



Mutual Societies Annual Return Form (AR30)

For societies registered under the Co-operative and Community Benefit Societies Act 2014

Society name:

ateb group ltd

Important information you should read before completing this form

You must use this form if you are a:

- registered society (previously referred to as an 'industrial and provident society')
- co-operative society
- community benefit society

registered under the Co-operative and Community Benefit Societies Act 2014.

You must submit this form and the society's accounts within 7 months of the end of your financial year. Failure to submit is an offence for which the society may be prosecuted.

Please note:

- we have an information note that may assist you in completing this application
- any personal details you give on the form will be placed on the society's public file.
- it is important you give accurate and complete information and disclose all relevant information. If you do not, it may take us longer to process your annual return.

Please keep a copy of the form and supporting documents for future reference.

Terms in this form

'FCA', 'PRA', 'us' and 'we' refer to the Financial Conduct Authority or Prudential Regulation Authority.

'You' refers to the person signing the form on behalf of the society.

'The 2014 Act' is the Co-operative and Community Benefit Societies Act 2014



Mutual Societies Annual Return Form (AR30)

For societies registered under the Co-operative and Community Benefit Societies Act 2014

Filling in the form

1 If you are using your computer to complete the form:

- use the TAB key to move from question to question and press SHIFT TAB to move back to the previous question; and
- print the completed form and arrange for it to be signed by all relevant individuals.

2 If you are filling in the form by hand:

- use black ink;
- write clearly; and
- arrange for it to be signed and dated by all relevant individuals.

3 If you make a mistake, cross it out and initial the changes; do not use correction fluid.

4 If you:

- leave a question blank;
- do not get the form signed; or
- do not attach the required supporting information

without telling us why, we will treat the application as incomplete. This will increase the time taken to assess your application.

5 If there is not enough space on the form, you may use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number. Any separate sheets should be signed by the signatories to the form.

6 Email a scanned copy of the signed form and supporting documents to

mutualsannrtns@fca.org.uk

or send it by post to:

Mutuals Team
Financial Conduct Authority
25 The North Colonnade
Canary Wharf
LONDON
E14 5HS

7. Please make sure you include:

- this form
- a set of printed accounts – signed by two members and the secretary (3 signatures in total)
- an audit report or accountant's report where required; and
- any supporting documents.

1

Details of society

1.1 Details of the society

Register number	2330R
Registered office address	Meyler House, St Thomas Green, Haverfordwest, Pembrokeshire
Postcode	SA61 1QP

1.2 Year end date (dd/mm/yyyy)

See Note 1.2

3	1	/	0	3	/	2	0	1	8
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Committee of management

If you are a club you do not need to give a year of birth in questions 1.3-1.6.

The names of the members of the Committee at the date on which the return is signed should be entered below in BLOCK CAPITALS.

1.3 Details of Chairman

Name	Mr Mark Lewis
Address	38 West Lane Close Keeston Haverfordwest
Postcode	SA62 6EW
Year of birth	1953
Business occupation and other directorships	Retired Finance Director

1.4 Details of Treasurer

Name	N/A
Address	N/A
Postcode	N/A
Year of birth	N/A
Business occupation and other directorships	N/A

1.5 Details of Secretary

Name	Mr Nicholas Hampshire
Address	28 Tydfil Place Roath Park Cardiff
Postcode	CF23 5HP
Year of birth	1965
Business occupation and other directorships	Housing Association Chief Executive

1.6 Details of Members of the Committee

Name	Address	Year of birth	Business occupation and other directorships
Mrs Christina Hirst (retired Sept 17)	Ravel Brynberian Crymych Pembrokeshire SA41 3TQ	1966	Chartered Surveyor
Mr Martin Bell (retired Sept 17)	Longstone Farmhouse Ludchurch Narberth SA67 8PE	1944	Retired planning officer.
Mr Ronald Butler	Anleigh View Clay Lanes Haverfordwest SA61 1UH	1947	Retired Chartered Surveyor. Board of Mill Bay Homes and West Wales Care & Repair
Mrs Geraldine Campbell	15 Addison Road Haverfordwest SA61 1UB	1951	Retired Head Occupational Therapist. Board of West Wales Care & Repair
Mr Brian Charles OBE (retired Sept 17)	8 Ty Charlotte Marconi Avenue Penarth CF64 1SU	1937	Former Executive chairman of Welsh Water and Trustee of National Botanic Gardens
Mr Edward Lewis (retired Sept 17)	2 Rock Cottage St Julian's Street Tenby SA70 8BH	1953	Retired Senior Partner Solicitor

Please use separate sheets of paper if you need more space, following the instructions provided in section 5 above.

Please indicate how many separate sheets of paper you have used

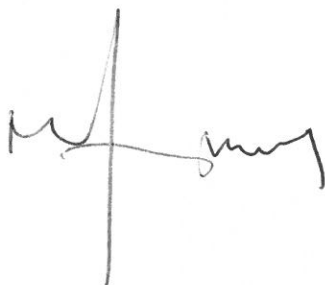
1

Please continue, answering all questions.

ateb Group Ltd - FCA RETURN 2017-2018

1.6 Details of Members of the Committee (additional page)

Name	Address	Year of birth	Business occupation and other directorships
Cllr David Simpson (retired Sept 17)	Oakdale House Gower Villa Lane Clynderwen SA66 7NL	1951	Leader of local council and Magistrate.
Mr Hugh Watchman	Rose Cottage Bethesda Narberth SA67 8HQ	1962	Buyer for large Electrical Independent Buying Group. Board of West Wales Care & Repair
Mrs Hannah Dahill	Westbury House Old Rosemarket Road Johnston Haverfordwest SA62 3HG	1983	HR Solicitor
Mr David Birch	4 Cefn Llan Pentyrch Cardiff CF15 9QX	1947	Director of Property Management company

A handwritten signature in black ink, appearing to be 'M. J. Jones', written over a vertical line that extends from the top of the page down towards the bottom.

1.7 Are any members of the society's committee disqualified as directors under the Company Director Disqualification Act 1986?

- ☒ No
☐ Yes

1.8 Does the society carry out any activity which is regulated under the Financial Services and Markets Act 2000? (e.g. accepting deposits in a form other than withdrawable shares; offering insurance products; undertaking residential mortgage business). If 'yes' please state the society's Financial Services Register firm reference number

- ☒ No
☐ Yes

Financial Services Register firm reference number

1.9 Is the society a subsidiary of another society?

- ☒ No
☐ Yes

1.10 Does the society have one or more subsidiaries?

- ☐ No
☒ Yes

1.11 Is the society currently accepted by the HM Revenue and Customs as a charity for tax purposes?

- ☐ No
☒ Yes

Please confirm you have attached a copy of the letter from HM Revenue and Customs confirming charitable tax status:

- ☒ Yes

1.12 Is this society a charity registered with the Office of the Scottish Charity Regulator (OSCR)?

- ☒ No
☐ Yes ► provide your Scottish Charity number below

1.13 Is the society registered with one of the following (please tick)?

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

If so, please provide your register number

All societies must answer the following questions:

- if a **bona fide co-operative society** go to question 1.14
- if **existing for the benefit of the community** go to question 1.19

Bona fide co-operative society

1.14 How did members benefit from the business, industry or trade of the society during the year?

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1.15 Is membership of the society required to obtain the benefits offered by it?

- ☐ Yes
☐ No

1.16 In what way did members participate in an ongoing basis in the society's primary business during the year?

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1.17 How did members democratically control the society?

--

1.18 How did the society use any surplus/profit?

If the society distributed the surplus/profit to members please explain how this was done.

--

Please use separate sheets of paper if you need more space (see section 5 above)

Please indicate how many separate sheets of paper you have used.

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Continue to 2.1

Community benefit society**1.19 Who are the community the society benefited?**

People in housing need who are unable to afford to rent or buy in the private market.

1.20 How did the society benefit that community during the year?

It provided affordable quality rented homes and associated facilities and amenities.

1.21 How did the society use any surplus/profit?

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

Please use separate sheets of paper if you need more space (see section 5 above).

Please indicate how many separate sheets of paper you have used.

Continue to 2.1

2 Statistics

Account details

2.1 You must enter the figures below

See notes for help on items E-T. Enter NIL where applicable

A	Members at beginning of year	58
B	Members ceased during year	28
C	Members admitted during year	4
D	Members at end of year	34
E	Turnover for year	£14,993,441
F	Total of income and expenditure (receipts and payments added together)	£31,094,681
G	Net surplus/(deficit) for year	£2,949,435
H	Fixed assets	£189,259,471
I	Current assets	£29,130,218
J	Total assets (equal to amount in row O, below)	£218,389,689
K	Current liabilities	£12,531,079
L	Share capital	34
M	Long-term liabilities	£180,409,063
N	Reserves	£25,449,513
O	Total liabilities, share capital & reserves (K+L+M+N) (equal to amount in J above)	£218,389,689
All societies (excluding clubs) must complete boxes P-T		
P	Investments in other registered societies	0
Q	Loans from members	0
R	Loans from Employees' Superannuation Schemes	0
S	Dividends on sales	0
T	Share interest	0

2.2 Names of subsidiaries as defined in sections 100 and 101 of the Co-operative and Community Benefit Societies Act 2014

Mill Bay Homes Ltd
West Wales Care & Repair

2.3 Names of subsidiaries not dealt with in group accounts (if any) and reasons for exclusions (as approved by the FCA)

The society must have written authority from us to exclude a subsidiary from group accounts

3

The audit

3.1 Type of audit used for the attached accounts.

If the society has used a full professional audit or an accountant's report then the report must be prepared by a registered auditor.

- ☒ Full professional audit ▶ Continue to section 4
- ☐ Accountant's report ▶ Complete questions 3.2 and 3.3
- ☐ Lay audit ▶ Complete questions 3.2 and 3.3
- ☐ Unaudited ▶ Complete questions 3.2 and 3.3

3.2 Do the society's registered rules allow the society not to undertake a full professional audit?

- ☐ No
- ☐ Yes

3.3 Has the membership passed at a general meeting a resolution allowing the society not to undertake a full professional audit for the year of account in question? (In accordance with section 84 of the Co-operative and Community Benefit Societies Act 2014)

- ☐ No
- ☐ Yes

4 Accounts and signature

Accounts

4.1 Date on which the accounts and balance sheet will be/were laid before the AGM (dd/mm/yyyy)

1	2	/	0	9	/	2	0	1	8
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4.2 Has your society produced accounts to the minimum standard required?

☒ Yes ▶ you must confirm that you have attached the accounts and the audit/accountant's report bearing the original signatures of the auditor (if required by law), the secretary and the two committee members.

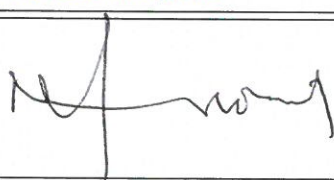
☐ Attached

☐ No ▶ you must produce accounts to the minimum standard required, see notes for details.

Signature – all societies to complete

4.3 The Secretary of the society must sign and date below

I certify that the information in this form is correct to the best of my knowledge and belief.

Name	Mr Nicholas Hampshire
Signature	
Phone number	01437 763688
Email	nick.hampshire@atebgroup.co.uk
Date	12/09/2018



ATEB GROUP LIMITED

(Formerly known as Pembrokeshire Housing Association Limited)

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

For the year ended 31st March 2018

ATEB GROUP LIMITED
CONSOLIDATED REPORT AND FINANCIAL STATEMENTS
For the year ended 31st March 2018

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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. M. Lewis, CPFA (Chair) Mr. R. Butler, PG Dip (Con.Mgmt.), FRICS (Vice-Chair) Mr. M. Bell, BA, DipTP, MRTPI (resigned Sept 2017) Mr. D.Birch (appointed July 2017) Mrs. D. Campbell Mr. B. Charles, CPFA, OBE (resigned Sept 2017) Mrs. H. Dahill (appointed July 2017) Mrs. C. Hirst, DipRSA, BSc (Hons), MSc, FRICS (resigned Sept 2017) Mr. E. Lewis (resigned Sept 2017) Cllr. Mr. D. Simpson (resigned Sept 2017) Mr. Hugh Watchman		
Group Chief Executive:	Mr. N. Hampshire, BSc (Hons), MBA, MRICS		
Senior Executives:	Mr. A. Williams, FCCA (Group Finance Director) Mrs. E. Brock BSc, MSc, MCIH (Housing Director) Mr. N. Sinnett, BSc, MRICS, AaPS (Group Property Services Director)		
Secretary:	Mr. N. Hampshire, BSc (Hons), MBA, MRICS		
Registered Office:	Meyler House, St. Thomas Green, Haverfordwest, Pembrokeshire. SA61 1QP		
External Auditors:	Bevan & Buckland Chartered Accountants & Statutory Auditors Langdon House Langdon Road Swansea SA1 8QY		
Internal Auditors:	RSM Regus House Cardiff Gate Business Park Cardiff CF23 8RU		
Principal Solicitors:	Hugh James 114 – 116 St Mary Street Cardiff CF10 1DY	Devonshires 30 Finsbury Circus London EC2M 7DT	Blake Morgan One Central Square Cardiff CF10 1FS
Bankers:	Barclays Bank PLC Windsor Court 3 Windsor Place Cardiff CF10 3AX		
Funders:	Barclays Bank PLC The Royal Bank of Scotland PLC Principality Building Society The Housing Finance Corporation The Co-operative Bank PLC 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 2018.

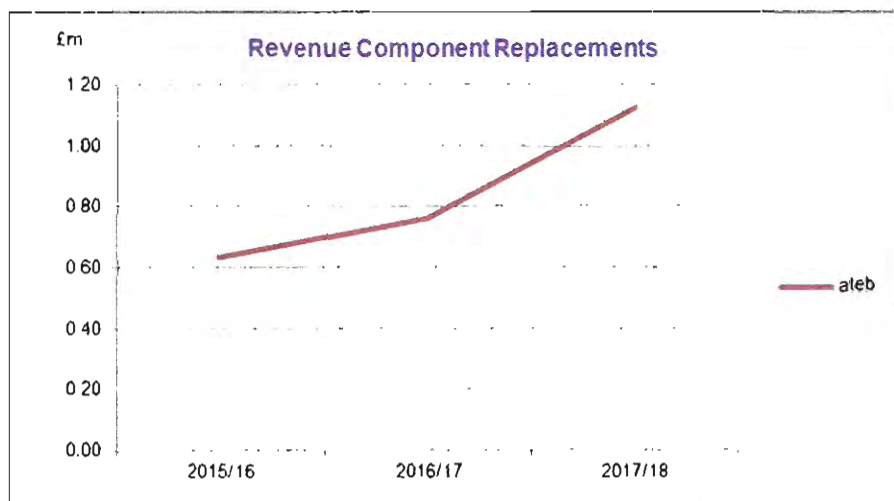
Strategic Report

2017-18 Financial Performance

2017-18 returned a strong financial performance for the Group with all companies performing well. Although the net surplus for the year at 12.7% was down on the previous year (14.2%), this was after absorbing one-off costs and a significant increase in replacement component costs as we continue to maintain a high level of investment in our properties.

This was the main reason for the increase in operating costs in the affordable and social housing business (£0.3m). The total revenue spend on replacement components was £1.1m (2017:£0.8m) and components classified as capital spend amounted to £1.5m (2017:£1.4m). Property maintenance is a large area of expenditure in this business and includes kitchen, bathroom and boiler replacements as well as improving energy efficiency.

The impact on operating costs that can arise from a varying level of revenue component spend is illustrated in the following graph:



It can be clearly seen that 2017-18 has incurred a much higher level of spend as components come to the end of their useful economic lives.

Donated land value adjustments in respect of properties acquired from developers under Section 106 planning obligations have also resulted in a reduction in the net surplus. This can vary significantly from year to year and is largely outside the control of the business:

Donated Land Adjustment			
£m	2015/16	2016/17	2017/18
ateb	1.3	0.6	0.3

ATEB GROUP LIMITED
REPORT OF THE BOARD OF MANAGEMENT

Group highlights

- turnover grew by 4.6% to just over £24m
- all loan covenants were complied with by a comfortable margin
- social housing units in management increased by 2.8% to 2,690no

The subsidiary businesses of Mill Bay Homes and West Wales Care and Repair both performed well:

- **Mill Bay Homes** returned over £1m in gift aid to the parent; a performance that is consistent with previous years. 47no. new homes were sold during the year and 31no. reservations taken on properties under construction. Mill Bay achieved its 150th sale during the year and sales activity continues to remain strong.
- **West Wales Care and Repair** helped over 3,000 older people to continue living safely and independently in their own homes. A surplus of £129k was returned which will strengthen reserves and ensure the future stability and development of the Agency in the delivery of services to those who need them.

Financial Statements

The Statement of Financial Position has increased in strength with fixed assets and investments increasing by 3.7% to £192.4m and reserves by 13.5% to £26.0m. Cash and ready access to secured loan facilities ensures that all current commitments are fully funded.

