

## Annual Return (AR30) form

Society Name: ATEB Group Limited

Society Num: 23308 R

An Annual Return must be completed by all societies registered under the Co-operative and Community Benefit Societies Act 2014 ('the Act') (including any societies previously registered under the Industrial and Provident Societies Act 1965). The Annual Return must include:

- this form;
- a set of the society's accounts; and
- where required, an audit report or report on the accounts.

A society must submit the Annual Return within 7 months of the end of the society's financial year. Failure to submit on time is a prosecutable offence.

Please note that this form, including any details provided on the form, will be made available to the public through the Mutuels Public Register.

For guidance on our registration function for societies, which includes guidance on the requirement to submit an Annual Return, please see [here](#)

### 2.1 What date did the financial year covered by these accounts end?

31/03/2020

### 3.1 Please provide the names of the people who were directors of the society during the financial year this return covers.

Some societies use the term 'committee member' or 'trustee' instead of 'director'. For ease of reference, we use 'director' throughout this form.

Name of Director	Month of Birth	Year of Birth
David Birch	Feb	1947
Hugh Watchman	May	1962
Hannah Belton	Jun	1983
Sharron Lusher	Mar	1962
Jade Francis	May	1985
Owen Jones	Jun	1975

**3.2 All directors must be 16 or older. Please confirm this is this case:**

☒ All directors are aged 16 or over

**3.3 Societies are within the scope of the Company Director Disqualification Act 1986 (CDDA). Please confirm that no director is disqualified under that Act:**

☒ No director is disqualified

**3.4 Please state any close links which any of the directors has with any society, company or authority.**

'Close links' includes any directorships or senior positions held by directors of the society in other organisations.

**3.5 Please provide the name of the person who was secretary at the end of the financial year this return covers.**

Societies must have a secretary

**Name of Secretary**

**Month of Birth**

**Year of Birth**

**4.1 Please confirm that:**

☒ accounts are being submitted with this form

☒ the accounts comply with relevant statutory and accounting requirements

☒ the accounts are signed by two members and the secretary (3 signatures in total)

**4.2 Based on the accounts, please provide the information requested below for the financial year covered by this return.**

**Number of members**

<b>Turnover</b>	<input type="text" value="16,887,725"/>
<b>Assets</b>	<input type="text" value="243,947,881"/>
<b>Number of Employees</b>	<input type="text" value="100"/>
<b>Share Capital</b>	<input type="text" value="39"/>
<b>Highest rate of interest paid on shares</b>	<input type="text" value="0"/>

**4.3 What Standard Industrial Classification code best describes the society's main business?**

Where more than one code applies, please select the code that you feel best describes the society's main business activity. You will find a full list of codes [here](#)

**SIC Code** **Construction of domestic buildings (41202)** \*

Societies are required to appoint an auditor to audited unless they are small or have disapplied this requirement. For further guidance see chapter 7 of our guidance: <https://www.fca.org.uk/publication/finalised-guidance/fg15-12.pdf>

**5.1 Please select the audit option the society has complied with:**

- ☒ Full Professional Audit
- ☐ Auditor's report on the accounts
- ☐ Lay Audit
- ☐ No audit

**5.2 Please confirm the audit option used by the society is compliant with the society's own rules and the Act**

☒ We have complied with the audit requirements

**5.3 Please confirm any audit report (where required) is being submitted with this Annual Return**

- ☐ Yes
- ☒ Not applicable

**5.4 Is this society accepted by HM Revenue and Customs (HMRC) as a charity for tax purposes?**

- ☒ Yes  
☐ No

**5.5 If the society is registered with the Office of the Scottish Charity Regulator (OSCR) please provide your OSCR registration number.**

- ☐ Registered  
☒ Not applicable

**5.6 Is the society a housing association?**

- ☐ No  
☒ Yes

**5.7 Please confirm which housing regulator you are registered with, and provide the registration number they have given you:**

- ☐ Homes and Communities Agency  
☐ Scottish Housing Regulator  
☒ The Welsh Ministers

Welsh Ministers Registration  
Number

P072

**6.1 Is the society a subsidiary of another society?**

- ☐ Yes  
☒ No

**6.2 Does the society have one or more subsidiaries?**

(As defined in sections 100 and 101 of the Act)

- ☒ Yes  
☐ No

**6.3 If the society has subsidiaries, please provide the names of them below**

(or attach an additional sheet)

Reg Number	Name
29111r	West Wales Care and Repair
10912643	Mill Bay Homes Ltd

**6.4 Please provide below (or on a separate sheet) the names of subsidiaries not dealt with in group accounts (if any) and reasons for exclusions:**

(the society must have written authority from us to exclude a subsidiary from group accounts)

Reg Number	Name	Reason for Exclusion
10543881	Effective Building Solutions	Dormant

All societies are registered meeting one of two conditions for registration. These are that the society is either:

- a bona fide co-operative society ('co-operative society'); or
- are conducting business for the benefit of the community ('community benefit society').

You must answer the questions set out in in the next section of this form, depending on which condition for registration you meet.

If you are not sure which condition for registration applies to the society please see chapters 4 and 5 of our guidance [here](#).

## 7.1 Condition for Registration

- ☐ Co-operative society
- ☒ Community Benefits society

Community benefit societies must answer the following questions in relation to the financial year covered by this return.

### 7B.1 What is the business of the society?

For example, did you provide social housing, run an amateur sports club etc.

Provide social housing

### **7B.2 Please describe the benefits to the community the society delivered?**

Here we are looking to see what the benefits to the community were. Community can be said to be the community at large. For example, did you relieve poverty or homelessness through the provision of social housing.

Provided affordable quality rented homes and associated facilities and amenities

### **7B.3 Please describe how the society's business delivered these benefits?**

The business of the society must be conducted for the benefit of the community. Please describe how the society's business (as described in answer to question 7B.1) provided benefit to the community.

Provided homes for people in housing need who are unable to afford to rent or buy in the private market.

### **7B.4 Did the society work with a specific community, and if so, please describe it here?**

For instance, were the society's activities confined to a specific location; or to a specific group of people? Please note that in serving the needs of any defined community, the society should not inhibit the benefit to the community at large.

Serving the communities of West Wales

### **7B.5 What did the society do with any surplus or profit?**

For instance, did you pay a dividend to members (and if so, on what basis); did money get reinvested in the business; put into reserves; used for some other purpose?

Any surplus was re-invested to provide homes and associated facilities and amenities

### **7B.6 Please state any significant commercial arrangements that the society has, or had, with any other organisation that could create, or be perceived as creating, a conflict of interest.**

Please tell us how you ensured that any such conflict of interest did not prevent the society from acting for the benefit of the community.

None



**ATEB GROUP LIMITED**

**CONSOLIDATED REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31st March 2020**

**ATEB GROUP LIMITED**  
**CONSOLIDATED REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31st March 2020**

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**ATEB GROUP LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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

Board of Management:	Mr. D. Birch (Chair) Mr. Hugh Watchman (Vice-Chair) Ms. H. Belton LLB Mrs. J. Francis Mr. A. James (appointed September 2019) Mr. O. Jones Mrs. J. Leonard Mrs. S. Lusher	
Chief Executive:	Mr. N. Hampshire, BSc (Hons), MBA, MRICS	
Senior Executives:	Mr. A. Williams, FCCA Executive Director–Finance (Resigned February 2020) Mr. M. Lewis Executive Director-Housing Mr. N. Sinnett, BSc, MRICS AaPS Executive Director-Property (Resigned March 2020)	
Secretary:	Mrs. C. Barnett LLB	
Registered Office:	Meyler House, St. Thomas Green, Haverfordwest, Pembrokeshire. SA61 1QP	
External Auditors:	Bevan Buckland LLP Chartered Accountants & Statutory Auditors Langdon House Langdon Road Swansea SA1 8QY	
Internal Auditors:	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	

## **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 2020.

## **Strategic Report**

### **Principal activities and corporate structure**

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

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

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

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

### **Board of Management**

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

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

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

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

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

## **ATEB GROUP LIMITED**

### **REPORT OF THE BOARD OF MANAGEMENT**

#### **Strategic Plan**

This is the second year of the 3-year Group Strategic Plan that was launched in 2018. A copy of the plan #3 Plan is available on our website [atebgroup.co.uk](http://atebgroup.co.uk)

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

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

Ateb Group Limited, the parent organisation in the Group, is also the provider of affordable housing for rent. Demand for affordable homes remains high across our operating area. The introduction of Universal Credit has been a key risk for our ateb group but we are pleased to report our preparations and system changes to date are producing positive responses to the threat to income disruption.

Within the year and following industry focus on increasing H&S generally, we have continued to prioritise compliance works to ensure the highest levels of safety of our customers.

Governance throughout the Group has continued to be developed with a new integrated risk and assurance management framework and new Board members recruited to broaden the spectrum of skills and experience to the Group's three Boards.

Our 'Engage' initiative which is aimed at gaining a better understanding of those service areas where our customers seek further improvements has again focused our improvement efforts and resources into a number of improvement actions and activities across the year. The involvement from the customers remains high with significant customer feedback touch points in the year.

For more information on ateb group services and our governance and financial review please see our ateb stores 19/20 and our corporate review 19/20 documents for more information once published on our website.

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

Investment in the infrastructure is key to business growth and we will continue to develop our plans to deliver more affordable housing in a number of different ways. The demand for our services and products remains strong.

Mill Bay Homes continues to perform well and is now a leading provider of new build properties in Pembrokeshire with 41 new homes sold in the year. The Coronavirus crisis has and will continue to have a negative impact on Mill Bay Homes, as it with most industries over the next few years. Mill Bay Homes has amended its Business Plan expectations to account for operating within this new restricted working/operational environment for the foreseeable future.

