
Gift Aid payment	1,915,885	2,664,085
	-----	-----
	1,915,885	2,664,085
	=====	=====
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 2022

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 2021	231,261,624	31,939,476	923,597		264,124,697
Additions	2,054,725	8,587,590	235,949		10,878,264
Reclassification	17,400,807	(17,400,807)	-		-
Disposals	(622,329)	-	-		(622,329)
At 31 March 2022	250,094,827	23,126,259	1,159,546		274,380,632
Depreciation					
At 1 April 2021	(32,321,900)	-	(17,323)		(32,339,223)
Charged for the year	(3,576,917)	-	(10,692)		(3,587,609)
Disposals	404,231	-	-		404,231
At 31 March 2022	(35,494,586)	-	(28,015)		(35,522,601)
Net book value					
At 31 March 2022	214,600,241	23,126,259	1,131,531		238,858,031
At 31 March 2021	198,939,724	31,939,476	906,274		231,785,475

The total net book value of housing properties comprises:

	2022 £	2021 £
Freehold property	236,221,203	229,109,453
Long leasehold property	2,636,828	2,676,022
Short leasehold property	-	-
	238,858,031	231,785,475

Units in Management

	2022	2,021
At end of year	3,069	3,005

Development administration expenditure and other indirect costs capitalised during the year amounted to £252,569 (2020: £262,347).

Interest capitalised during the year amounted to £98,149 (2020: £287,689).

Component Replacement spend for the year amounted to £1,210,048 (2020: £468,971)

Housing Properties includes Land with a carrying value of £26,624,054 (2021: £27,241,560)

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022**

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 2021	231,261,624	31,939,476	923,597	264,124,697
Additions	2,054,725	8,587,589	235,949	10,878,263
Reclassification	17,400,807	(17,400,807)	-	-
Disposals	(622,329)	-	-	(622,329)
At 31 March 2022	250,094,827	23,126,259	1,159,546	274,380,631
Depreciation				
At 1 April 2021	(32,321,900)	-	(17,323)	(32,339,223)
Charged for the year	(3,576,917)	-	(10,692)	(3,587,609)
Disposals	404,231	-	-	404,231
At 31 March 2022	(35,494,587)	-	(28,014)	(35,522,601)
Net book value				
At 31 March 2022	214,600,240	23,126,259	1,131,532	238,858,031
At 31 March 2021	198,939,724	31,939,476	906,274	231,785,474

The total net book value of housing properties comprises:

	2022 £	2021 £
Freehold property	236,221,203	229,109,452
Long leasehold property	2,636,828	2,676,022
Short leasehold property	-	-
	238,858,031	231,785,474

Units in Management

	2022	2021
At end of year	3,069	3,005

Development administration expenditure and other indirect costs capitalised during the year amounted to £252,569 (2020: £262,347).

Interest capitalised during the year amounted to £98,149 (2020: £287,689).

Component Replacement spend for the year amounted to £1,210,048 (2020: £468,971)

Housing Properties includes Land with a carrying value of £26,624,054 (2021: £27,241,560)

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2022

11 Property, Plant & Equipment - Other Fixed Assets

	Freehold Offices £	Tools & Equipment £	Motor vehicles £	Computer Equipment £	Total £
Cost					
At 1 April 2021	490,981	671,216	51,421	1,285,544	2,499,162
Additions	17,840	15,996	-	167,718	201,554
Disposals/Write off/Adj.	-	(608)	-	-	(608)
At 31 March 2022	508,821	686,604	51,421	1,453,262	2,700,108
Grants and contributions					
At 1 April 2021	-	-	(44,101)	-	(44,101)
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2022	-	-	(44,101)	-	(44,101)
Depreciation					
At 1 April 2021	(270,064)	(606,509)	(7,320)	(744,068)	(1,627,961)
Charged for the year	(9,365)	(25,860)	-	(126,698)	(161,923)
Disposals/Write off/Adj.	-	81	-	-	81
At 31 March 2022	(279,429)	(632,288)	(7,320)	(870,766)	(1,789,803)
Net book value					
At 31 March 2022	229,392	54,316	-	582,496	866,204
At 31 March 2021	220,917	64,707	-	541,476	827,100

12 Investments

	2022 £	2021 £
Cost of Home Buy Loans	2,514,298	2,675,998
	2,514,298	2,675,998

The above investments represent a 30% and 50% interest in 78 (2021: 82) properties acquired under the Welsh Government Low Cost Home Ownership Schemes.