A summary of the financial performance of the Group is shown below:

Statement of Comprehensive Income	Group	ateb	WWCR	Mill Bay
2017-18	£m*	£m	£m	£m
Turnover	24.2	15.0	0.8	8.4
Operating costs and cost of sales	(18.2)	(10.4)	(0.7)	(7.1)
Operating surplus	6.0	4.6	0.1	1.3
Net interest and other costs	(3.0)	(1.7)	-	(1.3)
Surplus for the year	3.0	2.9	0.1	-

**inter-company costs cancel out on consolidation*

Statement of Financial Position	Group	ateb	WWCR	Mill Bay
2017-18	£m*	£m	£m	£m
Tangible fixed assets/investments	192.5	198.1	-	-
Net current assets	13.9	7.8	0.6	5.6
Total assets	206.4	205.9	0.6	5.6
Trade payables > 1 year	(180.4)	(180.4)	(0.1)	(5.6)
Reserves	26.0	25.5	0.5	-

**inter-company balances cancel out on consolidation*

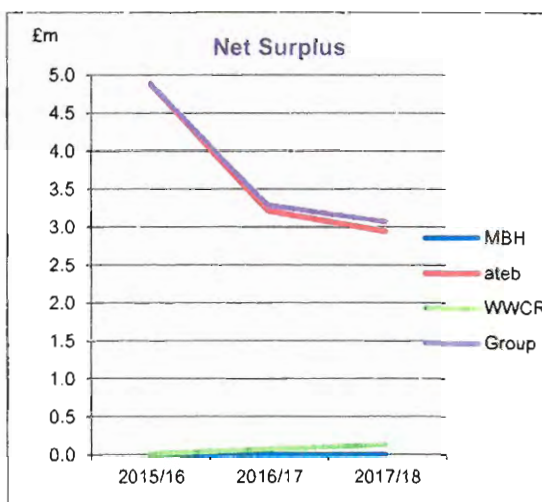
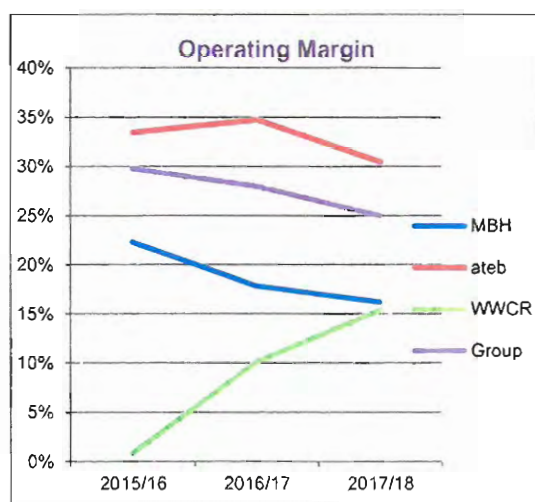
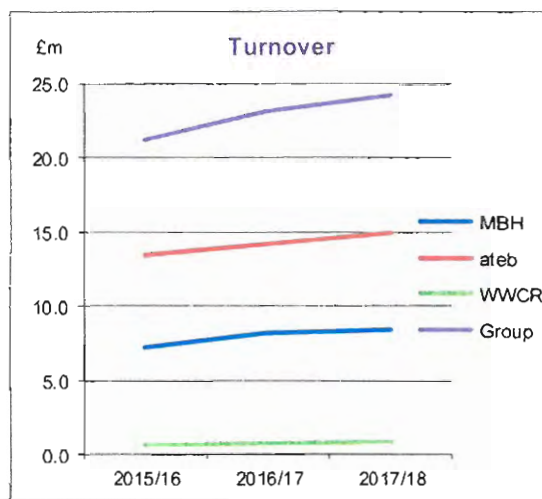
ATEB GROUP LIMITED
REPORT OF THE BOARD OF MANAGEMENT

Key performance indicators	Group	ateb	WWCR	Mill Bay
2017-18				
Operating margin	25%	30%	15%	16%
Months cash/secured loans available		30		
Interest cover (min. 1.1)		1.6		
Gearing (max. 80%)		65%		

The Group will continue to pursue its policy of reinvesting surpluses for the benefit of its customers through our investment programmes in improving services, maintaining our properties and in developing new homes.

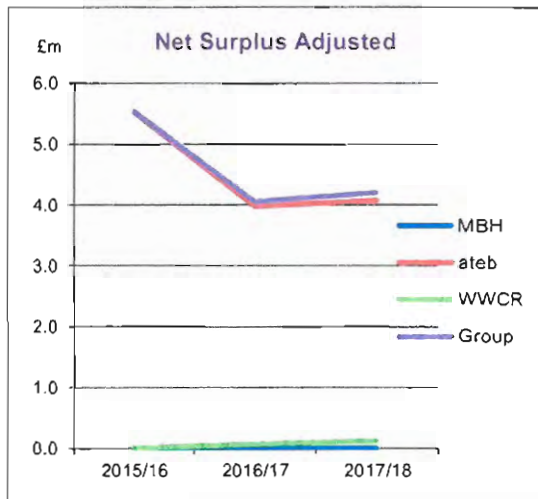
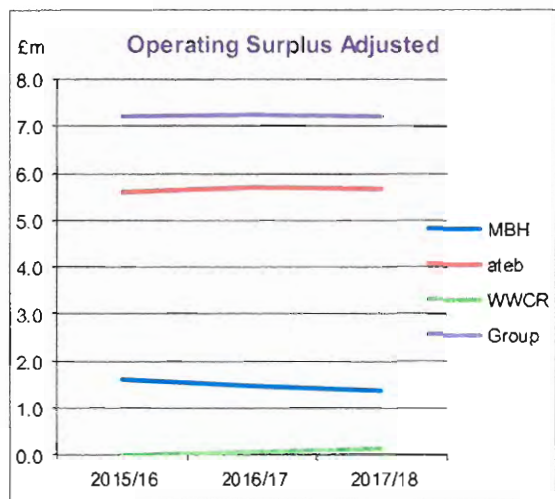
Prior Year Comparisons

The following charts show high level financial performance since 2015/16 when FRS102 was first applied:

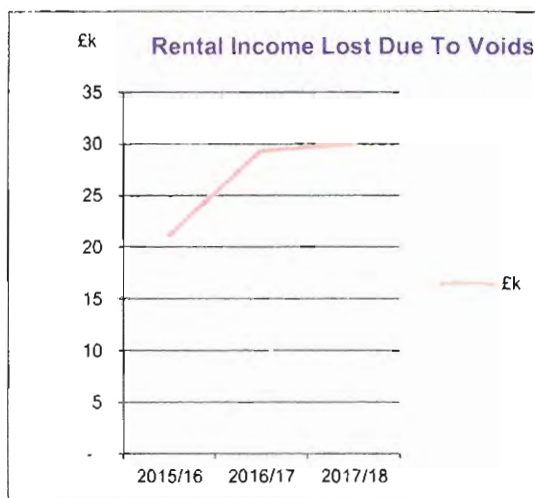
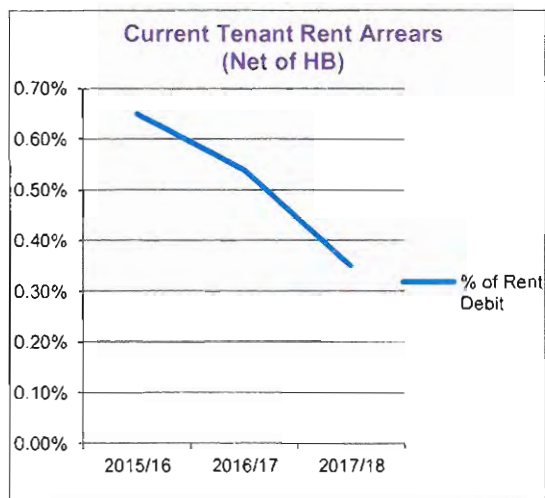


ATEB GROUP LIMITED REPORT OF THE BOARD OF MANAGEMENT

After adjusting for the impact of revenue component costs and donated land accounting adjustments, the financial performance is much more consistent as shown in the following graphs:



We continue to improve our performance in controlling rent arrears and income lost due to voids as evidenced by the graphs shown below:



Value for Money – Global Accounts Indicators

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.

ATEB GROUP LIMITED
REPORT OF THE BOARD OF MANAGEMENT

When measured against the Global Accounts VFM indicators, the Group performs very well:

Indicator	Welsh Sector 2015-16*	Welsh Sector 2016-17*	ateb Group 2017-18*
Operating costs per unit	£3,012	£2,795	£2,208
Management costs per unit	£981	£999	£860
Reactive repairs costs per unit	£1,052	£976	£904
Capitalised component cost per unit	£679	£615	£562
Bad debts per unit	£28	£28	£14
Weighted average cost of capital	4.56%	4.52%	4.03%
Free cash flow	£1.73m	£1.11m	£1.89m
Gross rent arrears/lettings	4.00%	4.58%	3.20%
Total rent charges per unit	£5,027	£4,869	£5,574
Rent void loss per unit	£64	£49	£11

*shown at out-turn price level

2018-19 Priorities

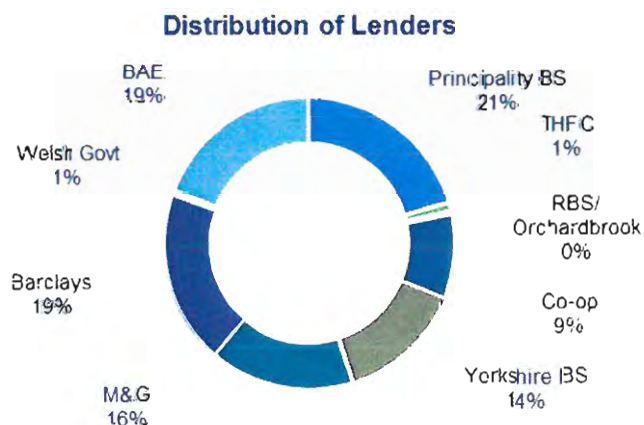
Our Service Delivery Plan will be fully implemented in 2018/19 and this will become the VFM platform for driving out efficiency and improving customer service. This will also give us a better understanding of the underlying factors which influence operating costs across the service areas in the business.

Our new Strategic Plan sets out key aims that are directly linked to managing resources economically, efficiently and effectively to provide quality services and deliver continuous improvement in what we do.

We will engage further with customers and staff in re-shaping our values through our 'involve-to-inform' initiatives.

Debt Structure and Treasury Policy

At 31 March 2018, we had £86m of drawn debt funding, a decrease from 2017 (£88m). We have a well-balanced portfolio, with a good mix lenders/investors, types of loan and terms to repayment:



Refinancing Risk

Our re-financing risk over the next six years is expected to be £29m spread between July 2021 and October 2023:

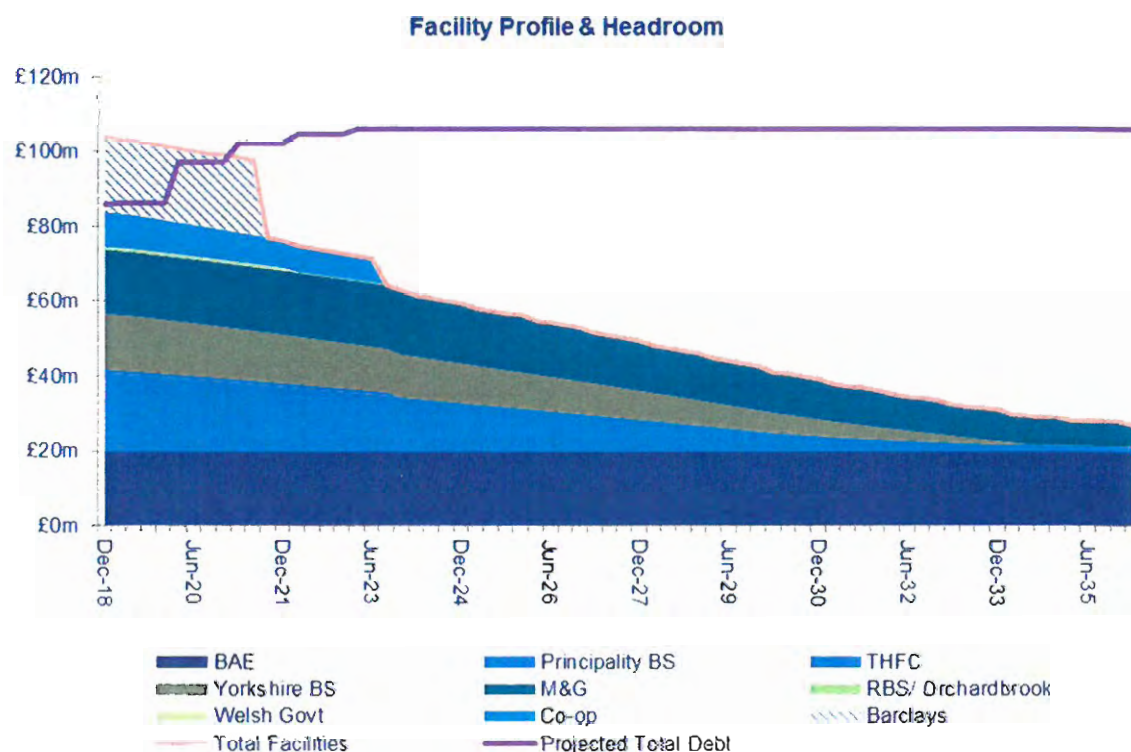
Lender	Amount	Repayment Date
Barclays Bank	£20m	July 2021
Co-operative Bank	£8m	August 2023
THFC	£1m	October 2023

Liquidity

As at 31 March, we maintained £20m of secured undrawn facilities available for immediate drawdown, and £12.6m of cash in hand making a total available liquidity of £32.6m. This is sufficient to fund over two years' commitments. In addition, we have an overdraft facility of £2m which acts as a short-term liquidity buffer.

Forecast Borrowing

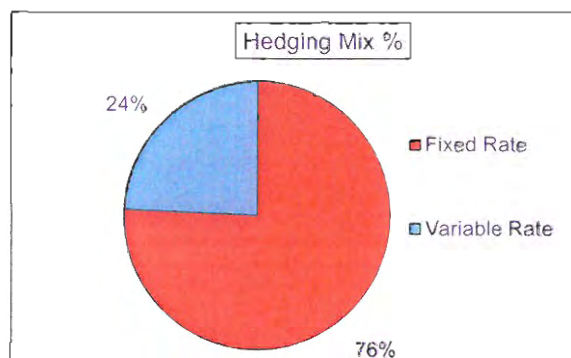
Based on our latest business plan, our debt is forecast to increase from £86m to a peak of £106m in 2022/23. The chart below sets out our forecast debt in 2023 relative to our available drawn and undrawn facilities:



ATEB GROUP LIMITED
REPORT OF THE BOARD OF MANAGEMENT

Interest Rate Risk

At 31 March 2018, 76% of the current debt is fixed. The following chart shows the mix:



Fixed interest rate loans are expiring at different intervals:

Lender	Balance @31/03/18	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
PBS	£1,187,616			£0											£0		£0		£0												
	£326,971														£0		£0														
	£592,626																														
	£3,761,218																£0														
	£2,554,032																£0														
	£607,455									£0																					
	£457,630									£0																					
	£215,426										£0																				
	£330,122										£0																				
	£250,029											£0																			
	£260,777												£0																		
	£448,399													£0																	
	£4,492,064														£0																
	£168,388																														
	£4,079,648																								£0						
	£2,092,400																									£0					
	£21,624,977																														
M&G	£12,750,000																														£0
RBS	£361,702																£0														
BAE	£20,000,000																														£0
THFC	£1,000,000													£5.8m																	
YBS	£8,000,000																														
WG	£530,917		£0.53m																												
WG	£629,371			£0.63m																											
Total	£65,086,867																														

Note: Values in the final columns are the loan balances outstanding.

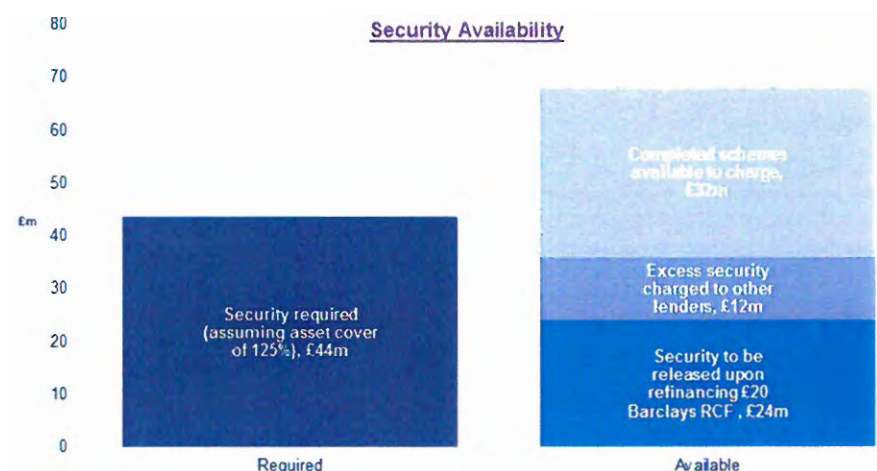
ATEB GROUP LIMITED

REPORT OF THE BOARD OF MANAGEMENT

In the short term c.76% of the debt is fixed, and over 50% of the forecast debt is fixed for five years or more. The next significant interest rate exposure is the expiry of the Yorkshire BS loan in 2027. This is a healthy position to be in but also has the benefit of not being fully fixed, thus providing some advantage from the current low interest rate environment. It also allows scope for further debt to be fixed if so desired, e.g. when the £20m Barclays Bank and £8m Co-operative Bank loans are refinanced.