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 2,300 clients throughout Pembrokeshire and Ceredigion through grant funded and commissioned works including the new Hospital to Healthier Home service implemented at Withybush Hospital.

#### **Risk management**

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

## **ATEB GROUP LIMITED**

### **REPORT OF THE BOARD OF MANAGEMENT**

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

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

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

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

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.

#### **Financial review**

2019-20 returned another strong financial performance for the Group. The Total Comprehensive Income for the year increased to £5.14m from £4.53m in 2018-19.

Turnover grew by 7.3% to £25.9m and the number of homes in management increased by 87. In comparison operating costs increased by 5.9% between the two years.

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

The wholly owned subsidiary private housebuilder Mill Bay Homes Limited returned over £1.0m in gift aid (2019: £1.3m) to the parent for investment in the social and affordable homes building programmes.

Net cash inflow from operating activities during the year was £7.65m. The main sources of cash income are rental income and property sales and the main sources of cash outflow are costs associated with property rentals, the acquisition and construction of new housing properties and loan interest.

The Statement of Financial Position has increased in strength with housing properties increasing by 7.7% to £222.0m and reserves by 23.31% to £35.4m. Cash and ready access to secured loan facilities ensures that all current commitments are fully funded.

£8.07m in Social Housing Grant (2019: £10.4m) was made available by the Welsh Government in support of the social housing development programme.

As at 31 March 2020, we maintained £13.5m of secured undrawn facilities available for immediate drawdown, and £3.0m of cash in hand making a total available liquidity of £16.5m. This is sufficient to fund over two years' commitments. In addition, we have an overdraft facility of £2m which is intended to act as a short-term liquidity buffer.

At the year-end 69% of the current debt total of £89.5m was on fixed rate terms with a good mix of lenders/investors, types of loan and terms to repayment.

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

#### **Maintenance and investment in our assets**

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

## **ATEB GROUP LIMITED**

### **REPORT OF THE BOARD OF MANAGEMENT**

#### **Financial strength**

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

#### **Value for money**

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

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

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

#### **Regulation**

Ateb Group Limited is regulated by the Welsh Government.

#### **The Future**

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

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

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

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

#### **Changes in Fixed Assets**

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

#### **Responsibilities of the Board of Management**

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

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

## **ATEB GROUP LIMITED REPORT OF THE BOARD OF MANAGEMENT**

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

### **Internal Financial Controls**

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

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

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

The Board of Management has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31st March 2020. No weaknesses were found in internal financial controls, which resulted in material losses, contingencies, or uncertainties, which require disclosure in the financial statements or in the auditors' report on the financial statements.

### **The Board of Management and Executive Officers**

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

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

### **Post Balance Sheet Events**

There are no significant post balance sheet events.

### **Auditors**

The board intend to go out to tender and will make a decision after the selection process for auditors.

### **By Order of the Board**



**C. Barnett  
Secretary**

**Date: 30/07/20**

**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 2020, we have reviewed the Board's statement of ATEB Group Limited's ("the Group") compliance with the Welsh Government Circular 02/10, Internal Financial Control and Financial Reporting ("the Circular").

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

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

**Opinion**

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

*Bevan Buckland LLP*

**Bevan Buckland LLP**

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

**Date: 30/07/20**

## **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 2020 which comprise the consolidated and Association statements of comprehensive income, consolidated and Associated statements of changes in reserves, the consolidated and Association statements of financial position, the consolidated cash flow statement and its related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

#### **In our opinion the financial statements:**

- give a true and fair view of the state of the Group's and Association's affairs as at 31st March 2020 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.

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

### **Use of our report**

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

*Bevan Buckland LLP*

### **Bevan Buckland LLP**

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

**Date: 30/07/20**

**ATEB GROUP LIMITED**
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**for the year ended 31 March 2020**

	Notes	2020	2019
		£	£
Turnover	2	25,900,309	24,133,781
Cost of Sales		(6,651,523)	(5,815,437)
Gross Surplus		19,248,786	18,318,344
Less: Operating costs	2	(12,085,722)	(11,313,790)
Gain/(Loss) on disposal of Property, Plant & Equipment	6	114,615	15,000
Operating Surplus	5	7,277,680	7,019,554
Finance / Investment Income	7	9,098	46,703
Finance Costs	8	(3,258,065)	(3,323,633)
Housing Finance Grant	9	243,174	227,889
Finance Charges / Issue Costs		(155,020)	(190,479)
Donated Land Value Adjustment		1,079,975	812,172
Other Income		10,407	9,935
Pension Fund Net Interest Costs	20	(66,000)	(58,000)
Corporate Rebranding		-	(10,592)
Total Comprehensive Income before transfers		5,141,248	4,533,549
Taxation		-	-
Total Comprehensive Income for the year after taxation		5,141,248	4,533,549
Other Comprehensive Income			
Initial recognition of multi-employer defined benefit scheme	20	-	(1,178,103)
Actuarial losses in respect of pension schemes	20	1,565,908	(546,500)
Total Comprehensive Income for the Year		6,707,156	2,808,946

**CONSOLIDATED RESULTS**

Companies included are as follows :

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

**CONTINUING OPERATIONS**

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

**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES**  
**for the year ended 31 March 2020**

	Revenue Reserve	Designated Reserve	Restricted Reserve	Total Reserves
	£	£	£	£
Balance at 1 April 2019	24,180,639	4,366,956	222,542	28,770,137
Surplus from statement of comprehensive income	6,707,156	-	-	6,707,156
Transfer of Reserves	(1,072,874)	1,064,642	8,232	0
Balance at 31 March 2020	29,814,921	5,431,598	230,774	35,477,293

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

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

**ATEB GROUP LIMITED**

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

	Notes	2020	2019
		£	£
<b>Turnover</b>	2a	16,887,725	15,783,910
Less: Operating expenditure	2a	(11,160,549)	(10,412,554)
Gain/(Loss) on disposal of Property, Plant & Equipment	6a	114,615	15,000
<b>Operating Surplus</b>	5a	5,841,791	5,386,356
Finance / Investment income	7a	336,248	309,065
Finance Costs	8a	(3,258,065)	(3,323,633)
Housing Finance Grant		243,174	227,889
Finance Charges / Issue Costs		(155,020)	(190,479)
Donated Land Value Adjustment		1,079,975	812,172
Other Income		10,407	9,935
Pension Fund Net Interest Cost	20a	(62,000)	(54,000)
Corporate Rebranding		-	(10,592)
Income from subsidiary company	8b	1,066,259	1,304,882
<b>Total Comprehensive Income before transfers</b>		5,102,770	4,471,595
<b>Other Comprehensive Income</b>			
Initial recognition of multi-employer defined benefit scheme	20a	-	(1,061,717)
Actuarial gains / (losses) in respect of pension schemes	20a	1,481,928	(511,008)
<b>Total Comprehensive Income for the Year</b>		6,584,698	2,898,870

**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 2020**

	Revenue Reserve	Designated Reserve	Restricted Reserve	Total Reserves
	£	£	£	£
Balance at 1 April 2019	24,030,770	4,177,613	140,000	28,348,383
Surplus from statement of comprehensive income	6,584,698	-	-	6,584,698
Transfer of Reserves	(1,066,259)	1,066,259	-	-
Balance at 31 March 2020	29,549,209	5,243,872	140,000	34,933,081

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

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

ATEB GROUP LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
as at 31 March 2020

	Notes	2020 £	2019 £
<b>Property, Plant &amp; Equipment</b>			
Housing properties - depreciated cost	10	222,087,040	206,117,870
Other	12	552,769	508,985
		<hr/> 222,639,809	<hr/> 206,626,855
Investments	13	3	3
Homebuy loan	13	2,911,848	3,109,033
		<hr/> 225,551,660	<hr/> 209,735,891
<b>Current assets</b>			
Inventories	14	6,025,861	6,106,580
Receivables: amounts falling due within one year	15	4,740,792	1,276,343
Receivables: amounts falling due after more than one year	15	5,050,017	4,267,774
Cash		4,348,783	3,716,864
		<hr/> 20,165,453	<hr/> 15,367,561
<b>Payables: amounts falling due within one year</b>	16	(7,485,118)	(8,806,895)
<b>Net current assets</b>		<hr/> 12,680,335	<hr/> 6,560,667
<b>Total assets less current liabilities</b>		<hr/> 238,231,995	<hr/> 216,296,557
<b>Payables: amounts falling due after more than one year</b>	17	(201,495,662)	(184,594,384)
<b>Provisions for liabilities</b>	20		
Pension - deficit funding liability		(1,259,000)	(2,932,000)
<b>Net assets</b>		<hr/> 35,477,333	<hr/> 28,770,173
		<hr/> <hr/>	<hr/> <hr/>
<b>Equity</b>			
Called up share capital	18	39	36
Restricted reserves	19	230,774	222,542
Designated Reserves		5,431,598	4,366,956
Revenue reserve	19	29,814,921	24,180,639
		<hr/> 35,477,333	<hr/> 28,770,173
		<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 10 to 30 were approved by the Board of Management on 30 July 2020 and were signed on its behalf by:

  
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Mr D Birch, Chair

  
\_\_\_\_\_

Mr H Watchman, Vice-Chair

  
\_\_\_\_\_

Mrs C Barnett, Secretary

**ATEB GROUP LIMITED**


**STATEMENT OF FINANCIAL POSITION**  
**as at 31 March 2020**

	Notes	2020 £	2019 £
<b>Property, Plant &amp; Equipment</b>			
Housing properties - depreciated cost	10a	222,087,040	206,117,870
Other	11a	545,435	502,760
		-----	-----
		222,632,475	206,620,630
Investments	12a	3	3
Homebuy loan	12a	2,911,848	3,109,033
		-----	-----
		225,544,326	209,729,666
		-----	-----
<b>Loans to subsidiary companies</b>	14b	5,645,000	3,700,000
<b>Current assets</b>			
Inventories	13a	110,058	225,523
Receivables: amounts falling due within one year	14a	4,557,022	2,439,128
Receivables: amounts falling due after more than one year	14b	5,050,017	4,267,774
Cash		3,041,458	3,249,121
		-----	-----
		12,758,555	10,181,546
<b>Payables: amounts falling due within one year</b>	15a	(6,541,245)	(8,030,040)
		-----	-----
<b>Net current assets</b>		6,217,310	2,151,506
		-----	-----
<b>Total assets less current liabilities</b>		237,406,636	215,581,172
<b>Payables: amounts falling due after more than one year</b>	15b	(201,310,515)	(184,510,753)
<b>Provisions for liabilities</b>	20a		
Pension - deficit funding liability		(1,163,000)	(2,722,000)
		-----	-----
<b>Net assets</b>		34,933,120	28,348,419
		=====	=====
<b>Equity</b>			
Called up share capital	16a	39	36
Restricted reserves	17a	140,000	140,000
Designated reserve	17a	5,243,872	4,177,613
Revenue reserve	17a	29,549,209	24,030,770
		-----	-----
		34,933,120	28,348,419
		=====	=====

The financial statements on pages 10 to 30 were approved by the Board of Management on 30 July 2020 and were signed on its behalf by:

  
\_\_\_\_\_

Mr D Birch, Chair

  
\_\_\_\_\_

Mr H Watchman, Vice-Chair

  
\_\_\_\_\_

Mrs C Barnett, Secretary

**ATEB GROUP LIMITED**
**CONSOLIDATED STATEMENT OF CASHFLOWS**  
**for the year ended 31 March 2020**

			2020		2019
	Notes	£	£	£	£
<b>Net cash inflow from operating activities</b>	(i)		7,536,651		11,512,291
<b>Cash flow from investing activities</b>					
Payments to acquire and develop property		(17,202,610)		(19,235,185)	
Receipts from sales of Property, Plant and Equipment		114,615		15,000	
Social Housing Grant and contributions received		4,288,084		7,106,495	
Purchase of other fixed assets		(187,488)		(138,375)	
Finance/Investment income		9,488		46,543	
<b>Net cash outflow from investing activities</b>			(12,977,910)		(12,205,522)
<b>Cash flow from financing activities</b>					
Finance costs		(3,262,686)		(3,328,906)	
Issue of share capital	(iv)	3		3	
Mortgage and other loans received					
- housing	(iv)	11,500,000		6,619,083	
Finance costs of loans issued	(iv)	-		(30,125)	
Loans repaid					
- housing	(iv)	(2,164,142)		(12,027,653)	
<b>Net cash inflow from financing</b>			6,073,175		(8,767,598)
<b>Net change in cash and cash equivalents</b>	(ii) , (iii)		631,917		(9,460,829)
<b>Cash and cash equivalents at beginning of the year</b>			3,716,864		13,177,693
<b>Cash and cash equivalents at end of the year</b>			4,348,783		3,716,864

**CONSOLIDATED CASH FLOW STATEMENT - Additional Disclosure**

		2020	2019
		£	£
<b>Free cash flow</b>			
<b>for the year ended 31 March 2020</b>			
<b>Net cash inflow from operating activities</b>		7,536,651	11,512,291
Finance/Investment income		9,488	46,542
Finance costs		(3,262,685)	(3,328,906)
<b>Adjustments for reinvestment in existing properties</b>			
Component Replacements		(1,051,900)	(1,408,565)
Purchase of other fixed assets		(187,488)	(138,375)
<b>Free cash generated / (consumed) before loan repayments</b>		3,044,067	6,682,987
Loans repaid (excluding revolving credit facilities and overdrafts)		(1,232,830)	(2,277,095)
<b>Free cash generated / (consumed) after loan repayments</b>		1,811,237	4,405,892

**ATEB GROUP LIMITED**
**STATEMENT OF CASHFLOWS**  
**for the year ended 31 March 2020**

			2020	2019
	Notes	£	£	£
<b>Net cash inflow from operating activities</b>	(i)		8,311,527	9,465,411
<b>Cash flow from investing activities</b>				
Payments to acquire and develop property		(17,202,610)		(19,235,187)
Receipts from sales of Property, Plant and Equipment		114,615		15,000
Social Housing Grant and contributions received		4,288,084		7,106,495
Purchase of other fixed assets		(183,703)		(137,944)
Finance/Investment income		336,248		309,065
<b>Net cash outflow from investing activities</b>			(12,647,365)	(11,942,571)
<b>Cash flow from financing activities</b>				
Finance costs		(3,262,685)		(3,328,906)
Issue of share capital	(iv)	3		3
Mortgage and other loans received				
- housing	(iv)	11,500,000		6,619,083
Finance costs of loans issued	(iv)	-		(30,125)
Loans issued - subsidiary company		(6,450,000)		(4,175,000)
Loans repaid - subsidiary company		4,505,000		6,055,000
Loans repaid				
- housing	(iv)	(2,164,142)		(12,027,653)
<b>Net cash inflow from financing</b>			4,128,176	(6,887,598)
<b>Net change in cash and cash equivalents</b>	(ii) , (iii)		(207,663)	(9,364,758)
<b>Cash and cash equivalents at beginning of the year</b>			3,249,121	12,613,879
<b>Cash and cash equivalents at end of the year</b>			3,041,458	3,249,121

**CASH FLOW STATEMENT - Additional Disclosure**

		2020	2019
		£	£
<b>Free cash flow for the year ended 31 March 2020</b>			
<b>Net cash inflow from operating activities</b>		8,311,527	9,465,411
Finance/Investment income		336,248	309,065
Finance costs		(3,262,685)	(3,328,906)
<b>Adjustments for reinvestment in existing properties</b>			
Component Replacements		(1,051,900)	(1,408,565)
Purchase of other replacement fixed assets		(183,703)	(137,944)
<b>Free cash generated before loan repayments</b>		4,149,487	4,899,061
<b>Loans repaid (excluding revolving credit facilities and overdrafts)</b>		(1,232,830)	(2,277,095)
<b>Free cash generated after loan repayments</b>		2,916,657	2,621,966

**ATEB GROUP LIMITED**
**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS**
**(i) Reconciliation of operating surplus to net cash inflow from operating activities**

	2020	2019
	£	£
Operating surplus	7,277,680	7,004,555
Depreciation	3,300,761	3,175,997
Amortisation of SHG	(969,897)	(912,384)
Abortive development costs	17,965	22,380
(Increase) / Decrease in receivables and inventories	(207,937)	1,993,654
Increase / (Decrease) in payables	(2,202,084)	126,418
Share capital cancelled	-	(1)
Charge for bad debts	59,979	44,397
Donated Land Value Adjustment	1,079,975	812,712
Amortisation of finance issue costs	(167,004)	(190,579)
Capitalised Overheads	(330,155)	(329,644)
Other Income	10,407	9,935
Corporate Rebranding	-	(10,592)
Pension Fund Net Interest Costs	(66,000)	(54,000)
Pension deficit contribution paid	(267,038)	(180,557)
<b>Net cash inflow from operating activities</b>	<b>7,536,651</b>	<b>11,512,291</b>

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

	2020	2019
	£	£
At beginning of period	3,716,864	13,177,693
Net cash inflow/(outflow)	631,919	(9,460,829)
At end of period	4,348,783	3,716,864

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

	2020	2019	Change in year	2019	2018	Change in year
	£	£	£	£	£	£
Cash	4,348,783	3,716,864	631,919	3,716,864	13,177,693	(9,460,829)
	4,348,783	3,716,864	631,919	3,716,864	13,177,693	(9,460,829)

**(iv) Analysis of changes in financing during the year**

	Share Capital		Housing Loans	
	2020	2019	2020	2019
	£	£	£	£
At beginning of year	40	41	79,596,896	85,125,274
Cash inflow from financing	3	3	11,500,000	6,619,083
Cash outflow from financing	-	(4)	(2,164,142)	(12,027,653)
Cash outflow finance costs	-	-	(29,989)	(30,124)
	43	40	88,902,765	79,686,580
Non cash items:				
Debenture discount	-	-	(4,000)	(4,000)
Amortisation of finance costs	-	-	(85,623)	(85,684)
At end of year	43	40	88,813,142	79,596,896



**ATEB GROUP LIMITED**

**NOTES TO THE STATEMENT OF CASH FLOWS**  
for the year ended 31 March 2020

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

	2020	2019
	£	£
Cash flows from operating activities		
Operating surplus	5,841,791	5,386,356
Depreciation	3,298,083	3,171,818
Amortisation of SHG	(969,897)	(912,384)
Abortive development costs	17,965	22,380
(Increase) / Decrease in receivables and inventories	829,674	979,847
Increase / (Decrease) in payables	(1,047,365)	704,771
Share capital cancelled	-	(1)
Charge for bad debts	59,979	44,397
Donated Land Value Adjustment	1,079,975	812,172
Capitalised Overheads	(330,155)	(329,644)
Other Income	10,407	9,935
Corporate Rebranding	-	(10,592)
Finance Charges / Issue Costs	(167,004)	(190,579)
Pension Fund Net Interest Costs	(62,000)	(54,000)
Pension deficit contribution paid	(249,928)	(169,065)
<b>Net cash inflow from operating activities</b>	<b>8,311,527</b>	<b>9,465,411</b>

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

	2020	2019
	£	£
At beginning of year	3,249,121	12,613,879
Net cash (outflow)	(207,663)	(9,364,758)
At end of year	3,041,458	3,249,121

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

	2020	2019	Change in year	2019	2018	Change in year
	£	£	£	£	£	£
Cash	3,041,458	3,249,121	(207,663)	3,249,121	12,613,879	(9,364,758)
	3,041,458	3,249,121	(207,663)	3,249,121	12,613,879	(9,364,758)

**(iv) Analysis of changes in financing during the year**

	Share Capital		Housing Loans	
	2020	2019	2020	2019
	£	£	£	£
At beginning of year	36	34	79,596,896	85,125,274
Cash inflow from financing	3	3	11,500,000	6,619,083
Cash outflow from financing	-	(1)	(2,164,142)	(12,027,653)
Cash outflow from finance costs	-	-	(29,989)	(30,124)
	39	36	88,902,765	79,686,580
Non cash items:				
Debenture discount	-	-	(4,000)	(4,000)
Amortisation of finance costs	-	-	(85,623)	(85,684)
At end of year	39	36	88,813,142	79,596,896

**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) 2014.

- i) **Housing Properties** - depreciation is charged on the gross historic cost of property components. Grant is allocated to land and the main structure of the property but not to other components. The depreciable amounts are written off over the estimated useful economic lives from the date of purchase/build. Freehold land is not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives then each component is accounted for separately. Expenditure relating to the subsequent replacement or renewal of components is capitalised as incurred.