	2022 £	2021 £
Investment Property	98,326	98,326

13 Inventories

	2022 £	2021 £
Completed properties held for sale	-	-
Schemes under construction	4,115,485	3,908,767
	4,115,485	3,908,767

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022**

11a Property, Plant & Equipment - Other Fixed Assets

	Freehold Offices £	Tools & Equipment £	Motor vehicles £	Computer Equipment £	Total £
Cost					
At 1 April 2021	490,981	613,955	51,421	1,269,053	2,425,410
Additions	17,840	9,754	-	166,159	193,753
Disposals/Write off/Adj.	-	-	-	-	-
At 31 March 2022	508,821	623,709	51,421	1,435,212	2,619,163
Grants and Contributions					
At 1 April 2021	-	-	(44,101)	-	(44,101)
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2022	-	-	(44,101)	-	(44,101)
Depreciation					
At 1 April 2021	(270,064)	(563,722)	(7,320)	(729,458)	(1,570,564)
Charged for the year	(9,365)	(20,180)	-	(125,789)	(155,334)
Disposals/Write off/Adj.	-	-	-	-	-
At 31 March 2022	(279,429)	(583,902)	(7,320)	(855,247)	(1,725,898)
Net book value					
At 31 March 2022	229,392	39,807	-	579,965	849,164
At 31 March 2021	220,917	50,233	-	539,595	810,745

12a Investments

	2022 £	2021 £
Cost of Home Buy Loans	2,514,298	2,675,998

The above investments represent a 30% and 50% interest in 78 (2021: 82) properties acquired under the Welsh Government Low Cost Home Ownership Schemes.

	2022 £	2021 £
Investment Property	98,326	98,326
Shares in subsidiary companies :		
Mill Bay Homes Limited	1	1
West Wales Care & Repair Limited	1	1
Effective Building Solutions Limited	1	1
	3	3

13a Inventories

	2022 £	2021 £
Work In Progress	158,165	147,314

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2022

14a(i) Receivables

Amounts falling due within one year

	2022	2021
	£	£
Arrears of Rent and Service Charges	751,196	771,405
Less: Provision for bad and doubtful debts	(185,410)	(169,000)
	-----	-----
	565,786	602,405
Prepayments and accrued income	3,412,874	1,756,745
Social Housing Grant and capital contributions receivable	-	2,477,320
Housing Finance Grant	112,765	107,426
Other receivables	713,155	319,042
	-----	-----
	4,804,579	5,262,938
	=====	=====

14b(i) Amounts falling due after more than one year

	2022	2021
	£	£
Housing Finance Grant	4,835,487	4,945,421
	-----	-----
	4,835,487	4,945,421
	=====	=====
	2022	2021
	£	£
Prepayments and accrued income	85,756	66,755
	-----	-----
	85,756	66,755
	=====	=====

15a(i) Payables

Amounts falling due within one year

	2022	2021
	£	£
Rental income prepaid	395,649	409,204
Accrued interest	815,732	804,374
Amounts owed in respect of housing development	386,460	610,319
Taxation, pension and social security	82,192	141,831
Social Housing Grant and contributions received in advance	337,922	-
Other payables	173,134	149,653
Accruals and deferred income	2,040,405	2,556,123
Housing loans	3,082,635	3,028,262
Grant Recycling Fund	609,376	414,759
SHG - Deferred Income	1,106,693	1,106,693
Annual Leave Accrual	71,665	133,570
	-----	-----
	9,101,862	9,354,787
	=====	=====

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022**

14a Receivables	2022	2021
Amounts falling due within one year	£	£
Arrears of Rent and Service Charges	751,196	771,405
Less: Provision for bad and doubtful debts	(185,410)	(169,000)
	-----	-----
Prepayments and accrued income	565,786	602,405
Inter-company debtors - subsidiary companies	259,349	107,292
Social Housing Grant and capital contributions receivable	2,059,153	2,664,085
Housing Finance Grant	-	2,477,320
Other receivables	112,765	107,426
	485,777	191,125
	-----	-----
	3,482,830	6,149,653
	=====	=====
	2022	2021
14b Amounts falling due after more than one year	£	£
Loan to subsidiary company	4,284,350	1,671,500
	=====	=====
	£	£
Housing Finance Grant	4,835,487	4,945,421
	=====	=====
15a Payables	2022	2021
Amounts falling due within one year	£	£
Rental income prepaid	395,649	409,204
Accrued interest	815,732	804,374
Amounts owed in respect of housing development	75,720	353,975
Taxation, pension and social security	82,192	141,831
Social Housing Grant and capital contributions received in advance	337,922	-
Inter-company creditors - subsidiary companies	55,206	1,874
Other payables	82,156	80,590
Accruals and deferred income	1,700,370	1,805,339
Housing loans	3,082,635	3,028,262
Grant Recycling Fund	609,376	414,759
SHG - Deferred Income	1,106,693	1,106,693
Annual Leave Year End Accrual	57,752	112,002
	-----	-----
	8,401,403	8,258,903
	=====	=====

