

22/23

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Consolidated Report and Financial Statements

For the year ended 31st March 2023





ATEB GROUP LIMITED

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

For the year ended 31st March 2023

ATEB GROUP LIMITED
CONSOLIDATED REPORT AND FINANCIAL STATEMENTS
For the year ended 31st March 2023

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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)
Mrs. J. Francis
Mr. A. James
Mr. O. Jones
Mrs. J. Leonard
Mrs. S. Lusher
Mr N. Hampshire (Group Chief Executive)
Mrs J Ashley (appointed 15th September 2022)
Mrs N Harichandran (appointed 15th September 2022)
Mr C Townsend FCIPD (appointed 15th September 2022)

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 2023.

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. Sageston Management Company Limited (SMCL) was incorporated on 9th February 2022 as the managing agent of the sites at Sageston, Tenby, where residential properties are being developed by Mill Bay Homes Limited, SMCL is a company limited by guarantee, provided by MBH. 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 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 fifteen full 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, Sageston Management Company 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:

- Improve Customer Service
- Serve More People
- Increase Business Effectiveness

The Association experienced a challenging year in 2022/23. Much of our resources were directed towards improving our estate particularly on reactive repairs and compliance. The release of pent-up demand post Covid-19, the war in Ukraine and the mini budget have caused high inflation and consequently high interest rates. These gradually worsening economic conditions that the nation has seen in recent times have found their way into the operational cost base of the Group. We anticipate that the investment in our stock will continue at a high level for many years to come.

We continue to work and interact well with our customers (or contract holders) and we have worked hard to roll out and ensure compliance with the Renting Homes Wales Act. Our arrears have grown slightly but are still below that of our peers and we always communicate with customers who are experiencing difficulty.

The Association continues to invest in its most valuable resource, its employees, and bolster the establishment to enable it to prosper operationally, administratively and financially. In consideration of the cost-of-living crises, borne out of the challenging economic conditions, ateb have made strategic payments to financially assist our staff.

We continue to develop and invest in new stock albeit last year saw a slowdown – our future plans see us contributing over 400 units in the next 5 years.

We have bolstered our Governance structure with the addition of three new Board members to ensure The Association continues to achieve a Regulatory Rating of 'compliant – Green' in both Governance and Financial viability like it did during 2022/23. The Regulator has adopted a new framework and now requires us to set improvement targets across the business which we are resolutely committed to.

Despite the economically challenging year performance across the group entities was still robust with West Wales Care & Repair delivering a surplus and Mill Bay Homes set to return Gift Aid of over £1.4m. ateb has consistently had positive feedback from its customers on the delivery of its services and we do not anticipate a deterioration in this regard.

We will shortly be publishing on our website some documents providing more information on ateb group services and our governance and financial review for 2022/23.

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.

We continue to operate and rely on 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 2021/22 year there was significant amount of political and economic turbulence and medium to longer term impact of events such as the war in Ukraine, mini-budget and cost of living crises pushing material, build and maintenance costs to higher levels

Despite this, 2022-23 returned another strong financial performance for the Group. Total Comprehensive Income before pension adjustments for the year was £2.5m which was a £1.9m decrease on the exceptional result of 2021-22.

Turnover reduced by 1.9% to £27.0m due to a lower number of units being sold by MBH. The number of homes in management increased by 58 units (2022: 64). In comparison operating costs increased by 23.9% between the two years driven by the increasing demand and cost of materials and maintenance, as well as our continuing investment in our people and systems.

The Statement of Financial Position has increased in strength with housing properties increasing by 5.2% to £251.4m and reserves by 4.8% to £47.5m. Cash and ready access to secured loan facilities ensures that all current commitments are fully funded.

During the year £14.0m in Social Housing Grant (2022: £7.0m) was made available by the Welsh Government in support of the social housing development programme.

As at 31st March 2023, we maintained £32.2m of secured undrawn facilities available for immediate drawdown, and £28.4m of cash in hand making a total available liquidity of £60.6m. This is sufficient to cover our policy of having 18 months of cover for our net cash outflows.

At the year-end 95% of the current debt total of £87.0m 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 £1.5 m the profit for the year (2022: £1.9m) was slightly behind the Business Plan target, due to 1 fewer properties sold than budgeted. 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. The remaining home at Boars Head, Templeton has been sold and construction work continues at Hayes Lane, Sageston, with the remaining Phase 1 homes expected to be sold in 2023/24 and development of a second phase of 30 homes approved by the board in the year.

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 2,150 clients throughout Pembrokeshire and Ceredigion through grant funded and commissioned works including the newly funded Housing with Care Fund and Keep Warm Keep Well Project.

Maintenance and investment in our assets

We aim to maintain our assets to a high standard and in accordance with both the Renting Homes Wales Act (RHWA) and the Welsh Housing Quality Standard (WHQS). The deadlines for bringing our properties to WHQS and RHWA standard have 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.

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.

Prior year adjustments

Prior year adjustments represent misstatements in the free flow cash, the disclosure of investments and the loan repayment profiles due to a clerical error. These figures have been restated and there is no impact on the readers understanding of the accounts with the statement of comprehensive income and the statement of financial position remaining unchanged.

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

ATEB GROUP LIMITED REPORT OF THE BOARD OF MANAGEMENT

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.

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 2023. 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: 31/7/23

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 2023, we have reviewed the Board's statement of ateb Group Limited's ("the Group") compliance with the Welsh Government Circular 02/10, Internal Financial Control and Financial Reporting ("the Circular").

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

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

Opinion

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

Bevan Buckland

Bevan Buckland LLP

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

Date: 31/07/23

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 2023 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 2023 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.

Bevan Buckland

Bevan Buckland LLP

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

Date: 31/07/23

ATEB GROUP LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2023**

	Notes	2023 £	2022 £
Turnover	2	26,961,047	27,487,954
Cost of Sales		(4,567,983)	(6,128,125)
Gross Surplus		22,393,064	21,359,829
Less: Operating costs	2	(17,239,439)	(13,899,077)
Gain on disposal of Property, Plant & Equipment	6	68,736	46,103
Operating Surplus	5	5,222,361	7,506,856
Finance / Investment Income	7	455,368	45,096
Finance Costs	8	(3,545,992)	(3,587,997)
Interest Capitalised		61,411	98,147
Housing Finance Grant	9	251,711	257,050
Finance Charges / Issue Costs		(254,304)	(169,573)
Donated Land Value Adjustment		302,984	227,238
Other Income		6	9,905
Pension Fund Net Interest Costs	20	(37,000)	(63,000)
Total Comprehensive Income before transfers		2,456,545	4,323,722
Taxation		-	-
Total Comprehensive Income for the year after taxation		2,456,545	4,323,722
Other Comprehensive Income			
Initial recognition of multi-employer defined benefit scheme	20	-	-
Actuarial Gain / (Loss) in respect of pension schemes	20	(260,710)	1,318,590
Total Comprehensive Income for the Year		2,195,835	5,642,313

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
- Sageston Management Company Limited -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 2023**