Housing properties are broken down into the following ten components: structure, land, kitchen, bathroom, boiler, wet system, electrical system, windows, external doors and roof.

**Leasehold Properties** are depreciated over the remaining period of the lease.

**Shared Ownership Properties** are not depreciated on the basis that the residual value is likely to be greater than the net cost.

- ii) **Other Tangible Fixed Assets**

Depreciation is charged on the historic cost of other fixed assets to write them down to their estimated residual values over their expected useful lives.

Office premises – using component accounting methodology as per housing properties. The office premises is broken down into the following eight components: land, structure, boiler, wet system, windows, external doors, roof & lift. Freehold land is not depreciated.

Office equipment – 10 years

Computer equipment – 4 years

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

Tools – 3 years

**ATEB GROUP LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

- ii) **Replacement and Renewals**  
Expenditure on assets costing less than £500 (Subsidiaries £250), which do not form part of a larger asset are written off to the Statement of Comprehensive Income in the year in which the expenditure is incurred.
- e) **Social Housing Grant**  
Social Housing Grants (SHG) are capital grants receivable from the Welsh Government are shown within trade receivables in the Statement of Financial Position. Grants received for housing properties are recognised as income in the Statement of Comprehensive Income over the expected life of the asset. SHG received after the year end in respect of expenditure before the year end has been included within Trade Receivables. Any SHG repayable or received in advance is included within Trade Payables.
- f) **Development Administration**  
Development administration costs, including relevant office and staff overheads, are capitalised where costs are considered to be incremental to the development programme. Non-incremental costs are charged to the Statement of Comprehensive Income in accordance with FRS102.
- g) **Donated Properties Restricted Reserve**  
The reserve represents the value of properties donated by the former Soroptomist Housing Association (Tenby & District) Limited. It is intended to ensure the continuing use of the properties for the provision of affordable housing.
- h) **Finance Costs**  
Finance costs associated with the provision of loan finance are amortised over the term of the related loans using the effective interest rate.
- i) **Inventories**  
Work in progress is valued at the lower of cost or net realisable value of development on proposed schemes.
- j) **Operating Leases**  
Costs in respect of operating leases are amortised on a straight-line basis over the lease In accordance with FRS102.
- k) **Low Cost Home Ownership**  
Surplus or deficits made on either the administration of Do It Yourself Home Buy Option or on the development and subsequent sale of Low Cost Home Ownership properties are credited or charged to the Statement of Comprehensive Income at the time the property has been sold. The Association accounts for Home Buy transactions by creating an investment for the loan advanced to the property owner and deducting the grant received from the Welsh Government.
- l) **Pensions**  
The Association also participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK. The Association closed this scheme on 31 March 2018.

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

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

**ATEB GROUP LIMITED**  
**NOTES TO THE COSOLIDATED FINANCIAL STATEMENTS**

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

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

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

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

**m) Impairment**

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

**n) Improvements**

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

**o) Recycled Capital Grant Fund**

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

**p) Housing Finance Grant**

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

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

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

**r) Value Added Tax**

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

**ATEB GROUP LIMITED**  
**NOTES TO THE COSOLIDATED FINANCIAL STATEMENTS**

**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) Loan Arrangement Fees**

Loan arrangement fees and set up costs are charged to the Statement of Comprehensive Income over the life of the loan using an effective interest rate.

**u) Financial Instruments**

Under FRS102 loans are classified as either basic or complex. The Association has reviewed its loan portfolio and is satisfied that all loans can be classified as basic and are recognised at amortised historical cost.

**v) Provisions for Liabilities**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Association will be required to settle the obligation in the future and a reliable estimate can be made of the value.

**w) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and on demand deposits, together with short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

**x) Restricted Reserves Policy**

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

**y) Financial assets carried at amortised cost**

These comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly. A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

**Financial liabilities carried at amortised cost**

These financial liabilities include trade and other payables and interest-bearing loans and borrowings. Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

**z) Investment in Subsidiary**

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

**aa) 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.

**ATEB GROUP LIMITED**  
**NOTES TO THE COSOLIDATED FINANCIAL STATEMENTS**

**ab) 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.

**ac) 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.

**ad) 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.

**Depreciation**

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

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

**Provisions and accruals**

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

**Defined Benefit Pension Scheme**

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

**ae) 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 2020

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

	Turnover	Cost of sales	Operating costs	2020 Operating surplus	Interest receivable	Interest payable	Housing Finance Grant	Surplus before taxation
	£	£	£	£	£	£	£	£
<b>Income and expenditure from social housing lettings</b>								
Fully rented housing accommodation	16,887,725	-	(11,142,584)	5,745,142	-	(3,258,065)	-	2,487,076
<b>Total from social housing lettings</b> note 2(ii)	16,887,725	-	(11,142,584)	5,745,142	-	(3,258,065)	-	2,487,076
<b>Income and expenditure from housing sales</b>								
Income and expenditure from housing sales	8,261,681	(6,651,523)	(214,479)	1,395,680	-	-	-	1,395,680
<b>Other income and expenditure</b>								
Other income	-	-	-	-	-	-	243,174	243,174
Abortive development costs	-	-	(17,965)	(17,965)	-	-	-	(17,965)
Gain/(loss) on disposal of property, plant and equipment								114,615
<b>Total from social housing lettings</b>	25,149,407	(6,651,523)	(11,375,028)	7,122,856	-	(3,258,065)	243,174	4,222,580
Finance/Investment Income	-	-	-	-	6,526	-	-	6,526
<b>Surplus on social housing lettings</b>	25,149,407	(6,651,523)	(11,375,028)	7,122,856	6,526	(3,258,065)	243,174	4,229,106
<b>Income and expenditure from other activities</b>								
Grants and contributions	750,903	-	(710,694)	40,209	-	-	-	40,209
Other costs	-	-	-	-	-	-	-	-
Finance/Investment Income	-	-	-	-	2,572	-	-	2,572
Donated Land Value Adjustment	-	-	-	-	-	-	-	1,079,975
Finance Charge / Issue Costs	-	-	-	-	-	-	-	(155,020)
Pension Fund Net Interest Costs	-	-	-	-	-	-	-	(66,000)
Corporate Rebranding	-	-	-	-	-	-	-	0
Other income (Legacy income)	-	-	-	-	-	-	-	10,407
<b>Surplus on ordinary activities before taxation</b>	25,900,309	(6,651,523)	(12,085,722)	7,163,065	9,098	(3,258,065)	243,174	5,141,248
	=====	=====	=====	=====	=====	=====	=====	=====
	Turnover	Cost of sales	Operating costs	2019 Operating surplus	Interest receivable	Interest payable	Housing Finance Grant	Surplus before taxation
	£	£	£	£	£	£	£	£
<b>Income and expenditure from lettings:</b>								
Fully rented housing accommodation	15,783,910	-	(10,390,174)	5,393,736	-	(3,323,633)	-	2,070,103
<b>Total from social housing lettings</b> note 2(ii)	15,783,910	-	(10,390,174)	5,393,736	-	(3,323,633)	-	2,070,103
<b>Income and expenditure from housing sales</b>								
Income and expenditure from housing sales	7,592,501	(5,815,437)	(207,556)	1,569,508	-	-	-	1,569,508
<b>Other income and expenditure</b>								
Other income	-	-	-	-	-	-	227,889	227,889
Abortive development costs	-	-	(22,380)	(22,380)	-	-	-	(22,380)
Gain/(loss) on disposal of property, plant and equipment								15,000
<b>Total from social housing lettings</b>	23,376,411	(5,815,437)	(10,620,110)	6,940,864	-	(3,323,633)	227,889	3,860,120
Finance/Investment Income	-	-	-	-	44,131	-	-	44,131
<b>Surplus on social housing lettings</b>	23,376,411	(5,815,437)	(10,620,110)	6,940,864	44,131	(3,323,633)	227,889	3,904,251
<b>Income and expenditure from other activities</b>								
Grants and contributions	757,370	-	(693,680)	63,691	-	-	-	63,691
Other costs	-	-	-	-	-	-	-	-
Finance/Investment Income	-	-	-	-	2,573	-	-	2,573
Donated Land Value Adjustment	-	-	-	-	-	-	-	812,172
Finance Charge / Issue Costs	-	-	-	-	-	-	-	(190,479)
Pension Fund Net Interest Costs	-	-	-	-	-	-	-	(58,000)
Corporate Rebranding	-	-	-	-	-	-	-	(10,592)
Other Income	-	-	-	-	-	-	-	9,935
<b>Surplus on ordinary activities before taxation</b>	24,133,781	(5,815,437)	(11,313,790)	7,004,555	46,703	(3,323,633)	227,889	4,533,549
	=====	=====	=====	=====	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2020[illegible]