ATEB GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2022**

15b(i) Payables

Amounts falling due after one year	2022	2021
	£	£
Housing Loans	91,408,591	93,212,618
SHG - Deferred Income	122,116,232	116,320,958
Retentions	912,789	371,333
THFC Premium Account	5,262,836	5,422,971
Homebuy Grant - Deferred Income	2,514,298	2,675,998
	-----	-----
	222,214,746	218,003,879
	=====	=====

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	2022	2021
	£	£
One year or less	3,082,635	3,028,262
Between one and five years	10,764,246	9,350,925
In five years or more	81,666,056	83,801,819
	-----	-----
	95,512,937	96,181,005
Finance Costs	(1,020,738)	(935,154)
	-----	-----
	94,492,197	95,245,852
	=====	=====
Repayable otherwise than by instalments in more than five years	2022	2021
	£	£
In more than five years	-	1,000,000
Less : Debenture Discount Account	(972)	(4,972)
	-----	-----
	(972)	995,028
	=====	=====

Housing Loans

Housing loans are secured by fixed charges over the organisation's housing stock.

Long term finance from Banks, Building Societies and Bond providers represent loans taken out over a 5 to 33 year period.

At 31 March 2022 of the total loans outstanding the ratio of fixed rate loans to variable rate interest loans was 90:10 (2021: 90:10). At the year-end interest rates ranged from 2.08% to 9.87%.

15d(i) SHG and other grants

	Housing properties held for letting		Shared ownership properties held for letting		Total
	Completed	Under Construction	Completed		
	£	£	£	£	
SHG at 1 April 2021	109,194,347	21,383,333	287,208	130,864,888	
Additions	15,517	6,946,886	31,034	6,993,437	
Reclassification	11,055,316	(11,055,316)	-	-	
Disposals	(95,428)	-	-	(95,428)	
	-----	-----	-----	-----	
At 31 March 2022	120,169,752	17,274,903	318,242	137,762,897	
	=====	=====	=====	=====	
At 31 March 2021	109,194,347	21,383,333	287,208	130,864,888	
	=====	=====	=====	=====	
Amortisation					
At 1 April 2021	(13,437,237)	-	-	(13,437,237)	
Charged for the year	(1,108,570)	-	-	(1,108,570)	
Disposals	5,835	-	-	5,835	
	-----	-----	-----	-----	
At 31 March 2022	(14,539,972)	-	-	(14,539,972)	
	-----	-----	-----	-----	
Net book value					
At 31 March 2022	105,629,780	17,274,903	318,242	123,222,925	
	=====	=====	=====	=====	
At 31 March 2021	95,757,110	21,383,333	287,208	117,427,651	
	=====	=====	=====	=====	

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022**

15b Payables

Amounts falling due after more than one year	2022	2021
	£	£
Housing Loans	91,408,591	93,212,618
SHG - Deferred Income	122,116,232	116,320,958
Retentions	581,958	290,482
THFC Premium Account	5,262,836	5,422,971
Homebuy Grant - Deferred Income	2,514,298	2,675,998
	-----	-----
	221,883,915	217,923,027
	=====	=====

15c Housing Loans

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

Repayable by instalments	2022	2021
	£	£
One year or less	3,082,635	3,028,262
Between one and five years	10,764,246	9,350,925
In five years or more	81,666,056	83,801,819
	-----	-----
	95,512,937	96,181,005
Finance Costs	(1,020,738)	(935,154)
	-----	-----
	94,492,199	95,245,852
	=====	=====

Repayable otherwise than by instalments in more than five years

	2022	2021
	£	£
In more than five years	-	1,000,000
Less : Debenture Discount Account	(972)	(4,972)
	-----	-----
	(972)	995,028
	=====	=====

Housing Loans

Housing loans are secured by fixed charges over the organisation's housing stock.

Long term finance from Banks, Building Societies and Bond providers represent loans taken out over a 5 to 33 year period.