	Revenue Reserve £	Designated Reserve £	Restricted Reserve £	Total Reserves £
Balance at 1 April 2022	44,874,262	192,780	231,561	45,298,603
Surplus from statement of comprehensive income	2,195,835	-	-	2,195,835
Transfer of Reserves	(42,524)	40,234	2,290	-
Balance at 31 March 2023	47,027,573	233,014	233,851	47,494,438

**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	231,561	39,668,959
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	231,561	45,298,603

ATEB GROUP LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2023**

	Notes	2023	2022
		£	£
Turnover	2a	19,446,452	18,199,905
Less: Operating expenditure	2a	(16,020,431)	(12,877,951)
Gain/(Loss) on disposal of Property, Plant & Equipment	6a	68,736	46,103
Operating Surplus	5a	3,494,757	5,368,057
Finance / Investment Income	7a	675,302	196,800
Finance Costs	8a	(3,545,992)	(3,587,997)
Interest Capitalised		61,411	98,149
Housing Finance Grant		251,711	257,050
Finance Charges / Issue Costs		(254,304)	(169,573)
Donated Land Value Adjustment		302,984	227,238
Other Income		5	9,905
Pension Fund Net Interest Cost	20a	(34,000)	(58,000)
Income from subsidiary company	8b	1,466,676	1,915,885
Total Comprehensive Income before transfers		2,418,550	4,257,513
Other Comprehensive Income			
Initial recognition of multi-employer defined benefit scheme	20a	-	-
Actuarial gains / (losses) in respect of pension schemes	20a	(247,563)	1,222,391
Total Comprehensive Income for the Year		2,170,987	5,479,905

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 2023**

	Revenue Reserve £	Designated Reserve £	Restricted Reserve £	Total Reserves £
Balance at 1 April 2022	44,567,580	-	140,000	44,707,580
Surplus from statement of comprehensive income	2,170,987	-	-	2,170,987
Transfer of Reserves	-	-	-	-
Balance at 31 March 2023	46,738,567	-	140,000	46,878,567

**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

ATEB GROUP LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2023

	Notes	2023	2022
		£	£
Property, Plant & Equipment			
Housing properties - depreciated cost	10	251,396,259	238,858,030
Other	11	950,706	866,204
		-----	-----
		252,346,965	239,724,234
Non-Current assets			
Shop - 50-54 Bush Street	12	98,326	98,326
Homebuy loan	12	2,418,328	2,514,298
Receivables: amounts falling due after more than one year	14b	4,914,639	4,921,243
		-----	-----
		259,778,258	247,258,104
Current assets			
Inventories	13	2,459,285	4,115,485
Receivables: amounts falling due within one year	14a	2,939,324	4,804,580
Cash		28,449,053	21,925,062
		-----	-----
		33,847,662	30,845,127
Payables: amounts falling due within one year	15a	(9,435,923)	(9,101,863)
		-----	-----
Net current assets		24,411,739	21,743,264
Total assets less current liabilities		284,189,997	269,001,368
Payables: amounts falling due after more than one year	15b	(235,289,539)	(222,214,746)
Provisions for liabilities			
Pension - deficit funding liability	20	(1,406,000)	(1,488,000)
		-----	-----
Net assets		47,494,458	45,298,622
		=====	=====
Equity			
Called up share capital	16	20	22
Restricted reserves	17	233,851	231,561
Designated Reserves		233,014	192,779
Revenue reserve	17	47,027,573	44,874,259
		-----	-----
		47,494,458	45,298,622
		=====	=====

The financial statements on pages 11 to 48 were approved by the Board of Management on 31 July 2023 and were signed on its behalf by:



Mr D Birch, Chair



Mr H Watchman, Vice-Chair



Ms C Morgan, Company Secretary

ATEB GROUP LIMITED

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2023**

	Notes	2023 £	2022 £
Property, Plant & Equipment			
Housing properties - depreciated cost	10a	251,396,259	238,858,032
Other	11a	936,192	849,164
		-----	-----
		252,332,451	239,707,196
Non-Current assets			
Investments	12a	3	3
Commercial property	12a	98,326	98,326
Homebuy loan	12a	2,418,328	2,514,298
Loans to subsidiary companies	14b	160,350	4,284,350
Receivables: amounts falling due after more than one year	14b	4,832,749	4,835,487
		-----	-----
		259,842,207	251,439,660
		-----	-----
Current assets			
Inventories	13a	235,245	158,165
Receivables: amounts falling due within one year	14a	4,093,549	3,482,830
Cash		27,986,368	21,298,265
		-----	-----
		32,315,162	24,939,260
Payables: amounts falling due within one year	15a	(8,766,844)	(8,401,403)
		-----	-----
Net current assets		23,548,319	16,537,857
		-----	-----
Total assets less current liabilities		283,390,526	267,977,517
Payables: amounts falling due after more than one year	15b	(235,198,939)	(221,883,915)
Provisions for liabilities	20a	(1,313,000)	(1,386,000)
Pension - deficit funding liability		-----	-----
		46,878,587	44,707,602
Net assets		=====	=====
Equity			
Called up share capital	16a	20	22
Restricted reserves	17a	140,000	140,000
Designated reserve	17a	-	-
Revenue reserve	17a	46,738,567	44,567,580
		-----	-----
		46,878,587	44,707,602
		=====	=====

The financial statements on pages 11 to 48 were approved by the Board of Management on 31 July 2023 and were signed on its behalf by:



Mr D Birch, Chair



Mr H Watchman, Vice-Chair



Ms C Morgan, Company Secretary

ATEB GROUP LIMITED

CONSOLIDATED STATEMENT OF CASHFLOWS
for the year ended 31 March 2023

	Notes	2023		2022
		£	£	Restated £
Net cash inflow from operating activities	(i)		11,296,069	7,850,324
Cash flow from investing activities				
Payments to acquire and develop property		(15,121,884)		(10,734,920)
Receipts from sales of Property, Plant and Equipment		68,736		46,103
Social Housing Grant and contributions received		13,975,398		9,907,868
Other Capital Grants		7,528,954		-
Purchase of other fixed assets		(264,392)		(201,554)
Finance/Investment income		455,367		45,097
Net cash outflow from investing activities			6,642,179	(937,407)
Cash flow from financing activities				
Finance costs		(3,994,429)		(3,572,639)
Issue of share capital	(iv)	3		-
Mortgage and other loans received - housing	(iv)	-		1,000,000
Finance costs of loans issued	(iv)	(167,339)		(121,965)
Loans repaid -housing	(iv)	(7,252,492)		(2,576,081)
Net cash inflow from financing			(11,414,257)	(5,270,685)
Net change in cash and cash equivalents	(ii) , (iii)		6,523,991	1,642,231
Cash and cash equivalents at beginning of the year			21,925,062	20,282,831
Cash and cash equivalents at end of the year			28,449,053	21,925,062

CONSOLIDATED CASH FLOW STATEMENT - Additional Disclosure

	2023		2022
	£		Restated £
Free cash flow			
for the year ended 31 March 2023			
Net cash inflow from operating activities	11,296,069		7,850,324
Finance/Investment income	455,368		45,097
Finance costs	(3,994,429)		(3,572,639)
Adjustments for reinvestment in existing properties			
Component Replacements	(1,257,720)		(1,210,048)
Purchase of other fixed assets	(264,392)		(201,554)
Free cash generated before loan repayments	6,234,895		2,911,179
Loans repaid (excluding revolving credit facilities and overdrafts)	(7,252,492)		(2,576,081)
Free cash generated / (consumed) after loan repayments	(1,017,597)		335,098