**ATEB GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
for the year ended 31 March 2020**

**2 (ii) Turnover from social housing lettings**

	<b>2020</b>			<b>2019</b>		
	<b>General Needs &amp; Sheltered Housing £</b>	<b>Supported Housing £</b>	<b>Total £</b>	<b>General Needs &amp; Sheltered Housing £</b>	<b>Supported Housing £</b>	<b>Total £</b>
Rent receivable net of void losses *	14,239,394	352,688	14,592,082	13,351,997	320,867	13,672,864
Service charges	1,116,515	38,552	1,155,067	1,075,559	32,093	1,107,652
	-----	-----	-----	-----	-----	-----
	15,355,909	391,240	15,747,149	14,427,556	352,960	14,780,515
Income from support services	80,865	-	80,865	65,557	-	65,557
SHG Amortisation	956,263	13,634	969,897	898,750	13,634	912,384
Digital inclusion grant	89,815	-	89,815	25,453	-	25,453
	-----	-----	-----	-----	-----	-----
	16,482,851	404,874	16,887,725	15,417,316	366,594	15,783,910
	=====	=====	=====	=====	=====	=====
* Void losses	35,852	-	35,852	25,766	-	25,766

**2 (iii) Operating costs from lettings**

	<b>2020</b>			<b>2019</b>		
	<b>General Needs &amp; Sheltered Housing £</b>	<b>Supported Housing £</b>	<b>Total £</b>	<b>General Needs &amp; Sheltered Housing £</b>	<b>Supported Housing £</b>	<b>Total £</b>
Service charges	1,116,515	38,552	1,155,067	1,075,559	32,093	1,107,652
Management	2,395,934	164,257	2,560,191	2,249,421	158,187	2,407,608
Routine maintenance	2,884,374	23,828	2,908,202	2,569,915	20,416	2,590,331
Major repairs	1,280,208	-	1,280,208	1,203,143	-	1,203,143
Depreciation of housing properties	3,161,953	16,984	3,178,936	3,021,289	15,754	3,037,043
Losses from bad debts	59,979	-	59,979	44,397	-	44,397
	-----	-----	-----	-----	-----	-----
Operating costs on social housing lettings	10,898,963	243,620	11,142,584	10,163,724	226,450	10,390,174
	=====	=====	=====	=====	=====	=====
	-----	-----	-----	-----	-----	-----
Operating surplus on social housing lettings	5,583,888	161,253	5,745,141	5,253,592	140,144	5,393,736
	=====	=====	=====	=====	=====	=====

**ATEB GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2020

**2a (ii) Turnover from social housing lettings**

	<b>2020</b>			<b>2019</b>		
	<b>General Needs &amp; Sheltered Housing</b>	<b>Supported Housing</b>	<b>Total</b>	<b>General Needs &amp; Sheltered Housing</b>	<b>Supported Housing</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Rent receivable net of void losses *	14,239,394	352,688	14,592,082	13,351,997	320,867	13,672,864
Service charges	1,116,515	38,552	1,155,067	1,075,559	32,093	1,107,652
	=====	=====	=====	=====	=====	=====
	15,355,909	391,240	15,747,149	14,427,556	352,960	14,780,515
Income from support services	80,865	-	80,865	65,557	-	65,557
SHG Amortisation	956,263	13,634	969,897	898,750	13,634	912,384
Digital inclusion grant	89,815	-	89,815	25,453	-	25,453
	=====	=====	=====	=====	=====	=====
Turnover from social housing lettings	16,482,851	404,874	16,887,725	15,417,316	366,594	15,783,910
	=====	=====	=====	=====	=====	=====
* Void losses	35,852	-	35,852	25,766	-	25,766

**2a (iii) Operating costs from social housing lettings**

	<b>2020</b>			<b>2019</b>		
	<b>General Needs &amp; Sheltered Housing</b>	<b>Supported Housing</b>	<b>Total</b>	<b>General Needs &amp; Sheltered Housing</b>	<b>Supported Housing</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Service charges	1,116,515	38,552	1,155,067	1,075,559	32,093	1,107,652
Management	2,395,934	164,257	2,560,191	2,249,421	158,187	2,407,608
Routine maintenance	2,884,374	23,828	2,908,202	2,569,915	20,416	2,590,331
Major repairs	1,280,208	-	1,280,208	1,203,143	-	1,203,143
Depreciation of housing properties	3,161,953	16,984	3,178,936	3,021,289	15,754	3,037,043
Losses from bad debts	59,979	-	59,979	44,397	-	44,397
	=====	=====	=====	=====	=====	=====
Operating costs on social housing lettings	10,898,963	243,620	11,142,584	10,163,724	226,450	10,390,174
	=====	=====	=====	=====	=====	=====
	=====	=====	=====	=====	=====	=====
Operating surplus on social housing lettings	5,583,888	161,253	5,745,141	5,253,592	140,143	5,393,736
	=====	=====	=====	=====	=====	=====

# ATEB GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2020

### 3 Officers' and Senior Executives' Emoluments

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

	2020 £	2019 £
Emoluments (including pension contributions and benefits in kind).	436,438 =====	481,405 =====

During the year the emoluments (excluding pension contributions) of the Chief Executive who was the highest paid Senior Executive was £122,051 (2019: £123,434).

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

	2020	2019
£60,001 to £70,000	-	2
£80,001 to £90,000	1	-
£90,001 to £100,000	2	2
£120,001 to £130,001	1	1

The Board received emoluments of £18,414 during the year (2019: £nil).

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 :

	2020	2019
Office staff	78.72	74.52
Direct Labour	40.00	40.00
Cleaning staff	0.60	0.60
	----- 119.32 =====	----- 115.12 =====

	2020 £	2019 £
Staff costs for the above persons were:		
Wages and salaries	3,369,436	3,337,900
Social security costs	322,615	317,156
Pension costs (note 20)	310,782	303,659
	----- 4,002,833 =====	----- 3,958,715 =====

# ATEB GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2020

### 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.

	2020 £	2019 £
Emoluments (including pension contributions and benefits in kind)	436,438 =====	481,405 =====

During the year the emoluments (excluding pension contributions) of the Chief Executive who was the highest paid Senior Executive was £122,051 (2019: £123,434).

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

	2020	2019
£60,001 to £70,000	-	2
£80,001 to £90,000	1	-
£90,001 to £100,000	2	2
£120,001 to £130,001	1	1

The Board received emoluments of £15,789 during the year (2019: £nil).

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:

	2020	2019
Office staff	63.95	59.94
Direct Labour	35.00	35.00
Cleaning staff	0.60	0.60
	99.55 =====	95.54 =====

Staff costs for the above persons were:

	2020 £	2019 £
Wages and salaries	2,792,054	2,785,250
Social security costs	271,155	270,588
Pension costs (note 20a)	265,073	264,664
	3,328,282 =====	3,320,502 =====

# ATEB GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2020

### 5 Operating surplus

	2020	2019
	£	£
The operating surplus is stated after charging/(crediting):		
Depreciation	3,300,761	3,175,997
Finance issue costs	155,020	190,479
Debenture discount charge	4,000	4,000
Auditors remuneration		
- In their capacity as auditors, including VAT	14,832	13,663
- In respect of other services, including VAT	0	3,559
	=====	=====

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

	2020	2019
	£	£
Surplus / (loss) on sale of properties	114,615	15,000
	-----	-----
	114,615	15,000
	=====	=====

### 7 Finance/Investment Income

	2020	2019
	£	£
Finance/Investment Income	338,820	311,638
	=====	=====

### 8 Finance Costs

	2020	2019
	£	£
On loans repayable in instalments wholly or partly in more than 5 years	3,167,815	3,233,383
On loans repayable other than in instalments wholly or partly in more than 5 years	90,250	90,250
	-----	-----
	3,258,065	3,323,633
	=====	=====

### 9 Taxation

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

**ATEB GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2020**

<b>5a Operating surplus</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
The operating surplus is stated after charging/(crediting):		
Depreciation	3,298,083	3,171,818
Finance issue costs	155,020	190,479
Debenture discount charge	4,000	4,000
Auditors remuneration		
- In their capacity as auditors, including VAT	11,058	10,440
- In respect of other services, including VAT	-	3,559
	=====	=====
<b>6a Gain/(loss) on disposal of property, plant and equipment</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Surplus/(loss) on sale of properties	114,615	15,000
	-----	-----
	114,615	15,000
	=====	=====
<b>7a Finance/Investment Income</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Finance/Investment Income	336,248	309,065
	=====	=====
<b>8a Finance Costs</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
On loans repayable in instalments wholly or partly in more than 5 years	3,167,815	3,233,383
On loans repayable other than in instalments wholly or partly in more than 5 years	90,250	90,250
	-----	-----
	3,258,065	3,323,633
	=====	=====
<b>8b Transfer from subsidiary company</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Gift Aid payment	1,066,259	1,304,882
	-----	-----
	1,066,259	1,304,882
	=====	=====
<b>9a Taxation</b>		
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 2020

**10 Property, Plant and Equipment - Housing Properties**

	Housing properties held for letting		Shared ownership properties held for letting	
	Completed £	Under Construction £	Completed £	Total £
<b>Cost</b>				
At 1 April 2019	212,325,972	19,506,893	654,160	232,487,025
Additions	3,381,573	15,578,336	197,395	19,157,304
Reclassification	2,066,949	(2,066,949)	-	-
Disposals	(312,478)	-	-	(312,478)
At 31 March 2020	217,462,016	33,018,280	851,555	251,331,851
<b>Depreciation</b>				
At 1 April 2019	(26,369,155)	-	-	(26,369,155)
Charged for the year	(3,105,929)	-	10,755	(3,116,684)
Disposals	241,027	-	-	241,027
At 31 March 2020	(29,234,056)	-	-	(29,244,811)
<b>Net book value</b>				
At 31 March 2020	188,227,960	33,018,280	840,800	222,087,040
At 31 March 2019	185,956,817	19,506,893	654,160	206,117,870

The total net book value of housing properties comprises:

	2020 £	2019 £
Freehold property	221,707,704	205,738,534
Long leasehold property	54,294	54,294
Short leasehold property	325,042	325,042
	222,087,040	206,117,871

Development administration expenditure and other indirect costs capitalised during the year amounted to £330,155 (2019: £329,644).