At 31 March 2022 of the total loans outstanding the ratio of fixed rate loans to variable rate interest loans was 90:10 (2021: 90:10). At the year-end interest rates ranged from 2.08% 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 2021	109,194,347	21,383,333	287,208		130,864,888
Additions	15,517	6,946,886	31,034		6,993,437
Reclassification	11,055,316	(11,055,316)	-		-
Disposals	(95,428)	-	-		(95,428)
	-----	-----	-----		-----
At 31 March 2022	120,169,752	17,274,903	318,242		137,762,897
	=====	=====	=====		=====
At 31 March 2021	109,194,347	21,383,333	287,208		130,864,888
	=====	=====	=====		=====
Amortisation					
At 1 April 2021	(13,437,237)	-	-		(13,437,237)
Charged for the year	(1,108,570)	-	-		(1,108,570)
Disposals	5,835	-	-		5,835
	-----	-----	-----		-----
At 31 March 2022	(14,539,972)	-	-		(14,539,972)
	-----	-----	-----		-----
Net book value					
At 31 March 2022	105,629,780	17,274,903	318,242		123,222,925
	=====	=====	=====		=====
At 31 March 2021	95,757,110	21,383,333	287,208		117,427,651
	=====	=====	=====		=====

ATEB GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2022**

15e(i) Grant Recycling Fund

	2022	2021
	£	£
Opening Balance	414,759	297,850
Property Sales	251,804	211,390
Recycled to Development	(57,187)	(94,481)
	-----	-----
Closing Balance	609,376	414,759
	=====	=====

15f(i) Homebuy Grant

	2022	2021
	£	£
	2,514,298	2,675,998
	-----	-----
Homebuy Grant	2,514,298	2,675,998
	=====	=====

16 Called up share capital - non equity

	2022	2021
	£	£
Allotted issued and fully paid		
At the beginning of the year	38	39
Issued	-	-
Cancelled	(16)	(1)
	-----	-----
At the end of the year	22	38
	=====	=====

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

17 Reserves

	At 1 April 2021	Surplus for the year	Transfer of reserves	At 31 March 2022
	£	£	£	£
Revenue Reserve	39,244,618	5,629,644	-	44,874,262
Designated Reserves				
Business Continuity	192,780	-	-	192,780
Mill Bay Homes Gift Aid	-	-	-	-
Restricted Reserves				
Donated Properties	140,000	-	-	140,000
Hardship Fund	74,021	-	-	74,021
Legacy Fund	17,540	-	-	17,540
	-----	-----	-----	-----
Total	39,668,959	5,629,644	-	45,298,603
	=====	=====	=====	=====
Analysed as:				
Revenue Reserve				44,874,262
Designated Reserves				192,780
Restricted Reserves				231,561

				45,298,603
				=====

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

18 Capital Commitments

	2022	2021
	£	£
Capital & development expenditure that has been contracted for but has not been provided for in the financial statements:	11,445,936	17,750,185
	=====	=====
Capital & development expenditure that has been authorised by the Board of Management but has not yet been contracted for:	5,713,194	8,456,376
	=====	=====

The commitments at 31 March 2022 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 2022**

15e Grant Recycling Fund

	2022	2021
	£	£
Opening Balance	414,759	297,850
Property Sales	251,804	211,390
Recycled to Development	(57,187)	(94,481)
	-----	-----
Closing Balance	609,376	414,759
	=====	=====

15f Homebuy Grant

	2022	2021
	£	£
Homebuy Grant	2,514,298	2,675,998
	=====	=====

16a Called up share capital - non equity

	2022	2021
	£	£
Allotted issued and fully paid		
At the beginning of the year	38	39
Issued	-	-
Cancelled	(16)	(1)
	-----	-----
At the end of the year	22	38
	=====	=====

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. There are no voting rights on these shares.

17a Reserves

	At 1 April 2021	Surplus for the year	Transfer of reserves	At 31 March 2022
	£	£	£	£
Revenue Reserve	39,100,344	5,467,236	-	44,567,580
Restricted Reserves				
Donated Properties	140,000	-	-	140,000
	-----	-----	-----	-----
Total	39,240,344	5,467,236	-	44,707,580
	=====	=====	=====	=====

Analysed as:

Revenue Reserve	44,567,580
Designated Reserve	-
Restricted Reserves (Donated Properties)	140,000

	44,707,580
	=====

18a Capital Commitments

	2022	2021
	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements	9,507,279	10,969,349
	=====	=====
Capital expenditure that has been authorised by the Board of Management but has not yet been contracted for:	5,713,194	8,456,376
	=====	=====

