



ATEB GROUP LIMITED

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

For the year ended 31st March 2021

ATEB GROUP LIMITED
CONSOLIDATED REPORT AND FINANCIAL STATEMENTS
For the year ended 31st March 2021

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ATEB GROUP LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

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

| | | |
|-----------------------|---|--|
| Board of Management: | Mr. D. Birch (Chair) Mr. Hugh Watchman (Vice-Chair) Ms. H. Belton LLB Mrs. J. Francis Mr. A. James Mr. O. Jones Mrs. J. Leonard Mrs. S. Lusher | |
| Chief Executive: | Mr. N. Hampshire, BSc (Hons), MBA, MRICS | |
| Senior Executives: | Mr. M. Lewis Executive Director-Housing Mr. A. Jenkins, BSc, FCA Executive Director-Finance (Appointed July 2020) Mr. W Lloyd-Davies MRICS Executive Director-Development (Appointed July 2020) | |
| Secretary: | Mrs. C. Barnett LLB | |
| Registered Office: | Meyler House, St. Thomas Green, Haverfordwest, Pembrokeshire. SA61 1QP | |
| External Auditors: | Bevan Buckland LLP Chartered Accountants & Statutory Auditors Langdon House Langdon Road Swansea SA1 8QY | |
| Internal Auditors: | Mazars Victoria Street Bristol BS1 6DP | |
| Principal Solicitors: | Hugh James Two Central Square Cardiff CF10 1FS | Devonshires 30 Finsbury Circus London EC2M 7DT |
| Bankers: | Barclays Bank PLC Windsor Court 3 Windsor Place Cardiff CF10 3AX | |
| Funders: | Barclays Bank PLC The Royal Bank of Scotland PLC Principality Building Society The Housing Finance Corporation Yorkshire Building Society M&G Investments BAE Systems Pension fund Welsh Government bLEND Funding PLC | |

ATEB GROUP LIMITED

REPORT OF THE BOARD OF MANAGEMENT

The Board of Management present their report and the audited financial statements for the year ended 31st March 2021.

Strategic Report

Principal activities and corporate structure

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

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

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

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

Board of Management

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

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

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

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

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

ATEB GROUP LIMITED

REPORT OF THE BOARD OF MANAGEMENT

Strategic Plan

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

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

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

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

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

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

For more information on ateb group services and our governance and financial review please see our ateb stories 20/21 and our corporate review 20/21 documents for more information once published on our website.

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

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

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 Assurance Committee on behalf of the Group Board. All subsidiary businesses are required to comply with the risk management framework.

The Risk Register is managed by the Risk Panel which consists of representatives from across the Group. Each representative is a 'risk owner' acting as an early warning of changes or new and emerging risks. This approach enables the Group to foresee risks and to implement mitigating controls before they adversely impact on the business or delivery of key targets. This will be further improved with the development of the new integrated risk and assurance management framework.

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

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

ATEB GROUP LIMITED

REPORT OF THE BOARD OF MANAGEMENT

Financial review

The year began with a significant amount of uncertainty owing to the Covid-19 pandemic. The Association prepared for a downturn and changed its processes to reflect the challenges it faced. As the year unfolded our understanding of the impact of the pandemic on the Association improved as optimism gradually returned. Teams continue to work from home and some services have been disrupted but we have been constantly working with our clients and stake holders to minimise the impact. More information on our response to Covid-19 can be found in our 2020-21 Corporate Review.

Despite the Covid-19 pandemic 2020-21 returned another strong financial performance for the Group. The Total Comprehensive Income for the year increased to £6.05m from £5.14m in 2019-20.

Turnover grew by 12.9% to £29.2m and the number of homes in management increased by 126 units (2020: 87). In comparison operating costs increased by 3.9% between the two years.

The wholly owned subsidiary private housebuilder Mill Bay Homes Limited returned a higher than anticipated £2.7m in gift aid (2020: £1.1m) to the parent for investment in the social and affordable homes building programmes.

The Statement of Financial Position has increased in strength with housing properties increasing by 4.4% to £232m and reserves by 11.8% to £39.7m. Cash and ready access to secured loan facilities ensures that all current commitments are fully funded.

During the year £6.45m in Social Housing Grant (2020: £8.07m) was made available by the Welsh Government in support of the social housing development programme.

As at 31 March 2021, we maintained £22m of secured undrawn facilities available for immediate drawdown, and £19.8m of cash in hand making a total available liquidity of £41.8m. This is sufficient to fund over two years' commitments.

At the year-end 90% of the current debt total of £97.2m was on fixed rate terms with a good mix of lenders/investors, types of loan and terms to repayment.

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

Mill Bay Homes continues to perform well and is now a leading provider of new build properties in Pembrokeshire with 45 new homes sold in the year despite the effects of the Coronavirus crisis.

The profit for the year exceeded the Business Plan target by £2,664k and in line with the business model this will be covenanted to the parent organisation for investment in the provision of affordable homes.

Two sites were completed and all units were sold in the year – Maes Rheithordy, Cilgerran and Bishop's Court, St.Davids.

Construction work is currently underway on two developments – Boars Head, Templeton and Hayes Lane, Sageston.

West Wales Care and Repair Limited remains an integral part of our holistic approach to the provision of much needed customer services throughout the Group. The Agency has supported over 2,300 clients throughout Pembrokeshire and Ceredigion.

Grant funding received from Welsh Government, local authorities and other sources has enabled the Agency to deliver services that are much needed by the older residents across both counties.

Maintenance and investment in our assets

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

ATEB GROUP LIMITED

REPORT OF THE BOARD OF MANAGEMENT

Financial strength

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

Value for money

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

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

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

Regulation

Ateb Group Limited is regulated by the Welsh Government.

The Future

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

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

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

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

Changes in Fixed Assets

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

Responsibilities of the Board of Management

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

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

ATEB GROUP LIMITED

REPORT OF THE BOARD OF MANAGEMENT

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

Internal Financial Controls

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

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

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

The Board of Management has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31st March 2021. 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



A. Jenkins
Deputy Company Secretary

Date: 24/06/21

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 2021, we have reviewed the Board's statement of ATEB Group Limited's ("the Group") compliance with the Welsh Government Circular 02/10, Internal Financial Control and Financial Reporting ("the Circular").

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

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

Opinion

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



Bevan Buckland LLP

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

Date: 24/06/21

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

Opinion

We have audited the financial statements of ATEB Group Limited ("the Association") for the year ended 31 March 2020 which comprise the consolidated and Association statements of comprehensive income, consolidated and Associated statements of changes in reserves, the consolidated and Association statements of financial position, the consolidated cash flow statement and its related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Association's affairs as at 31st March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

Basis for Opinion

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

Conclusions relating to going concern

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

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

Other Information

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of the board

As explained more fully in the Statement of Responsibilities of the Board (set out on page 5), the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Identifying and assessing potential risks related to irregularities.

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

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

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

Audit response to risks identified

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

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

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

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

Use of our report

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



Bevan Buckland LLP

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

Date: 24/06/21

ATEB GROUP LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2021

| | Notes | 2021 | 2020 |
|---|-------|--------------|--------------|
| | | £ | £ |
| Turnover | 2 | 29,231,208 | 25,900,309 |
| Cost of Sales | | (7,953,455) | (6,651,523) |
| Gross Surplus | | 21,277,753 | 19,248,786 |
| Less: Operating costs | 2 | (12,571,676) | (12,085,722) |
| Gain on disposal of Property, Plant & Equipment | 6 | 53,408 | 114,615 |
| Operating Surplus | 5 | 8,759,485 | 7,277,679 |
| Finance / Investment Income | 7 | 4,028 | 9,098 |
| Finance Costs | 8 | (3,495,043) | (3,258,065) |
| Interest Capitalised | | 287,687 | - |
| Housing Finance Grant | 9 | 238,406 | 243,174 |
| Finance Charges / Issue Costs | | (138,502) | (155,020) |
| Donated Land Value Adjustment | | 409,272 | 1,079,975 |
| Other Income | | 3,632 | 10,407 |
| Pension Fund Net Interest Costs | 20 | (26,000) | (66,000) |
| Total Comprehensive Income before transfers | | 6,042,965 | 5,141,248 |
| Taxation | | - | - |
| Total Comprehensive Income for the year after taxation | | 6,042,965 | 5,141,248 |
| Other Comprehensive Income | | | |
| Initial recognition of multi-employer defined benefit scheme | 20 | - | - |
| Actuarial Gain / (Loss) in respect of pension schemes | 20 | (1,851,301) | 1,565,908 |
| Total Comprehensive Income for the Year | | 4,191,665 | 6,707,156 |

CONSOLIDATED RESULTS

Companies included are as follows :

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

CONTINUING OPERATIONS

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

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

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

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

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

ATEB GROUP LIMITED
**STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2021**

| | Notes | 2021 £ | 2020 £ |
|--|-------|--------------|--------------|
| Turnover | 2a | 17,299,516 | 16,887,725 |
| Less: Operating expenditure | 2a | (11,602,584) | (11,160,549) |
| Gain/(Loss) on disposal of Property, Plant & Equipment | 6a | 53,408 | 114,615 |
| Operating Surplus | 5a | 5,750,340 | 5,841,791 |
| Finance / Investment income | 7a | 332,233 | 336,248 |
| Finance Costs | 8a | (3,495,043) | (3,258,065) |
| Interest Capitalised | | 287,689 | - |
| Housing Finance Grant | | 238,406 | 243,174 |
| Finance Charges / Issue Costs | | (138,502) | (155,020) |
| Donated Land Value Adjustment | | 409,272 | 1,079,975 |
| Other Income | | 3,632 | 10,407 |
| Pension Fund Net Interest Cost | 20a | (24,000) | (62,000) |
| Income from subsidiary company | 8b | 2,664,085 | 1,066,259 |
| Total Comprehensive Income before transfers | | 6,028,111 | 5,102,770 |
| Other Comprehensive Income | | | |
| Initial recognition of multi-employer defined benefit scheme | 20a | - | - |
| Actuarial gains / (losses) in respect of pension schemes | 20a | (1,720,848) | 1,481,928 |
| Total Comprehensive Income for the Year | | 4,307,263 | 6,584,698 |