Interest capitalised during the year amounted to £nil (2019: £nil).

Component Replacement spend for the year amounted to £1,051,900 (2019: £1,408,565)

Housing Properties includes Land with a carrying value of £44,746,352 (2019: £30,252,016)

**ATEB GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2020

**10a Property, Plant and Equipment - Housing Properties**

	Housing properties held for letting		Shared ownership properties held for letting	
	Completed £	Under Construction £	Completed £	Total £
<b>Cost</b>				
At 1 April 2019	212,325,972	19,506,893	654,160	232,487,025
Additions	3,381,573	15,578,336	197,395	19,157,304
Reclassification	2,066,949	(2,066,949)	-	-
Disposals	(312,478)	-	-	(312,478)
At 31 March 2020	217,462,016	33,018,280	851,555	251,331,851
<b>Depreciation</b>				
At 1 April 2019	(26,369,155)	-	-	(26,369,155)
Charged for the year	(3,105,929)	-	(10,755)	(3,116,684)
Disposals	241,027	-	-	241,027
At 31 March 2020	(29,234,056)	-	(10,755)	(29,244,811)
<b>Net book value</b>				
At 31 March 2020	188,227,960	33,018,280	840,800	222,087,040
At 31 March 2019	185,956,817	19,506,893	654,160	206,117,870

The total net book value of housing properties comprises:

	<b>2020</b>	<b>2019</b>
	£	£
Freehold property	221,707,704	205,738,534
Long leasehold property	54,294	54,294
Short leasehold property	325,042	325,042
	222,087,040	206,117,870

Development administration expenditure and other indirect costs capitalised during the year amounted to £330,155 (2019: £329,644).

Interest capitalised during the year amounted to £nil (2019: £nil).

Component Replacement spend for the year amounted to £1,051,900 (2019: £1,408,565)

Housing Properties includes Land with a carrying value of £44,746,352 (2019: £30,252,016)



**ATEB GROUP LIMITED**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended 31 March 2020**
**11 Property, Plant & Equipment - Other Fixed Assets**

	<b>Freehold Offices £</b>	<b>Tools &amp; Equipment £</b>	<b>Motor vehicles £</b>	<b>Computer Equipment £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 April 2019	490,981	610,840	60,619	761,411	1,923,852
Additions	-	41,360	-	146,128	187,488
Disposals/Write off/Adj.	-	-	-	-	-
At 31 March 2020	490,981	652,200	60,619	907,539	2,111,339
<b>Grants and contributions</b>					
At 1 April 2019	-	-	(44,101)	-	(44,101)
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2020	-	-	(44,101)	-	(44,101)
<b>Depreciation</b>					
At 1 April 2019	(251,232)	(520,911)	(13,265)	(585,357)	(1,370,765)
Charged for the year	(9,465)	(52,360)	(2,440)	(79,440)	(143,705)
Disposals/Write off/Adj.	-	-	-	-	-
At 31 March 2020	(260,697)	(573,271)	(15,705)	(664,797)	(1,514,470)
<b>Net book value</b>					
At 31 March 2020	230,284	78,929	813	242,742	552,769
At 31 March 2019	239,750	89,929	3,253	176,054	508,986

**12 Investments**

	<b>2020 £</b>	<b>2019 £</b>
Cost of Home Buy Loans	2,911,848	3,109,033
	2,911,848	3,109,033

The above investments represent a 30% and 50% interest in 90 (2019: 97) properties acquired under the Welsh Government Low Cost Home Ownership Schemes.

**13 Inventories**

	<b>2020 £</b>	<b>2019 £</b>
Completed properties held for sale	463,892	-
Schemes under construction	5,561,969	6,106,580
	6,025,861	6,106,580

**ATEB GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2020

**11a Property, Plant & Equipment - Other Fixed Assets**

	<b>Freehold Offices £</b>	<b>Tools &amp; Equipment £</b>	<b>Motor vehicles £</b>	<b>Computer Equipment £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 April 2019	490,981	569,830	60,619	746,727	1,868,157
Additions	-	38,000	-	145,703	183,703
Disposals/Write off/Adj.	-	-	-	-	-
At 31 March 2020	490,981	607,830	60,619	892,430	2,051,860
<b>Grants and Contributions</b>					
At 1 April 2019	-	-	(44,101)	-	(44,101)
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2020	-	-	(44,101)	-	(44,101)
<b>Depreciation</b>					
At 1 April 2019	(251,232)	(484,556)	(13,265)	(572,244)	(1,321,296)
Charged for the year	(9,465)	(50,369)	(2,440)	(78,753)	(141,027)
Disposals/Write off/Adj.	-	-	-	-	0
At 31 March 2020	(260,696)	(534,925)	(15,705)	(650,997)	(1,462,323)
<b>Net book value</b>					
At 31 March 2020	230,285	72,905	813	241,433	545,435
At 31 March 2019	239,750	85,274	3,253	174,483	502,760

**12a Investments**

	<b>2020 £</b>	<b>2019 £</b>
Cost of Home Buy Loans	2,911,848	3,109,033
	2,911,848	3,109,033

The above investments represent a 30% and 50% interest in 90 (2019: 97) properties acquired under the Welsh Government Low Cost Home Ownership Schemes.

	<b>2020</b>	<b>2019</b>
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**

	<b>2020 £</b>	<b>2019 £</b>
Work In Progress	110,058	225,523
	110,058	225,523

**ATEB GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
for the year ended 31 March 2020**

**14a Receivables**

**Amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Arrears of Rent and Service Charges	793,992	579,496
Less: Provision for bad and doubtful debts	(114,300)	(74,000)
	-----	-----
	679,692	505,496
Prepayments and accrued income	1,405,662	113,961
Social Housing Grant and capital contributions receivable	2,322,765	288,706
Housing Finance Grant	102,347	79,338
Other receivables	230,325	288,843
	-----	-----
	4,740,792	1,276,343
	=====	=====

**14b Amounts falling due after more than one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Housing Finance Grant	5,050,017	4,267,774
	-----	-----
	5,050,017	4,267,774
	=====	=====

**15a Payables**

**Amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Rental income prepaid	382,776	237,962
Accrued interest	844,595	853,215
Amounts owed in respect of housing development	1,318,816	693,198
Taxation, pension and social security	69,557	137,715
Social Housing Grant and contributions received in advance	50,782	448,284
Other payables	103,071	332,692
Accruals and deferred income	1,505,641	2,410,478
Housing loans	1,866,549	2,296,221
Grant Recycling Fund	297,850	376,601
SHG - Deferred Income	958,553	963,792
Annual Leave Accrual	86,928	56,736
	-----	-----
	7,485,118	8,806,895
	=====	=====

**ATEB GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2020**

<b>14a Receivables</b>	<b>2020</b>	<b>2019</b>
<b>Amounts falling due within one year</b>	<b>£</b>	<b>£</b>
Arrears of Rent and Service Charges	793,992	579,496
Less: Provision for bad and doubtful debts	(114,300)	(74,000)
	-----	-----
	679,692	505,496
Prepayments and accrued income	161,701	107,535
Inter-company debtors - subsidiary companies	1,066,259	1,306,473
Social Housing Grant and capital contributions receivable	2,322,765	288,706
Housing Finance Grant	102,347	79,338
Other receivables	224,258	151,581
	-----	-----
	4,557,022	2,439,128
	=====	=====
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>14b Amounts falling due after more than one year</b>		
Loan to subsidiary company	5,645,000	3,700,000
	-----	-----
	5,645,000	3,700,000
	=====	=====
	<b>£</b>	<b>£</b>
Housing Finance Grant	5,050,017	4,267,774
	-----	-----
	5,050,017	4,267,774
	=====	=====
<b>15a Payables</b>	<b>2020</b>	<b>2019</b>
<b>Amounts falling due within one year</b>	<b>£</b>	<b>£</b>
Rental income prepaid	382,776	237,962
Accrued interest	844,595	853,215
Amounts owed in respect of housing development	797,275	318,921
Taxation, pension and social security	69,557	137,715
Social Housing Grant and capital contributions received in advance	50,782	448,284
Inter-company creditors - subsidiary companies	35,663	24,129
Other payables	34,568	253,991
Accruals and deferred income	1,134,790	2,076,164
Housing loans	1,866,549	2,296,221
Grant Recycling Fund	297,850	376,601
SHG - Deferred Income	958,553	963,792
Annual Leave Year End Accrual	68,287	43,044
	-----	-----
	6,541,245	8,030,040
	=====	=====

**ATEB GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
for the year ended 31 March 2020**

**15b Payables**

<b>Amounts falling due after one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Housing Loans	86,946,593	77,300,675
SHG - Deferred Income	111,027,360	103,921,718
Retentions	609,861	262,958
Homebuy Grant - Deferred Income	2,911,848	3,109,033
	=====	=====
	201,495,662	184,594,384
	=====	=====

**15c(i) Housing Loans**

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

<b>Repayable by instalments</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
One year or less	1,866,549	2,296,221
Between one and five years	27,040,755	15,070,393
In five years or more	59,639,448	61,818,342
	=====	=====
	88,546,753	79,184,956
	(724,639)	(689,087)
	=====	=====
	87,822,114	78,495,869
	=====	=====
<b>Repayable otherwise than by instalments in more than five years</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
In more than five years	1,000,000	1,000,000
Less : Debenture Discount Account	(8,972)	(12,972)
	=====	=====
	991,028	987,028
	=====	=====

Long term finance from Banks, Building Societies and Bond providers represent loans taken out over a 5 to 33 year period. At 31 March 2020 of the total loans outstanding the ratio of fixed rate loans to variable rate interest loans was 70:30 (2019: 80:20). At the year-end interest rates ranged from 1.58% to 9.87%.