Security

The graph below shows our forecast debt requirement compared with the property values that are available to secure that debt. It can be seen that there is more than sufficient collateral available to secure the debt requirement in the five-year business plan. Assuming an asset cover of 125%, we will need £44m of property to secure the £35m borrowing requirement. Over £68m of property is available - an excess of £24m. The £68m available comprises; £24m that could be released from charge when the £20m Barclays Bank RCF is refinanced, £12m in excess security charged to other lenders and £32m in completed schemes that are available for charging.



Cash flow

Net cash inflow from group operating activities during the year was £8.98m (2017: £6.54m). 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.

Governance and Service Delivery

Organisational Structure, Governance & Risk Management

The Group structure is shown as follows:



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 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.
- Audit 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 Audit Committee.

Mill Bay Homes Limited and West Wales Care and Repair Limited are wholly owned subsidiaries.

Legal status and Governance Framework changes

We saw significant improvements in our governance systems through 2017/18. Here is a summary of the key changes:

Mill Bay Homes Limited (MBH)

- Change of legal status from Registered Social landlord to a company limited by shares and registered under the Companies Acts. A single share is held by ateb Group limited (AG)
- New Articles of Association based on Model Articles

ATEB GROUP LIMITED REPORT OF THE BOARD OF MANAGEMENT

- New floating charge agreement as security for the maximum limit of £10M on-lending from AG to MBH
- New arms-length Loan facility Agreement setting out the terms of the on-lending arrangement
- New directors appointed 3no. AG employees (Chief Executive, Group Finance Director, Group Property Services Director), 1no. independent Chair (Michael Westerman, previously an AG & MBH Board Member), 1no. AG Board Member (Ron Butler, previously the MBH Chair)
- Board Terms of Reference, Financial regulations and Standing Orders and Schedule of Delegated authority updated to reflect changes
- Full compliance with Regulatory Circular 05/08

West Wales Care & Repair (WWCR)

- Change of legal status from Registered Social Landlord to charitable Community Benefit Society with a single share being held by AG
- New company rules based on Community Housing Cymru 2017 Model rules
- Board of Management: 2no. Councillors from Pembrokeshire County Council, 2no. Councillors from Ceredigion County Council and 2no. Board Members from AG
- Board Terms of Reference, Financial regulations and Standing Orders and Schedule of Delegated authority updated to reflect changes.

ateb Group Limited

- New company rules based on Community Housing Cymru 2017 Model Rules (legal and regulatory status remains unchanged)
- Change of name from Pembrokeshire Housing Limited to **ateb** Group Limited
- Board of Management appointed during the year consisted of 7no.
- New CHC code of Governance
- Board Terms of Reference, Financial regulations and Standing Orders and Schedule of Delegated authority updated to reflect changes.

Rebranding to **ateb** Group Limited

On the 1st March 2018 we formally launched our new brand **ateb**. This move had been planned for circa two years and was a response to changing operational and political landscapes.

The Welsh Government has been actively seeking local government reorganisation across Wales, which in our area of operation would possibly see Pembrokeshire working closely with or merged with Carmarthen and/or Ceredigion.

With the Tai Cantref merger with Wales & West, we anticipated a shift in the way development activity was undertaken in Pembrokeshire as a consequence. As we are currently only zoned to Pembrokeshire for Social Housing Grant, the merger and change in approach could negatively impact our aspirations.

Having considered the above changes and recognised a desire to evolve our strong brand and track record of performance, the decision was taken to rebrand the organisation, refresh our purpose and DNA (culture/values) and establish 3no. clear strategic aims for the group.

Throughout 2017/18 the whole team have been involved in understanding what is important to our success and what we need to do to realise it. The result was a document called 'The Manual' which sets out what good should look like for **ateb**. The Manual is supported by five more detailed documents:

- What you can expect from us – our service commitment to our customers
- 'We are **ateb**' – our analysis of the behaviours, leadership style and technical skills we will need to be

ATEB GROUP LIMITED

REPORT OF THE BOARD OF MANAGEMENT

present throughout our teams and running through our role profiles and personal achievement framework

- Strategic Plan – our 3 year strategic plan supported by a 5-year business plan
- Service Delivery Plan – our proposed operational framework
- 'Rest Assured' – our approach to giving assurance that we are doing what we say in 'The Manual'
- The above framework will be actioned in 2018/19 to support the new ateb brand. The rebranding and repositioning process will take a number of years to fully establish

Some key headlines from the rebrand:

- All tenants communicated the new name and the reasons for change ahead of the launch.
- Welsh Government involved and approved all proposals
- Two shareholder events to promote the change with a successful 80%+ vote for change
- We are promoting our brand as 'ateb' but have the company name of 'ateb Group Limited'
- Our new 'Engage Initiative' was launched at the same time as the new name to gather the views of tenants on key business matters
- Costs of the rebrand were contained well within approved budgets
- New web site and social media launched – www.atebgroup.co.uk and we are on Facebook and Twitter
- A new approach to communicating our brand externally to appeal to a wider audience
- Evolution of our systems to support our new brand (The Manual)

Regulatory Performance and Risk Management

Regulatory Framework

The Welsh Government introduced its new Regulatory Framework in 2017/18. The Framework operates on a co-regulation basis and focuses on ten performance standards.

We received our first judgement in Q1 17/18 as follows:

- **Governance and Services: Standard**
- **Financial Viability : Standard**

The judgement is available on our website www.atebgroup.co.uk

The Regulator highlighted two areas of ongoing development:

- increase our gender balance on our Board
- show how we 'hard wire' tenant involvement into our strategic planning process

Both development areas have been subsequently included in our strategic plan as priorities for our ongoing development.

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.

Our approach to risk management is continually reviewed and monitored by the Audit 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.

ATEB GROUP LIMITED

REPORT OF THE BOARD OF MANAGEMENT

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.

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

Strategic Plan

During the year we have developed a new 3-year strategic plan based on three strategic aims:

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

The plan has identified 19no. strategic priorities for the Board over the course of the plan and is supported by a 5-year business plan from which we have set our 3-year financial targets. It is our intention that we will produce an Annual Strategic Report at the end of each financial year setting out our performance against the plan and financial targets. The first full review will be for the financial year 2018/19.

The strategic plan incorporates a number of our on-going corporate objectives as well as introducing new priorities primarily around the rebrand and underlying improvements, governance enhancement, new business development and service delivery improvements.

Key 2018/19 Corporate Dates

Corporate Review (including Internal Audit Review, Strategic Plan and 5 year Business Plan)	Apr 18
Private Finance Return	May 18
Annual Statement of Schedule 1 exemptions	May 18
Tenant Satisfaction Results	Jun 18
AGM's	Jul 18
Qtr1 Management Accounts	Jul 18
Financial statements	Jul 18
Annual Statement of Compliance return	Jun 18
30 year Financial forecasts	Aug 18
Regulatory Judgement	Q2 18
Annual Review (including Self Evaluation 18/19)	Sep 18
Qtr2 Management Accounts	Oct 18
Qtr3 Management Accounts	Jan 18
Development & Diversification Survey	Feb 19

Changes in Fixed Assets

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

ATEB GROUP LIMITED

REPORT OF THE BOARD OF MANAGEMENT

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.

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 Audit 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 2017. 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.

ATEB GROUP LIMITED
REPORT OF THE BOARD OF MANAGEMENT

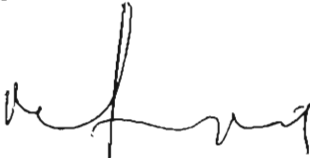
Post Balance Sheet Events

There are no significant post balance sheet events.

Auditors

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

By Order of the Board

A handwritten signature in black ink, appearing to be 'N. Hampshire', written over a vertical line that extends downwards from the signature.

N. Hampshire
Secretary

Date: 28/06/18

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 2018, we have reviewed the Board's statement of ATEB Group Limited's ("the Association") 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 Association's corporate governance procedures or its internal financial control.

Opinion

With respect to the Board's statement on internal financial control on page 14, in our opinion the Board of Management has provided the disclosures required by the Circular and the statement is consistent with the information of which we are aware from our audit work in the financial statements.

A handwritten signature in black ink that reads "Bevan + Buckland". The signature is written in a cursive, flowing style.

Bevan & Buckland

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

Date: 28.06.18

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 2018 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 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other Information

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of the board

As explained more fully in the Statement of Responsibilities of the Board (set out on page 14), the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Bevan & Buckland

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

Date: 28.06.18

ATEB GROUP LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2018

	Notes	2018 £	2017 £
Turnover	2	24,256,630	23,178,821
Cost of Sales		(6,906,172)	(6,572,005)
Gross Surplus		17,350,459	16,606,816
Less: Operating costs	2	(11,286,168)	(10,115,120)
Operating Surplus	5	6,064,291	6,491,696
Gain/(loss) on disposal of property, plant and equipment	6	(25,242)	36,741
Finance/Investment Income	7	32,505	53,377
Finance Costs	8	(3,494,083)	(3,382,351)
Loan Breakage Fee	9	-	(600,244)
Housing Finance Grant		239,057	120,663
Donated Land Value Adjustment		345,134	609,066
Other Income		25,344	29,755
Corporate Rebranding		(108,650)	-
Surplus for the year before taxation		3,078,355	3,358,703
Taxation		-	-
Surplus for the year after taxation		3,078,355	3,358,703
Actuarial (loss) in respect of pension schemes		(81)	(63,666)
Total comprehensive income for the year		3,078,274	3,295,037
		=====	=====

CONSOLIDATED RESULTS

Companies included are as follows :

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

CONTINUING OPERATIONS

None of the Association's activities was acquired or discontinued during the two financial years.
Pembrokeshire Housing Association Limited changed it's name to ateb Group Limited in March 2018.

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
for the year ended 31 March 2018

	Revenue Reserve £	Restricted Reserve £	Total Reserves £
Balance at 1 April 2017	22,684,628	198,287	22,882,916
Surplus from statement of comprehensive income	3,078,274	-	3,078,274
Transfer of Reserves	-	-	-
Balance at 31 March 2018	25,762,902	198,287	25,961,190
	=====	=====	=====

ATEB GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2018

	Notes	2018 £	2017 £
Turnover	2a	14,993,441	14,230,373
Less: Operating expenditure	2a	(10,423,322)	(9,279,426)
Operating Surplus	5a	4,570,119	4,950,947
Gain/(loss) on disposal of property, plant and equipment	6a	(25,242)	36,741
Finance/Investment Income	7a	403,808	424,286
Finance Costs	8a	(3,515,409)	(3,368,967)
Loan Breakage Fee	8c	-	(500,244)
Housing Finance Grant		239,057	120,663
Donated Land Value Adjustment		345,134	609,066
Other Income		25,344	29,755
Corporate Rebranding		(108,650)	-
Income from subsidiary company	8b	1,015,274	1,077,676
Surplus for the year		2,949,435	3,279,922
Actuarial (loss) in respect of pension schemes		-	(60,000)
Total comprehensive income for the year		2,949,435	3,219,922

CONTINUING OPERATIONS

None of the Association's activities was acquired or discontinued during the two financial years.
Pembrokeshire Housing Association Limited changed it's name to ateb Group Limited in March 2018.

STATEMENT OF CHANGES IN RESERVES
for the year ended 31 March 2018

	Revenue Reserve £	Restricted Reserve £	Total Reserves £
Balance at 1 April 2017	22,360,078	140,000	22,500,078
Surplus from statement of comprehensive income	2,949,435	-	2,949,435
Transfer of Reserves	-	-	-
Balance at 31 March 2018	25,309,513	140,000	25,449,513

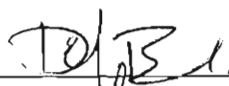
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2018

	Notes	2018 £	2017 £
Property, Plant & Equipment			
Housing properties - depreciated cost	10	188,738,818	181,657,829
Other	12	530,627	576,770
		189,269,444	182,234,599
Investments	13	3	3
Homebuy loan	13	3,223,423	3,336,433
		192,492,870	185,571,035
Current assets			
Inventories	14	5,644,491	6,506,024
Trade receivables: amounts falling due within one year	15	4,502,813	2,333,226
Trade receivables: amounts falling due after more than one year	15	3,506,510	1,689,895
Cash		13,177,693	15,089,274
		26,831,507	25,618,419
Trade payables: amounts falling due within one year	16	(12,899,967)	(7,554,561)
Net current assets		13,931,540	18,063,858
Total assets less current liabilities		206,424,410	203,634,894
Trade payables: amounts falling due after more than one year	17	(180,463,186)	(180,751,920)
Net assets		25,961,224	22,882,974
Equity			
Called up share capital	18	34	58
Restricted reserves	19	218,213	198,287
Revenue reserve	19	25,742,977	22,684,628
		25,961,224	22,882,974

The financial statements on pages 19 to 37 were approved by the Board of Management on 28 June 2018 and were signed on its behalf by:



Mr M Lewis, Chair



Mr D Birch, Board Member



Mr N Hampshire, Secretary

ATEB GROUP LIMITED

STATEMENT OF FINANCIAL POSITION
as at 31 March 2018

	Notes	2018 £	2017 £
Property, Plant & Equipment			
Housing properties - depreciated cost	10a	188,738,818	181,657,829
Other	11a	520,654	567,295
		<hr/> 189,259,471	<hr/> 182,225,124
Investments	12a	3	3
Homebuy loan	12a	3,223,423	3,336,433
		<hr/> 192,482,897	<hr/> 185,561,560
Loans to subsidiary companies	14b	5,580,000	5,850,000
Current assets			
Inventories	13a	309,178	161,582
Trade receivables: amounts falling due within one year	14a	3,897,225	2,320,227
Trade receivables: amounts falling due after more than one year	14b	3,506,510	1,689,896
Cash		12,613,879	14,672,034
		<hr/> 20,326,792	<hr/> 18,843,739
Trade payables: amounts falling due within one year	15a	(12,531,079)	(7,068,776)
Net current assets		<hr/> 7,795,714	<hr/> 11,774,963
Total assets less current liabilities		<hr/> 205,858,611	<hr/> 203,186,523
Trade payables: amounts falling due after more than one year	15b	(180,409,063)	(180,686,387)
Net assets		<hr/> 25,449,547	<hr/> 22,500,136
		<hr/> =====	<hr/> =====
Equity			
Called up share capital	16a	34	58
Restricted reserves	17a	140,000	140,000
Revenue reserve	17a	25,309,513	22,360,078
		<hr/> 25,449,547	<hr/> 22,500,136
		<hr/> =====	<hr/> =====

The financial statements on pages 19 to 37 were approved by the Board of Management on 28 June 2018 and were signed on its behalf by:



Mr M Lewis, Chair



Mr D Birch, Board Member



Mr N Hampshire, Secretary

ATEB GROUP LIMITED
CONSOLIDATED STATEMENT OF CASHFLOWS
for the year ended 31 March 2018

			2018	2017
	Notes	£	£	£
Net cash inflow from operating activities	(i)		8,980,530	6,544,754
Cash flow from investing activities				
Payments to acquire and develop property		(9,897,354)	(11,164,694)	
Receipts from sales of Property, Plant and Equipment		96,900	194,750	
Social Housing Grant and contributions received		4,251,943	4,172,262	
Other grants and contributions received		239,057	120,663	
Purchase of other fixed assets		(161,792)	(100,480)	
Finance/Investment income		405,116	426,396	
Net cash outflow from Investing activities			(5,066,130)	(6,351,105)
Cash flow from financing activities				
Finance costs		(3,310,641)	(3,916,875)	
Issue of share capital	(iv)	4	-	
Mortgage and other loans received				
- housing	(iv)	-	12,946,019	
Finance costs of loans issued	(iv)	(117,565)	(328,432)	
Loans repaid				
- housing	(iv)	(2,397,781)	(2,365,849)	
Net cash inflow from financing			(5,825,984)	6,334,863
Net change in cash and cash equivalents	(ii), (iii)		(1,911,583)	6,528,513
Cash and cash equivalents at beginning of the year			15,089,275	8,560,762
Cash and cash equivalents at end of the year			13,177,693	15,089,275

CONSOLIDATED CASH FLOW STATEMENT - Additional Disclosure

Free cash flow for the year ended 31 March 2018	2018	2017
	£	£
Net cash inflow from operating activities	8,980,530	6,544,754
Finance/Investment income	53,877	40,448
Finance costs	(2,959,402)	(3,916,875)
Adjustments for reinvestment in existing properties		
Component Replacements	(1,507,279)	(1,385,803)
Purchase of other fixed assets	(162,042)	(100,480)
Free cash generated / (consumed) before loan repayments	4,405,685	1,182,045
Loans repaid (excluding revolving credit facilities and overdrafts)	(2,515,346)	(2,694,281)
Free cash generated / (consumed) after loan repayments	1,890,338	(1,512,236)