CONTINUING OPERATIONS

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

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

| | Revenue Reserve £ | Designated Reserve £ | Restricted Reserve £ | Total Reserves £ |
|--|-------------------------|----------------------------|----------------------------|------------------------|
| Balance at 1 April 2020 | 29,549,209 | 5,243,872 | 140,000 | 34,933,081 |
| Surplus from statement of comprehensive income | 4,307,263 | - | - | 4,307,263 |
| Transfer of Reserves | 5,243,872 | (5,243,872) | - | - |
| Balance at 31 March 2021 | 39,100,344 | - | 140,000 | 39,240,344 |

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

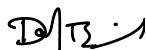
| | Revenue Reserve £ | Designated Reserve £ | Restricted Reserve £ | Total Reserves £ |
|--|-------------------------|----------------------------|----------------------------|------------------------|
| Balance at 1 April 2019 | 24,030,770 | 4,177,613 | 140,000 | 28,348,383 |
| Surplus from statement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

ATEB GROUP LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2021

| | Notes | 2021 £ | 2020 £ |
|---|-------|---------------|---------------|
| Property, Plant & Equipment | | | |
| Housing properties - depreciated cost | 10 | 231,785,474 | 221,988,715 |
| Other | 11 | 827,101 | 552,767 |
| | | <hr/> | <hr/> |
| | | 232,612,575 | 222,541,482 |
| Investments | 12 | 3 | 3 |
| Shop - 50-54 Bush Street | 12 | 98,326 | 98,326 |
| Homebuy loan | 12 | 2,675,998 | 2,911,848 |
| | | <hr/> | <hr/> |
| | | 235,386,902 | 225,551,660 |
| Current assets | | | |
| Inventories | 13 | 3,908,770 | 6,025,861 |
| Properties held for sale | | 60,049 | - |
| Receivables: amounts falling due within one year | 14a | 5,262,938 | 4,740,791 |
| Receivables: amounts falling due after more than one year | 14b | 5,012,176 | 5,050,017 |
| Cash | | 20,282,831 | 4,348,783 |
| | | <hr/> | <hr/> |
| | | 34,526,764 | 20,165,452 |
| Payables: amounts falling due within one year | 15a | (9,354,787) | (7,485,118) |
| | | <hr/> | <hr/> |
| Net current assets | | 25,171,977 | 12,680,335 |
| | | <hr/> | <hr/> |
| Total assets less current liabilities | | 260,558,879 | 238,231,994 |
| Payables: amounts falling due after more than one year | 15b | (218,003,879) | (201,495,661) |
| Provisions for liabilities | | | |
| Pension - deficit funding liability | 20 | (2,886,000) | (1,259,000) |
| | | <hr/> | <hr/> |
| Net assets | | 39,669,000 | 35,477,333 |
| | | <hr/> | <hr/> |
| Equity | | | |
| Called up share capital | 16 | 42 | 39 |
| Restricted reserves | 17 | 231,562 | 230,774 |
| Designated Reserves | | 192,779 | 5,431,598 |
| Revenue reserve | 17 | 39,244,618 | 29,814,922 |
| | | <hr/> | <hr/> |
| | | 39,669,000 | 35,477,333 |
| | | <hr/> | <hr/> |

The financial statements on pages 11 to 47 were approved by the Board of Management on 24 June 2021 and were signed on its behalf by:



Mr D Birch, Chair



Mr H Watchman, Vice-Chair



Mr Alex Jenkins, Deputy Company Secretary

ATEB GROUP LIMITED


STATEMENT OF FINANCIAL POSITION
as at 31 March 2021

| | Notes | 2021 £ | 2020 £ |
|---|-------|-------------------|-------------------|
| Property, Plant & Equipment | | | |
| Housing properties - depreciated cost | 10a | 231,785,475 | 221,988,714 |
| Other | 11a | 810,745 | 545,435 |
| | | <hr/> 232,596,220 | <hr/> 222,534,149 |
| Investments | 12a | 3 | 3 |
| Commercial property | 12a | 98,326 | 98,326 |
| Homebuy loan | 12a | 2,675,998 | 2,911,848 |
| | | <hr/> 235,370,547 | <hr/> 225,544,326 |
| Loans to subsidiary companies | 14b | 1,671,500 | 5,645,000 |
| Current assets | | | |
| Inventories | 13a | 147,314 | 110,058 |
| Properties held for sale | | 60,049 | - |
| Receivables: amounts falling due within one year | 14a | 6,149,653 | 4,557,022 |
| Receivables: amounts falling due after more than one year | 14b | 4,945,421 | 5,050,017 |
| Cash | | 19,752,828 | 3,041,458 |
| | | <hr/> 31,055,265 | <hr/> 12,758,554 |
| Payables: amounts falling due within one year | 15a | (8,258,903) | (6,541,245) |
| Net current assets | | <hr/> 22,796,362 | <hr/> 6,217,309 |
| Total assets less current liabilities | | <hr/> 259,838,409 | <hr/> 237,406,635 |
| Payables: amounts falling due after more than one year | 15b | (217,923,027) | (201,310,515) |
| Provisions for liabilities | 20a | | |
| Pension - deficit funding liability | | (2,675,000) | (1,163,000) |
| Net assets | | <hr/> 39,240,382 | <hr/> 34,933,120 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| Equity | | | |
| Called up share capital | 16a | 38 | 39 |
| Restricted reserves | 17a | 140,000 | 140,000 |
| Designated reserve | 17a | - | 5,243,872 |
| Revenue reserve | 17a | 39,100,344 | 29,549,209 |
| | | <hr/> 39,240,382 | <hr/> 34,933,120 |
| | | <hr/> <hr/> | <hr/> <hr/> |

The financial statements on pages 11 to 47 were approved by the Board of Management on 24 June 2021 and were signed on its behalf by



Mr D Birch, Chair



Mr H Watchman, Vice-Chair



Mr Alex Jenkins, Deputy Company Secretary

ATEB GROUP LIMITED
CONSOLIDATED STATEMENT OF CASHFLOWS
for the year ended 31 March 2021

| | | 2021 | | 2020 | |
|---|--------------|--------------|-------------|--------------|--------------|
| | Notes | £ | £ | £ | £ |
| Net cash inflow from operating activities | (i) | | 13,390,194 | | 7,536,651 |
| Cash flow from investing activities | | | | | |
| Payments to acquire and develop property | | (13,007,140) | | (17,202,610) | |
| Receipts from sales of Property, Plant and Equipment | | 53,408 | | 114,615 | |
| Social Housing Grant and contributions received | | 6,358,592 | | 4,288,084 | |
| Purchase of other fixed assets | | (397,018) | | (187,488) | |
| Finance/Investment income | | 4,028 | | 9,488 | |
| | | ----- | | ----- | |
| Net cash outflow from investing activities | | | (6,988,130) | | (12,977,911) |
| Cash flow from financing activities | | | | | |
| Finance costs | | (3,531,266) | | (3,262,686) | |
| Issue of share capital | (iv) | - | | 3 | |
| Mortgage and other loans received | | | | | |
| - housing | (iv) | 27,000,000 | | 11,500,000 | |
| Finance costs of loans issued | (iv) | (30,249) | | - | |
| Loans repaid | | | | | |
| - housing | (iv) | (19,429,760) | | (2,164,142) | |
| THFC Premium Account | | 5,523,260 | | - | |
| | | ----- | | ----- | |
| Net cash inflow from financing | | | 9,531,985 | | 6,073,175 |
| Net change in cash and cash equivalents | (ii) , (iii) | | 15,934,049 | | 631,915 |
| Cash and cash equivalents at beginning of the year | | | 4,348,783 | | 3,716,864 |
| | | | ----- | | ----- |
| Cash and cash equivalents at end of the year | | | 20,282,832 | | 4,348,779 |
| | | | ===== | | ===== |

CONSOLIDATED CASH FLOW STATEMENT - Additional Disclosure

| | 2021 | 2020 |
|---|-------------|-------------|
| Free cash flow | | |
| for the year ended 31 March 2021 | | |
| | £ | £ |
| Net cash inflow from operating activities | 13,390,194 | 7,536,651 |
| Finance/Investment income | 4,028 | 9,488 |
| Finance costs | (3,531,265) | (3,262,686) |
| Adjustments for reinvestment in existing properties | | |
| Component Replacements | (468,971) | (1,051,900) |
| Purchase of other fixed assets | (397,017) | (187,488) |
| | ----- | ----- |
| Free cash generated / (consumed) before loan repayments | 8,996,969 | 3,044,065 |
| Loans repaid (excluding revolving credit facilities and overdrafts) | (1,192,809) | (1,232,830) |
| | ----- | ----- |
| Free cash generated / (consumed) after loan repayments | 7,804,160 | 1,811,235 |
| | ===== | ===== |