**15d SHG and other grants**

	<b>Housing properties held for letting</b>		<b>Shared ownership properties held for letting</b>	
	<b>Completed</b>	<b>Under Construction</b>	<b>Completed</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
SHG at 1 April 2019	100,688,970	15,519,513	139,087	116,347,570
Additions	813,955	7,160,210	96,134	8,070,299
Reclassification	3,257,195	(3,257,195)	-	-
Disposals	-	-	-	-
	=====	=====	=====	=====
At 31 March 2020	104,760,120	19,422,528	235,221	124,417,869
	=====	=====	=====	=====
At 31 March 2019	100,688,970	15,519,513	139,087	116,347,570
	=====	=====	=====	=====
<b>Amortisation</b>				
At 1 April 2019	(11,462,059)	-	-	(11,462,059)
Charged for the year	(969,897)	-	-	(969,897)
Disposals	-	-	-	-
	=====	=====	=====	=====
At 31 March 2020	(12,431,956)	-	-	(12,431,956)
	=====	=====	=====	=====
<b>Net book value</b>				
At 31 March 2020	92,328,164	19,422,528	235,221	111,985,913
	=====	=====	=====	=====
At 31 March 2019	89,226,911	15,519,513	139,087	104,885,511
	=====	=====	=====	=====

**ATEB GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2020**

**15b Payables**

**Amounts falling due after more than one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Housing Loans	86,946,593	77,300,675
SHG - Deferred Income	111,027,360	103,921,718
Retentions	424,715	179,326
Homebuy Grant - Deferred Income	2,911,848	3,109,033
	=====	=====
	201,310,515	184,510,752
	=====	=====

**15c Housing Loans**

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

**Repayable by instalments**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
One year or less	1,866,549	2,296,221
Between one and five years	27,040,755	15,070,393
In five years or more	59,639,448	61,818,342
	=====	=====
	88,546,753	79,184,956
	(724,639)	(689,087)
	=====	=====
Finance Costs	87,822,114	78,495,869
	=====	=====

**Repayable otherwise than by instalments in more than five years**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
In more than five years	1,000,000	1,000,000
Less : Debenture Discount Account	(8,972)	(12,972)
	=====	=====
	991,028	987,028
	=====	=====

**Housing Loans**

Long term finance from Banks, Building Societies and Bond providers represent loans taken out over a 5 to 33 year period. At 31 March 2020 of the total loans outstanding the ratio of fixed rate loans to variable rate interest loans was 70:30 (2019: 80:20). At the year-end interest rates ranged from 1.58% to 9.87%.

**15d SHG and other grants**

	<b>Housing properties held for letting</b>		<b>Shared ownership properties held for letting</b>	
	<b>Completed</b>	<b>Under Construction</b>	<b>Completed</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
SHG at 1 April 2019	100,688,970	15,519,513	139,087	116,347,570
Additions	813,955	7,160,210	96,134	8,070,299
Reclassification	3,257,195	(3,257,195)	-	-
Disposals	-	-	-	-
	=====	=====	=====	=====
At 31 March 2020	104,760,120	19,422,528	235,221	124,417,869
	=====	=====	=====	=====
At 31 March 2019	100,688,970	15,519,513	139,087	116,347,570
	=====	=====	=====	=====
<b>Amortisation</b>				
At 1 April 2019	(11,462,059)	-	-	(11,462,059)
Charged for the year	(969,897)	-	-	(969,897)
Disposals	-	-	-	-
	=====	=====	=====	=====
At 31 March 2020	(12,431,956)	-	-	(12,431,956)
	=====	=====	=====	=====
<b>Net book value</b>				
At 31 March 2020	92,328,164	19,422,528	235,221	111,985,913
	=====	=====	=====	=====
At 31 March 2019	89,226,911	15,519,513	139,087	104,885,511
	=====	=====	=====	=====

**ATEB GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended 31 March 2020

**15e Grant Recycling Fund**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Opening Balance</b>	376,601	484,741
Property Sales	417,249	101,850
Recycled to Development	(496,000)	(209,990)
	-----	-----
<b>Closing Balance</b>	297,850	376,601
	=====	=====

**15f Homebuy Grant**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
	2,911,848	3,109,033
	-----	-----
Homebuy Grant	2,911,848	3,109,033
	=====	=====

**16 Called up share capital - non equity**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Allotted issued and fully paid		
At the beginning of the year	36	34
Issued	3	3
Cancelled	0	(1)
	-----	-----
At the end of the year	39	36
	=====	=====

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

**17 Reserves**

	<b>At 1 April</b>	<b>Surplus for</b>	<b>Transfer</b>	<b>At 31 March</b>
	<b>2019</b>	<b>the year</b>	<b>of reserves</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Revenue Reserve</b>	24,180,639	6,707,157	(1,072,874)	29,814,921
<b>Designated Reserves</b>				
Business Continuity	189,343	-	(1,617)	187,726
Mill Bay Homes Gift Aid	4,177,613	-	1,066,259	5,243,872
<b>Restricted Reserves</b>				
Donated Properties	140,000	-	-	140,000
Hardship Fund	65,002	-	8,232	73,234
Legacy Fund	17,540	-	-	17,540
	-----	-----	-----	-----
<b>Total</b>	28,770,137	6,707,157	-	35,477,293
	=====	=====	=====	=====
Analysed as:				
Revenue Reserve				29,814,921
Designated Reserves				5,431,598
Restricted Reserves				230,774
				-----
				35,477,293
				=====

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

**18 Capital Commitments**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Capital & development expenditure that has been contracted for but has not been provided for in the financial statements:	19,562,617	16,255,165
	=====	=====
Capital & development expenditure that has been authorised by the Board of Management but has not yet been contracted for:	39,036,430	18,456,287
	=====	=====

The commitments at 31 March 2020 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 2020**

**15e Grant Recycling Fund**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Opening Balance</b>	376,601	484,741
Property Sales	417,249	101,850
Recycled to Development	(496,000)	(209,990)
	<hr/>	<hr/>
<b>Closing Balance</b>	297,850	376,601
	<hr/>	<hr/>

**15f Homebuy Grant**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
	2,911,848	3,109,033
	<hr/>	<hr/>
Homebuy Grant	2,911,848	3,109,033
	<hr/>	<hr/>

**16a Called up share capital - non equity**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Allotted issued and fully paid		
At the beginning of the year	36	34
Issued	3	3
Cancelled	-	(1)
	<hr/>	<hr/>
At the end of the year	39	36
	<hr/>	<hr/>

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

**17a Reserves**

	<b>At 1 April 2019</b>	<b>Surplus for the year</b>	<b>Transfer of reserves</b>	<b>At 31 March 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Revenue Reserve</b>	24,030,770	6,584,698	(1,066,259)	29,549,209
<b>Designated Reserves</b>				
Mill Bay Homes Gift Aid	4,177,613	-	1,066,259	5,243,872
<b>Restricted Reserves</b>				
Donated Properties	140,000	-	-	140,000
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>	28,348,383	6,584,698	-	34,933,081
	<hr/>	<hr/>	<hr/>	<hr/>
Analysed as:				
Revenue Reserve				29,549,209
Designated Reserve				5,243,872
Restricted Reserves (Donated Properties)				140,000
				<hr/>
				34,933,081
				<hr/>

**18a Capital Commitments**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Capital expenditure that has been contracted for but has not been provided for in the financial statements	13,393,534	11,499,112
	<hr/>	<hr/>
Capital expenditure that has been authorised by the Board of Management but has not yet been contracted for:	30,379,180	15,309,813
	<hr/>	<hr/>

The commitments at 31 March 2020 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 2020

### 19 Operating leases

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

	2020 £	2019 £
Commitment:		
Within one year	109,960	109,629
Within two to five years	131,175	208,896
	=====	=====

### 20 Pensions Obligations

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

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

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

The scheme is classified as a 'last man standing arrangement'. Therefore the 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. Prior to 28 February 2019, it has not been possible for the Association to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme and therefore accounted for the Scheme as a defined contribution scheme and recognised a liability equal to the present value of the employers past service deficit contributions. The position has subsequently changed and for financial years ended on 31 March 2019, it is possible to obtain sufficient information to enable the Association to account for the Scheme as a defined benefit scheme. The impact of moving to defined benefit accounting under FRS102 has resulted in a significant increase in the pension fund deficit with changes to the charges passing through the 'Statement of Comprehensive Income' for current year costs and in 'Other Comprehensive Income' for the transition to defined benefit accounting applicable as at 01 April 2018.