ATEB GROUP LIMITED

STATEMENT OF CASHFLOWS
for the year ended 31 March 2018

		2018	2017
	Notes	£	£
Net cash inflow from operating activities	(i)	8,208,432	6,381,656
Cash flow from investing activities			
Payments to acquire and develop property		(9,897,354)	(11,164,694)
Receipts from sales of Property, Plant and Equipment		96,900	194,750
Social Housing Grant and contributions received		4,251,943	4,172,262
Other grants and contributions received		239,057	120,663
Purchase of other fixed assets		(156,197)	(98,983)
Finance/Investment income		403,808	424,286
Net cash outflow from investing activities		(5,061,843)	(6,351,717)
Cash flow from financing activities			
Finance costs		(2,959,402)	(3,530,927)
Issue of share capital	(iv)	4	-
Mortgage and other loans received - housing	(iv)	-	12,946,019
Finance costs of loans issued	(iv)	(117,565)	(328,432)
Loans issued - subsidiary company		(5,780,000)	(6,440,224)
Loans repaid - subsidiary company		6,050,000	6,180,224
Loans repaid - housing	(iv)	(2,397,781)	(2,365,849)
Net cash inflow from financing		(5,204,744)	6,460,811
Net change in cash and cash equivalents	(ii) , (iii)	(2,058,155)	6,490,750
Cash and cash equivalents at beginning of the year		14,672,034	8,181,284
Cash and cash equivalents at end of the year		12,613,879	14,672,034

CASH FLOW STATEMENT - Additional Disclosure

	2018	2017
Free cash flow for the year ended 31 March 2018	£	£
Net cash inflow from operating activities	8,208,432	6,381,656
Finance/Investment income	403,808	424,286
Finance costs	(2,959,402)	(3,530,927)
Adjustments for reinvestment in existing properties		
Component Replacements	(1,507,279)	(1,385,803)
Purchase of other replacement fixed assets	(156,197)	(98,983)
Free cash generated before loan repayments	3,989,362	1,790,229
Loans repaid (excluding revolving credit facilities and overdrafts)	(2,397,781)	(2,365,849)
Free cash generated after loan repayments	1,591,581	(575,620)

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

	2018	2017
	£	£
Operating surplus	6,064,291	6,491,697
Depreciation	3,032,367	2,822,549
Amortisation of SHG	(891,261)	(858,399)
Abortive development costs	45,251	17,697
Impairment of housing properties	-	50,372
(Increase) in trade receivables and inventories	1,913,936	1,068,372
Increase in trade payables	(790,912)	(2,159,837)
Share capital cancelled	(38)	(13)
Charge for bad debts	37,253	41,865
Amortisation of finance issue costs	115,774	111,719
Capitalised Overheads	(288,780)	(303,168)
Loan breakage fee	-	(600,244)
Other Income	25,344	29,755
Corporate Rebranding	(108,650)	-
Pension deficit contribution paid	(174,043)	(167,611)
Net cash inflow from operating activities	8,980,530	6,544,754
	=====	=====

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

	2018	2017
	£	£
At beginning of period	15,089,275	8,560,762
Net cash inflow/(outflow)	(1,911,582)	6,528,513
At end of period	13,177,693	15,089,275
	=====	=====

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

	2018	2017	Change in year	2017	2016	Change in year
	£	£	£	£	£	£
Cash	13,177,693	15,089,275	(1,911,582)	15,089,275	8,560,762	6,528,513
	=====	=====	=====	=====	=====	=====
	13,177,693	15,089,275	(1,911,582)	15,089,275	8,560,762	6,528,513
	=====	=====	=====	=====	=====	=====

(iv) Analysis of changes in financing during the year

	Share Capital		Housing Loans	
	2018	2017	2018	2017
	£	£	£	£
At beginning of year	75	88	87,619,300	77,290,754
Cash inflow from financing	4	-		12,946,019
Cash outflow from financing	(38)	(13)	(2,397,781)	(2,365,849)
Cash outflow finance costs	-	-	(117,565)	(135,905)
	=====	=====	=====	=====
	41	75	85,103,953	87,735,019
Non cash items:				
Debenture discount	-	-	(4,000)	(4,000)
Amortisation of finance costs	-	-	(115,774)	(111,719)
Finance Costs Accrued	-	-	-	-
	=====	=====	=====	=====
At end of year	41	75	84,984,179	87,619,300
	=====	=====	=====	=====

ATEB GROUP LIMITED

NOTES TO THE STATEMENT OF CASH FLOWS
for the year ended 31 March 2018

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

	2018	2017
	£	£
Cash flows from operating activities		
Operating surplus	4,570,119	4,950,947
Depreciation	3,027,269	2,815,948
Amortisation of SHG	(891,261)	(858,399)
Abortive development costs	45,251	17,697
Impairment of housing properties	-	50,372
(Increase) / Decrease in trade receivables and inventories	1,528,597	857,179
Increase / (Decrease) in trade payables	310,545	(575,002)
Share capital cancelled	(28)	(13)
Charge for bad debts	37,253	41,865
Amortisation of finance issue costs	115,774	111,719
Capitalised Overheads	(288,780)	(303,168)
Loan breakage fee	-	(600,244)
Other Income	25,344	29,755
Corporate Rebranding	(108,650)	-
Pension deficit contribution paid	(163,000)	(157,000)
Net cash inflow from operating activities	8,208,432	6,381,656

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

	2018	2017
	£	£
At beginning of year	14,672,034	8,181,284
Net cash inflow/(outflow)	(2,058,155)	6,490,750
At end of year	12,613,879	14,672,034

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

	2018	2017	Change in year	2017	2016	Change in year
	£	£	£	£	£	£
Cash	12,613,879	14,672,034	(2,058,155)	14,672,034	8,181,284	6,490,750
	12,613,879	14,672,034	(2,058,155)	14,672,034	8,181,284	6,490,750

(iv) Analysis of changes in financing during the year

	Share Capital		Housing Loans	
	2018	2017	2018	2017
	£	£	£	£
At beginning of year	58	71	87,619,300	77,290,754
Cash inflow from financing	4	-	-	12,946,019
Cash outflow from financing	(28)	(13)	(2,256,686)	(2,365,849)
Cash outflow from finance costs	-	-	(117,565)	(135,905)
	34	58	85,245,048	87,735,019
Non cash items:				
Debenture discount	-	-	(4,000)	(4,000)
Amortisation of finance costs	-	-	(115,774)	(111,719)
Finance costs accrued	-	-	-	-
Other	-	-	-	-
At end of year	34	58	85,125,274	87,619,300

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) 2014. 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.

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

c) Housing Properties

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

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

d) Depreciation

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

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

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

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

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

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

- ii) **Other Tangible Fixed Assets**

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

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

Office equipment – 10 years

Computer equipment – 4 years

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

Tools – 3 years

- ii) **Replacement and Renewals**

Expenditure on assets costing less than £500 (Subsidiaries £250), which do not form part of a larger asset are written off to the Statement of Comprehensive Income in the year in which the expenditure is incurred.

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.

ATEB GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

f) Development Administration

Development administration costs, including relevant office and staff overheads, are capitalised where costs are considered to be incremental to the development programme. Non-incremental costs are charged to the Statement of Comprehensive Income in accordance with FRS102.

g) Donated Properties Restricted Reserve

The reserve represents the value of properties donated by the former Soroptomist Housing Association (Tenby & District) Limited. It is intended to ensure the continuing use of the properties for the provision of affordable housing.

h) Finance Costs

Finance costs associated with the provision of loan finance are amortised over the term of the related loans using the effective interest rate.

i) Inventories

Work in progress is valued at the lower of cost or net realisable value of development on proposed schemes.

j) Operating Leases

Costs in respect of operating leases are amortised on a straight line basis over the lease. In accordance with FRS102.

k) Low Cost Home Ownership

Surplus or deficits made on either the administration of Do It Yourself Home Buy Option or on the development and subsequent sale of Low Cost Home Ownership properties are credited or charged to the Statement of Comprehensive Income at the time the property has been sold. The Association accounts for Home Buy transactions by creating an investment for the loan advanced to the property owner and deducting the grant received from the Welsh Government.

l) Pensions

The Group participates in the industry wide defined benefit final salary and defined contribution pension schemes. Contributions are based on pension costs across the various participating Associations taken as a whole. The assets of the scheme are invested and managed independently of the finances of the Group. Pension costs are assessed in accordance with the advice of an independent qualified actuary on a tri-annual basis. The present value of the past service deficit contribution is recognised as a liability in the Statement of Financial Position. The Statement of Comprehensive Income reflects both a financing cost in respect of the calculated present value of future contributions, as well as a charge for pension deficit contributions arising directly in the year.

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.

ATEB GROUP LIMITED
NOTES TO THE COSOLIDATED FINANCIAL STATEMENTS

p) Housing Finance Grant

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

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

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

r) Value Added Tax

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

s) Corporation Tax

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

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) Significant Management Judgements and Key Sources of Estimation Uncertainty.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

y) Financial assets carried at amortised cost

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

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

Financial liabilities carried at amortised cost

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

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

z) Going Concern

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

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2018

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

	Turnover £	Cost of sales £	Operating costs £	2018 Operating surplus £	Interest receivable £	Interest payable £	Housing Finance Grant £	Surplus before taxation £
Income and expenditure from social housing lettings Fully rented housing accommodation	14,993,441	-	(10,378,071)	4,615,371	-	(3,515,409)	-	1,099,962
Total from social housing lettings note 2(ii)	14,993,441	-	(10,378,071)	4,615,371	-	(3,515,409)	-	1,099,962
Income and expenditure from housing sales Income and expenditure from housing sales	8,433,219	(6,906,172)	(160,602)	1,366,445	-	-	-	1,366,445
Other income and expenditure Other income	-	-	-	-	-	-	239,057	239,057
Abortive development costs	-	-	(45,251)	(45,251)	-	-	-	(45,251)
Impairment of housing properties	-	-	-	-	-	-	-	-
Total from social housing lettings	23,426,660	(6,906,172)	(10,583,924)	5,936,565	-	(3,515,409)	239,057	2,660,213
Finance/investment Income Gain/(loss) on disposal of property, plant and equipment	-	-	-	-	31,243	-	-	31,243
Surplus on social housing lettings	23,426,660	(6,906,172)	(10,583,924)	5,936,565	31,243	(3,515,409)	239,057	2,666,214
Income and expenditure from other activities Fees	-	-	-	-	-	-	-	-
Grants and contributions	812,430	-	(702,244)	110,186	-	-	-	110,186
Other costs	-	-	-	-	-	21,326	-	21,326
Finance/investment Income Gain/(loss) on disposal of property, plant and equipment	-	-	-	-	1,262	-	-	1,262
Loan Breakage Fee	-	-	-	-	-	-	-	-
Donated Land Value Adjustment	-	-	-	-	-	-	-	-
Other income (Legacy income)	17,340	-	-	-	-	-	-	345,134
Surplus on ordinary activities before taxation	24,256,630	(6,906,172)	(11,286,168)	6,046,751	32,505	(3,494,083)	239,057	3,169,465
Income and expenditure from lettings: Fully rented housing accommodation	14,230,373	-	(9,211,357)	5,019,016	-	(3,368,967)	-	1,650,049
Total from social housing lettings note 2(ii)	14,230,373	-	(9,211,357)	5,019,016	-	(3,368,967)	-	1,650,049
Income and expenditure from housing sales Income and expenditure from housing sales	8,189,020	(6,572,005)	(153,409)	1,463,606	-	-	-	1,463,606
Other income and expenditure Other income	-	-	-	-	-	-	120,663	120,663
Abortive development costs	-	-	(17,697)	(17,697)	-	-	-	(17,697)
Impairment of housing properties	-	-	(50,372)	(50,372)	-	-	-	(50,372)
Total from social housing lettings	22,419,393	(6,572,005)	(9,432,835)	6,414,553	-	(3,368,967)	120,663	3,166,249
Finance/investment Income Gain/(loss) on disposal of property, plant and equipment	-	-	-	-	213,660	-	-	213,660
Surplus on social housing lettings	22,419,393	(6,572,005)	(9,432,835)	6,414,553	213,660	(3,368,967)	120,663	3,416,649
Income and expenditure from other activities Fees	935	-	(840)	95	-	-	-	95
Grants and contributions	756,484	-	(681,445)	77,049	-	-	-	77,049
Other costs	-	-	-	-	-	(161,938)	-	(161,938)
Finance/investment Income Gain/(loss) on disposal of property, plant and equipment	-	-	-	-	1,655	-	-	1,655
Donated Land Value Adjustment	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	609,066
Surplus on ordinary activities before taxation	23,178,821	(6,572,005)	(10,115,120)	6,491,698	215,315	(3,500,906)	120,663	3,972,300

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

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

	Turnover £	Operating costs £	2018 Operating surplus £	Interest receivable £	Interest payable £	Housing Finance Grant £	Income from Mill Bay Homes £	Surplus £
Income and expenditure from social housing lettings								
Fully rented housing accommodation	14,993,441	(10,378,071)	4,615,371	-	(3,515,409)	-	-	1,099,962
Total from social housing lettings	14,993,441	(10,378,071)	4,615,371	-	(3,515,409)	-	-	1,099,962
Other income and expenditure								
Other income	-	-	-	-	-	239,057	1,015,274	1,254,331
Abortive development costs	-	(45,251)	(45,251)	-	-	-	-	(45,251)
Impairment of housing properties	-	-	-	-	-	-	-	-
Total from social housing lettings	14,993,441	(10,423,322)	4,570,120	-	(3,515,409)	239,057	1,015,274	2,309,041
Finance/Investment Income				403,808	-	-	-	403,808
Gain/(loss) on disposal of property, plant and equipment			-	-	-	-	-	(25,242)
Loan Breakage Fee			-	-	-	-	-	-
Donated Land Value Adjustment			-	-	-	-	-	345,134
Other Income			-	-	-	-	-	25,344
Corporate Rebranding			-	-	-	-	-	(108,650)
Surplus on social housing lettings			4,570,120	403,808	(3,515,409)	239,057	1,015,274	2,949,435

	Turnover £	Operating costs £	2017 Operating surplus £	Interest receivable £	Interest payable £	Housing Finance Grant £	Income from Mill Bay Homes £	Surplus £
Income and expenditure from social housing lettings								
Fully rented housing accommodation	14,230,373	(9,211,357)	5,019,016	-	(3,368,967)	-	-	1,650,049
Total from social housing lettings	14,230,373	(9,211,357)	5,019,016	-	(3,368,967)	-	-	1,650,049
Other income and expenditure								
Other income	-	-	-	-	-	120,663	1,077,676	1,198,339
Abortive development costs	-	(17,697)	(17,697)	-	-	-	-	(17,697)
Impairment of housing properties	-	(50,372)	(50,372)	-	-	-	-	(50,372)
Total from social housing lettings	14,230,373	(9,279,426)	4,950,947	-	(3,368,967)	120,663	1,077,676	2,780,318
Finance/Investment Income				424,286	-	-	-	424,286
Gain/(loss) on disposal of property, plant and equipment			-	-	-	-	-	36,741
Loan Breakage Fee			-	-	-	-	-	(600,244)
Donated Land Value Adjustment			-	-	-	-	-	609,066
Other Income			-	-	-	-	-	29,755
Surplus on social housing lettings			4,950,947	424,286	(3,368,967)	120,663	1,077,676	3,279,922

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2018

2 (ii) Turnover from social housing lettings

	2018			2017		
	General Needs & Sheltered Housing £	Supported Housing £	Total £	General Needs & Sheltered Housing £	Supported Housing £	Total £
Rent receivable net of void losses *	12,515,895	303,426	12,819,321	11,882,405	284,619	12,167,024
Service charges	1,161,687	31,920	1,193,607	1,090,018	27,185	1,117,203
	-----	-----	-----	-----	-----	-----
Income from support services	13,677,582	335,346	14,012,928	12,972,423	311,804	13,284,227
SHG Amortisation	59,181	-	59,181	87,747	-	87,747
Digital inclusion grant	877,628	13,634	891,261	844,765	13,634	858,399
	-----	-----	-----	-----	-----	-----
	14,644,462	348,980	14,993,442	13,904,935	325,438	14,230,373
	=====	=====	=====	=====	=====	=====
	30,002	-	30,002	29,333	-	29,333
	-----	-----	-----	-----	-----	-----
* Void losses						

2 (iii) Operating costs from lettings

	2018			2017		
	General Needs & Sheltered Housing £	Supported Housing £	Total £	General Needs & Sheltered Housing £	Supported Housing £	Total £
Service charges	1,161,687	31,920	1,193,607	1,090,018	27,185	1,117,203
Management	2,185,042	129,116	2,314,158	2,014,438	134,541	2,148,979
Routine maintenance	2,412,498	20,562	2,433,060	2,028,691	16,060	2,044,750
Major repairs	1,512,799	-	1,512,799	1,182,686	-	1,182,686
Depreciation of housing properties	2,872,190	15,004	2,887,194	2,712,223	14,023	2,726,246
Losses from bad debts	37,253	-	37,253	41,865	-	41,865
	-----	-----	-----	-----	-----	-----
Operating costs on social housing lettings	10,181,469	196,602	10,378,071	9,069,921	191,809	9,261,729
	=====	=====	=====	=====	=====	=====
	-----	-----	-----	-----	-----	-----
Operating surplus on social housing lettings	4,462,993	152,378	4,615,371	4,835,014	133,629	4,968,643
	=====	=====	=====	=====	=====	=====

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

2a (ii) Turnover from social housing lettings

	2018			2017		
	General Needs & Sheltered Housing £	Supported Housing £	Total £	General Needs & Sheltered Housing £	Supported Housing £	Total £
Rent receivable net of void losses *	12,515,895	303,426	12,819,321	11,882,405	284,619	12,167,024
Service charges	1,161,687	31,920	1,193,607	1,090,018	27,185	1,117,203
	13,677,582	335,346	14,012,928	12,972,423	311,804	13,284,227
Income from support services	59,181	-	59,181	87,747	-	87,747
SHG Amortisation	877,628	13,634	891,261	844,765	13,634	858,399
Digital inclusion grant	30,071	-	30,071	-	-	-
	14,644,462	348,980	14,993,441	13,904,935	325,438	14,230,373
Turnover from social housing lettings	30,002	-	30,002	29,333	-	29,333
* Void losses						

2a (iii) Operating costs from social housing lettings

	2018			2017		
	General Needs & Sheltered Housing £	Supported Housing £	Total £	General Needs & Sheltered Housing £	Supported Housing £	Total £
Service charges	1,161,687	31,920	1,193,607	1,090,018	27,185	1,117,203
Management	2,185,042	129,116	2,314,158	2,014,438	134,541	2,148,979
Routine maintenance	2,412,498	20,562	2,433,060	2,028,691	16,060	2,044,750
Major repairs	1,512,799	-	1,512,799	1,182,686	-	1,182,686
Depreciation of housing properties	2,872,190	15,004	2,887,194	2,712,223	14,023	2,726,246
Losses from bad debts	37,253	-	37,253	41,865	-	41,865
	10,181,469	196,602	10,378,071	9,069,921	191,809	9,261,729
Operating costs on social housing lettings						
Operating surplus on social housing lettings	4,462,993	152,378	4,615,371	4,835,014	133,629	4,968,643

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2018

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.