ATEB GROUP LIMITED
STATEMENT OF CASHFLOWS
for the year ended 31 March 2021

| | | | 2021 | 2020 |
|---|--------------|--------------|--------------|--------------|
| | Notes | £ | £ | £ |
| Net cash inflow from operating activities | (i) | | 9,851,538 | 8,311,526 |
| Cash flow from investing activities | | | | |
| Payments to acquire and develop property | | (13,007,140) | (17,202,610) | |
| Receipts from sales of Property, Plant and Equipment | | 53,408 | 114,615 | |
| Social Housing Grant and contributions received | | 6,358,592 | 4,288,084 | |
| Purchase of other fixed assets | | (382,748) | (183,703) | |
| Finance/Investment income | | 332,233 | 336,248 | |
| Net cash outflow from investing activities | | | (6,645,654) | (12,647,365) |
| Cash flow from financing activities | | | | |
| Finance costs | | (3,531,265) | (3,262,685) | |
| Issue of share capital | (iv) | - | 3 | |
| Mortgage and other loans received | | | | |
| - housing | (iv) | 27,000,000 | 11,500,000 | |
| Finance costs of loans issued | (iv) | (30,249) | - | |
| Loans issued - subsidiary company | | (4,227,500) | (6,450,000) | |
| Loans repaid - subsidiary company | | 8,201,000 | 4,505,000 | |
| Loans repaid | | | | |
| - housing | (iv) | (19,429,760) | (2,164,142) | |
| THFC Premium Account | | 5,523,260 | | |
| Net cash inflow from financing | | | 13,505,486 | 4,128,176 |
| Net change in cash and cash equivalents | (ii) , (iii) | | 16,711,370 | (207,663) |
| Cash and cash equivalents at beginning of the year | | | 3,041,458 | 3,249,121 |
| Cash and cash equivalents at end of the year | | | 19,752,828 | 3,041,457 |

CASH FLOW STATEMENT - Additional Disclosure

| Free cash flow | 2021 | 2020 |
|---|-------------|-------------|
| for the year ended 31 March 2021 | £ | £ |
| Net cash inflow from operating activities | 9,851,538 | 8,311,526 |
| Finance/Investment income | 332,233 | 336,248 |
| Finance costs | (3,531,265) | (3,262,685) |
| Adjustments for reinvestment in existing properties | | |
| Component Replacements | (468,971) | (1,051,900) |
| Purchase of other replacement fixed assets | (382,747) | (183,703) |
| Free cash generated before loan repayments | 5,800,789 | 4,149,486 |
| Loans repaid (excluding revolving credit facilities and overdrafts) | (1,192,809) | (1,232,830) |
| Free cash generated after loan repayments | 4,607,980 | 2,916,656 |

ATEB GROUP LIMITED

NOTES TO THE STATEMENT OF CASH FLOWS
for the year ended 31 March 2021

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

| | 2021 | 2020 |
|--|------------------|------------------|
| | £ | £ |
| Cash flows from operating activities | | |
| Operating surplus | 5,750,340 | 5,841,791 |
| Depreciation | 3,374,891 | 3,298,083 |
| Amortisation of SHG | (1,005,282) | (969,897) |
| Abortive development costs | 22,290 | 17,965 |
| Decrease in receivables and inventories | 1,310,184 | 1,411,214 |
| Increase / (Decrease) in payables | 825,198 | (1,047,365) |
| Share capital cancelled | (1) | - |
| Charge for bad debts | 106,507 | 59,979 |
| Capitalised Overheads | (262,347) | (330,155) |
| Other Income | 3,632 | 10,407 |
| Housing Finance Grant | 337,922 | 272,435 |
| Finance Charges / Issue Costs | (652,869) | (167,004) |
| Pension Fund Current Service Costs | 296,000 | 164,000 |
| Pension deficit contribution paid | (254,926) | (249,928) |
| Net cash inflow from operating activities | 9,851,538 | 8,311,526 |

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

| | 2021 | 2020 |
|----------------------|-------------|-------------|
| | £ | £ |
| At beginning of year | 3,041,458 | 3,249,121 |
| Net cash (outflow) | 16,711,371 | (207,663) |
| At end of year | 19,752,828 | 3,041,458 |

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

| | 2021 | 2020 | Change in | 2020 | 2019 | Change in |
|------|-------------|-------------|------------------|-------------|-------------|------------------|
| | £ | £ | year | £ | £ | year |
| | | | £ | | | £ |
| Cash | 19,752,828 | 3,041,458 | 16,711,371 | 3,041,458 | 3,249,121 | (207,663) |
| | 19,752,828 | 3,041,458 | 16,711,371 | 3,041,458 | 3,249,121 | (207,663) |

(iv) Analysis of changes in financing during the year

| | Share Capital | | Housing Loans | |
|---------------------------------|----------------------|-------------|----------------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| At beginning of year | 39 | 36 | 88,813,142 | 79,596,896 |
| Cash inflow from financing | - | 3 | 27,000,000 | 11,500,000 |
| Cash outflow from financing | (1) | - | (19,429,760) | (2,164,142) |
| Cash outflow from finance costs | - | - | (30,249) | (29,989) |
| | 38 | 39 | 96,353,133 | 88,902,765 |
| Non cash items: | | | | |
| Debenture discount | - | - | (4,000) | (4,000) |
| Amortisation of finance costs | - | - | (108,254) | (85,623) |
| At end of year | 38 | 39 | 96,240,880 | 88,813,142 |

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

| | 2021 | 2020 |
|--|-------------------|------------------|
| | £ | £ |
| Operating surplus | 8,759,485 | 7,277,680 |
| Depreciation | 3,380,141 | 3,300,761 |
| Amortisation of SHG | (1,005,282) | (969,897) |
| Abortive development costs | 22,290 | 17,965 |
| (Increase) / Decrease in receivables and inventories | 2,874,104 | 369,602 |
| Increase / (Decrease) in payables | (197,011) | (2,202,084) |
| Share capital cancelled | (1) | - |
| Charge for bad debts | 106,507 | 59,979 |
| Amortisation of finance issue costs | (652,869) | (167,004) |
| Capitalised Overheads | (262,347) | (330,155) |
| Other Income | 3,632 | 10,407 |
| Housing Finance Grant | 337,922 | 272,435 |
| Pension Fund Current Service Costs | 296,000 | 164,000 |
| Pension deficit contribution paid | (272,379) | (267,038) |
| Net cash inflow from operating activities | 13,390,194 | 7,536,651 |

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

| | 2021 | 2020 |
|---------------------------|------------|-----------|
| | £ | £ |
| At beginning of period | 4,348,783 | 3,716,864 |
| Net cash inflow/(outflow) | 15,934,048 | 631,919 |
| At end of period | 20,282,831 | 4,348,783 |

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

| | 2021 | 2020 | Change in year | 2020 | 2019 | Change in year |
|------|------------|-----------|----------------|-----------|-----------|----------------|
| | £ | £ | £ | £ | £ | £ |
| Cash | 20,282,831 | 4,348,783 | 15,934,048 | 4,348,783 | 3,716,864 | 631,919 |
| | 20,282,831 | 4,348,783 | 15,934,048 | 4,348,783 | 3,716,864 | 631,919 |

(iv) Analysis of changes in financing during the year

| | Share Capital | | Housing Loans | |
|-------------------------------|---------------|------|---------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| At beginning of year | 43 | 40 | 88,813,142 | 79,596,896 |
| Cash inflow from financing | - | 3 | 27,000,000 | 11,500,000 |
| Cash outflow from financing | (1) | - | (19,429,760) | (2,164,142) |
| Cash outflow finance costs | - | - | (30,249) | (29,989) |
| | 42 | 43 | 96,353,133 | 88,902,765 |
| Non cash items: | | | | |
| Debenture discount | - | - | (4,000) | (4,000) |
| Amortisation of finance costs | - | - | (108,254) | (85,623) |
| At end of year | 42 | 43 | 96,240,879 | 88,813,142 |

ATEB GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Principal Accounting Policies

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards including The Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015, Financial Reporting Standard (FRS) 102 and the Statement of Recommended Practice (SORP) 2018. Ateb Group Limited is a public benefit entity (PBE) as defined in FRS 102. A summary of the more important policies which have been applied consistently are set out below.

b) Turnover

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

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

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

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

c) Housing Properties

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

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

d) Depreciation

Depreciation is provided in accordance with FRS102 and the Statement of Recommended Practice (SORP) 2018.

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

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

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

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

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

- ii) **Other Tangible Fixed Assets**

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

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

Office equipment – 10 years

Computer equipment – 4 years

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

Tools – 3 years

ATEB GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

iii) Replacement and Renewals

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

e) Social Housing Grant

Social Housing Grants (SHG) are capital grants receivable from the Welsh Government are shown within trade receivables in the Statement of Financial Position. Grants received for housing properties are recognised as income in the Statement of Comprehensive Income over the expected life of the asset. SHG received after the year end in respect of expenditure before the year end has been included within Trade Receivables. Any SHG repayable or received in advance is included within Trade Payables.

f) Development Administration

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

g) Donated Properties Restricted Reserve

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

h) Finance Costs

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

i) Inventories

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

j) Operating Leases

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

k) Low Cost Home Ownership

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

l) Pensions

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

ATEB GROUP LIMITED
NOTES TO THE COSOLIDATED FINANCIAL STATEMENTS

The liability recognised in the Statement of Financial Position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at 31st March 2021 less the fair value of plan assets.

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

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

m) Impairment

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

n) Improvements

Expenditure will only be capitalised if it results in an increase to the economic performance of the asset. Such enhancement can occur if the improvements result in either: an increase in rental income, a material reduction in future maintenance costs, a significant extension to the life of the property or a significant increase in the market value of the property.

o) Recycled Capital Grant Fund

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

p) Housing Finance Grant

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

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

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

r) Value Added Tax

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

ATEB GROUP LIMITED
NOTES TO THE COSOLIDATED FINANCIAL STATEMENTS

s) Corporation Tax

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

t) Capitalised Interest

Interest incurred during the development period is capitalised and added to the cost of completed housing properties based on the net investment and its average borrowing costs during the year.

u) Loan Arrangement Fees

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

v) Financial Instruments

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

w) Provisions for Liabilities

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

x) Cash and Cash Equivalents

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

y) Restricted Reserves Policy

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

z) Financial assets carried at amortised cost

These comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

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

Financial liabilities carried at amortised cost

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

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

aa) Investment in Subsidiary

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

ab) Home Buy Option

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

ATEB GROUP LIMITED
NOTES TO THE COSOLIDATED FINANCIAL STATEMENTS

ac) Employee Benefits

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

ad) Going Concern

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

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

ae) Significant Management Judgements and Key Sources of Estimation Uncertainty.

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

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

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

Impairment of social housing properties

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

Economic Life of Assets

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

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

Defined Benefit Pension Scheme

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.