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

	31 March 2020 £k	31 March 2019 £k
Fair value of plan assets	9,032	8,425
Present value of defined benefit obligation	10,291	11,357
Surplus (deficit) in plan	(1,259)	(2,932)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(1,259)	(2,932)

#### Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	Period ended 31 March 2020 £k
Defined benefit obligation at start of period	11,357
Current service cost	381
Expenses	12
Interest expense	269
Contribution by plan participants	91
Actuarial losses (gains) due to scheme experience	(126)
Actuarial losses (gains) due to changes in demographic assumptions	(97)
Actuarial losses (gains) due to changes in financial assumptions	(1,462)
Benefits paid and expenses	(134)
Defined benefit obligation at end of period	10,291

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

	Period ended 31 March 2020 £k
Fair value of plan assets at start of period	8,425
Interest income	203
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(109)
Contributions by the employer	556
Contributions by plan participants	91
Benefits paid and expenses	(134)
Fair value of plan assets at end of period	9,032

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2019 was £94,000

# ATEB GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2020

### 19a Operating leases

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

	2020 £	2019 £
Commitment:		
Within one year	92,029	91,442
Within two to five years	120,610	180,400
	=====	=====

### 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 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 2017. This valuation revealed a deficit of £1,522m. A recovery plan has been put in place with the aim of removing this deficit by 30 September 2026.

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

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

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

	31 March 2020 £k	31 March 2019 £k
Fair value of plan assets	8,438	7,857
Present value of defined benefit obligation	9,601	10,579
Surplus (deficit) in plan	(1,163)	(2,722)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(1,163)	(2,722)

#### Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	Period ended 31 March 2020 £k
Defined benefit obligation at start of period	10,579
Current service cost	381
Expenses	9
Interest expense	251
Contribution by plan participants	91
Actuarial losses (gains) due to scheme experience	(127)
Actuarial losses (gains) due to changes in demographic assumptions	(91)
Actuarial losses (gains) due to changes in financial assumptions	(1,361)
Benefits paid and expenses	(131)
Defined benefit obligation at end of period	9,601

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

	Period ended 31 March 2020 £k
Fair value of plan assets at start of period	7,857
Interest income	189
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(105)
Contributions by the employer	537
Contributions by plan participants	91
Benefits paid and expenses	(131)
Fair value of plan assets at end of period	8,438

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2020 was £84,000

**ATEB GROUP LIMITED**

**Balance at 31 March 2020**  
**for the year ended 31 March 2020**

**Defined Benefit Costs Recognised in Statement of Comprehensive Income**

	Period ended 31 March 2020 £k
Current service costs	381
Expenses	12
Net interest expense	66
Defined benefit costs recognised in statement of comprehensive income (SoCI)	459

**Defined Benefit Costs Recognised in Other Comprehensive Income**

	Period ended 31 March 2020 £k
Experience on plan assets (excluding amounts included in net interest costs) - gain(loss)	(109)
Experience gains and losses arising on the plan liabilities - gain (loss)	126
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	97
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	1,462
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	1,576
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
<b>Total amount recognised in other comprehensive income - gain (loss)</b>	<b>1,576</b>

**Assets**

	31 March 2020 £k	31 March 2019 £k
Global Equity	1,321	1,418
Absolute Return	471	729
Distressed Opportunities	174	153
Credit Relative Value	247	154
Alternative Risk Premia	632	486
Fund of Hedge Funds	5	38
Emerging Markets Debt	274	291
Risk Sharing	305	254
Insurance-Linked Securities	277	241
Property	199	190
Infrastructure	672	442
Private Debt	182	113
Opportunistic Illiquid Credit	218	-
Corporate Bond Fund	515	393
Liquid Credit	3	-
Long Lease Property	156	124
Secured Income	343	301
Over 15 Year Gilts	-	-
Liability Driven Investment	2,999	3,082
Net Current Assets	39	16
<b>Total Assets</b>	<b>9,032</b>	<b>8,425</b>

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 2020 % per annum	31 March 2019 % per annum
Discount Rate	2.37	2.33
Inflation (RPI)	2.60	3.28
Inflation (CPI)	1.60	2.28
Salary Growth	2.60	3.28
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	21.5
Female retiring in 2019	23.3
Male retiring at 2039	22.9
Female retiring in 2039	24.5

**ATEB GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2020

**Defined Benefit Costs Recognised in Statement of Comprehensive Income**

	Period ended 31 March 2020 £k
Current service costs	381
Expenses	9
Net interest expense	62
Defined benefit costs recognised in statement of comprehensive income (SoCI)	452

**Defined Benefit Costs Recognised in Other Comprehensive Income**

	Period ended 31 March 2020 £k
Experience on plan assets (excluding amounts included in net interest costs) - gain(loss)	(105)
Experience gains and losses arising on the plan liabilities - gain (loss)	127
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	91
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	1,361
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	1,474
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
<b>Total amount recognised in other comprehensive income - gain (loss)</b>	<b>1,474</b>

**Assets**

	31 March 2020 £k	31 March 2019 £k
Global Equity	1,234	1,322
Absolute Return	440	680
Distressed Opportunities	163	143
Credit Relative Value	231	144
Alternative Risk Premia	590	453
Fund of Hedge Funds	5	35
Emerging Markets Debt	256	271
Risk Sharing	285	237
Insurance-Linked Securities	259	225
Property	186	177
Infrastructure	628	412
Private Debt	170	105
Opportunistic Illiquid Credit	204	-
Corporate Bond Fund	481	367
Liquid Credit	3	-
Long Lease Property	146	116
Secured Income	320	281
Over 15 Year Gilts	-	-
Liability Driven Investment	2,801	2,874
Net Current Assets	36	15
<b>Total Assets</b>	<b>8,438</b>	<b>7,857</b>

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 2020 % per annum	31 March 2019 % per annum
Discount Rate	2.37	2.33
Inflation (RPI)	2.60	3.28
Inflation (CPI)	1.60	2.28
Salary Growth	2.60	3.28
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	21.5
Female retiring in 2019	23.3
Male retiring at 2039	22.9
Female retiring in 2039	24.5

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended 31 March 2020

**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 2019 £10,471,732. As events which could crystallise the debt are unlikely to arise in the foreseeable future, no specific provision is deemed necessary.

**22 Units in Management**

	<b>2020</b>	<b>2019</b>
At end of year	2,879	2,792

**23 Legislative Provisions**

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

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

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

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

**24 Group Structure**

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

**25 Related Parties**

Board members were reimbursed a total of £1,422 for attending meetings.

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

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

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

**26 Pension Provision**

The Association has reviewed its pension provision and has closed the Defined Benefit scheme to new members with effect from 31 March 2018.

It has introduced an enhanced Defined Contribution scheme for new and existing members.

## ATEB GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2020

#### 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 2019 was £9,699,694. As events which could crystallise the debt are unlikely to arise in the foreseeable future, no specific provision is deemed necessary.

22a Units in Management	2020	2019
At end of year	2,879	2,792

#### 23a Legislative Provisions

As at 31st March 2020 the Association is a charitable organisation registered under the Co-operative and Community Benefit Societies Act 2014. It is not registered for Value Added Tax.

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

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

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

#### 24a Group Structure

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

#### 25a Related Parties

Board members were reimbursed a total of £234 for attending meetings.

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

West Wales Care and Repair Limited is a wholly controlled subsidiary company and has an outstanding inter-company debtor balance of £35,737. (2019 debtor: £7,264).

During the year the Parent charged West Wales Care & Repair the following: Office rent £2,646, Management charges £44,900.

Mill Bay Homes Limited is a wholly controlled subsidiary and has an outstanding inter company debtor balance of £6,832,545

(2019: £5,081,514). This is made up of a loan balance of £5,645,000, gift aid of £1,066,259 and management recharges of £121,286.

During the year the parent advanced £6,380,000 in loans and received £4,435,000 in loan repayments from Mill Bay Homes.

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

During the year the parent charged Mill Bay Homes the following: Office rent £14,304, Management charges £45,652 and

Project management charge £5,123.

#### 26a Pension Provision

The Association has reviewed its pension provision and has closed the Defined Benefit scheme to new members with effect from 31 March 2018.

It has introduced an enhanced Defined Contribution scheme for new and existing members.

St John's House Unit 380C  
Merton Road  
BOOTLE  
Merseyside  
L69 9BB

Mr P Maggs  
Chief Executive  
Pembrokeshire Housing Association  
Meyler House, St Thomas Green  
Haverfordwest  
Pembrokeshire  
SA61 1QP

Tel: 0151 472 6029/6030/6053

Fax: 0151 472 6068

Minicom: 0151 472 6112

Date: 4th June 1999  
Our Ref: XR28295  
Your Ref: PFM/DD

*Pembs Housing  
Assoc. H'west*

**HELP ME**

To improve customer service please quote  
our full reference. If possible, can I also  
have a day time telephone number?

Dear Mr Maggs

**PEMBROKESHIRE HOUSING ASSOCIATION**

Thank you for your letter of 5 May 1999.

The above is accepted as a charity for tax purposes with effect from 31 March 1999 under our reference XR28295. The charitable tax exemptions can therefore be claimed to the extent that income and/or gains are applicable and applied to charitable purposes only.

Charity accounts should not be submitted unless called for by this office.

You should keep this letter in a safe place. The Registrar of Friendly Societies may require a copy as evidence that the organisation can claim the tax exemptions available to charities under the Taxes Acts.

I have advised my colleague at Haverfordwest of the position and he will take up the question of tax liability to 31 March 1999. He will then transfer his file to this office to deal with the Association's tax affairs.

**If you need any further help or information please ring one of the following helplines:**

Charity Repayment Claims	0151 472 6036 or 6037	Gift Aid	0151 472 6038
Deeds of Covenant	0151 472 6036 or 6037	Charity Trading	0151 472 6043 or 6046
Charity CT Pay & File	0151 472 6054		

**If you require any additional booklets or forms please ring 0151 472 6293 or 6294, or fax your requirements on 0151 472 6268.**

Yours sincerely

*Ken Smyth*  
**KEN SMYTH**  
Technical Adviser  
CHY129.bh

KS127.chy