ATEB GROUP LIMITED

STATEMENT OF CASHFLOWS
for the year ended 31 March 2023

		2023		2022	
	Notes	£	£	£	£
Net cash inflow from operating activities	(i)		7,111,455		10,206,873
Cash flow from investing activities					
Payments to acquire and develop property		(15,121,884)		(10,734,920)	
Receipts from sales of Property, Plant and Equipment		68,736		46,103	
Social Housing Grant and contributions received		13,975,398		9,907,867	
Other Capital Grants		7,528,954		-	
Purchase of other fixed assets		(259,600)		(193,753)	
Finance/Investment income		675,302		196,800	
Net cash outflow from investing activities			6,866,906		(777,902)
Cash flow from financing activities					
Finance costs		(3,994,429)		(3,572,639)	
Issue of share capital	(iv)	3		-	
Mortgage and other loans received - housing	(iv)	-		1,000,000	
Finance costs of loans issued	(iv)	(167,339)		(121,965)	
Loans issued - subsidiary company		(3,852,000)		(7,291,250)	
Loans repaid - subsidiary company		7,976,000		4,678,400	
Loans repaid -housing	(iv)	(7,252,492)		(2,576,081)	
Net cash inflow from financing			(7,290,258)		(7,883,535)
Net change in cash and cash equivalents	(ii) , (iii)		6,688,103		1,545,436
Cash and cash equivalents at beginning of the year			21,298,265		19,752,828
Cash and cash equivalents at end of the year			27,986,368		21,298,265

CASH FLOW STATEMENT - Additional Disclosure

		2023	2022
		£	Restated £
Free cash flow for the year ended 31 March 2023			
Net cash inflow from operating activities		7,111,455	10,206,873
Finance/Investment income		675,302	196,800
Finance costs		(3,994,429)	(3,572,639)
Adjustments for reinvestment in existing properties			
Component Replacements		(1,257,720)	(1,210,048)
Purchase of other replacement fixed assets		(259,600)	(193,753)
Free cash generated before loan repayments		2,275,007	5,427,234
Loans repaid (excluding revolving credit facilities and overdrafts)		(7,252,492)	(2,576,081)
Free cash generated after loan repayments		(4,977,485)	2,851,153

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

	2023	2022
	£	Restated £
Operating surplus (excluding Depreciation	5,222,361	7,494,187
Amortisation of SHG	3,986,684	3,754,101
Abortive development costs	(1,209,974)	(1,108,570)
(Increase) / Decrease in receivables and inventories	14,924	58,209
Increase / (Decrease) in payables	3,607,833	666,611
Share capital cancelled	(22,006)	(2,926,362)
Charge for bad debts	(5)	(16)
Capitalised Overheads	130,016	4,994
Gain/(Loss) on disposal of Property, Plant & Equipment	(323,246)	(252,569)
Other Income	(68,736)	(46,103)
Housing Finance Grant	5	9,905
Pension Fund Current Service Costs	337,922	337,922
Pension deficit contribution paid	(18,507)	135,416
	(361,202)	(277,401)
Net cash inflow from operating activities	11,296,069	7,850,324

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

	2023	2022
	£	£
At beginning of period	21,925,062	20,282,831
Net cash inflow/(outflow)	6,523,991	1,642,231
At end of period	28,449,053	21,925,062

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

	2023	2022	Change in year	2022	2021	Change in year
	£	£	£	£	£	£
Cash	28,449,053	21,925,062	6,523,991	21,925,062	20,282,831	1,642,231

(iv) Analysis of changes in financing during the year

	Share Capital		Housing Loans	
	2023	2022	2023	2022
	£	£	£	£
At beginning of year	26	42	94,491,226	96,240,879
Cash inflow from financing	3	-	-	1,000,000
Cash outflow from financing	(5)	(16)	(7,252,492)	(2,576,081)
Cash outflow finance costs	-	-	(167,339)	(121,965)
	24	26	87,071,395	94,542,833
Non cash items:				
Debenture discount	-	-	-	(4,000)
Amortisation of finance costs	-	-	(86,965)	(47,607)
At end of year	24	26	86,984,430	94,491,226

ATEB GROUP LIMITED

NOTES TO THE STATEMENT OF CASH FLOWS
for the year ended 31 March 2023

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

	2023	2022
	£	Restated £
Cash flows from operating activities		
Operating surplus	3,494,757	5,368,057
Depreciation	3,979,366	3,747,512
Amortisation of SHG & Other Capital Grants	(1,209,974)	(1,108,570)
Abortive development costs	14,924	58,209
Decrease in receivables and inventories	306,883	2,389,231
Increase / (Decrease) in payables	804,105	(177,515)
Share capital cancelled	(5)	(16)
Charge for bad debts	130,016	4,994
Capitalised Overheads	(323,246)	(252,569)
(Gain)/Loss on disposal of Property, Plant & Equipment	(68,736)	(46,103)
Other Income	5	9,905
Housing Finance Grant	337,922	337,922
Pension Fund Current Service Costs	(18,507)	135,416
Pension deficit contribution paid	(336,056)	(259,600)
	-----	-----
Net cash inflow from operating activities	7,111,455	10,206,873
	=====	=====

	£	£
At beginning of year	21,298,265	19,752,828
Net cash (outflow)	6,688,103	1,545,437
	-----	-----
At end of year	27,986,368	21,298,265
	=====	=====

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

	2023	2022	Change in year	2022	2021	Change in year
	£	£	£	£	£	£
Cash	27,986,368	21,298,265	6,688,103	21,298,265	19,752,828	1,545,437
	-----	-----	-----	-----	-----	-----
	27,986,368	21,298,265	6,688,103	21,298,265	19,752,828	1,545,437
	=====	=====	=====	=====	=====	=====

(iv) Analysis of changes in financing during the year

	Share Capital		Housing Loans	
	2023	2022	2023	2022
	£	£	£	£
At beginning of year	22	38	94,491,226	96,240,879
Cash inflow from financing	3	-	0	1,000,000
Cash outflow from financing	(5)	(16)	(7,252,492)	(2,576,081)
Cash outflow from finance costs	-	-	(167,339)	(121,965)
	-----	-----	-----	-----
	20	22	87,071,395	94,542,833
Non cash items:				
Debenture discount	-	-	-	(4,000)
Amortisation of finance costs	-	-	(86,965)	(47,607)
	-----	-----	-----	-----
At end of year	20	22	86,984,430	94,491,226
	=====	=====	=====	=====

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. Restricted funds are funds subject to specific restrictions specified by the donor.

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) Other Capital Grants

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.

Fire Safety Grant

The Fire Safety Grant is paid by the Welsh Government to the Group in 2022-23 as a contribution towards the costs to remediate identified fire safety defects. The primary purpose of the Grant is to subsidise the capital and interest costs to remediate identified fire safety defects for the provision of affordable housing. The grant will be paid out up front, but remediation works will take place of the next 2 years. Grants received for housing properties are recognised as income in the Statement of Comprehensive Income over the expected life of the asset following completion of the asset. Any Grant repayable or received in advance is included within Payables.