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

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

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2021

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

| | Turnover | Cost of sales | Operating costs | 2021 Operating surplus | Interest receivable | Interest payable | Housing Finance Grant | Surplus before taxation |
|--|------------|---------------|-----------------|---------------------------|---------------------|------------------|-----------------------|-------------------------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Income and expenditure from social housing lettings | | | | | | | | |
| Fully rented housing accommodation | 17,299,516 | - | (11,580,294) | 5,719,222 | - | (3,495,043) | - | 2,224,178 |
| Total from social housing lettings | 17,299,516 | - | (11,580,294) | 5,719,222 | - | (3,495,043) | - | 2,224,178 |
| Income and expenditure from housing sales | | | | | | | | |
| Income and expenditure from housing sales | 11,160,573 | (7,953,455) | (214,264) | 2,992,853 | - | - | - | 2,992,853 |
| Other income and expenditure | | | | | | | | |
| Other income | - | - | - | - | - | - | 238,406 | 238,406 |
| Abortive development costs | - | - | (22,290) | (22,290) | - | - | - | (22,290) |
| Gain/(loss) on disposal of property, plant and equipment | | | | | | | | 53,408 |
| Total from social housing lettings | 28,460,089 | (7,953,455) | (11,816,849) | 8,689,785 | - | (3,495,043) | 238,406 | 5,486,555 |
| Finance/Investment Income | - | - | - | - | 3,440 | - | - | 3,440 |
| Surplus on social housing lettings | 28,460,089 | (7,953,455) | (11,816,849) | 8,689,785 | 3,440 | (3,495,043) | 238,406 | 5,489,995 |
| Income and expenditure from other activities | | | | | | | | |
| Grants and contributions | 771,119 | - | (754,827) | 16,292 | - | - | - | 16,292 |
| Other costs | - | - | - | - | - | - | - | - |
| Finance/Investment Income | - | - | - | - | 588 | - | - | 588 |
| Donated Land Value Adjustment | - | - | - | - | - | - | - | 409,272 |
| Finance Charge / Issue Costs | - | - | - | - | - | - | - | (138,502) |
| Pension Fund Net Interest Costs | - | - | - | - | - | - | - | (26,000) |
| Capitalised Interest | - | - | - | - | 287,689 | - | - | 287,689 |
| Other income (Legacy income) | - | - | - | - | - | - | - | 3,632 |
| Surplus on ordinary activities before taxation | 29,231,208 | (7,953,455) | (12,571,676) | 8,706,077 | 291,717 | (3,495,043) | 238,406 | 6,042,966 |
| | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== |
| | | | | | | | | |
| | Turnover | Cost of sales | Operating costs | 2020 Operating surplus | Interest receivable | Interest payable | Housing Finance Grant | Surplus before taxation |
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Income and expenditure from lettings: | | | | | | | | |
| Fully rented housing accommodation | 16,887,725 | - | (11,142,584) | 5,745,142 | - | (3,258,065) | - | 2,487,077 |
| Total from social housing lettings | 16,887,725 | - | (11,142,584) | 5,745,142 | - | (3,258,065) | - | 2,487,077 |
| Income and expenditure from housing sales | | | | | | | | |
| Income and expenditure from housing sales | 8,261,681 | (6,651,523) | (214,479) | 1,395,680 | - | - | - | 1,395,680 |
| Other income and expenditure | | | | | | | | |
| Other income | - | - | - | - | - | - | 243,174 | 243,174 |
| Abortive development costs | - | - | (17,965) | (17,965) | - | - | - | (17,965) |
| Gain/(loss) on disposal of property, plant and equipment | | | | | | | | 114,615 |
| Total from social housing lettings | 25,149,406 | (6,651,523) | (11,375,028) | 7,122,856 | - | (3,258,065) | 243,174 | 4,222,581 |
| Finance/Investment Income | - | - | - | - | 6,526 | - | - | 6,526 |
| Surplus on social housing lettings | 25,149,406 | (6,651,523) | (11,375,028) | 7,122,856 | 6,526 | (3,258,065) | 243,174 | 4,229,107 |
| Income and expenditure from other activities | | | | | | | | |
| Grants and contributions | 750,903 | - | (710,694) | 40,209 | - | - | - | 40,209 |
| Other costs | - | - | - | - | - | - | - | - |
| Finance/Investment Income | - | - | - | - | 2,572 | - | - | 2,572 |
| Donated Land Value Adjustment | - | - | - | - | - | - | - | 1,079,975 |
| Finance Charge / Issue Costs | - | - | - | - | - | - | - | (155,020) |
| Pension Fund Net Interest Costs | - | - | - | - | - | - | - | (66,000) |
| Other Income | - | - | - | - | - | - | - | 10,407 |
| Surplus on ordinary activities before taxation | 25,900,309 | (6,651,523) | (12,085,722) | 7,163,065 | 9,098 | (3,258,065) | 243,174 | 5,141,250 |
| | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== |

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

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

| | Turnover | Operating costs | 2021 Operating surplus | Interest receivable | Interest payable | Housing Finance Grant | Income from Mill Bay Homes | Surplus |
|--|------------|-----------------|---------------------------|---------------------|------------------|-----------------------|----------------------------|-----------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Income and expenditure from social housing lettings | | | | | | | | |
| Fully rented housing accommodation | 17,299,516 | (11,586,108) | 5,713,408 | - | (3,495,043) | - | - | 2,218,365 |
| Total from social housing lettings | 17,299,516 | (11,586,108) | 5,713,408 | - | (3,495,043) | - | - | 2,218,365 |
| Other income and expenditure | | | | | | | | |
| Other income | - | - | - | - | - | 238,406 | 2,664,085 | 2,902,491 |
| Abortive development costs | - | (22,290) | (22,290) | - | - | - | - | (22,290) |
| Gain/(loss) on disposal of Property, Plant & Equipment | - | - | - | - | - | - | - | 53,408 |
| Total from social housing lettings | 17,299,516 | (11,608,398) | 5,691,118 | - | (3,495,043) | 238,406 | 2,664,085 | 5,151,974 |
| Finance/Investment Income | | | - | 332,233 | - | - | - | 332,233 |
| Corporate Rebranding | | | - | - | - | - | - | - |
| Donated Land Value Adjustment | | | - | - | - | - | - | 409,272 |
| Finance Charges / Issue Costs | | | - | - | - | - | - | (138,502) |
| Pension Fund Net Interest Costs | | | - | - | - | - | - | (24,000) |
| Capitalised Interest | | | | | 287,689 | | | 287,689 |
| Other Income | | | - | - | - | - | - | 3,632 |
| Surplus on social housing lettings | | | 5,691,118 | 332,233 | (3,207,354) | 238,406 | 2,664,085 | 6,022,298 |
| | | | | | | | | |
| | Turnover | Operating costs | 2020 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 | 16,887,725 | (11,142,584) | 5,745,141 | - | (3,258,065) | - | - | 2,487,076 |
| Total from social housing lettings | 16,887,725 | (11,142,584) | 5,745,141 | - | (3,258,065) | - | - | 2,487,076 |
| Other income and expenditure | | | | | | | | |
| Other income | - | - | - | - | - | 243,174 | 1,066,259 | 1,309,433 |
| Abortive development costs | - | (17,965) | (17,965) | - | - | - | - | (17,965) |
| Gain/(loss) on disposal of Property, Plant & Equipment | - | - | - | - | - | - | - | 114,615 |
| Total from social housing lettings | 16,887,725 | (11,160,549) | 5,727,176 | - | (3,258,065) | 243,174 | 1,066,259 | 3,893,159 |
| Finance/Investment Income | | | - | 336,248 | - | - | - | 336,248 |
| Corporate Rebranding | | | - | - | - | - | - | - |
| Donated Land Value Adjustment | | | - | - | - | - | - | 1,079,975 |
| Finance Charges / Issue Costs | | | - | - | - | - | - | (155,020) |
| Pension Fund Net Interest Costs | | | - | - | - | - | - | (62,000) |
| Other Income | | | - | - | - | - | - | 10,407 |
| Surplus on social housing lettings | | | 5,727,176 | 336,248 | (3,258,065) | 243,174 | 1,066,259 | 5,102,769 |

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2021

2 (ii) Turnover from social housing lettings

| | 2021 | | | 2020 | | |
|--------------------------------------|--|---------------------------|------------|--|---------------------------|------------|
| | General Needs & Sheltered Housing £ | Supported Housing £ | Total £ | General Needs & Sheltered Housing £ | Supported Housing £ | Total £ |
| Rent receivable net of void losses * | 14,644,640 | 348,878 | 14,993,518 | 14,239,394 | 352,688 | 14,592,082 |
| Service charges | 1,145,805 | 35,663 | 1,181,468 | 1,116,515 | 38,552 | 1,155,067 |
| | 15,790,445 | 384,541 | 16,174,986 | 15,355,909 | 391,240 | 15,747,149 |
| Income from support services | 72,256 | - | 72,256 | 80,865 | - | 80,865 |
| SHG Amortisation | 991,648 | 13,634 | 1,005,282 | 956,263 | 13,634 | 969,897 |
| Digital inclusion grant | 46,992 | - | 46,992 | 89,815 | - | 89,815 |
| | 16,901,341 | 398,175 | 17,299,516 | 16,482,852 | 404,874 | 16,887,726 |
| | ===== | ===== | ===== | ===== | ===== | ===== |
| * Void losses | 205,723 | - | 205,723 | 35,852 | - | 35,852 |