	2018 £	2017 £
Emoluments (including pension contributions and benefits in kind).	390,637 =====	428,295 =====

During the year the emoluments (excluding pension contributions) of the Chief Executive who was the highest paid Senior Executive was £111,760 (2017 : £111,045).

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

	2018	2017
£60,001 to £70,000	1	1
£70,001 to £80,000	-	-
£80,001 to £90,000	1	1
£90,001 to £100,000	1	1
£100,001 to £110,000	-	-
£110,001 to £120,000	1	1

2018 reflects 48 months of Senior Executives' management cost (2017 : 48 months).

None of the Board received any emoluments during the year.

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

4 Staff numbers and cost

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

	2018	2017
Office staff	73.91	70.08
Direct Labour	41.00	35.17
Cleaning staff	0.60	0.60
	----- 115.51 =====	----- 105.85 =====

	2018 £	2017 £
Staff costs for the above persons were:		
Wages and salaries	3,137,687	2,972,165
Social security costs	292,461	278,260
Pension costs (note 20)	205,952	188,212
	----- 3,636,099 =====	----- 3,438,637 =====

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

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.

	2018 £	2017 £
Emoluments (including pension contributions and benefits in kind)	390,637 =====	428,295 =====

During the year the emoluments (excluding pension contributions) of the Chief Executive who was the highest paid Senior Executive was £111,760 (2017 : £111,045).

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

	2018	2017
£60,001 to £70,000	1	1
£70,001 to £80,000	-	-
£80,001 to £90,000	1	1
£90,001 to £100,000	1	1
£100,001 to £110,000	-	-
£110,001 to £120,000	1	1

2018 reflects 48 months of Senior Executives' management cost (2017 : 48 months).

None of the Board received any emoluments during the year.

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

4a Staff numbers and cost

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

	2018	2017
Office staff	59.21	54.95
Direct Labour	36.00	31.00
Cleaning staff	0.60	0.60
	95.81 =====	86.55 =====

Staff costs for the above persons were:

	2018 £	2017 £
Wages and salaries	2,616,936	2,456,119
Social security costs	247,713	230,058
Pension costs (note 20a)	181,109	166,090
	3,045,758 =====	2,852,267 =====

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2018

5 Operating surplus

	2018	2017
	£	£
The operating surplus is stated after charging/(crediting):		
Depreciation	3,032,391	2,872,991
Finance issue costs	233,339	183,508
Debenture discount charge	4,000	4,000
Auditors remuneration		
- In their capacity as auditors, including VAT	13,568	13,129
- In respect of other services, including VAT	-	-
	=====	=====

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

	2018	2017
	£	£
Surplus / (loss) on sale of properties	(25,242)	36,741
Surplus on sale of vehicles/equipment	-	-
	-----	-----
	(25,242)	36,741
	=====	=====

7 Finance/Investment Income

	2018	2017
	£	£
Finance/Investment Income	405,070	425,941
	=====	=====

8 Finance Costs

	2018	2017
	£	£
On loans repayable in instalments wholly or partly in more than 5 years	3,425,159	3,278,717
On loans repayable other than in instalments wholly or partly in more than 5 years	90,250	90,250
	-----	-----
	3,515,409	3,368,967
	=====	=====

9 Loan Breakage Fee

	2018	2017
	£	£
During FY 2016-17, the Association refinanced a fixed interest loan with the Co-operative Bank PLC. The bank gave notice of its intention to seek repayment of the £8m loan in 2023. The two key elements to re-financing risk are the availability of finance when repayment becomes due and the level of interest rates prevailing at the time.	-	600,244
Independent external advice was obtained. In order to mitigate risk exposure, the decision was taken to refinance the bank loan with a new long term loan from BAE Systems Pension Fund at a fixed rate of interest. This resulted in a break cost of £600k.	-	600,244
	-----	-----
	=====	=====

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 2018

5a Operating surplus	2018	2017
	£	£
The operating surplus is stated after charging/(crediting):		
Depreciation	3,027,269	2,866,321
Finance issue costs	233,339	183,508
Debenture discount charge	4,000	4,000
Auditors remuneration		
- In their capacity as auditors, including VAT	10,440	10,140
- In respect of other services, including VAT	-	-
	=====	=====
6a Gain/(loss) on disposal of property, plant and equipment	2018	2017
	£	£
Surplus/(loss) on sale of properties	(25,242)	36,741
Surplus on sale of vehicles/equipment	-	-
	-----	-----
	(25,242)	36,741
	=====	=====
7a Finance/Investment Income	2018	2017
	£	£
Finance/Investment Income	403,808	424,286
	=====	=====
8a Finance Costs	2018	2017
	£	£
On loans repayable in instalments wholly or partly in more than 5 years	3,425,159	3,278,717
On loans repayable other than in instalments wholly or partly in more than 5 years	90,250	90,250
	-----	-----
	3,515,409	3,368,967
	=====	=====
8b Transfer from subsidiary company	2018	2017
	£	£
Gift Aid payment	1,015,274	1,077,676
	-----	-----
	1,015,274	1,077,676
	=====	=====
8c Loan Breakage Fee	2018	2017
	£	£
During FY 2016-17, the Association refinanced a fixed interest loan with the Co-operative Bank PLC. The bank gave notice of its intention to seek repayment of the £8m loan in 2023. The two key elements to re-financing risk are the availability of finance when repayment becomes due and the level of interest rates prevailing at the time. Independent external advice was obtained. In order to mitigate risk exposure, the decision was taken to refinance the bank loan with a new long term loan from BAE Systems Pension Fund at a fixed rate of interest. This resulted in a break cost of £600k.	-	600,244
	-----	-----
	-	600,244
	=====	=====
9a Taxation		
Due to its charitable status, the Association is not liable for Corporation Tax on its normal activities.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2018

10 Property, Plant and Equipment - Housing Properties

	Housing properties held for letting		Shared ownership properties held for letting	
	Completed £	Under Construction £	Completed £	Total £
Cost				
At 1 April 2017	192,809,029	10,224,100	-	203,033,129
Additions	4,146,403	5,617,855	366,185	10,130,443
Reclassification	5,263,731	(5,263,731)	-	-
Disposals	(635,547)	-	-	(635,547)
At 31 March 2018	201,583,616	10,578,224	366,185	212,528,025
Depreciation				
At 1 April 2017	(21,375,301)	-	-	(21,375,301)
Charged for the year	(2,753,180)	-	-	(2,753,180)
Disposals	339,272	-	-	339,272
At 31 March 2018	(23,789,209)	-	-	(23,789,209)
Net book value				
At 31 March 2018	177,794,408	10,578,224	366,185	188,738,818
At 31 March 2017	171,433,728	10,224,100	-	181,657,828

The total net book value of housing properties comprises:

	2018 £	2017 £
Freehold property	188,359,482	181,278,492
Long leasehold property	54,294	54,294
Short leasehold property	325,042	325,042
	188,738,818	181,657,828

Development administration expenditure and other indirect costs capitalised during the year amounted to £288,780 (2017 : £303,168).

Interest capitalised during the year amounted to £nil (2017 : £nil).

Component Replacement spend for the year amounted to £1,507,279 (2017: £1,385,803)

Housing Properties includes Land with a carrying value of £26,284,116 (2017: £25,028,206)

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

10a Property, Plant and Equipment - Housing Properties

	Housing properties held for letting		Shared ownership properties held for letting	
	Completed £	Under Construction £	Completed £	Total £
Cost				
At 1 April 2017	192,809,029	10,224,100	-	203,033,129
Additions	4,146,403	5,617,855	366,185	10,130,443
Reclassification	5,263,731	(5,263,731)	-	-
Disposals	(635,547)	-	-	(635,547)
At 31 March 2018	201,583,616	10,578,224	366,185	212,528,025
Depreciation				
At 1 April 2017	(21,375,301)	-	-	(21,375,301)
Charged for the year	(2,753,180)	-	-	(2,753,180)
Disposals	339,272	-	-	339,272
At 31 March 2018	(23,789,209)	-	-	(23,789,209)
Net book value				
At 31 March 2018	177,794,408	10,578,224	366,185	188,738,818
At 31 March 2017	171,433,728	10,224,100	-	181,657,829

The total net book value of housing properties comprises:

	2018 £	2017 £
Freehold property	188,359,482	181,278,493
Long leasehold property	54,294	54,294
Short leasehold property	325,042	325,042
	188,738,818	181,657,829

Development administration expenditure and other indirect costs capitalised during the year amounted to £288,780 (2017 : £303,168).

Interest capitalised during the year amounted to £nil (2017 : £nil).

Component Replacement spend for the year amounted to £1,507,279 (2017: £1,385,803)

Housing Properties includes Land with a carrying value of £26,284,116 (2017: £25,028,206)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2018

11 Property, Plant & Equipment - Other Fixed Assets

	Freehold Offices £	Tools & Equipment £	Motor vehicles £	Computer Equipment £	Total £
Cost					
At 1 April 2017	490,981	554,232	23,743	569,272	1,638,228
Additions	-	40,170	51,421	70,451	162,042
Disposals/Write off/Adj.	-	-	(14,545)	- 249	(14,794)
	-----	-----	-----	-----	-----
At 31 March 2018	490,981	594,402	60,619	639,473	1,785,475
	=====	=====	=====	=====	=====
Grants and contributions					
At 1 April 2017	-	-	-	-	-
Additions	-	-	(44,101)	-	(44,101)
Disposals	-	-	-	-	-
	-----	-----	-----	-----	-----
At 31 March 2018	-	-	(44,101)	-	(44,101)
	=====	=====	=====	=====	=====
Depreciation					
At 1 April 2017	(232,303)	(441,877)	(21,444)	(365,835)	(1,061,458)
Charged for the year	(9,465)	(36,362)	(8,879)	(109,305)	(164,012)
Disposals/Write off/Adj.	-	-	14,545	177	14,722
	-----	-----	-----	-----	-----
At 31 March 2018	(241,768)	(478,238)	(15,778)	(474,964)	(1,210,748)
	=====	=====	=====	=====	=====
Net book value					
At 31 March 2018	249,213	116,164	740	164,509	530,628
	=====	=====	=====	=====	=====
At 31 March 2017	258,679	112,356	2,299	203,437	576,770
	=====	=====	=====	=====	=====

12 Investments

	2018 £	2017 £
Cost of Home Buy Loans	3,223,423	3,336,433
	-----	-----
	3,223,423	3,336,433
	=====	=====

The above investments represent a 30% and 50% interest in 101 (2017: 104) properties acquired under the Welsh Government Low Cost Home Ownership Schemes.

13 Inventories

	2018 £	2017 £
Completed properties held for sale	1,075,154	1,903,375
Schemes under construction	4,569,337	4,602,649
	-----	-----
	5,644,491	6,506,024
	=====	=====

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

11a Property, Plant & Equipment - Other Fixed Assets

	Freehold Offices £	Tools & Equipment £	Motor vehicles £	Computer Equipment £	Total £
Cost					
At 1 April 2017	490,981	517,571	23,743	556,266	1,588,561
Additions	-	35,822	51,421	68,954	156,197
Disposals/Write off/Adj.	-	-	(14,545)	-	(14,545)
At 31 March 2018	490,981	553,393	60,619	625,220	1,730,213
Grants and Contributions					
At 1 April 2017	-	-	-	-	-
Additions	-	-	(44,101)	-	(44,101)
Disposals	-	-	-	-	-
At 31 March 2018	-	-	(44,101)	-	(44,101)
Depreciation					
At 1 April 2017	(232,303)	(412,503)	(21,444)	(355,017)	(1,021,266)
Charged for the year	(9,465)	(32,843)	(8,879)	(107,549)	(158,737)
Disposals/Write off/Adj.	-	-	14,545	-	14,545
At 31 March 2018	(241,767)	(445,346)	(15,778)	(462,566)	(1,165,458)
Net book value					
At 31 March 2018	249,214	108,046	740	162,654	520,654
At 31 March 2017	258,679	105,068	2,299	201,249	567,295

12a Investments

	2018 £	2017 £
Cost of Home Buy Loans	3,223,423	3,336,433
	3,223,423	3,336,433

The above investments represent a 30% and 50% interest in 101 (2017: 104) properties acquired under the Welsh Government Low Cost Home Ownership Schemes.

	2018	2017
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

	2018 £	2017 £
Work In Progress	309,178	161,582
	309,178	161,582

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2018

14a Trade Receivables**Amounts falling due within one year**

	2018	2017
	£	£
Arrears of Rent and Service Charges	483,074	425,337
Less: Provision for bad and doubtful debts	(59,000)	(54,500)
	424,074	370,837
Prepayments and accrued income	1,745,184	1,139,857
Social Housing Grant and capital contributions receivable	2,094,788	-
Housing Finance Grant	59,774	29,954
Other receivables	178,993	792,578
	4,502,813	2,333,226
	=====	=====

Other receivables includes £1,161 (2017 : £1,995) in respect of car loans to staff for assisted car purchase repayable within one year. The number of staff included in the scheme at 31 March 2018 was 1 (2017: 2).

14b Amounts falling due after more than one year

	2018	2017
	£	£
Housing Finance Grant	3,498,841	1,682,833
	3,498,841	1,682,833
	=====	=====
	2018	2017
	£	£
Rent Arrears - Long Term Repayment Plans	7,669	7,062
	7,669	7,062
	=====	=====

15a Trade Payables**Amounts falling due within one year**

	2018	2017
	£	£
Rental income prepaid	184,358	171,920
Accrued interest	862,488	310,482
Amounts owed in respect of housing development	425,180	804,713
Taxation, pension and social security	109,788	103,151
Social Housing Grant and contributions received in advance	4,553,108	-
Other payables	115,922	69,700
Accruals and deferred income	1,803,409	1,671,338
Housing loans	3,207,308	2,727,461
Grant Recycling Fund	484,741	586,696
SHG - Deferred Income	918,398	888,982
Annual Leave Accrual	46,146	47,406
Past Service Pension Liability	188,027	173,760
Movement in amortisation of loan acquisition cost	1,093	(1,048)
	12,899,967	7,554,561
	=====	=====

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

14a Trade Receivables	2018	2017
Amounts falling due within one year	£	£
Arrears of Rent and Service Charges	483,074	425,337
Less: Provision for bad and doubtful debts	(59,000)	(54,500)
	-----	-----
	424,074	370,837
Prepayments and accrued income	107,693	135,436
Inter-company debtors - subsidiary companies	1,105,140	1,074,672
Social Housing Grant and capital contributions receivable	2,094,788	-
Housing Finance Grant	59,774	29,954
Other receivables	105,757	709,328
	-----	-----
	3,897,225	2,320,227
	=====	=====

Other receivables includes £1,161 (2017 : £1,995) in respect of car loans to staff for assisted car purchase repayable within one year. The number of staff included in the scheme at 31 March 2018 was 1 (2017: 2).