Optimised Retrofit Grant

The Optimised Retrofit Grant (Phase 3) is a grant introduced by the Welsh Government in 2022/23. It is paid by the Welsh Government to RSL's as a contribution towards the testing of approaches to reach the goals of:

- (a) affordable warmth,
- (b) decarbonised homes,
- (c) develop local capacity for the management and installation of the 'right' energy efficiency measures,
- (d) demonstrate the opportunity for private sector investment,
- (e) drive skills, training and innovation.

The primary purpose of the Grant is to subsidise the capital and interest costs to reach these goals. The grant will be paid out annually up fronts, but remediation works will take place of the next 3 years. Grants received for housing properties are recognised as income in the Statement of Comprehensive Income over the expected life of the asset following completion of the asset. Any Grant repayable or received in advance is included within Payables.

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.

ATEB GROUP LIMITED
NOTES TO THE COSOLIDATED FINANCIAL STATEMENTS

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.

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.

ATEB GROUP LIMITED
NOTES TO THE COSOLIDATED FINANCIAL STATEMENTS

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:

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 2023

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

	Turnover £	Cost of sales £	Operating costs £	2023 Operating surplus £	Interest receivable £	Interest payable £	Housing Finance Grant £	Surplus before taxation £
Income and expenditure from social housing lettings								
Fully rented housing accommodation	19,446,452	-	(15,993,791)	3,452,661	-	(3,545,992)	-	(93,331)
Total from social housing lettings note 2(ii)	19,446,452	-	(15,993,791)	3,452,661	-	(3,545,992)	-	(93,331)
Income and expenditure from housing sales								
Income and expenditure from housing sales	6,491,498	(4,567,962)	(226,963)	1,696,573	-	-	-	1,696,573
Other income and expenditure								
Other income	21	(21)	-	-	-	-	251,711	251,711
Abortive development costs	-	-	(14,924)	(14,924)	-	-	-	(14,924)
Gain/(loss) on disposal of property, plant and equipment	-	-	-	68,736	-	-	-	68,736
Total from social housing lettings	25,937,971	(4,567,983)	(16,235,678)	5,203,046	-	(3,545,992)	251,711	1,908,765
Finance/Investment Income	-	-	-	-	444,726	-	-	444,726
Surplus on social housing lettings	25,937,971	(4,567,983)	(16,235,678)	5,203,046	444,726	(3,545,992)	251,711	2,353,491
Income and expenditure from other activities								
Grants and contributions	1,023,076	-	(1,003,761)	19,315	-	-	-	19,315
Finance/Investment Income	-	-	-	-	10,642	-	-	10,642
Donated Land Value Adjustment	-	-	-	-	-	-	-	302,984
Finance Charge / Issue Costs	-	-	-	-	-	-	-	(254,304)
Pension Fund Net Interest Costs	-	-	-	-	-	-	-	(37,000)
Capitalised Interest	-	-	-	-	-	61,411	-	61,411
Other income (Legacy income)	-	-	-	-	-	-	-	6
Surplus on ordinary activities before taxation	26,961,047	(4,567,983)	(17,239,439)	5,222,361	455,368	(3,484,581)	251,711	2,456,546

	Turnover £	Cost of sales £	Operating costs £	2022 Operating surplus £	Interest receivable £	Interest payable £	Housing Finance Grant £	Surplus before taxation £
Income and expenditure from lettings:								
Fully rented housing accommodation	18,199,905	-	(12,804,620)	5,395,285	-	(3,587,997)	-	1,807,287
Total from social housing lettings note 2(ii)	18,199,905	-	(12,804,620)	5,395,285	-	(3,587,997)	-	1,807,287
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	-	-	-	46,103
Total from social housing lettings	26,629,224	(6,128,125)	(13,096,178)	7,451,023	-	(3,587,997)	257,050	4,120,076
Finance/Investment Income	-	-	-	-	44,825	-	-	44,825
Surplus on social housing lettings	26,629,224	(6,128,125)	(13,096,178)	7,451,023	44,825	(3,587,997)	257,050	4,164,901
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	-	-	-	-	-	-	-	9,905
Surplus on ordinary activities before taxation	27,487,954	(6,128,125)	(13,899,077)	7,506,855	45,096	(3,489,849)	257,050	4,323,722

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

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

	Turnover	Operating costs	2023 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	19,446,452	(16,005,507)	3,440,945	-	(3,545,992)	-	-	(105,048)
Total from social housing lettings	19,446,452	(16,005,507)	3,440,945	-	(3,545,992)	-	-	(105,048)
Other income and expenditure								
Other income	-	-	-	-	-	251,711	1,466,676	1,718,387
Abortive development costs	-	(14,924)	(14,924)	-	-	-	-	(14,924)
Gain/(loss) on disposal of Property, Plant & Equipment	-	-	68,736	-	-	-	-	68,736
Total from social housing lettings	19,446,452	(16,020,431)	3,494,757	-	(3,545,992)	251,711	1,466,676	1,667,152
Finance/Investment Income	-	-	-	675,302	-	-	-	675,302
Donated Land Value Adjustment	-	-	-	-	-	-	-	302,984
Finance Charges / Issue Costs	-	-	-	-	-	-	-	(254,304)
Pension Fund Net Interest Costs	-	-	-	-	-	-	-	(34,000)
Capitalised Interest	-	-	-	-	61,411	-	-	61,411
Other Income	-	-	-	-	-	-	-	5
Surplus on social housing lettings			3,494,757	675,302	(3,484,581)	251,711	1,466,676	2,418,550
2022								
	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	18,199,905	(12,819,742)	5,380,163	-	(3,587,997)	-	-	1,792,166
Total from social housing lettings	18,199,905	(12,819,742)	5,380,163	-	(3,587,997)	-	-	1,792,166
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	-	-	-	-	46,103
Total from social housing lettings	18,199,905	(12,877,951)	5,368,057	-	(3,587,997)	257,050	1,915,885	3,952,994
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			5,368,057	196,800	(3,489,849)	257,050	1,915,885	4,257,513

ATEB GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023**

3 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.

	2023	2022
	£	£
Emoluments (including pension contributions and benefits in kind).	468,666	456,240
	=====	=====

During the year the emoluments (excluding pension contributions) of the Chief Executive who was the highest paid Senior Executive was £127,527 (2022: £125,022).

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

	2023	2022
£60,001 to £70,000	-	-
£70,001 to £80,000	-	-
£80,001 to £90,000	-	-
£90,001 to £100,000	3	3
£120,001 to £130,001	1	1

The Board received emoluments of £34,230 during the year (2022: £28,736).

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:

	2023	2022
Office staff	81.57	83.48
Direct Labour	43.07	42.51
Cleaning staff	0.40	0.40
	-----	-----
	125.03	126.39
	=====	=====

	2023	2022
	£	£
Staff costs for the above persons were:		
Wages and salaries	4,696,886	4,083,399
Social security costs	457,818	373,060
Pension costs (note 20)	286,493	330,385
	-----	-----
	5,441,197	4,786,844
	=====	=====

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023**

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.