2 (iii) Operating costs from lettings

| | 2021 | | | 2020 | | |
|--|--|---------------------------|------------|--|---------------------------|------------|
| | General Needs & Sheltered Housing £ | Supported Housing £ | Total £ | General Needs & Sheltered Housing £ | Supported Housing £ | Total £ |
| Service charges | 1,145,805 | 35,663 | 1,181,468 | 1,116,515 | 38,552 | 1,155,067 |
| Management | 2,541,749 | 189,668 | 2,731,417 | 2,395,934 | 164,257 | 2,560,191 |
| Routine maintenance | 3,074,081 | 25,530 | 3,099,611 | 2,884,374 | 23,828 | 2,908,202 |
| Major repairs | 1,183,373 | - | 1,183,373 | 1,280,208 | - | 1,280,208 |
| Depreciation of housing properties | 3,260,935 | 16,983 | 3,277,919 | 3,161,953 | 16,984 | 3,178,937 |
| Losses from bad debts | 106,507 | - | 106,507 | 59,979 | - | 59,979 |
| | 11,312,451 | 267,844 | 11,580,295 | 10,898,963 | 243,621 | 11,142,584 |
| | ===== | ===== | ===== | ===== | ===== | ===== |
| Operating costs on social housing lettings | 11,312,451 | 267,844 | 11,580,295 | 10,898,963 | 243,621 | 11,142,584 |
| | ===== | ===== | ===== | ===== | ===== | ===== |
| Operating surplus on social housing lettings | 5,588,891 | 130,331 | 5,719,220 | 5,583,889 | 161,253 | 5,745,142 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

2a (ii) Turnover from social housing lettings

| | 2021 | | | 2020 | | |
|---------------------------------------|---|----------------------|------------|---|----------------------|------------|
| | General Needs & Sheltered Housing | Supported Housing | Total | General Needs & Sheltered Housing | Supported Housing | Total |
| | £ | £ | £ | £ | £ | £ |
| Rent receivable net of void losses * | 14,644,640 | 348,878 | 14,993,518 | 14,239,394 | 352,688 | 14,592,082 |
| Service charges | 1,145,805 | 35,663 | 1,181,468 | 1,116,515 | 38,552 | 1,155,067 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Income from support services | 15,790,445 | 384,541 | 16,174,986 | 15,355,909 | 391,240 | 15,747,149 |
| SHG Amortisation | 72,256 | - | 72,256 | 80,865 | - | 80,865 |
| Digital inclusion grant | 991,648 | 13,634 | 1,005,282 | 956,263 | 13,634 | 969,897 |
| | 46,992 | - | 46,992 | 89,815 | - | 89,815 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Turnover from social housing lettings | 16,901,341 | 398,174 | 17,299,516 | 16,482,851 | 404,874 | 16,887,725 |
| | ===== | ===== | ===== | ===== | ===== | ===== |
| * Void losses | 205,723 | - | 205,723 | 35,852 | - | 35,852 |

2a (iii) Operating costs from social housing lettings

| | 2021 | | | 2020 | | |
|--|---|----------------------|------------|---|----------------------|------------|
| | General Needs & Sheltered Housing | Supported Housing | Total | General Needs & Sheltered Housing | Supported Housing | Total |
| | £ | £ | £ | £ | £ | £ |
| Service charges | 1,145,805 | 35,663 | 1,181,468 | 1,116,515 | 38,552 | 1,155,067 |
| Management | 2,547,563 | 189,668 | 2,737,231 | 2,395,934 | 164,257 | 2,560,191 |
| Routine maintenance | 3,074,081 | 25,530 | 3,099,611 | 2,884,374 | 23,828 | 2,908,202 |
| Major repairs | 1,183,373 | - | 1,183,373 | 1,280,208 | - | 1,280,208 |
| Depreciation of housing properties | 3,260,935 | 16,984 | 3,277,919 | 3,161,953 | 16,984 | 3,178,936 |
| Losses from bad debts | 106,507 | - | 106,507 | 59,979 | - | 59,979 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Operating costs on social housing lettings | 11,318,263 | 267,844 | 11,586,108 | 10,898,963 | 243,620 | 11,142,584 |
| | ===== | ===== | ===== | ===== | ===== | ===== |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Operating surplus on social housing lettings | 5,583,078 | 130,330 | 5,713,408 | 5,583,888 | 161,253 | 5,745,141 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2021

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.

| | 2021 £ | 2020 £ |
|--|-----------|-----------|
| Emoluments (including pension contributions and benefits in kind). | 423,687 | 436,438 |
| | ===== | ===== |

During the year the emoluments (excluding pension contributions) of the Chief Executive who was the highest paid Senior Executive was £123,172 (2020: £123,434).

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

| | 2021 | 2020 |
|----------------------|------|------|
| £60,001 to £70,000 | 1 | - |
| £70,001 to £80,000 | 1 | - |
| £80,001 to £90,000 | - | 1 |
| £90,001 to £100,000 | 1 | 2 |
| £120,001 to £130,001 | 1 | 1 |

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

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

4 Staff numbers and cost

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

| | 2021 | 2020 |
|----------------|--------|--------|
| Office staff | 80.64 | 78.72 |
| Direct Labour | 40.98 | 40.00 |
| Cleaning staff | 0.40 | 0.60 |
| | ----- | ----- |
| | 122.02 | 119.32 |
| | ===== | ===== |

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Staff costs for the above persons were: | | |
| Wages and salaries | 3,667,042 | 3,369,436 |
| Social security costs | 343,692 | 322,615 |
| Pension costs (note 20) | 309,254 | 310,783 |
| | ----- | ----- |
| | 4,319,988 | 4,002,834 |
| | ===== | ===== |

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

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.

| | 2021 | 2020 |
|---|---------|---------|
| | £ | £ |
| Emoluments (including pension contributions and benefits in kind) | 423,687 | 436,438 |
| | ===== | ===== |

During the year the emoluments (excluding pension contributions) of the Chief Executive who was the highest paid Senior Executive was £123,172 (2020: £123,434).

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

| | 2021 | 2020 |
|----------------------|------|------|
| £60,001 to £70,000 | 1 | - |
| £70,001 to £80,000 | 1 | - |
| £80,001 to £90,000 | - | 1 |
| £90,001 to £100,000 | 1 | 2 |
| £120,001 to £130,001 | 1 | 1 |

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

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

4a Staff numbers and cost

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

| | 2021 | 2020 |
|----------------|--------|-------|
| Office staff | 64.19 | 63.95 |
| Direct Labour | 35.41 | 35.00 |
| Cleaning staff | 0.40 | 0.60 |
| | ----- | ----- |
| | 100.00 | 99.55 |
| | ===== | ===== |

| | 2021 | 2020 |
|---|-----------|-----------|
| | £ | £ |
| Staff costs for the above persons were: | | |
| Wages and salaries | 3,066,949 | 2,792,054 |
| Social security costs | 288,992 | 271,155 |
| Pension costs (note 20a) | 279,279 | 265,073 |
| | ----- | ----- |
| | 3,635,220 | 3,328,282 |
| | ===== | ===== |

ATEB GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2021**

5 Operating surplus

| | 2021 | 2020 |
|---|-------------|-------------|
| | £ | £ |
| The operating surplus is stated after charging/(crediting): | | |
| Depreciation | 3,380,141 | 3,300,761 |
| Finance issue costs | 138,502 | 155,020 |
| Debenture discount charge | 4,000 | 4,000 |
| Auditors remuneration | | |
| - In their capacity as auditors, including VAT | 25,327 | 14,832 |
| - In respect of other services, including VAT | - | - |
| | ===== | ===== |

6 Gain on disposal of property, plant and equipment

| | 2021 | 2020 |
|-------------------------------|-------------|-------------|
| | £ | £ |
| Surplus on sale of properties | 53,408 | 114,615 |
| | ----- | ----- |
| | 53,408 | 114,615 |
| | ===== | ===== |

7 Finance/Investment Income

| | 2021 | 2020 |
|---------------------------|-------------|-------------|
| | £ | £ |
| Finance/Investment Income | 332,822 | 338,820 |
| | ===== | ===== |

8 Finance Costs

| | 2021 | 2020 |
|--|-------------|-------------|
| | £ | £ |
| On loans repayable in instalments wholly or partly in more than 5 years | 3,404,793 | 3,167,815 |
| On loans repayable other than in instalments wholly or partly in more than 5 years | 90,250 | 90,250 |
| | ----- | ----- |
| | 3,495,043 | 3,258,065 |
| | ===== | ===== |

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 2021**

| | | |
|---|-------------|-------------|
| 5a Operating surplus | 2021 | 2020 |
| | £ | £ |
| The operating surplus is stated after charging/(crediting): | | |
| Depreciation | 3,374,891 | 3,298,083 |
| Finance issue costs | 138,502 | 155,020 |
| Debenture discount charge | 4,000 | 4,000 |
| Auditors remuneration | | |
| - In their capacity as auditors, including VAT | 14,742 | 11,058 |
| - In respect of other services, including VAT | - | - |
| | ===== | ===== |
| 6a Gain on disposal of property, plant and equipment | 2021 | 2020 |
| | £ | £ |
| Surplus on sale of properties | 53,408 | 114,615 |
| | ----- | ----- |
| | 53,408 | 114,615 |
| | ===== | ===== |
| 7a Finance/Investment Income | 2021 | 2020 |
| | £ | £ |
| Finance/Investment Income | 332,233 | 336,248 |
| | ===== | ===== |
| 8a Finance Costs | 2021 | 2020 |
| | £ | £ |
| On loans repayable in instalments wholly or partly in more than 5 years | 3,404,793 | 3,167,815 |
| On loans repayable other than in instalments wholly or partly in more than 5 years | 90,250 | 90,250 |
| | ----- | ----- |
| | 3,495,043 | 3,258,065 |
| | ===== | ===== |
| 8b Transfer from subsidiary company | 2021 | 2020 |
| | £ | £ |
| Gift Aid payment | 2,664,085 | 1,066,259 |
| | ----- | ----- |
| | 2,664,085 | 1,066,259 |
| | ===== | ===== |
| 9a Taxation | | |
| Due to its charitable status, the Association is not liable for Corporation Tax on its normal activities. | | |