14b Amounts falling due after more than one year	2018	2017
Loan to subsidiary company	£	£
	5,580,000	5,850,000
	-----	-----
	5,580,000	5,850,000
	=====	=====
	£	£
Housing Finance Grant	3,498,841	1,682,833
	-----	-----
	3,498,841	1,682,833
	=====	=====
	£	£
Rent Arrears Long Term Repayment Plans	7,669	7,062
	-----	-----
	7,669	7,062
	=====	=====

15a Trade Payables	2018	2017
Amounts falling due within one year	£	£
Rental income prepaid	184,358	171,920
Accrued interest	862,488	310,482
Amounts owed in respect of housing development	258,568	635,193
Taxation, pension and social security	109,788	103,151
Social Housing Grant and capital contributions received in advance	4,553,108	-
Inter-company creditors - subsidiary companies	604	-
Other payables	17,171	13,022
Accruals and deferred income	1,721,467	1,435,559
Housing loans	3,207,308	2,727,461
Grant Recycling Fund	484,741	586,696
SHG - Deferred Income	918,398	888,982
Movement in amortisation of loan acquisition cost	1,093	(1,048)
Annual Leave Year End Accrual	35,452	34,642
Past Service Pension liability	176,535	162,717
	-----	-----
	12,531,079	7,068,776
	=====	=====

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2018

15b Trade Payables

Amounts falling due after one year

	2018 £	2017 £
Housing Loans	81,916,873	84,889,771
Grant Recycling	-	-
SHG - Deferred Income	94,397,020	91,411,900
Homebuy Grant - Deferred Income	3,223,423	3,336,433
Past Service Pension Liability	925,870	1,113,816
	180,463,186	180,751,920
	=====	=====

15c(i) Housing Loans

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

Repayable by instalments

	2018 £	2017 £
One year or less	3,207,308	2,727,461
Between one and five years	10,440,507	10,989,636
In five years or more	71,367,606	73,779,321
	85,015,421	87,496,418
Finance Costs	(774,721)	(856,145)
	84,240,700	86,640,273
	=====	=====

Repayable otherwise than by instalments in more than five years

	2018 £	2017 £
In more than five years	1,000,000	1,000,000
Less : Debenture Discount Account	(16,972)	(20,972)
	983,028	979,028
	=====	=====

Long term finance from Banks, Building Societies and Bond providers represent loans taken out over a 5 to 33 year period. At 31 March 2018 of the total loans outstanding the ratio of fixed rate loans to variable rate interest loans was 76:24 (2017: 67:33). At the year-end interest rates ranged from 2.76% to 9.87%.

15d SHG and other grants

	Housing properties held for letting		Shared ownership properties held for letting		
	Completed £	Under Construction £	Completed £		Total £
SHG at 1 April 2017	94,471,568	5,707,728	-		100,179,296
HFG at 1 April 2017	1,793,909	-	-		1,793,909
Additions	542,880	3,456,906	-		3,999,786
Reclassification	1,921,250	(1,921,250)	-		-
Disposals	(107,897)	-	-		(107,897)
	=====	=====	=====		=====
At 31 March 2018	98,621,710	7,243,384	-		105,865,093
	=====	=====	=====		=====
At 31 March 2017	96,265,477	5,707,728	-		101,973,205
	=====	=====	=====		=====
Amortisation					
At 1 April 2017	(9,672,321)	-	-		(9,672,321)
Charged for the year	(891,261)	-	-		(891,261)
Disposals	13,907	-	-		13,907
	=====	=====	=====		=====
At 31 March 2018	(10,549,675)	-	-		(10,549,675)
	=====	=====	=====		=====
Net book value					
At 31 March 2018	88,072,035	7,243,384	-		95,315,418
	=====	=====	=====		=====
At 31 March 2017	86,593,156	5,707,728	-		92,300,884
	=====	=====	=====		=====

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

15b Trade Payables		
Amounts falling due after more than one year	2018	2017
	£	£
Housing Loans	81,916,873	84,889,771
SHG - Deferred Income	94,397,020	91,411,900
Homebuy Grant - Deferred Income	3,223,423	3,336,433
Past Service Pension liability	871,748	1,048,283
	-----	-----
	180,409,064	180,686,387
	=====	=====
follows:		
Repayable by instalments	2018	2017
	£	£
One year or less	3,207,308	2,727,461
Between one and five years	10,440,507	10,989,636
In five years or more	71,367,606	73,779,321
	-----	-----
	85,015,421	87,496,418
Finance Costs	(774,721)	(856,145)
	-----	-----
	84,240,700	86,640,273
	=====	=====
Repayable otherwise than by instalments in more than five years	2018	2017
	£	£
In more than five years	1,000,000	1,000,000
Less : Debenture Discount Account	(16,972)	(20,972)
	-----	-----
	983,028	979,028
	=====	=====

(II) Non-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 2018 of the total loans outstanding the ratio of fixed rate loans to variable rate interest loans was 76:24 (2017: 67:33). At the year-end interest rates ranged from 2.76% to 9.87%.

15d SHG and other grants

	Housing properties held for letting		Shared ownership properties held for letting	
	Completed	Under Construction	Completed	Total
	£	£	£	£
SHG at 1 April 2017	94,471,568	5,707,728	-	100,179,296
HFG at 1 April 2017	1,793,909	-	-	1,793,909
Additions	542,880	3,456,906	-	3,999,786
Reclassification	1,921,250	(1,921,250)	-	-
Disposals	(107,897)	-	-	(107,897)
	-----	-----	-----	-----
At 31 March 2018	98,621,710	7,243,384	-	105,865,093
	=====	=====	=====	=====
At 31 March 2017	96,265,477	5,707,728	-	101,973,205
	=====	=====	=====	=====
Amortisation				
At 1 April 2017	(9,672,321)	-	-	(9,672,321)
Charged for the year	(891,261)	-	-	(891,261)
Disposals	13,907	-	-	13,907
	-----	-----	-----	-----
At 31 March 2018	(10,549,675)	-	-	(10,549,675)
	-----	-----	-----	-----
Net book value				
At 31 March 2018	88,072,035	7,243,384	-	95,315,418
	=====	=====	=====	=====
At 31 March 2017	86,593,156	5,707,728	-	92,300,884
	=====	=====	=====	=====

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2018

15e Grant Recycling Fund

	2018 £	2017 £
Opening Balance	586,696	503,645
Property Sales	202,725	212,790
Recycled to Development	(304,680)	(129,739)
Closing Balance	484,741	586,696

15f Homebuy Grant

	2018 £	2017 £
	3,223,423	3,336,433
Homebuy Grant	3,223,423	3,336,433

16 Called up share capital - non equity

	2018 £	2017 £
Allotted issued and fully paid		
At the beginning of the year	58	71
Issued	4	-
Cancelled	(28)	(13)
At the end of the year	34	58

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

17 Reserves

	At 1 April 2017 £	Surplus for the year £	Transfer of reserves £	At 31 March 2018 £
Revenue Reserve	22,495,181	3,078,274	(33,585)	25,539,869
Designated Reserves				
Business Continuity	189,448	-	13,660	203,108
Restricted Reserves				
Donated Properties	140,000	-	-	140,000
Hardship Fund	58,287	-	2,385	60,673
Legacy Fund	-	-	17,540	17,540
Total	22,882,916	3,078,274	-	25,961,190

Analysed as:

Revenue Reserve	25,539,869
Designated Reserves	203,108
Restricted Reserves	218,213
	25,961,190

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

18 Capital Commitments

	2018 £	2017 £
Capital & development expenditure that has been contracted for but has not been provided for in the financial statements:	24,577,296	10,544,013
Capital & development expenditure that has been authorised by the Board of Management but has not yet been contracted for:	30,651,324	15,795,218

The commitments at 31 March 2017 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 2018

15e Grant Recycling Fund

	2018 £	2017 £
Opening Balance	586,696	503,645
Property Sales	202,725	212,790
Recycled to Development	(304,680)	(129,739)
Closing Balance	484,741	586,696

15f Homebuy Grant

	2018 £	2017 £
Homebuy Grant	3,223,423	3,336,433

16a Called up share capital - non equity

	2018 £	2017 £
Allotted issued and fully paid		
At the beginning of the year	58	71
Issued	4	-
Cancelled	(28)	(13)
At the end of the year	34	58

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

17a Reserves

	At 1 April 2017 £	Surplus for the year £	Transfer of reserves £	At 31 March 2018 £
Revenue Reserve	22,360,078	2,949,435	-	25,309,513
Restricted Reserves				
Donated Properties	140,000	-	-	140,000
Total	22,500,078	2,949,435	-	25,449,513
Analysed as:				
Revenue Reserve				25,309,513
Restricted Reserves (Donated Properties)				140,000
				25,449,513

18a Capital Commitments

	2018 £	2017 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	16,347,765	5,424,935
Capital expenditure that has been authorised by the Board of Management but has not yet been contracted for:	20,839,650	6,085,687

The commitments at 31 March 2018 will be funded from grants from the Welsh Government, or local authorities, the balance being funded from private finance loans and sales under the Low Cost Home Ownership Programme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2018

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:

	2018 £	2017 £
Commitment:		
Within one year	112,663	81,605
Within two to five years	265,828	192,735
	=====	=====

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 benefit scheme in the UK.

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

The scheme is classified as a 'last man standing arrangement'. Therefore the company 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.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2014. This actuarial valuation was certified on the 23 November 2015 and showed assets of £3,123 m, liabilities of £4,446m and a deficit of £1,323m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Deficit Contributions		
Tier 1		£40.6m per annum
From 01 April 2016 to 30 September 2020:	(payable monthly and increasing by 4.7% each year on 01 April.)	
Tier 2		£28.6m per annum
From 01 April 2016 to 30 September 2023:	(payable monthly and increasing by 4.7% each year on 01 April.)	
Tier 3		£32.7m per annum
From 01 April 2016 to 30 September 2026:	(payable monthly and increasing by 3.0% each year on 01 April.)	
Tier 4		£31.7m per annum
From 01 April 2016 to 30 September 2026:	(payable monthly and increasing by 3.0% each year on 01 April.)	

Note that the schemes previous valuation was carried out with an effective date of 30 September 2011; this valuation was certified on 17 December 2012 and showed assets of £2,062m, liabilities of £3,097m and deficit of £1,035m. To eliminate this funding shortfall, payments consisted of the Tier 1, 2 & 3 deficit contributions.

Where the scheme is in deficit and where the Association has agreed to a deficit funding arrangement, the Association recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate based on an AA corporate bond yield curve. The unwinding of the discount rate is recognised as a finance cost.

Present Values of Provision	31 March 2018 £	31 March 2017 £	31 March 2016 £
Present Value of Provision	1,113,614	1,287,576	1,391,521

Reconciliation of Opening and Closing Provisions	Period Ending 31 March 2018 £	Period Ending 31 March 2017 £
Provision at the start of period	1,287,576	1,391,521
Unwinding of the discount factor (interest expense)	15,940	27,601
Deficit contribution paid	(174,043)	(167,611)
Remeasurements - impact of any change in assumptions	(15,859)	36,065
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	1,113,614	1,287,576

Statement of Comprehensive Income Impact	Period Ending 31 March 2018 £	Period Ending 31 March 2017 £
Interest Expense	26,940	27,601
Remeasurements - impact of any change in assumptions	33,141	36,065
Remeasurements - amendments to the contribution schedule	-	0

Assumptions	31 March 2018 % per annum	31 March 2017 % per annum	31 March 2016 % per annum
Rate of discount	1.72	1.33	2.06

The discount rates shown up are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

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:

	2018 £	2017 £
Commitment:		
Within one year	93,759	65,874
Within two to five years	218,930	139,467
	=====	=====

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 benefit scheme in the UK.

It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme.

Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005.

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

The scheme is classified as a 'last man standing arrangement'. Therefore the company 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.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2014. This actuarial valuation was certified on the 23 November 2015 and showed assets of £3,123m, liabilities of £4,446m and a deficit of £1,323m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Deficit Contributions

Tier 1		
From 01 April 2016 to 30 September 2020:	£40.6m per annum	(payable monthly and increasing by 4.7% each year on 01 April.)
Tier 2		
From 01 April 2016 to 30 September 2023:	£28.6m per annum	(payable monthly and increasing by 4.7% each year on 01 April.)
Tier 3		
From 01 April 2016 to 30 September 2026:	£32.7m per annum	(payable monthly and increasing by 3.0% each year on 01 April.)
Tier 4		
From 01 April 2016 to 30 September 2026:	£31.7m per annum	(payable monthly and increasing by 3.0% each year on 01 April.)

Note that the schemes previous valuation was carried out with an effective date of 30 September 2011; this valuation was certified on 17 December 2012 and showed assets of £2,062m, liabilities of £3,097m and deficit of £1,035m. To eliminate this funding shortfall, payments consisted of the Tier 1, 2 & 3 deficit contributions.

Where the scheme is in deficit and where the Association has agreed to a deficit funding arrangement, the Association recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present Values of Provision	31 March 2018 £	31 March 2017 £	31 March 2016 £
Present Value of Provision	1,048,000	1,211,000	1,308,000

Reconciliation of Opening and Closing Provisions	Period Ending 31 March 2018 £	Period Ending 31 March 2017 £
Provision at the start of period	1,211,000	1,308,000
Unwinding of the discount factor (interest expense)	15,000	26,000
Deficit contribution paid	(163,000)	(157,000)
Remeasurements - impact of any change in assumptions	(15,000)	34,000
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	1,048,000	1,211,000

Statement of Comprehensive Income Impact	Period Ending 31 March 2018 £	Period Ending 31 March 2017 £
Interest Expense	26,000	26,000
Remeasurements - impact of any change in assumptions	34,000	34,000
Remeasurements - amendments to the contribution schedule	-	-

Assumptions	31 March 2018 % per annum	31 March 2017 % per annum	31 March 2016 % per annum
Rate of discount	1.72	1.33	2.06

The discount rates shown up are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2018

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 2014 was £8,856,062. 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

	2018	2017
At end of year	2,690	2,617

23 Legislative Provisions

As at 31st March 2018 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.

As at 31st March 2018 the company 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.

24 Group Structure

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

25 Related Parties

Board members were reimbursed a total of £1,216 for attending meetings.

Board Member Cllr. Mr D Simpson was an elected representative of Pembrokeshire County Council.

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

Board Members of the subsidiary company West Wales Care and Repair Limited, Cllr. L Frayling

Cllr. Mr S Hancock are elected representatives of Pembrokeshire County Council.

Board Members, Cllr. C Hughes and Cllr. D Edwards 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 2018

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 2014 was £8,277,805. 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	2018	2017
At end of year	2,690	2,617

23a Legislative Provisions

As at 31st March 2018 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.

24a Group Structure

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

25a Related Parties

Board members were reimbursed a total of £580 for attending meetings.

Board Member, Cllr. Mr D Simpson was an elected representative of Pembrokeshire County Council.

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 £3,107. (2017 creditor: £1,103).

During the year the Parent charged West Wales Care & Repair the following: Office rent £12,447, Management charges £16,728

During the year the parent contributed the following to West Wales Care & Repair: £49,898.

Mill Bay Homes Limited is a wholly controlled subsidiary and has an outstanding inter company creditor balance of £6,682,034

(2017: £6,923,570). This is made up of a loan balance of £5,580,000, gift aid of £1,015,274 and management recharges of £86,780.

During the year the parent advanced £5,560,000 in loans and received £6,050,000 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 £3,105, Management charges £20,250 and

Project management charge £12,764.

26d 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





ATEB GROUP LIMITED

(Formerly known as Pembrokeshire Housing Association Limited)

REPORT AND FINANCIAL STATEMENTS

For the year ended 31st March 2018

ATEB GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31st March 2018

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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. M. Lewis, CPFA (Chair)
Mr. R. Butler, PG Dip (Con.Mgmt.), FRICS (Vice-Chair)
Mr. M. Bell, BA, DipTP, MRTPI (resigned Sept 2017)
Mr. D. Birch (appointed July 2017)
Mrs. D. Campbell
Mr. B. Charles, CPFA, OBE (resigned Sept 2017)
Mrs. H. Dahill (appointed July 2017)
Mrs. C. Hirst, DipRSA, BSc (Hons), MSc, FRICS (resigned Sept 2017)
Mr. E. Lewis (resigned Sept 2017)
Cllr. Mr. D. Simpson (resigned Sept 2017)
Mr. Hugh Watchman

Group Chief Executive:

Senior Executives:

Mr. N. Hampshire, BSc (Hons), MBA, MRICS
Mr. A. Williams, FCCA (Group Finance Director)
Mrs. E. Brock BSc, MSc, MCIH (Housing Director)
Mr. N. Sinnett, BSc, MRICS, AaPS (Group Property Services Director)

Secretary:

Mr. N. Hampshire, BSc (Hons), MBA, MRICS

Registered Office:

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

External Auditors:

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

Internal Auditors:

RSM
Regus House
Cardiff Gate Business Park
Cardiff CF23 8RU

Principal Solicitors:

Hugh James	Devonshires	Blake Morgan
Hodge House	30 Finsbury Circus	One Central Square
114-116 St Mary Street	London EC2M 7DT	Cardiff CF10 1FS
Cardiff CF10 1DY		

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
The Co-operative Bank PLC
Yorkshire Building Society
M&G Investments
BAE Systems Pension Fund
Welsh Government

ATEB GROUP LIMITED
REPORT OF THE BOARD OF MANAGEMENT
Year ended 31st March 2018

The Board of Management present their report and the audited financial statements for the year ended 31st March 2018.

Strategic Report

Principal activities and corporate structure

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.

During the year the Association adopted new rules based on Community Housing Cymru 2017 Model Rules and changed the name of Pembrokeshire Housing Association Limited to Ateb Group Limited. The legal and regulatory status remains unchanged.

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.