	2023	2022
	£	£
Emoluments (including pension contributions and benefits in kind)	468,666	456,240
	=====	=====

During the year the emoluments (excluding pension contributions) of the Chief Executive who was the highest paid Senior Executive was £127,527 (2022: £125,022).

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

	2023	2022
£60,001 to £70,000	-	-
£70,001 to £80,000	-	-
£80,001 to £90,000	-	-
£90,001 to £100,000	3	3
£120,001 to £130,001	1	1

The Board received emoluments of £34,230 during the year (2022: £28,736).

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:

	2023	2022
Office staff	66.04	68.87
Direct Labour	37.66	36.83
Cleaning staff	0.40	0.40
	-----	-----
	104.10	106.10
	=====	=====

Staff costs for the above persons were:

	2023	2022
	£	£
Wages and salaries	4,084,164	3,482,425
Social security costs	399,346	328,955
Pension costs (note 20a)	239,741	286,557
	-----	-----
	4,723,251	4,097,937
	=====	=====

ATEB GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023**

5 Operating surplus

	2023	2022
	£	£
The operating surplus is stated after charging/(crediting):		
Depreciation	3,986,652	3,754,101
Finance issue costs	254,304	169,573
Debenture discount charge	-	4,000
Auditors remuneration		
- In their capacity as auditors, including VAT	25,260	25,275
- In respect of other services, including VAT	-	-
	=====	=====

6 Gain on disposal of property, plant and equipment

	2023	2022
	£	£
Surplus on sale of properties	68,736	46,103
	=====	=====

7 Finance/Investment Income

	2023	2022
	£	Restated £
Finance/Investment Income	455,368	45,096
	=====	=====

8 Finance Costs

	2023	2022
	£	£
On loans repayable in instalments	2,605,522	3,496,677
On loans repayable other than in instalments	940,470	91,320
	-----	-----
	3,545,992	3,587,997
	=====	=====

9 Taxation

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

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023**

5a Operating surplus	2023	2022
	£	£
The operating surplus is stated after charging/(crediting):		
Depreciation	3,979,366	3,747,512
Finance issue costs	254,304	169,573
Debenture discount charge	0	4,000
Auditors remuneration		
- In their capacity as auditors, including VAT	15,720	15,150
- In respect of other services, including VAT	-	-
	=====	=====
6a Gain on disposal of property, plant and equipment	2023	2022
	£	£
Surplus on sale of properties	68,736	46,103
	-----	-----
	68,736	46,103
	=====	=====
7a Finance/Investment Income	2023	2022
	£	£
Finance/Investment Income	675,302	196,800
	=====	=====
8a Finance Costs	2023	2022
	£	£
On loans repayable in instalments	2,605,522	3,496,677
On loans repayable other than in instalments	940,470	91,320
	-----	-----
	3,545,992	3,587,997
	=====	=====
8b Transfer from subsidiary company	2023	2022
	£	£
Gift Aid payment	1,466,676	1,915,885
	-----	-----
	1,466,676	1,915,885
	=====	=====
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 2023

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 2022	250,094,827	23,126,259	1,159,546		274,380,632
Additions	7,864,683	8,587,590	-		16,452,273
Reclassification	10,889,273	(10,927,631)	38,358		-
Disposals	(403,797)	0	(67,475)		(471,272)
At 31 March 2023	268,444,986	20,786,218	1,130,429		290,361,633
Depreciation					
At 1 April 2022	(35,494,587)	-	(28,015)		(35,522,602)
Charged for the year	(3,720,227)	-	(11,528)		(3,731,755)
Disposals	285,947	-	3,037		288,984
At 31 March 2023	(38,928,868)	-	(36,506)		(38,965,374)
Net book value					
At 31 March 2023	229,516,118	20,786,218	1,093,923		251,396,259
At 31 March 2022	214,600,240	23,126,259	1,131,531		238,858,030

The total net book value of housing properties comprises:

	2023 £	2022 £
Freehold property	248,798,625	236,221,202
Long leasehold property	2,597,634	2,636,828
Short leasehold property	-	-
	251,396,259	238,858,030

Units in Management

	2023	2,022
At end of year	3,127	3,069

Development administration expenditure and other indirect costs capitalised during the year amounted to £323,246 (2022: £252,569).

Interest capitalised during the year amounted to £61,411 (2022: £98,149).

Component Replacement spend for the year amounted to £1,257,721 (2022: £1,210,048)

Housing Properties includes Land with a carrying value of £25,117,883 (2022: £26,624,054)

Fire Safety costs capitalised during the year amounted to £146,045 (2022:£0)

Capitalised Costs (excluding Components Replacements) against which Other Capital Grants have been received during the year amounted to £218,8

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023**

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 2022	250,094,827	23,126,259	1,159,546	274,380,632
Additions	7,864,683	8,587,589	-	16,452,271
Reclassification	10,889,273	(10,927,630)	38,357	0
Disposals	(403,797)	-	(67,475)	(471,272)
At 31 March 2023	268,444,986	20,786,217	1,130,428	290,361,631
Depreciation				
At 1 April 2022	(35,494,587)	-	(28,014)	(35,522,601)
Charged for the year	(3,720,227)	-	(11,528)	(3,731,755)
Disposals	285,947	-	3,037	288,984
At 31 March 2023	(38,928,867)	-	(36,505)	(38,965,372)
Net book value				
At 31 March 2023	229,516,118	20,786,217	1,093,923	251,396,259
At 31 March 2022	214,600,240	23,126,259	1,131,532	238,858,031

The total net book value of housing properties comprises:

	2023 £	2022 £
Freehold property	248,798,625	236,221,203
Long leasehold property	2,597,634	2,636,828
Short leasehold property	-	-
	251,396,259	238,858,031

Units in Management

	2023	2022
At end of year	3,127	3,069

Development administration expenditure and other indirect costs capitalised during the year amounted to £323,246 (2022: £252,569).

Interest capitalised during the year amounted to £61,411 (2022: £98,149).

Component Replacement spend for the year amounted to £1,257,721 (2022: £1,210,048)

Housing Properties includes Land with a carrying value of £25,117,883 (2022: £26,624,054)

Fire Safety costs capitalised during the year amounted to £146,045 (2022:£0)

Capitalised Costs (excluding Components Replacements) against which Other Capital Grants have been received during the year amounted to £218,807 (2022:£0)

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

11 Property, Plant & Equipment - Other Fixed Assets

	Freehold Offices £	Tools & Equipment £	Motor vehicles £	Computer Equipment £	Total £
Cost					
At 1 April 2022	508,821	686,604	51,421	1,453,262	2,700,108
Additions	119,001	21,845	-	123,546	264,392
Disposals/Write off/Adj.	-	-	-	-	-
At 31 March 2023	627,822	708,449	51,421	1,576,808	2,964,500
Grants and contributions					
At 1 April 2022	-	-	(44,101)	-	(44,101)
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2023	-	-	(44,101)	-	(44,101)
Depreciation					
At 1 April 2022	(279,429)	(632,288)	(7,320)	(870,766)	(1,789,803)
Charged for the year	(9,365)	(25,775)	-	(144,750)	(179,890)
Disposals/Write off/Adj.	-	-	-	-	-
At 31 March 2023	(288,794)	(658,063)	(7,320)	(1,015,516)	(1,969,693)
Net book value					
At 31 March 2023	339,028	50,386	-	561,292	950,706
At 31 March 2022	229,392	54,316	-	582,496	866,204

12 Investments

	2023 £	2022 £
Cost of Home Buy Loans	2,418,328	2,514,298
	2,418,328	2,514,298

The above investments represent a 30% and 50% interest in 75 (2022: 78) properties acquired under the Welsh Government Low Cost Home Ownership Schemes.