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2021

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 2020 | 217,363,691 | 33,018,280 | 851,555 | 251,233,526 |
| Additions | 4,022,471 | 9,038,681 | 152,017 | 13,213,169 |
| Reclassification | 10,117,485 | (10,117,485) | - | - |
| Disposals | (242,023) | - | (79,975) | (321,998) |
| | ----- | ----- | ----- | ----- |
| At 31 March 2021 | 231,261,624 | 31,939,476 | 923,597 | 264,124,697 |
| | ===== | ===== | ===== | ===== |
| Depreciation | | | | |
| At 1 April 2020 | (29,234,056) | - | (10,755) | (29,244,811) |
| Charged for the year | (3,207,793) | - | (8,101) | (3,215,894) |
| Disposals | 119,949 | - | 1,533 | 121,482 |
| | ----- | ----- | ----- | ----- |
| At 31 March 2021 | (32,321,900) | - | (17,323) | (32,339,223) |
| | ===== | ===== | ===== | ===== |
| Net book value | | | | |
| At 31 March 2021 | 198,939,724 | 31,939,476 | 906,274 | 231,785,474 |
| | ===== | ===== | ===== | ===== |
| At 31 March 2020 | 188,129,635 | 33,018,280 | 840,800 | 221,988,715 |
| | ===== | ===== | ===== | ===== |

The total net book value of housing properties comprises:

| | 2021 £ | 2020 £ |
|--------------------------|-------------|-------------|
| Freehold property | 229,109,452 | 219,271,259 |
| Long leasehold property | 2,676,022 | 2,717,457 |
| Short leasehold property | - | - |
| | ----- | ----- |
| | 231,785,474 | 221,988,716 |
| | ===== | ===== |

Units in Management

| | 2021 | 2,020 |
|----------------|-------|-------|
| At end of year | 3,005 | 2,879 |

Development administration expenditure and other indirect costs capitalised during the year amounted to £262,347 (2020: £330,155).

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

Component Replacement spend for the year amounted to £468,971 (2020: £1,051,900)

Housing Properties includes Land with a carrying value of £27,241,560 (2020: £25,029,271)

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

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 2020 | 217,363,691 | 33,018,280 | 851,555 | 251,233,526 |
| Additions | 4,022,471 | 9,038,681 | 152,017 | 13,213,169 |
| Reclassification | 10,117,485 | (10,117,485) | - | - |
| Disposals | (242,023) | - | (79,975) | (321,998) |
| At 31 March 2021 | 231,261,624 | 31,939,476 | 923,597 | 264,124,697 |
| Depreciation | | | | |
| At 1 April 2020 | (29,234,056) | - | (10,755) | (29,244,811) |
| Charged for the year | (3,207,793) | - | (8,101) | (3,215,894) |
| Disposals | 119,949 | - | 1,533 | 121,482 |
| At 31 March 2021 | (32,321,900) | - | (17,323) | (32,339,223) |
| Net book value | | | | |
| At 31 March 2021 | 198,939,724 | 31,939,476 | 906,274 | 231,785,474 |
| At 31 March 2020 | 188,129,635 | 33,018,280 | 840,800 | 221,988,714 |

The total net book value of housing properties comprises:

| | 2021 £ | 2020 £ |
|--------------------------|-------------|-------------|
| Freehold property | 229,109,452 | 219,271,258 |
| Long leasehold property | 2,676,022 | 2,717,457 |
| Short leasehold property | - | - |
| | 231,785,474 | 221,988,715 |

Units in Management

| | 2021 | 2020 |
|----------------|-------|-------|
| At end of year | 3,005 | 2,879 |

Development administration expenditure and other indirect costs capitalised during the year amounted to £262,347 (2020: £330,155).

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

Component Replacement spend for the year amounted to £468,971 (2020: £1,051,900)

Housing Properties includes Land with a carrying value of £27,241,560 (2020: £25,029,271)

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2021

11 Property, Plant & Equipment - Other Fixed Assets

| | Freehold Offices £ | Tools & Equipment £ | Motor vehicles £ | Computer Equipment £ | Total £ |
|---------------------------------|--------------------------|---------------------------|------------------------|----------------------------|-------------|
| Cost | | | | | |
| At 1 April 2020 | 490,981 | 652,200 | 51,421 | 907,539 | 2,102,141 |
| Additions | - | 19,016 | - | 378,002 | 397,018 |
| Disposals/Write off/Adj. | - | - | - | - | - |
| At 31 March 2021 | 490,981 | 671,216 | 51,421 | 1,285,541 | 2,499,159 |
| Grants and contributions | | | | | |
| At 1 April 2020 | - | - | (44,101) | - | (44,101) |
| Additions | - | - | - | - | - |
| Disposals | - | - | - | - | - |
| At 31 March 2021 | - | - | (44,101) | - | (44,101) |
| Depreciation | | | | | |
| At 1 April 2020 | (260,699) | (573,270) | (6,507) | (664,798) | (1,505,272) |
| Charged for the year | (9,365) | (33,239) | (813) | (79,270) | (122,689) |
| Disposals/Write off/Adj. | - | - | - | - | - |
| At 31 March 2021 | (270,064) | (606,509) | (7,320) | (744,068) | (1,627,961) |
| Net book value | | | | | |
| At 31 March 2021 | 220,917 | 64,707 | - | 541,473 | 827,111 |
| At 31 March 2020 | 230,283 | 78,930 | 813 | 242,741 | 552,769 |

12 Investments

| | 2021 £ | 2020 £ |
|------------------------|-----------|-----------|
| Cost of Home Buy Loans | 2,675,998 | 2,911,848 |
| | 2,675,998 | 2,911,848 |

The above investments represent a 30% and 50% interest in 82 (2020: 90) properties acquired under the Welsh Government Low Cost Home Ownership Schemes.

| | 2021 £ | 2020 £ |
|---------------------------|-----------|-----------|
| Shop at 50-54 Bush Street | 98,326 | 98,326 |

13 Inventories

| | 2021 £ | 2020 £ |
|------------------------------------|-----------|-----------|
| Completed properties held for sale | - | 463,892 |
| Schemes under construction | 3,908,770 | 5,561,969 |
| | 3,908,770 | 6,025,861 |

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021**

11a Property, Plant & Equipment - Other Fixed Assets

| | Freehold Offices £ | Tools & Equipment £ | Motor vehicles £ | Computer Equipment £ | Total £ |
|---------------------------------|--------------------------|---------------------------|------------------------|----------------------------|-------------|
| Cost | | | | | |
| At 1 April 2020 | 490,981 | 607,831 | 51,421 | 892,430 | 2,042,663 |
| Additions | - | 6,124 | - | 376,623 | 382,747 |
| Disposals/Write off/Adj. | - | - | - | - | - |
| At 31 March 2021 | 490,981 | 613,955 | 51,421 | 1,269,053 | 2,425,410 |
| Grants and Contributions | | | | | |
| At 1 April 2020 | - | - | (44,101) | - | (44,101) |
| Additions | - | - | - | - | - |
| Disposals | - | - | - | - | - |
| At 31 March 2021 | - | - | (44,101) | - | (44,101) |
| Depreciation | | | | | |
| At 1 April 2020 | (260,699) | (534,925) | (6,507) | (650,997) | (1,453,128) |
| Charged for the year | (9,365) | (28,797) | (813) | (78,461) | (117,436) |
| Disposals/Write off/Adj. | - | - | - | - | - |
| At 31 March 2021 | (270,064) | (563,722) | (7,320) | (729,458) | (1,570,564) |
| Net book value | | | | | |
| At 31 March 2021 | 220,917 | 50,233 | - | 539,595 | 810,745 |
| At 31 March 2020 | 230,283 | 72,906 | 813 | 241,432 | 545,434 |

12a Investments

| | 2021 £ | 2020 £ |
|------------------------|-----------|-----------|
| Cost of Home Buy Loans | 2,675,998 | 2,911,848 |
| | 2,675,998 | 2,911,848 |

The above investments represent a 30% and 50% interest in 82 (2020: 90) properties acquired under the Welsh Government Low Cost Home Ownership Schemes.

| | 2021 £ | 2020 £ |
|---------------------------|-----------|-----------|
| Shop at 50-54 Bush Street | 98,326 | 98,326 |

Shares in subsidiary companies :

| | 2021 | 2020 |
|--------------------------------------|------|------|
| Mill Bay Homes Limited | 1 | 1 |
| West Wales Care & Repair Limited | 1 | 1 |
| Effective Building Solutions Limited | 1 | 1 |
| | 3 | 3 |

13a Inventories

| | 2021 £ | 2020 £ |
|------------------|-----------|-----------|
| Work In Progress | 147,314 | 110,058 |
| | 147,314 | 110,058 |

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2021

| | | |
|---|-----------------|-----------------|
| 14a Receivables | | |
| Amounts falling due within one year | 2021 | 2020 |
| | £ | £ |
| Arrears of Rent and Service Charges | 771,405 | 793,992 |
| Less: Provision for bad and doubtful debts | (169,000) | (114,300) |
| | ----- | ----- |
| | 602,405 | 679,692 |
| Prepayments and accrued income | 1,756,745 | 1,405,662 |
| Social Housing Grant and capital contributions receivable | 2,477,320 | 2,322,765 |
| Housing Finance Grant | 107,426 | 102,347 |
| Other receivables | 319,042 | 230,325 |
| | ----- | ----- |
| | 5,262,938 | 4,740,791 |
| | ===== | ===== |
| 14b Amounts falling due after more than one year | 2021 | 2020 |
| | £ | £ |
| Housing Finance Grant | 4,945,421 | 5,050,017 |
| | ----- | ----- |
| | 4,945,421 | 5,050,017 |
| | ===== | ===== |
| | 2021 | 2020 |
| | £ | £ |
| Prepayments and accrued income | 66,755 | - |
| | ----- | ----- |
| | 66,755 | - |
| | ===== | ===== |
| 15a Payables | 2021 | 2020 |
| Amounts falling due within one year | | |
| | £ | £ |
| Rental income prepaid | 409,204 | 382,776 |
| Accrued interest | 804,374 | 844,595 |
| Amounts owed in respect of housing development | 610,319 | 1,318,816 |
| Taxation, pension and social security | 141,831 | 69,557 |
| Social Housing Grant and contributions received in advance | - | 50,782 |
| Other payables | 149,653 | 103,071 |
| Accruals and deferred income | 2,556,122 | 1,505,641 |
| Housing loans | 3,028,262 | 1,866,549 |
| Grant Recycling Fund | 414,759 | 297,850 |
| SHG - Deferred Income | 1,106,693 | 958,553 |
| Annual Leave Accrual | 133,570 | 86,928 |
| | ----- | ----- |
| | 9,354,787 | 7,485,118 |
| | ===== | ===== |