The commitments at 31 March 2022 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2022

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:

	2022 £	2021 £
Commitment:		
Within one year	22,939	15,337
Within two to five years	42,521	81,773
	=====	=====

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 Association has also now closed the defined benefits scheme to future accrual on 31 March 2022. 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, set out the framework for funding defined benefit occupational pension schemes in the UK. The last triennial valuation of the scheme for funding purposes was carried out as at 30 Sept 2020. This valuation revealed a deficit of £1,560m. A recovery plan has been put in place with the aim of removing this deficit by 31 March 2028. The scheme is classified as a 'last man standing arrangement'. Therefore the Association 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. For financial years ending on or before 28 February 2019, it was not possible for the Association to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the Association has accounted for the Scheme as a defined contribution scheme. For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the Association to account for the Scheme as a defined benefit scheme. For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2021. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2022 to 28 February 2023 inclusive. The liabilities are compared, at the relevant accounting date, with the Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus.

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

	31 March 2022 £k	31 March 2021 £k
Fair value of plan assets	10,836	10,584
Present value of defined benefit obligation	12,324	13,470
Surplus (deficit) in plan	(1,488)	(2,886)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(1,488)	(2,886)

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	Period ended 31 March 2022 £k
Defined benefit obligation at start of period	13,470
Current service cost	386
Expenses	12
Interest expense	291
Contribution by plan participants	82
Actuarial losses (gains) due to scheme experience	386
Actuarial losses (gains) due to changes in demographic assumptions	(181)
Actuarial losses (gains) due to changes in financial assumptions	(1,127)
Benefits paid and expenses	(995)
Defined benefit obligation at end of period	12,324

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

	Period ended 31 March 2022 £k
Fair value of plan assets at start of period	10,584
Interest income	228
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	396
Contributions by the employer	541
Contributions by plan participants	82
Benefits paid and expenses	(995)
Fair value of plan assets at end of period	10,836

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2022 was £624,000

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022**

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:

	2022	2021
	£	£
Commitment:		
Within one year	14,930	8,497
Within two to five years	42,521	78,334
	=====	=====

20a 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 Association has also now closed the defined benefits scheme to future accrual on 31 March 2022. 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, set out the framework for funding defined benefit occupational pension schemes in the UK. The last triennial valuation of the scheme for funding purposes was carried out as at 30 Sept 2020. This valuation revealed a deficit of £1,560m. A recovery plan has been put in place with the aim of removing this deficit by 31 March 2028. The scheme is classified as a 'last man standing arrangement'. Therefore the Association 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. For financial years ending on or before 28 February 2019, it was not possible for the Association to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the Association has accounted for the Scheme as a defined contribution scheme. For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the Association to account for the Scheme as a defined benefit scheme. For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2021. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2022 to 28 February 2023 inclusive. The liabilities are compared, at the relevant accounting date, with the Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus.

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

	31 March 2022	31 March 2021
	£k	£k
Fair value of plan assets	10,067	9,889
Present value of defined benefit obligation	11,453	12,564
Surplus (deficit) in plan	(1,386)	(2,675)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(1,386)	(2,675)

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	Period ended 31 March 2022
	£k
Defined benefit obligation at start of period	12,564
Current service cost	386
Expenses	9
Interest expense	271
Contribution by plan participants	82
Actuarial losses (gains) due to scheme experience	324
Actuarial losses (gains) due to changes in demographic assumptions	(169)
Actuarial losses (gains) due to changes in financial assumptions	(1,054)
Benefits paid and expenses	(960)
Defined benefit obligation at end of period	11,453

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

	Period ended 31 March 2022
	£k
Fair value of plan assets at start of period	9,889
Interest income	213
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	323
Contributions by the employer	520
Contributions by plan participants	82
Benefits paid and expenses	(960)
Fair value of plan assets at end of period	10,067

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2022 was £536,000

ATEB GROUP LIMITED

**Balance at 31 March 2022
for the year ended 31 March 2022**

Defined Benefit Costs Recognised in Statement of Comprehensive Income

	Period ended 31 March 2022 £k
Current service costs	386
Expenses	12
Net interest expense	63
Defined benefit costs recognised in statement of comprehensive income (SoCI)	461

Defined Benefit Costs Recognised in Other Comprehensive Income

	Period ended 31 March 2022 £k
Experience on plan assets (excluding amounts included in net interest costs) - gain(loss)	396
Experience gains and losses arising on the plan liabilities - gain (loss)	(386)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	181
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	1,127
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	1,318
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)	1,318