	2023 £	2022 £
Shop at 50-54 Bush Street	98,326	98,326

13 Inventories

	2023 £	2022 £
Completed properties held for sale	590,908	-
Schemes under construction	1,868,377	4,115,485
	2,459,285	4,115,485

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023**

11a Property, Plant & Equipment - Other Fixed Assets

	Freehold Offices £	Tools & Equipment £	Motor vehicles £	Computer Equipment £	Total £
Cost					
At 1 April 2022	508,821	623,709	51,421	1,435,212	2,619,163
Additions	119,001	17,708	-	122,891	259,600
Disposals/Write off/Adj.	-	-	-	-	-
At 31 March 2023	627,822	641,417	51,421	1,558,103	2,878,763
Grants and Contributions					
At 1 April 2022	-	-	(44,101)	-	(44,101)
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2023	-	-	(44,101)	-	(44,101)
Depreciation					
At 1 April 2022	(279,429)	(583,902)	(7,320)	(855,247)	(1,725,898)
Charged for the year	(9,365)	(19,462)	-	(143,745)	(172,572)
Disposals/Write off/Adj.	-	-	-	-	-
At 31 March 2023	(288,794)	(603,364)	(7,320)	(998,992)	(1,898,470)
Net book value					
At 31 March 2023	339,028	38,053	-	559,111	936,192
At 31 March 2022	229,392	39,807	-	579,965	849,164

12a Investments

	2023 £	2022 £
Cost of Home Buy Loans	2,418,328	2,514,298

The above investments represent a 30% and 50% interest in 75 (2022: 78) properties acquired under the Welsh Government Low Cost Home Ownership Schemes.

	2023 £	2022 £
Shop at 50-54 Bush Street	98,326	98,326

	2023	2022
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

	2023 £	2022 £
Work In Progress	235,245	158,165

ATEB GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023**

14a(i) Receivables

Amounts falling due within one year

	2023	2022
	£	£
Arrears of Rent and Service Charges	879,813	751,196
Less: Provision for bad and doubtful debts	(270,397)	(185,410)
	-----	-----
	609,416	565,786
Prepayments and accrued income	282,175	3,412,874
Housing Finance Grant	337,922	112,765
Other receivables	1,709,811	713,155
	-----	-----
	2,939,324	4,804,580
	=====	=====

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

	2023	2022
	£	£
Housing Finance Grant	4,832,749	4,835,487
	-----	-----
	4,832,749	4,835,487
	=====	=====

	2023	2022
	£	£
Prepayments and accrued income	81,890	85,756
	-----	-----
	81,890	85,756
	=====	=====

15a(i) Payables

Amounts falling due within one year

	2023	2022
	£	£
Rental income prepaid	439,742	395,649
Accrued interest	367,295	815,732
Amounts owed in respect of housing development	1,045,179	386,460
Taxation, pension and social security	180,177	82,192
Social Housing Grant and contributions received in advance	284,907	337,922
Other payables	121,891	173,134
Accruals and deferred income	2,757,966	2,040,405
Housing loans	2,229,057	3,082,635
Grant Recycling Fund	732,864	609,376
SHG - Deferred Income	1,180,490	1,106,693
Annual Leave Accrual	96,355	71,665
	-----	-----
	9,435,923	9,101,863
	=====	=====

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023**

14a Receivables	2023	2022
Amounts falling due within one year	£	£
Arrears of Rent and Service Charges	879,813	751,196
Less: Provision for bad and doubtful debts	(270,397)	(185,410)
	-----	-----
	609,416	565,786
Prepayments and accrued income	247,222	259,349
Inter-company debtors - subsidiary companies	1,559,856	2,059,153
Housing Finance Grant	337,922	112,765
Other receivables	1,339,133	485,777
	-----	-----
	4,093,549	3,482,830
	=====	=====
	2023	2022
14b Amounts falling due after more than one year	£	£
Loan to subsidiary company	160,350	4,284,350
	=====	=====
	£	£
Housing Finance Grant	4,832,749	4,835,487
	=====	=====
15a Payables	2023	2022
Amounts falling due within one year	£	£
Rental income prepaid	439,742	395,649
Accrued interest	367,296	815,732
Amounts owed in respect of housing development	794,801	75,720
Taxation, pension and social security	180,177	82,192
Social Housing Grant and capital contributions received in advance	284,907	337,922
Inter-company creditors - subsidiary companies	-	55,206
Other payables	79,551	82,156
Accruals and deferred income	2,396,057	1,700,370
Housing loans	2,229,057	3,082,635
Grant Recycling Fund	732,864	609,376
SHG - Deferred Income	1,180,490	1,106,693
Annual Leave Year End Accrual	81,902	57,752
	-----	-----
	8,766,844	8,401,403
	=====	=====

ATEB GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023**

15b(i) Payables

Amounts falling due after one year	2023	2022
	£	£
Housing Loans	84,755,373	91,408,591
SHG - Deferred Income	134,859,857	122,116,232
Other Capital Grants	7,528,954	-
Retentions	627,527	912,789
THFC Premium Account	5,099,500	5,262,836
Homebuy Grant - Deferred Income	2,418,328	2,514,298
	-----	-----
	235,289,539	222,214,746
	=====	=====

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	2023	2022
	£	Restated £
One year or less	1,357,915	3,082,635
Between one and five years	6,413,644	9,764,246
In five years or more	53,160,803	55,666,055
	-----	-----
	60,932,362	68,512,936
	(946,960)	(1,020,738)
Finance Costs	-----	-----
	59,985,402	67,492,198
	=====	=====
Repayable otherwise than by instalments	2023	2022
	£	£
One year or less	1,000,000	-
Between one and five years	-	1,000,000
In more than five years	26,000,000	26,000,000
Less : Debenture Discount Account	(972)	(972)
	-----	-----
	26,999,028	26,999,028
	=====	=====

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 2023 of the total loans outstanding the ratio of fixed rate loans to variable rate interest loans

was 95:5 (2022: 90:10). At the year-end interest rates ranged from 2.08% to 9.87%.