ATEB GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021**

| | | |
|--|-------------|-------------|
| 14a Receivables | 2021 | 2020 |
| Amounts falling due within one year | £ | £ |
| Arrears of Rent and Service Charges | 771,405 | 793,992 |
| Less: Provision for bad and doubtful debts | (169,000) | (114,300) |
| | ----- | ----- |
| | 602,405 | 679,692 |
| Prepayments and accrued income | 107,292 | 161,701 |
| Inter-company debtors - subsidiary companies | 2,664,085 | 1,066,259 |
| Social Housing Grant and capital contributions receivable | 2,477,320 | 2,322,765 |
| Housing Finance Grant | 107,426 | 102,347 |
| Other receivables | 191,125 | 224,258 |
| | ----- | ----- |
| | 6,149,653 | 4,557,021 |
| | ===== | ===== |
| | | |
| | 2021 | 2020 |
| | £ | £ |
| 14b Amounts falling due after more than one year | | |
| Loan to subsidiary company | 1,671,500 | 5,645,000 |
| | ----- | ----- |
| | 1,671,500 | 5,645,000 |
| | ===== | ===== |
| | | |
| | £ | £ |
| Housing Finance Grant | 4,945,421 | 5,050,017 |
| | ----- | ----- |
| | 4,945,421 | 5,050,017 |
| | ===== | ===== |
| | | |
| 15a Payables | 2021 | 2020 |
| Amounts falling due within one year | £ | £ |
| Rental income prepaid | 409,204 | 382,776 |
| Accrued interest | 804,374 | 844,595 |
| Amounts owed in respect of housing development | 353,975 | 797,275 |
| Taxation, pension and social security | 141,831 | 69,557 |
| Social Housing Grant and capital contributions received in advance | - | 50,782 |
| Inter-company creditors - subsidiary companies | 1,874 | 35,663 |
| Other payables | 80,590 | 34,568 |
| Accruals and deferred income | 1,805,339 | 1,134,790 |
| Housing loans | 3,028,262 | 1,866,549 |
| Grant Recycling Fund | 414,759 | 297,850 |
| SHG - Deferred Income | 1,106,693 | 958,553 |
| Annual Leave Year End Accrual | 112,002 | 68,287 |
| | ----- | ----- |
| | 8,258,903 | 6,541,245 |
| | ===== | ===== |

ATEB GROUP LIMITED
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2021**
15b Payables

| Amounts falling due after one year | 2021 | 2020 |
|---|-------------|-------------|
| | £ | £ |
| Housing Loans | 93,212,618 | 86,946,593 |
| SHG - Deferred Income | 116,320,958 | 111,027,360 |
| Retentions | 371,334 | 609,861 |
| THFC Premium Account | 5,422,971 | - |
| Homebuy Grant - Deferred Income | 2,675,998 | 2,911,848 |
| | ----- | ----- |
| | 218,003,879 | 201,495,662 |
| | ===== | ===== |

15c(i) Housing Loans

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

| Repayable by instalments | 2021 | 2020 |
|---------------------------------|-------------|-------------|
| | £ | £ |
| One year or less | 3,028,262 | 1,866,549 |
| Between one and five years | 9,350,925 | 27,040,755 |
| In five years or more | 83,801,819 | 59,639,448 |
| | ----- | ----- |
| | 96,181,006 | 88,546,752 |
| | (935,154) | (724,639) |
| | ----- | ----- |
| | 95,245,852 | 87,822,113 |
| | ===== | ===== |

Repayable otherwise than by instalments in more than five years

| | 2021 | 2020 |
|-----------------------------------|-------------|-------------|
| | £ | £ |
| In more than five years | 1,000,000 | 1,000,000 |
| Less : Debenture Discount Account | (4,972) | (8,972) |
| | ----- | ----- |
| | 995,028 | 991,028 |
| | ===== | ===== |

Housing Loans

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

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

At 31 March 2021 of the total loans outstanding the ratio of fixed rate loans to variable rate interest loans was 90:10 (2020: 70:30). At the year-end interest rates ranged from 1.29% 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 2020 | 104,760,120 | 19,422,528 | 235,221 | 124,417,869 |
| Additions | 1,123,864 | 5,271,169 | 51,987 | 6,447,020 |
| Reclassification | 3,310,364 | (3,310,364) | - | - |
| Disposals | - | - | - | - |
| | ----- | ----- | ----- | ----- |
| At 31 March 2021 | 109,194,348 | 21,383,333 | 287,208 | 130,864,889 |
| | ===== | ===== | ===== | ===== |
| At 31 March 2020 | 104,760,120 | 19,422,528 | 235,221 | 124,417,869 |
| | ===== | ===== | ===== | ===== |
| Amortisation | | | | |
| At 1 April 2020 | (12,431,956) | - | - | (12,431,956) |
| Charged for the year | (1,005,282) | - | - | (1,005,282) |
| Disposals | - | - | - | - |
| | ----- | ----- | ----- | ----- |
| At 31 March 2021 | (13,437,238) | - | - | (13,437,238) |
| | ===== | ===== | ===== | ===== |
| Net book value | | | | |
| At 31 March 2021 | 95,757,110 | 21,383,333 | 287,208 | 117,427,651 |
| | ===== | ===== | ===== | ===== |
| At 31 March 2020 | 92,328,164 | 19,422,528 | 235,221 | 111,985,913 |
| | ===== | ===== | ===== | ===== |

ATEB GROUP LIMITED
**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021**
15b Payables

| Amounts falling due after more than one year | 2021 | 2020 |
|---|-------------|-------------|
| | £ | £ |
| Housing Loans | 93,212,618 | 86,946,593 |
| SHG - Deferred Income | 116,320,958 | 111,027,360 |
| Retentions | 290,482 | 424,715 |
| THFC Premium Account | 5,422,971 | - |
| Homebuy Grant - Deferred Income | 2,675,998 | 2,911,848 |
| | ----- | ----- |
| | 217,923,027 | 201,310,515 |
| | ===== | ===== |

15c Housing Loans

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

| Repayable by instalments | 2021 | 2020 |
|---------------------------------|-------------|-------------|
| | £ | £ |
| One year or less | 3,028,262 | 1,866,549 |
| Between one and five years | 9,350,925 | 27,040,755 |
| In five years or more | 83,801,819 | 59,639,448 |
| | ----- | ----- |
| | 96,181,005 | 88,546,753 |
| Finance Costs | (935,154) | (724,639) |
| | ----- | ----- |
| | 95,245,852 | 87,822,114 |
| | ===== | ===== |

Repayable otherwise than by instalments in more than five years

| | 2021 | 2020 |
|-----------------------------------|-------------|-------------|
| | £ | £ |
| In more than five years | 1,000,000 | 1,000,000 |
| Less : Debenture Discount Account | (4,972) | (8,972) |
| | ----- | ----- |
| | 995,028 | 991,028 |
| | ===== | ===== |

Housing Loans

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

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

At 31 March 2021 of the total loans outstanding the ratio of fixed rate loans to variable rate interest loans was 90:10 (2020: 70:30). At the year-end interest rates ranged from 1.29% 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 2020 | 104,760,120 | 19,422,528 | 235,221 | 124,417,869 |
| Additions | 1,123,864 | 5,271,169 | 51,987 | 6,447,020 |
| Reclassification | 3,310,364 | (3,310,364) | - | - |
| Disposals | - | - | - | - |
| | ----- | ----- | ----- | ----- |
| At 31 March 2021 | 109,194,347 | 21,383,333 | 287,208 | 130,864,889 |
| | ===== | ===== | ===== | ===== |
| At 31 March 2020 | 104,760,120 | 19,422,528 | 235,221 | 124,417,869 |
| | ===== | ===== | ===== | ===== |
| Amortisation | | | | |
| At 1 April 2019 | (12,431,956) | - | - | (12,431,956) |
| Charged for the year | (1,005,282) | - | - | (1,005,282) |
| Disposals | - | - | - | - |
| | ----- | ----- | ----- | ----- |
| At 31 March 2021 | (13,437,237) | - | - | (13,437,237) |
| | ----- | ----- | ----- | ----- |
| Net book value | | | | |
| At 31 March 2021 | 95,757,110 | 21,383,333 | 287,208 | 117,427,651 |
| | ===== | ===== | ===== | ===== |
| At 31 March 2020 | 92,328,164 | 19,422,528 | 235,221 | 111,985,913 |
| | ===== | ===== | ===== | ===== |

ATEB GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2021

15e Grant Recycling Fund

| | 2021 | 2020 |
|-------------------------|-------------|-------------|
| | £ | £ |
| Opening Balance | 297,850 | 376,601 |
| Property Sales | 211,390 | 417,249 |
| Recycled to Development | (94,481) | (496,000) |
| | ----- | ----- |
| Closing Balance | 414,759 | 297,850 |
| | ===== | ===== |

15f Homebuy Grant

| | 2021 | 2020 |
|---------------|-------------|-------------|
| | £ | £ |
| | 2,675,998 | 2,911,848 |
| | ----- | ----- |
| Homebuy Grant | 2,675,998 | 2,911,848 |
| | ===== | ===== |