Strategic Plan

During the year we developed a new 3-year strategic plan based on three strategic aims:

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

The plan has identified 19no. strategic priorities for the Board over the course of the plan and is supported by a 5-year business plan from which we have set our 3-year financial targets. We will produce an Annual Strategic Report at the end of each financial year setting out our performance against the plan and financial targets. The first full review will be for the financial year 2018/19.

The strategic plan incorporates a number of our on-going corporate objectives as well as introducing new priorities primarily around the rebrand and underlying improvements, governance enhancement, new business development and service delivery improvements.

5-Year Business Plan

The key aims and objectives of the Business Plan are to reflect the Group's strategic objectives and corporate priorities in operational activities and targets. The Board of Management actively monitors performance against targets throughout the year.

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.

Our approach to risk management is continually reviewed and monitored by the Audit 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.

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

Financial review

2017-18 returned another strong financial performance for the Association. Although the net surplus for the year at 19.7% was slightly down on the previous year (22.6%), this was after absorbing one-off costs and a significant increase in replacement component costs as we continued to maintain a high level of investment in our properties.

This was the main reason for the increase in operating costs (£0.3m). The total revenue spend on replacement components was £1.1m (2017: £0.8m) and components classified as capital spend amounted to £1.5m. Property maintenance is a large area of expenditure in this business and includes kitchen, bathroom and boiler replacements as well as improving energy efficiency. 2017/18 incurred a much higher level of spend as components came to the end of their useful economic lives.

Donated land value adjustments in respect of properties acquired from developers under Section 106 planning obligations have also resulted in a reduction in the net surplus. This can vary significantly from year to year and is largely outside the control of the business.

After adjusting for these items, the bottom line performance is very consistent across the years.

Turnover grew by 5.4% to just under £15m and the number of homes in management increased by 73no. A further 495no. is expected in the next 5-years with construction underway on several sites throughout Pembrokeshire.

The wholly owned subsidiary private housebuilder Mill Bay Homes Limited returned over £1m in gift aid to the parent for investment in the social and affordable homes building programmes.

Net cash inflow from operating activities during the year was £8.2m (2017: £6.4m). 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 fixed assets increasing by 3.7% to £192.5m and reserves by 13.1% to £25.5m. Cash and ready access to secured loan facilities ensures that all current commitments are fully funded.

ATEB GROUP LIMITED

REPORT OF THE BOARD OF MANAGEMENT

£6.9m in Social Housing Grant (2017: £4.1m) was made available by the Welsh Government in support of the social housing development programme and £9.8m (2017: £12.7m) was invested in construction during the year.

As at 31 March, we maintained £20m of secured undrawn facilities available for immediate drawdown, and £12.6m of cash in hand making a total available liquidity of £32.6m. 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 76% of the current debt total of £86m was on fixed rate terms with a good mix of lenders/investors, types of loan and terms to repayment. Based on our latest business plan, our debt is forecast to increase from £86m (2017: £88m) to a peak of £106m in 2022/23.

There is more than sufficient collateral available to secure the debt requirement in the 5-year business plan. Assuming an asset cover of 125%, we will need £44m of property to secure the £35m borrowing requirement. Over £68m of property is available - an excess of £24m.

Our re-financing risk over the next six years is expected to be £29m spread between July 2021 and October 2023. This has been allowed for in our future plans.

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.

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.

Our recently launched service delivery platform is intended to promote the achievement of further success in delivering VFM for all our customers.

Regulation

Ateb Group Limited is regulated by the Welsh Government.

ATEB GROUP LIMITED

REPORT OF THE BOARD OF MANAGEMENT

During 2017/18 a new Regulatory Framework was introduced. The Framework operates on a co-regulation basis and focuses on ten performance standards.

The most recent regulatory opinion issued in Quarter 1 2017/18 was positive with two areas highlighted for ongoing development – gender balance on the Board and ‘hard wire’ tenant involvement in the strategic planning process.

Both development areas have been prioritised in the strategic plan.

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.

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.

ATEB GROUP LIMITED
REPORT OF THE BOARD OF MANAGEMENT

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;
- development of the Ateb Manual and the assurance framework
- procedures manuals for staff;
- separation of duties and independent checking procedures;
- management information and accounting systems with monthly reporting of financial results and other performance indicators;
- rolling five-year business plans driven by the strategic plan;
- risk management process, including an annual risk review;
- asset and liabilities register; and
- monitoring of the control system by the Audit 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 2018. No weaknesses were found in internal financial controls, which resulted in material losses, contingencies, or uncertainties, which require disclosure in the financial statements or in the auditors' report on the financial statements.

The Board of Management and Executive Officers

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

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

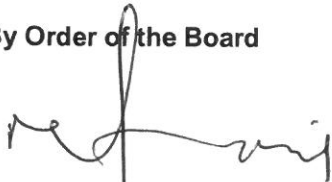
Post Balance Sheet Events

There are no significant post balance sheet events.

Auditors

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

By Order of the Board



N. Hampshire
Secretary

Date: 28/06/18

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 2018, we have reviewed the Board's statement of Ateb Group Limited's ("the Association") 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 Association's corporate governance procedures or its internal financial control.

OPINION

With respect to the Board's statement on internal financial control on pages 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

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

Date: 28/06/18

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 2018 which comprise the statement of comprehensive income, statement of changes in reserves, statement of financial position, the 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 Association's affairs as at 31st March 2018 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 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 Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account of the 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 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

Bevan & Buckland

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

Date: 28/06/18

ATEB GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2018

	Notes	2018	2017
		£	£
Turnover	2a	14,993,441	14,230,373
Less: Operating expenditure	2a	(10,423,322)	(9,279,426)
Operating Surplus	5a	4,570,119	4,950,947
Gain/(loss) on disposal of property, plant and equipment	6a	(25,242)	36,741
Finance/Investment Income	7a	403,808	424,286
Finance Costs	8a	(3,515,409)	(3,368,967)
Loan Breakage Fee	8c	-	(600,244)
Housing Finance Grant		239,057	120,663
Donated Land Value Adjustment		345,134	609,066
Other Income		25,344	29,755
Corporate Rebranding		(108,650)	-
Income from subsidiary company	8b	1,015,274	1,077,676
Surplus for the year		2,949,435	3,279,922
Actuarial (loss) in respect of pension schemes		-	(60,000)
Total comprehensive income for the year		2,949,435	3,219,922
		=====	=====

CONTINUING OPERATIONS

None of the Association's activities was acquired or discontinued during the two financial years.
Pembrokeshire Housing Association Limited changed it's name to ateb Group Limited in March 2018.

STATEMENT OF CHANGES IN RESERVES
for the year ended 31 March 2018


	Revenue Reserve	Restricted Reserve	Total Reserves
	£	£	£
Balance at 1 April 2017	22,360,078	140,000	22,500,078
Surplus from statement of comprehensive income	2,949,435	-	2,949,435
Transfer of Reserves	-	-	-
Balance at 31 March 2018	25,309,513	140,000	25,449,513
	=====	=====	=====

ATEB GROUP LIMITED

STATEMENT OF FINANCIAL POSITION
as at 31 March 2018

	Notes	2018 £	2017 £
Property, Plant & Equipment			
Housing properties - depreciated cost	10a	188,738,818	181,657,829
Other	11a	520,654	567,295
		189,259,471	182,225,124
Investments	12a	3	3
Homebuy loan	12a	3,223,423	3,336,433
		192,482,897	185,561,560
Loans to subsidiary companies	14b	5,580,000	5,850,000
Current assets			
Inventories	13a	309,178	161,582
Trade receivables: amounts falling due within one year	14a	3,897,225	2,320,227
Trade receivables: amounts falling due after more than one year	14b	3,506,510	1,689,896
Cash		12,613,879	14,672,034
		20,326,792	18,843,739
Trade payables: amounts falling due within one year	15a	(12,531,079)	(7,068,776)
Net current assets		7,795,714	11,774,963
Total assets less current liabilities		205,858,611	203,186,523
Trade payables: amounts falling due after more than one year	15b	(180,409,063)	(180,686,387)
Net assets		25,449,547	22,500,136
Equity			
Called up share capital	16a	34	58
Restricted reserves	17a	140,000	140,000
Revenue reserve	17a	25,309,513	22,360,078
		25,449,547	22,500,136

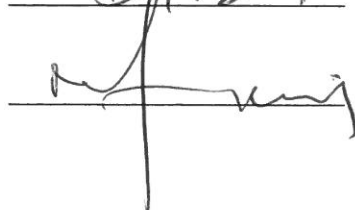
The financial statements on pages 10 to 28 were approved by the Board of Management on 28 June 2018 and were signed on its behalf by:



Mr M Lewis, Chair



Mr D Birch, Board Member



Mr N Hampshire, Secretary

ATEB GROUP LIMITED

STATEMENT OF CASHFLOWS
for the year ended 31 March 2018

	Notes	2018	2017
		£	£
Net cash inflow from operating activities	(i)	8,208,432	6,381,656
Cash flow from investing activities			
Payments to acquire and develop property		(9,897,354)	(11,164,694)
Receipts from sales of Property, Plant and Equipment		96,900	194,750
Social Housing Grant and contributions received		4,251,943	4,172,262
Other grants and contributions received		239,057	120,663
Purchase of other fixed assets		(156,197)	(98,983)
Finance/Investment income		403,808	424,286
Net cash outflow from investing activities		(5,061,843)	(6,351,717)
Cash flow from financing activities			
Finance costs		(2,959,402)	(3,530,927)
Issue of share capital	(iv)	4	-
Mortgage and other loans received			
- housing	(iv)	-	12,946,019
Finance costs of loans issued	(iv)	(117,565)	(328,432)
Loans issued - subsidiary company		(5,780,000)	(6,440,224)
Loans repaid - subsidiary company		6,050,000	6,180,224
Loans repaid			
- housing	(iv)	(2,397,781)	(2,365,849)
Net cash inflow from financing		(5,204,744)	6,460,811
Net change in cash and cash equivalents	(ii), (iii)	(2,058,155)	6,490,750
Cash and cash equivalents at beginning of the year		14,672,034	8,181,284
Cash and cash equivalents at end of the year		12,613,879	14,672,034
		0	

CASH FLOW STATEMENT - Additional Disclosure

Free cash flow for the year ended 31 March 2018	2018	2017
	£	£
Net cash inflow from operating activities	8,208,432	6,381,656
Finance/Investment income	403,808	424,286
Finance costs	(2,959,402)	(3,530,927)
Adjustments for reinvestment in existing properties		
Component Replacements	(1,507,279)	(1,385,803)
Purchase of other replacement fixed assets	(156,197)	(98,983)
Free cash generated before loan repayments	3,989,362	1,790,229
Loans repaid (excluding revolving credit facilities and overdrafts)	(2,397,781)	(2,365,849)
Free cash generated after loan repayments	1,591,581	(575,620)

ATEB GROUP LIMITED

NOTES TO THE STATEMENT OF CASH FLOWS
for the year ended 31 March 2018

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

	2018	2017
	£	£
Cash flows from operating activities		
Operating surplus	4,570,119	4,950,947
Depreciation	3,027,269	2,815,948
Amortisation of SHG	(891,261)	(858,399)
Abortive development costs	45,251	17,697
Impairment of housing properties	-	50,372
(Increase) / Decrease in trade receivables and inventories	1,528,597	857,179
Increase / (Decrease) in trade payables	310,545	(575,002)
Share capital cancelled	(28)	(13)
Charge for bad debts	37,253	41,865
Amortisation of finance issue costs	115,774	111,719
Capitalised Overheads	(288,780)	(303,168)
Loan breakage fee	-	(600,244)
Other Income	25,344	29,755
Corporate Rebranding	(108,650)	-
Pension deficit contribution paid	(163,000)	(157,000)
Net cash inflow from operating activities	8,208,432	6,381,656

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

	2018	2017
	£	£
At beginning of year	14,672,034	8,181,284
Net cash inflow/(outflow)	(2,058,155)	6,490,750
At end of year	12,613,879	14,672,034

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

	2018	2017	Change in year	2017	2016	Change in year
	£	£	£	£	£	£
Cash	12,613,879	14,672,034	(2,058,155)	14,672,034	8,181,284	6,490,750
	12,613,879	14,672,034	(2,058,155)	14,672,034	8,181,284	6,490,750

(iv) Analysis of changes in financing during the year

	Share Capital		Housing Loans	
	2018	2017	2018	2017
	£	£	£	£
At beginning of year	58	71	87,619,300	77,290,754
Cash inflow from financing	4	-	-	12,946,019
Cash outflow from financing	(28)	(13)	(2,256,686)	(2,365,849)
Cash outflow from finance costs	-	-	(117,565)	(135,905)
	34	58	85,245,048	87,735,019
Non cash items:				
Debenture discount	-	-	(4,000)	(4,000)
Amortisation of finance costs	-	-	(115,774)	(111,719)
Finance costs accrued	-	-	-	-
Other	-	-	-	-
At end of year	34	58	85,125,274	87,619,300

ATEB GROUP LIMITED
NOTES TO THE 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) 2014. Ateb Group Limited is a public benefit entity (PBE) as defined in FRS102. A summary of the more important policies which have been applied consistently are set out below. The Association continues to adopt the going concern basis in preparing its financial statements.

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.

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

iii) Replacement and Renewals

Expenditure on assets costing less than £500, which do not form part of a larger asset are written off to the Statement of Comprehensive Income in the year in which the expenditure is incurred.

ATEB GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)

- e) **Social Housing Grant**
Social Housing Grants are capital grants receivable from the Welsh Government are shown within trade receivable 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. The company continues to adapt the going concern basis in preparing its financial statements
- 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 participates in the industry wide defined benefit final salary pension scheme. Contributions are based on pension costs across the various participating Associations taken as a whole. The assets of the scheme are invested and managed independently of the finances of the Association. Pension costs are assessed in accordance with the advice of an independent qualified actuary on a tri-annual basis. The present value of the past service deficit contribution is recognised as a liability in the Statement of Financial Position. The Statement of Comprehensive Income reflects both a financing cost in respect of the calculated present value of future contributions, as well as a charge for pension deficit contributions arising directly in the year.
- m) **Recycled Capital Grant Fund**
Amounts of Social Housing Grant otherwise repayable on disposal of properties are accounted for by credit to a Recycled Capital Grant Fund, which can be used to fund future developments that would be eligible for Social Housing Grant. The fund operates on the basis of first money in, first money out normally within a period of three years.

ATEB GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)

n) 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.

o) Improvements

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

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 (s106 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. The financial statements include VAT to the extent that it is suffered by the Association.

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) Loan Facility

The Association provides a revolving credit facility to the subsidiary Mill Bay Homes to the assist towards the cost of various developments and land acquisitions. The interest rate is set at commercial terms.

w) Provisions for Liabilities

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

x) Cash and Cash Equivalents

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

y) **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 in the future 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.'

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

These comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. 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.

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

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

	Turnover £	2018 Operating costs £	2018 Operating surplus £	Interest receivable £	Interest payable £	Housing Finance Grant £	Income from Mill Bay Homes £	Surplus £
Income and expenditure from social housing lettings								
Fully rented housing accommodation	14,993,441	(10,378,071)	4,615,371	-	(3,515,409)	-	-	1,099,962
Total from social housing lettings	14,993,441	(10,378,071)	4,615,371	-	(3,515,409)	-	-	1,099,962
Other income and expenditure								
Other income	-	-	-	-	-	239,057	1,015,274	1,254,331
Abortive development costs	-	(45,251)	(45,251)	-	-	-	-	(45,251)
Impairment of housing properties	-	-	-	-	-	-	-	-
Total from social housing lettings	14,993,441	(10,423,322)	4,570,120	-	(3,515,409)	239,057	1,015,274	2,309,041
Finance/Investment Income				403,808	-	-	-	403,808
Gain/(loss) on disposal of property, plant and equipment			-	-	-	-	-	(25,242)
Loan Breakage Fee			-	-	-	-	-	345,134
Donated Land Value Adjustment			-	-	-	-	-	25,344
Other Income			-	-	-	-	-	(108,650)
Corporate Rebranding			-	-	-	-	-	-
Surplus on social housing lettings			4,570,120	403,808	(3,515,409)	239,057	1,015,274	2,949,435
Income and expenditure from social housing lettings								
Fully rented housing accommodation	14,230,373	(9,211,357)	5,019,016	-	(3,368,967)	-	-	1,650,049
Total from social housing lettings	14,230,373	(9,211,357)	5,019,016	-	(3,368,967)	-	-	1,650,049
Other income and expenditure								
Other income	-	-	-	-	-	120,663	1,077,676	1,198,339
Abortive development costs	-	(17,697)	(17,697)	-	-	-	-	(17,697)
Impairment of housing properties	-	(50,372)	(50,372)	-	-	-	-	(50,372)
Total from social housing lettings	14,230,373	(9,279,426)	4,950,947	-	(3,368,967)	120,663	1,077,676	2,780,318
Finance/Investment Income				424,286	-	-	-	424,286
Gain/(loss) on disposal of property, plant and equipment			-	-	-	-	-	36,741
Loan Breakage Fee			-	-	-	-	-	(600,244)
Donated Land Value Adjustment			-	-	-	-	-	609,066
Other Income			-	-	-	-	-	29,755
Surplus on social housing lettings			4,950,947	424,286	(3,368,967)	120,663	1,077,676	3,279,922

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

2a (ii) Turnover from social housing lettings

	2018			2017		
	General Needs & Sheltered Housing £	Supported Housing £	Total £	General Needs & Sheltered Housing £	Supported Housing £	Total £
Rent receivable net of void losses *	12,515,895	303,426	12,819,321	11,882,405	284,619	12,167,024
Service charges	1,161,687	31,920	1,193,607	1,090,018	27,185	1,117,203
	13,677,582	335,346	14,012,928	12,972,423	311,804	13,284,227
Income from support services	59,181	-	59,181	87,747	-	87,747
SHG Amortisation	877,628	13,634	891,261	844,765	13,634	858,399
Digital inclusion grant	30,071	-	30,071	-	-	-
Turnover from social housing lettings	14,644,462	348,980	14,993,441	13,904,935	325,438	14,230,373
	30,002	-	30,002	29,333	-	29,333
* Void losses						

2a (iii) Operating costs from social housing lettings

	2018			2017		
	General Needs & Sheltered Housing £	Supported Housing £	Total £	General Needs & Sheltered Housing £	Supported Housing £	Total £
Service charges	1,161,687	31,920	1,193,607	1,090,018	27,185	1,117,203
Management	2,185,042	129,116	2,314,158	2,014,438	134,541	2,148,979
Routine maintenance	2,412,498	20,562	2,433,060	2,028,691	16,060	2,044,750
Major repairs	1,512,799	-	1,512,799	1,182,686	-	1,182,686
Depreciation of housing properties	2,872,190	15,004	2,887,194	2,712,223	14,023	2,726,246
Losses from bad debts	37,253	-	37,253	41,865	-	41,865
Operating costs on social housing lettings	10,181,469	196,602	10,378,071	9,069,921	191,809	9,261,729
	4,462,993	152,378	4,615,371	4,835,014	133,629	4,968,643
Operating surplus on social housing lettings						

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

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.