15d(i) SHG

	Housing properties held for letting		Shared ownership properties held for letting		Total
	Completed	Under Construction	Completed	Total	
	£	£	£	£	
SHG at 1 April 2022	120,169,752	17,274,903	318,242	137,762,897	
Additions	1,409,771	9,773,601	2,819,544	14,002,916	
Reclassification	6,453,050	(6,453,050)	-	-	
Disposals	(27,518)	-	-	(27,518)	
	-----	-----	-----	-----	
At 31 March 2023	128,005,055	20,595,454	3,137,786	151,738,295	
	=====	=====	=====	=====	
Amortisation					
At 1 April 2022	(14,539,972)	-	-	(14,539,972)	
Charged for the year	(1,158,497)	-	-	(1,158,497)	
Disposals	521	-	-	521	
	-----	-----	-----	-----	
At 31 March 2023	(15,697,948)	-	-	(15,697,948)	
	-----	-----	-----	-----	
Net book value					
At 31 March 2023	112,307,107	20,595,454	3,137,786	136,040,347	
	=====	=====	=====	=====	
At 31 March 2022	105,629,780	17,274,903	318,242	123,222,925	
	=====	=====	=====	=====	

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023**

15b Payables

Amounts falling due after more than one year	2023	2022
	£	£
Housing Loans	84,755,373	91,408,591
SHG - Deferred Income	134,859,857	122,116,232
Other Capital Grants	7,528,954	-
Retentions	536,927	581,958
THFC Premium Account	5,099,500	5,262,836
Homebuy Grant - Deferred Income	2,418,328	2,514,298
	-----	-----
	235,198,939	221,883,915
	=====	=====

15c Housing Loans

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

Repayable by instalments	2023	2022
	£	Restated £
One year or less	1,357,915	3,082,635
Between one and five years	6,413,644	9,764,246
In five years or more	53,160,803	55,666,055
	-----	-----
Finance Costs	60,932,362 (946,960)	68,512,936 (1,020,738)
	-----	-----
	59,985,402	67,492,198
	=====	=====

Repayable otherwise than by instalments

	2023	2022
	£	Restated £
One year or less	1,000,000	-
Between one and five years	-	1,000,000
In more than five years	26,000,000	26,000,000
Less : Debenture Discount Account	(972)	(972)
	-----	-----
	26,999,028	26,999,028
	=====	=====

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 2023 of the total loans outstanding the ratio of fixed rate loans to variable rate interest loans was 95:5 (2022: 90:10). At the year-end interest rates ranged from 2.08% to 9.87%.

15d SHG

	Housing properties held for letting		Shared ownership properties held for letting	
	Completed £	Under Construction £	Completed £	Total £
SHG at 1 April 2022	120,169,752	17,274,903	318,242	137,762,897
Additions	1,409,771	9,773,601	2,819,544	14,002,916
Reclassification	6,453,050	(6,453,050)	-	-
Disposals	(27,518)	-	-	(27,518)
	-----	-----	-----	-----
At 31 March 2023	128,005,055	20,595,454	3,137,786	151,738,295
	=====	=====	=====	=====
Amortisation				
At 1 April 2022	(14,539,972)	-	-	(14,539,972)
Charged for the year	(1,158,497)	-	-	(1,158,497)
Disposals	521	-	-	521
	-----	-----	-----	-----
At 31 March 2023	(15,697,948)	-	-	(15,697,948)
	-----	-----	-----	-----
Net book value				
At 31 March 2023	112,307,107	20,595,454	3,137,786	136,040,347
	=====	=====	=====	=====
At 31 March 2022	105,629,780	17,274,903	318,242	123,222,925
	=====	=====	=====	=====

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

15e(i) Grant Recycling Fund

	2023	2022
	£	£
Opening Balance	609,376	414,759
Property Sales	123,488	251,804
Recycled to Development	-	(57,187)
	-----	-----
Closing Balance	732,864	609,376
	=====	=====

15f(i) Other Capital Grants

	2023	2022
	£	£
Homebuy Grant	2,418,328	2,514,298
Fire Safety Grant	6,426,199	-
Optimised Retrofit Grant	937,983	-
Other Capital Grants	164,772	-
	-----	-----
	9,947,282	2,514,298
	=====	=====

None of the Fire Safety and Optimised Retrofit Grant have been amortised in the year.
Amortisation of Other Capital Grants totalled £51,478 (2022: £0)

16 Called up share capital - non equity

	2023	2022
	£	£
Allotted issued and fully paid		
At the beginning of the year	22	38
Issued	3	-
Cancelled	(5)	(16)
	-----	-----
At the end of the year	20	22
	=====	=====

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	Surplus for	Transfer	At 31 March
	2022	the year	of reserves	2023
	£	£	£	£
Revenue Reserve	44,874,262	2,195,835	(42,524)	47,027,573
Designated Reserves				
Business Continuity	192,780	-	40,234	233,014
Mill Bay Homes Gift Aid	-	-	-	-
Restricted Reserves				
Donated Properties	140,000	-	-	140,000
Hardship Fund	74,021	-	3,278	77,299
Legacy Fund	17,540	-	(989)	16,551
	-----	-----	-----	-----
Total	45,298,603	2,195,835	-	47,494,437
	=====	=====	=====	=====
Analysed as:				
Revenue Reserve				47,027,573
Designated Reserves				233,014
Restricted Reserves				233,850

				47,494,437
				=====

Designated Reserves are unrestricted reserves which are earmarked for specific purposes.
Mill Bay Homes Gift Aid Reserve not required to be disclosed separately.

18 Capital Commitments

	2023	2022
	£	£
Capital & development expenditure that has been contracted for but has not been provided for in the financial statements:	5,655,144	11,445,936
	=====	=====
Capital & development expenditure that has been authorised by the Board of Management but has not yet been contracted for:	8,666,002	5,713,194
	=====	=====

The commitments at 31 March 2023 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 2023**

15e Grant Recycling Fund

	2023	2022
	£	£
Opening Balance	609,376	414,759
Property Sales	123,488	251,804
Recycled to Development	-	(57,187)
	-----	-----
Closing Balance	732,864	609,376
	=====	=====

15f Other Capital Grants

	2023	2022
	£	£
Homebuy Grant	2,418,328	2,514,298
Fire Safety Grant	6,426,199	-
Optimised Retrofit Grant	937,983	-
Other Capital Grants	164,772	-
	-----	-----
	9,947,282	2,514,298
	=====	=====

None of the Fire Safety and Optimised Retrofit Grant have been amortised in the year.
Amortisation of Other Capital Grants totalled £51,478 (2022: £0)

16a Called up share capital - non equity

	2023	2022
	£	£
Allotted issued and fully paid		
At the beginning of the year	22	38
Issued	3	-
Cancelled	(5)	(16)
	-----	-----
At the end of the year	20	22
	=====	=====

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 2022	Surplus for the year	Transfer of reserves	At 31 March 2023
	£	£	£	£
Revenue Reserve	44,567,580	2,170,987	-	46,738,567
Designated Reserves				
Mill Bay Homes Gift Aid	-	-	-	-
Restricted Reserves				
Donated Properties	140,000	-	-	140,000
	-----	-----	-----	-----
Total	44,707,580	2,170,987	-	46,878,567
	=====	=====	=====	=====

Analysed as:	
Revenue Reserve	46,738,567
Designated Reserve	-
Restricted Reserves (Donated Properties)	140,000

	46,878,567
	=====

Mill Bay Homes Gift Aid Reserve not required to be disclosed separately.

18a Capital Commitments

	2023	2022
	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements	101,493	9,507,279
	=====	=====
Capital expenditure that has been authorised by the Board of Management but has not yet been contracted for:	8,666,002	5,713,194
	=====	=====

The commitments at 31 March 2023 will be funded from grants from the Welsh Government, or local authorities, the balance being funded from private finance loans and sales under the Low Cost Home Ownership Programme.