Assets

	31 March 2022 £k	31 March 2021 £k
Global Equity	2,079	1,687
Absolute Return	435	584
Distressed Opportunities	387	306
Credit Relative Value	361	333
Alternative Risk Premia	357	399
Fund of Hedge Funds	0	1
Emerging Markets Debt	315	427
Risk Sharing	356	385
Insurance-Linked Securities	253	255
Property	293	219
Infrastructure	772	705
Private Debt	278	253
Opportunistic Illiquid Credit	364	269
Corporate Bond Fund	722	625
Liquid Credit	0	118
Long Lease Property	279	208
Secured Income	404	440
Over 15 Year Gilts	-	-
Liability Driven Investment	3,023	2,691
Net Current Assets	30	64
Total Assets	10,708	9,969

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 2022 % per annum	31 March 2021 % per annum
Discount Rate	2.79	2.20
Inflation (RPI)	3.51	3.25
Inflation (CPI)	3.16	2.87
Salary Growth	4.16	3.87
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	21.1
Female retiring in 2019	23.7
Male retiring at 2039	22.4
Female retiring in 2039	25.2

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022**

Defined Benefit Costs Recognised in Statement of Comprehensive Income

	Period ended 31 March 2022 £k
Current service costs	386
Expenses	9
Net interest expense	58
Defined benefit costs recognised in statement of comprehensive income (SoCI)	453

Defined Benefit Costs Recognised in Other Comprehensive Income

	Period ended 31 March 2022 £k
Experience on plan assets (excluding amounts included in net interest costs) - gain(loss)	323
Experience gains and losses arising on the plan liabilities - gain (loss)	(324)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	169
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	1,054
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	1,222
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)	1,222

Assets

	31 March 2022 £k	31 March 2021 £k
Global Equity	1,932	1,576
Absolute Return	404	546
Distressed Opportunities	360	286
Credit Relative Value	335	311
Alternative Risk Premia	332	373
Fund of Hedge Funds	-	1
Emerging Markets Debt	293	399
Risk Sharing	331	360
Insurance-Linked Securities	235	238
Property	272	205
Infrastructure	717	659
Private Debt	258	236
Opportunistic Illiquid Credit	338	251
High Yield	87	296
Opportunistic Credit	36	271
Cash	34	-
Corporate Bond Fund	671	584
Liquid Credit	0	118
Long Lease Property	259	194
Secured Income	375	411
Over 15 Year Gilts	-	-
Liability Driven Investment	2,809	2,514
Currency hedging	(39)	-
Net Current Assets	28	60
Total Assets	10,067	9,889

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 2022 % per annum	31 March 2021 % per annum
Discount Rate	2.79	2.20
Inflation (RPI)	3.51	3.25
Inflation (CPI)	3.16	2.87
Salary Growth	4.16	3.87
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies

	Life expectancy at age 65 (Years)
Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring at 2042	22.4
Female retiring in 2042	25.2

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2022

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 2020 was £10,152,897. As events which could crystallise the debt are unlikely to arise in the foreseeable future, no specific provision is deemed necessary.

22 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.

23 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.

24 Related Parties

Board members were reimbursed a total of £77 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.

25 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. The Association has also now closed the Defined Benefits scheme to future accrual on 31 March 2022.

Ateb operates a Defined Contribution scheme for new and existing members. Members of the Defined Benefits scheme have transferred to the Defined Contribution scheme.

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

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 2020 was £9,416,222. As events which could crystallise the debt are unlikely to arise in the foreseeable future, no specific provision is deemed necessary.

22a Legislative Provisions

As at 31st March 2022 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.

23a Group Structure

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

24a Related Parties

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 £46,932. (2021 debtor: £5,828).

During the year the Parent charged West Wales Care & Repair the following: Office rent £2,740, Management charges £45,531.

Mill Bay Homes Limited is a wholly controlled subsidiary and has an outstanding inter company debtor balance of £6,335,027 (2021: £4,478,645). This is made up of a loan balance of £4,284,350, gift aid of £1,915,885 and management recharges of £134,792

During the year the parent advanced £7,291,250 in loans and received £4,678,400 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 £14,400 and Management charges £47,125

25a 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. The Association has also now closed the Defined Benefits scheme to future accrual on 31 March 2022.

Ateb operates a Defined Contribution scheme for new and existing members. Members of the Defined Benefits scheme have transferred to the Defined Contribution scheme.