	2018	2017
	£	£
Emoluments (including pension contributions and benefits in kind)	390,637	428,295
	=====	=====

During the year the emoluments (excluding pension contributions) of the Chief Executive who was the highest paid Senior Executive was £111,760 (2017 : £111,045).

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

	2018	2017
£60,001 to £70,000	1	1
£70,001 to £80,000	-	-
£80,001 to £90,000	1	1
£90,001 to £100,000	1	1
£100,001 to £110,000	-	-
£110,001 to £120,000	1	1

2018 reflects 48 months of Senior Executives' management cost (2017 : 48 months).

None of the Board received any emoluments during the year.

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

4a Staff numbers and cost

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

	2018	2017
Office staff	59.21	54.95
Direct Labour	36.00	31.00
Cleaning staff	0.60	0.60
	-----	-----
	95.81	86.55
	=====	=====

Staff costs for the above persons were:

	2018	2017
	£	£
Wages and salaries	2,616,936	2,456,119
Social security costs	247,713	230,058
Pension costs (note 20a)	181,109	166,090
	-----	-----
	3,045,758	2,852,267
	=====	=====

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018**

5a Operating surplus	2018	2017
	£	£
The operating surplus is stated after charging/(crediting):		
Depreciation	3,027,269	2,866,321
Finance issue costs	233,339	183,508
Debenture discount charge	4,000	4,000
Auditors remuneration		
- In their capacity as auditors, including VAT	10,440	10,140
- In respect of other services, including VAT	-	-
	=====	=====
6a Gain/(loss) on disposal of property, plant and equipment	2018	2017
	£	£
Surplus/(loss) on sale of properties	(25,242)	36,741
Surplus on sale of vehicles/equipment	-	-
	-----	-----
	(25,242)	36,741
	=====	=====
7a Finance/Investment Income	2018	2017
	£	£
Finance/Investment Income	403,808	424,286
	=====	=====
8a Finance Costs	2018	2017
	£	£
On loans repayable in instalments wholly or partly in more than 5 years	3,425,159	3,278,717
On loans repayable other than in instalments wholly or partly in more than 5 years	90,250	90,250
	-----	-----
	3,515,409	3,368,967
	=====	=====
8b Transfer from subsidiary company	2018	2017
	£	£
Gift Aid payment	1,015,274	1,077,676
	-----	-----
	1,015,274	1,077,676
	=====	=====
8c Loan Breakage Fee	2018	2017
	£	£
During FY 2016-17, the Association refinanced a fixed interest loan with the Co-operative Bank PLC. The bank gave notice of its intention to seek repayment of the £8m loan in 2023. The two key elements to re-financing risk are the availability of finance when repayment becomes due and the level of interest rates prevailing at the time. Independent external advice was obtained. In order to mitigate risk exposure, the decision was taken to refinance the bank loan with a new long term loan from BAE Systems Pension Fund at a fixed rate of interest. This resulted in a break cost of £600k.	-	600,244
	-----	-----
	-	600,244
	=====	=====
9a Taxation		
Due to its charitable status, the Association is not liable for Corporation Tax on its normal activities.		

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

10a Property, Plant and Equipment - Housing Properties

	Housing properties held for letting		Shared ownership properties held for letting	
	Completed £	Under Construction £	Completed £	Total £
Cost				
At 1 April 2017	192,809,029	10,224,100	-	203,033,129
Additions	4,146,403	5,617,855	366,185	10,130,443
Reclassification	5,263,731	(5,263,731)	-	-
Disposals	(635,547)	-	-	(635,547)
At 31 March 2018	201,583,616	10,578,224	366,185	212,528,025
Depreciation				
At 1 April 2017	(21,375,301)	-	-	(21,375,301)
Charged for the year	(2,753,180)	-	-	(2,753,180)
Disposals	339,272	-	-	339,272
At 31 March 2018	(23,789,209)	-	-	(23,789,209)
Net book value				
At 31 March 2018	177,794,408	10,578,224	366,185	188,738,818
At 31 March 2017	171,433,728	10,224,100	-	181,657,829

The total net book value of housing properties comprises:

	2018 £	2017 £
Freehold property	188,359,482	181,278,493
Long leasehold property	54,294	54,294
Short leasehold property	325,042	325,042
	188,738,818	181,657,829

Development administration expenditure and other indirect costs capitalised during the year amounted to £288,780 (2017 : £303,168).

Interest capitalised during the year amounted to £nil (2017 : £nil).

Component Replacement spend for the year amounted to £1,507,279 (2017: £1,385,803)

Housing Properties includes Land with a carrying value of £26,284,116 (2017: £25,028,206)

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

11a Property, Plant & Equipment - Other Fixed Assets

	Freehold Offices £	Tools & Equipment £	Motor vehicles £	Computer Equipment £	Total £
Cost					
At 1 April 2017	490,981	517,571	23,743	556,266	1,588,561
Additions	-	35,822	51,421	68,954	156,197
Disposals/Write off/Adj.	-	-	(14,545)	-	(14,545)
At 31 March 2018	490,981	553,393	60,619	625,220	1,730,213
Grants and Contributions					
At 1 April 2017	-	-	-	-	-
Additions	-	-	(44,101)	-	(44,101)
Disposals	-	-	-	-	-
At 31 March 2018	-	-	(44,101)	-	(44,101)
Depreciation					
At 1 April 2017	(232,303)	(412,503)	(21,444)	(355,017)	(1,021,266)
Charged for the year	(9,465)	(32,843)	(8,879)	(107,549)	(158,737)
Disposals/Write off/Adj.	-	-	14,545	-	14,545
At 31 March 2018	(241,767)	(445,346)	(15,778)	(462,566)	(1,165,458)
Net book value					
At 31 March 2018	249,214	108,046	740	162,654	520,654
At 31 March 2017	258,679	105,068	2,299	201,249	567,295

12a Investments

	2018 £	2017 £
Cost of Home Buy Loans	3,223,423	3,336,433
	3,223,423	3,336,433

The above investments represent a 30% and 50% interest in 101 (2017: 104) properties acquired under the Welsh Government Low Cost Home Ownership Schemes.

Shares in subsidiary companies :	2018	2017
Mill Bay Homes Limited	1	1
West Wales Care & Repair Limited	1	1
Effective Building Solutions Limited	1	1
	3	3

13a Inventories

	2018 £	2017 £
Work In Progress	309,178	161,582
	309,178	161,582

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018**

14a Trade Receivables	2018	2017
Amounts falling due within one year	£	£
Arrears of Rent and Service Charges	483,074	425,337
Less: Provision for bad and doubtful debts	(59,000)	(54,500)
	-----	-----
	424,074	370,837
Prepayments and accrued income	107,693	135,436
Inter-company debtors - subsidiary companies	1,105,140	1,074,672
Social Housing Grant and capital contributions receivable	2,094,788	-
Housing Finance Grant	59,774	29,954
Other receivables	105,757	709,328
	-----	-----
	3,897,225	2,320,227
	=====	=====

Other receivables includes £1,161 (2017 : £1,995) in respect of car loans to staff for assisted car purchase repayable within one year. The number of staff included in the scheme at 31 March 2018 was 1 (2017: 2).

14b Amounts falling due after more than one year	2018	2017
Loan to subsidiary company	£	£
	5,580,000	5,850,000
	-----	-----
	5,580,000	5,850,000
	=====	=====
	£	£
Housing Finance Grant	3,498,841	1,682,833
	-----	-----
	3,498,841	1,682,833
	=====	=====
	£	£
Rent Arrears Long Term Repayment Plans	7,669	7,062
	-----	-----
	7,669	7,062
	=====	=====

15a Trade Payables	2018	2017
Amounts falling due within one year	£	£
Rental income prepaid	184,358	171,920
Accrued interest	862,488	310,482
Amounts owed in respect of housing development	258,568	635,193
Taxation, pension and social security	109,788	103,151
Social Housing Grant and capital contributions received in advance	4,553,108	-
Inter-company creditors - subsidiary companies	604	-
Other payables	17,171	13,022
Accruals and deferred income	1,721,467	1,435,559
Housing loans	3,207,308	2,727,461
Grant Recycling Fund	484,741	586,696
SHG - Deferred Income	918,398	888,982
Movement in amortisation of loan acquisition cost	1,093	(1,048)
Annual Leave Year End Accrual	35,452	34,642
Past Service Pension liability	176,535	162,717
	-----	-----
	12,531,079	7,068,776
	=====	=====

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018**

15b Trade Payables

Amounts falling due after more than one year

	2018 £	2017 £
Housing Loans	81,916,873	84,889,771
SHG - Deferred Income	94,397,020	91,411,900
Homebuy Grant - Deferred Income	3,223,423	3,336,433
Past Service Pension liability	871,748	1,048,283
	-----	-----
	180,409,064	180,686,387
	=====	=====

follows:

Repayable by instalments

	2018 £	2017 £
One year or less	3,207,308	2,727,461
Between one and five years	10,440,507	10,989,636
In five years or more	71,367,606	73,779,321
	-----	-----
	85,015,421	87,496,418
	(774,721)	(856,145)
	-----	-----
	84,240,700	86,640,273
	=====	=====

Repayable otherwise than by instalments in more than five years

	2018 £	2017 £
In more than five years	1,000,000	1,000,000
Less : Debenture Discount Account	(16,972)	(20,972)
	-----	-----
	983,028	979,028
	=====	=====

(II) Non-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 2018 of the total loans outstanding the ratio of fixed rate loans to variable rate interest loans was 76:24 (2017: 67:33). At the year-end interest rates ranged from 2.76% to 9.87%.

15d SHG and other grants

	Housing properties held for letting		Shared ownership properties held for letting	
	Completed £	Under Construction £	Completed £	Total £
SHG at 1 April 2017	94,471,568	5,707,728	-	100,179,296
HFG at 1 April 2017	1,793,909	-	-	1,793,909
Additions	542,880	3,456,906	-	3,999,786
Reclassification	1,921,250	(1,921,250)	-	-
Disposals	(107,897)	-	-	(107,897)
	-----	-----	-----	-----
At 31 March 2018	98,621,710	7,243,384	-	105,865,093
	=====	=====	=====	=====
At 31 March 2017	96,265,477	5,707,728	-	101,973,205
	=====	=====	=====	=====
Amortisation				
At 1 April 2017	(9,672,321)	-	-	(9,672,321)
Charged for the year	(891,261)	-	-	(891,261)
Disposals	13,907	-	-	13,907
	-----	-----	-----	-----
At 31 March 2018	(10,549,675)	-	-	(10,549,675)
	-----	-----	-----	-----
Net book value				
At 31 March 2018	88,072,035	7,243,384	-	95,315,418
	=====	=====	=====	=====
At 31 March 2017	86,593,156	5,707,728	-	92,300,884
	=====	=====	=====	=====

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018**

15e Grant Recycling Fund

	2018	2017
	£	£
Opening Balance	586,696	503,645
Property Sales	202,725	212,790
Recycled to Development	(304,680)	(129,739)
Closing Balance	484,741	586,696

15f Homebuy Grant

	2018	2017
	£	£
Homebuy Grant	3,223,423	3,336,433

16a Called up share capital - non equity

	2018	2017
	£	£
Allotted issued and fully paid		
At the beginning of the year	58	71
Issued	4	-
Cancelled	(28)	(13)
At the end of the year	34	58

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

17a Reserves

	At 1 April 2017	Surplus for the year	Transfer of reserves	At 31 March 2018
	£	£	£	£
Revenue Reserve	22,360,078	2,949,435	-	25,309,513
Restricted Reserves				
Donated Properties	140,000	-	-	140,000
Total	22,500,078	2,949,435	-	25,449,513

Analysed as:

Revenue Reserve	25,309,513
Restricted Reserves (Donated Properties)	140,000
	25,449,513

18a Capital Commitments

	2018	2017
	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements	16,347,765	5,424,935
Capital expenditure that has been authorised by the Board of Management but has not yet been contracted for:	20,839,650	6,085,687

The commitments at 31 March 2018 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 FINANCIAL STATEMENTS
for the year ended 31 March 2018**
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:

	2018 £	2017 £
Commitment:		
Within one year	93,759	65,874
Within two to five years	218,930	139,467
	=====	=====

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 benefit scheme in the UK.

It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme.

Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005.

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

The scheme is classified as a 'last man standing arrangement'. Therefore the company 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.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2014. This actuarial valuation was certified on the 23 November 2015 and showed assets of £3,123m, liabilities of £4,446m and a deficit of £1,323m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Deficit Contributions

Tier 1		
From 01 April 2016 to 30 September 2020:	£40.6m per annum	(payable monthly and increasing by 4.7% each year on 01 April.)
Tier 2		
From 01 April 2016 to 30 September 2023:	£28.6m per annum	(payable monthly and increasing by 4.7% each year on 01 April.)
Tier 3		
From 01 April 2016 to 30 September 2026:	£32.7m per annum	(payable monthly and increasing by 3.0% each year on 01 April.)
Tier 4		
From 01 April 2016 to 30 September 2026:	£31.7m per annum	(payable monthly and increasing by 3.0% each year on 01 April.)

Note that the schemes previous valuation was carried out with an effective date of 30 September 2011; this valuation was certified on 17 December 2012 and showed assets of £2,062m, liabilities of £3,097m and deficit of £1,035m. To eliminate this funding shortfall, payments consisted of the Tier 1, 2 & 3 deficit contributions.

Where the scheme is in deficit and where the Association has agreed to a deficit funding arrangement, the Association recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present Values of Provision	31 March 2018 £	31 March 2017 £	31 March 2016 £
Present Value of Provision	1,048,000	1,211,000	1,308,000

Reconciliation of Opening and Closing Provisions	Period Ending 31 March 2018 £	Period Ending 31 March 2017 £
Provision at the start of period	1,211,000	1,308,000
Unwinding of the discount factor (interest expense)	15,000	26,000
Deficit contribution paid	(163,000)	(157,000)
Remeasurements - impact of any change in assumptions	(15,000)	34,000
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	1,048,000	1,211,000

Statement of Comprehensive Income Impact	Period Ending 31 March 2018 £	Period Ending 31 March 2017 £
Interest Expense	26,000	26,000
Remeasurements - impact of any change in assumptions	34,000	34,000
Remeasurements - amendments to the contribution schedule	-	-

Assumptions	31 March 2018 % per annum	31 March 2017 % per annum	31 March 2016 % per annum
Rate of discount	1.72	1.33	2.06

The discount rates shown up are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

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 2014 was £8,277,805. 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

	2018	2017
At end of year	2,690	2,617

23a Legislative Provisions

As at 31st March 2018 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.

24a Group Structure

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

25a Related Parties

Board members were reimbursed a total of £580 for attending meetings.

Board Member, Cllr. Mr D Simpson was an elected representative of Pembrokeshire County Council.

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 £3,107. (2017 creditor: £1,103).

During the year the Parent charged West Wales Care & Repair the following: Office rent £12,447, Management charges £16,728

During the year the parent contributed the following to West Wales Care & Repair: £49,898.

Mill Bay Homes Limited is a wholly controlled subsidiary and has an outstanding inter company creditor balance of £6,682,034

(2017: £6,923,570). This is made up of a loan balance of £5,580,000, gift aid of £1,015,274 and management recharges of £86,780.

During the year the parent advanced £5,560,000 in loans and received £6,050,000 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 £3,105, Management charges £20,250 and Project management charge £12,764.

26d 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.