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

19 Operating leases

The companies hold 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:

	2023 £	2022 £
Commitment:		
Expiring within one year	5,640	22,939
Expiring within two to five years	161,686	42,521
	=====	=====

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 2023 £k	31 March 2022 £k
Fair value of plan assets	6,568	10,836
Present value of defined benefit obligation	7,974	12,324
Surplus (deficit) in plan	(1,406)	(1,488)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(1,406)	(1,488)

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	Period ended 31 March 2023 £k
Defined benefit obligation at start of period	12,324
Current service cost	0
Expenses	12
Interest expense	337
Contribution by plan participants	0
Actuarial losses (gains) due to scheme experience	(463)
Actuarial losses (gains) due to changes in demographic assumptions	(17)
Actuarial losses (gains) due to changes in financial assumptions	(3,710)
Benefits paid and expenses	(509)
Defined benefit obligation at end of period	7,974

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

	Period ended 31 March 2023 £k
Fair value of plan assets at start of period	10,836
Interest income	300
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(4,443)
Contributions by the employer	384
Contributions by plan participants	0
Benefits paid and expenses	(509)
Fair value of plan assets at end of period	6,568

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 2023**

19a Operating leases

The Association has 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:

	2023 £	2022 £
Commitment:		
Expiring within one year	5,640	14,930
Expiring within two to five years	119,139	42,521
	=====	=====

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, 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 2023 £k	31 March 2022 £k
Fair value of plan assets	6,161	10,067
Present value of defined benefit obligation	7,474	11,453
Surplus (deficit) in plan	(1,313)	(1,386)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(1,313)	(1,386)

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	Period ended 31 March 2023 £k
Defined benefit obligation at start of period	11,453
Current service cost	-
Expenses	9
Interest expense	313
Contribution by plan participants	-
Actuarial losses (gains) due to scheme experience	(349)
Actuarial losses (gains) due to changes in demographic assumptions	(16)
Actuarial losses (gains) due to changes in financial assumptions	(3,462)
Benefits paid and expenses	(474)
Defined benefit obligation at end of period	7,474

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

	Period ended 31 March 2023 £k
Fair value of plan assets at start of period	10,067
Interest income	279
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(4,068)
Contributions by the employer	357
Contributions by plan participants	-
Benefits paid and expenses	(474)
Fair value of plan assets at end of period	6,161

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2023 was (£3,789,000)

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

Defined Benefit Costs Recognised in Statement of Comprehensive Income

	Period ended 31 March 2023 £k
Current service costs	0
Expenses	12
Net interest expense	37
Defined benefit costs recognised in statement of comprehensive income (SoCI)	49

Defined Benefit Costs Recognised in Other Comprehensive Income

	Period ended 31 March 2023 £k
Experience on plan assets (excluding amounts included in net interest costs) - gain(loss)	(4,443)
Experience gains and losses arising on the plan liabilities - gain (loss)	463
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	17
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	3,710
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(253)
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)	(253)

Assets

	31 March 2023 £k	31 March 2022 £k
Global Equity	123	2,079
Absolute Return	71	435
Distressed Opportunities	198	387
Credit Relative Value	247	361
Alternative Risk Premia	12	357
Fund of Hedge Funds	-	-
Emerging Markets Debt	35	315
Risk Sharing	484	356
Insurance-Linked Securities	166	253
Property	283	293
Infrastructure	751	772
Private Debt	292	278
Opportunistic Illiquid Credit	281	364
Corporate Bond Fund	-	722
Liquid Credit	-	-
Long Lease Property	198	279
Secured Income	302	404
Over 15 Year Gilts	-	-
Liability Driven Investment	3,025	3,023
Net Current Assets	17	30
Total Assets	6,485	10,708

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 2023 % per annum	31 March 2022 % per annum
Discount Rate	4.85	2.79
Inflation (RPI)	3.18	3.51
Inflation (CPI)	2.78	3.16
Salary Growth	3.78	4.16
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	Life expectancy at age 65 (Years)
Male retiring in 2019	21.0
Female retiring in 2019	23.4
Male retiring at 2039	22.2
Female retiring in 2039	24.9

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023**

Defined Benefit Costs Recognised in Statement of Comprehensive Income

	Period ended 31 March 2023 £k
Current service costs	-
Expenses	9
Net interest expense	34
Defined benefit costs recognised in statement of comprehensive income (SoCI)	43

Defined Benefit Costs Recognised in Other Comprehensive Income

	Period ended 31 March 2023 £k
Experience on plan assets (excluding amounts included in net interest costs) - gain(loss)	(4,068)
Experience gains and losses arising on the plan liabilities - gain (loss)	349
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	16
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	3,462
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(241)
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)	(241)

Assets

	31 March 2023 £k	31 March 2022 £k
Global Equity	115	1,932
Absolute Return	67	404
Distressed Opportunities	186	360
Credit Relative Value	232	335
Alternative Risk Premia	11	332
Fund of Hedge Funds	-	-
Emerging Markets Debt	33	293
Risk Sharing	454	331
Insurance-Linked Securities	156	235
Property	265	272
Infrastructure	704	717
Private Debt	274	258
Opportunistic Illiquid Credit	264	338
High Yield	22	87
Opportunistic Credit	-	36
Cash	44	34
Corporate Bond Fund	-	671
Liquid Credit	-	-
Long Lease Property	186	259
Secured Income	283	375
Over 15 Year Gilts	-	-
Liability Driven Investment	2,837	2,809
Currency hedging	12	(39)
Net Current Assets	16	28
Total Assets	6,161	10,067

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 2023 % per annum	31 March 2022 % per annum
Discount Rate	4.85	2.79
Inflation (RPI)	3.18	3.51
Inflation (CPI)	2.78	3.16
Salary Growth	3.78	4.16
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	Life expectancy at age 65 (Years)
Male retiring in 2022	21.0
Female retiring in 2022	23.4
Male retiring at 2042	22.2
Female retiring in 2042	24.9

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2023

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.

The Association has been notified by the Trustee of the Social Housing Pension 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

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 £517 for attending meetings.

Board Members, Cllrs. H.Hughes and M.Vaux are elected representatives of Ceredigion County Council.

Any transactions with 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 2023

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.

The Association has been notified by the Trustee of the Social Housing Pension 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

22a Legislative Provisions

As at 31st March 2023 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. Mill Bay Homes holds a controlling interest in Sageston Management Company Limited, a company limited by guarantee, with no share capital.

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 £20,982. (2022 debtor: £46,932).

During the year the Parent charged West Wales Care & Repair Management charges of £48,392

Mill Bay Homes Limited is a wholly controlled subsidiary and has an outstanding inter company debtor balance of £1,699,225 (2022: £6,335,027). This is made up of a loan balance of £160,350, gift aid of £1,466,676 and management recharges of £72,199

During the year the parent advanced £3,852,000 in loans and received £7,976,000 in loan repayments from Mill Bay Homes.

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

During the year the parent charged Mill Bay Homes the following: Management charges £49,010 and Project management charges £123,473.

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.

Creating
better
Living Solutions