16 Called up share capital - non equity

| | 2021 | 2020 |
|--------------------------------|-------------|-------------|
| | £ | £ |
| Allotted issued and fully paid | | |
| At the beginning of the year | 39 | 36 |
| Issued | - | 3 |
| Cancelled | (1) | - |
| | ----- | ----- |
| At the end of the year | 38 | 39 |
| | ===== | ===== |

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

17 Reserves

| | At 1 April 2020 | Surplus for the year | Transfer of reserves | At 31 March 2021 |
|----------------------------|----------------------------|---------------------------------|---------------------------------|-----------------------------|
| | £ | £ | £ | £ |
| Revenue Reserve | 29,814,922 | 4,191,665 | 5,238,031 | 39,244,618 |
| Designated Reserves | | | | |
| Business Continuity | 187,726 | - | 5,054 | 192,780 |
| Mill Bay Homes Gift Aid | 5,243,872 | - | (5,243,872) | - |
| Restricted Reserves | | | | |
| Donated Properties | 140,000 | - | - | 140,000 |
| Hardship Fund | 73,234 | - | 787 | 74,021 |
| Legacy Fund | 17,540 | - | - | 17,540 |
| | ----- | ----- | ----- | ----- |
| Total | 35,477,294 | 4,191,665 | - 0 | 39,668,958 |
| | ===== | ===== | ===== | ===== |
| Analysed as: | | | | |
| Revenue Reserve | | | | 39,244,618 |
| Designated Reserves | | | | 192,779 |
| Restricted Reserves | | | | 231,562 |
| | | | | ----- |
| | | | | 39,668,958 |
| | | | | ===== |

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

18 Capital Commitments

| | 2021 | 2020 |
|--|-------------|-------------|
| | £ | £ |
| Capital & development expenditure that has been contracted for but has not been provided for in the financial statements: | 17,750,185 | 19,562,617 |
| | ===== | ===== |
| Capital & development expenditure that has been authorised by the Board of Management but has not yet been contracted for: | 8,456,376 | 39,036,430 |
| | ===== | ===== |

The commitments at 31 March 2021 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 CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2021

15e Grant Recycling Fund

| | 2021 | 2020 |
|-------------------------|-------------|-------------|
| | £ | £ |
| Opening Balance | 297,850 | 376,601 |
| Property Sales | 211,390 | 417,249 |
| Recycled to Development | (94,481) | (496,000) |
| | ----- | ----- |
| Closing Balance | 414,759 | 297,850 |
| | ===== | ===== |

15f Homebuy Grant

| | 2021 | 2020 |
|---------------|-------------|-------------|
| | £ | £ |
| | 2,675,998 | 2,911,848 |
| | ----- | ----- |
| Homebuy Grant | 2,675,998 | 2,911,848 |
| | ===== | ===== |

16 Called up share capital - non equity

| | 2021 | 2020 |
|--------------------------------|-------------|-------------|
| | £ | £ |
| Allotted issued and fully paid | | |
| At the beginning of the year | 39 | 36 |
| Issued | - | 3 |
| Cancelled | (1) | - |
| | ----- | ----- |
| At the end of the year | 38 | 39 |
| | ===== | ===== |

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

17 Reserves

| | At 1 April 2020 | Surplus for the year | Transfer of reserves | At 31 March 2021 |
|----------------------------|----------------------------|---------------------------------|---------------------------------|-----------------------------|
| | £ | £ | £ | £ |
| Revenue Reserve | 29,814,922 | 4,191,665 | 5,238,031 | 39,244,618 |
| Designated Reserves | | | | |
| Business Continuity | 187,726 | - | 5,054 | 192,780 |
| Mill Bay Homes Gift Aid | 5,243,872 | - | (5,243,872) | - |
| Restricted Reserves | | | | |
| Donated Properties | 140,000 | - | - | 140,000 |
| Hardship Fund | 73,234 | - | 787 | 74,021 |
| Legacy Fund | 17,540 | - | - | 17,540 |
| | ----- | ----- | ----- | ----- |
| Total | 35,477,294 | 4,191,665 | - 0 | 39,668,958 |
| | ===== | ===== | ===== | ===== |
| Analysed as: | | | | |
| Revenue Reserve | | | | 39,244,618 |
| Designated Reserves | | | | 192,779 |
| Restricted Reserves | | | | 231,562 |
| | | | | ----- |
| | | | | 39,668,958 |
| | | | | ===== |

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

18 Capital Commitments

| | 2021 | 2020 |
|--|-------------|-------------|
| | £ | £ |
| Capital & development expenditure that has been contracted for but has not been provided for in the financial statements: | 17,750,185 | 19,562,617 |
| | ===== | ===== |
| Capital & development expenditure that has been authorised by the Board of Management but has not yet been contracted for: | 8,456,376 | 39,036,430 |
| | ===== | ===== |

The commitments at 31 March 2021 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2021

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:

| | 2021 £ | 2020 £ |
|--------------------------|-----------|-----------|
| Commitment: | | |
| Within one year | 15,337 | 109,960 |
| Within two to five years | 81,773 | 131,175 |
| | ===== | ===== |

20 Pensions Obligations

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

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

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

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

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

| | 31 March 2021 £k | 31 March 2020 £k |
|--|---------------------|---------------------|
| Fair value of plan assets | 10,584 | 9,032 |
| Present value of defined benefit obligation | 13,470 | 10,291 |
| Surplus (deficit) in plan | (2,886) | (1,259) |
| Unrecognised surplus | - | - |
| Defined benefit asset (liability) to be recognised | (2,886) | (1,259) |

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

| | Period ended 31 March 2021 £k |
|--|-------------------------------------|
| Defined benefit obligation at start of period | 10,291 |
| Current service cost | 296 |
| Expenses | 12 |
| Interest expense | 244 |
| Contribution by plan participants | 84 |
| Actuarial losses (gains) due to scheme experience | (123) |
| Actuarial losses (gains) due to changes in demographic assumptions | 45 |
| Actuarial losses (gains) due to changes in financial assumptions | 2,935 |
| Benefits paid and expenses | (314) |
| Defined benefit obligation at end of period | 13,470 |

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

| | Period ended 31 March 2021 £k |
|---|-------------------------------------|
| Fair value of plan assets at start of period | 9,032 |
| Interest income | 218 |
| Experience on plan assets (excluding amounts included in interest income) - gain (loss) | 1,007 |
| Contributions by the employer | 557 |
| Contributions by plan participants | 84 |
| Benefits paid and expenses | (314) |
| Fair value of plan assets at end of period | 10,584 |

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

ATEB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

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:

| | 2021 £ | 2020 £ |
|--------------------------|-----------|-----------|
| Commitment: | | |
| Within one year | 8,497 | 92,029 |
| Within two to five years | 78,334 | 120,610 |
| | ===== | ===== |

20a Pensions Obligations

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

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

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

The scheme is classified as a 'last man standing arrangement'. Therefore the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme.

Participating employers are legally required to meet their share of the scheme deficit on annuity purchase basis on withdrawal from the scheme.

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

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

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

| | 31 March 2021 £k | 31 March 2020 £k |
|--|---------------------|---------------------|
| Fair value of plan assets | 9,889 | 8,438 |
| Present value of defined benefit obligation | 12,564 | 9,601 |
| Surplus (deficit) in plan | (2,675) | (1,163) |
| Unrecognised surplus | - | - |
| Defined benefit asset (liability) to be recognised | (2,675) | (1,163) |

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

| | Period ended 31 March 2021 £k |
|--|-------------------------------------|
| Defined benefit obligation at start of period | 9,601 |
| Current service cost | 296 |
| Expenses | 9 |
| Interest expense | 228 |
| Contribution by plan participants | 84 |
| Actuarial losses (gains) due to scheme experience | (107) |
| Actuarial losses (gains) due to changes in demographic assumptions | 42 |
| Actuarial losses (gains) due to changes in financial assumptions | 2,722 |
| Benefits paid and expenses | (311) |
| Defined benefit obligation at end of period | 12,564 |

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

| | Period ended 31 March 2021 £k |
|---|-------------------------------------|
| Fair value of plan assets at start of period | 8,438 |
| Interest income | 204 |
| Experience on plan assets (excluding amounts included in interest income) - gain (loss) | 937 |
| Contributions by the employer | 537 |
| Contributions by plan participants | 84 |
| Benefits paid and expenses | (311) |
| Fair value of plan assets at end of period | 9,889 |

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2021 was £1,141,000

ATEB GROUP LIMITED

Balance at 31 March 2021
for the year ended 31 March 2021

Defined Benefit Costs Recognised in Statement of Comprehensive Income

| | Period ended 31 March 2021 £k |
|--|-------------------------------------|
| Current service costs | 296 |
| Expenses | 12 |
| Net interest expense | 26 |
| Defined benefit costs recognised in statement of comprehensive income (SoCI) | 334 |

Defined Benefit Costs Recognised in Other Comprehensive Income

| | Period ended 31 March 2021 £k |
|---|-------------------------------------|
| Experience on plan assets (excluding amounts included in net interest costs) - gain(loss) | 1,007 |
| Experience gains and losses arising on the plan liabilities - gain (loss) | 123 |
| Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss) | (45) |
| Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss) | (2,935) |
| Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss) | (1,850) |
| Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss) | - |
| Total amount recognised in other comprehensive income - gain (loss) | (1,850) |

Assets

| | 31 March 2021 £k | 31 March 2020 £k |
|-------------------------------|---------------------|---------------------|
| Global Equity | 1,687 | 1,321 |
| Absolute Return | 584 | 471 |
| Distressed Opportunities | 306 | 174 |
| Credit Relative Value | 333 | 247 |
| Alternative Risk Premia | 399 | 632 |
| Fund of Hedge Funds | 1 | 5 |
| Emerging Markets Debt | 427 | 274 |
| Risk Sharing | 385 | 305 |
| Insurance-Linked Securities | 255 | 277 |
| Property | 219 | 199 |
| Infrastructure | 705 | 672 |
| Private Debt | 253 | 182 |
| Opportunistic Illiquid Credit | 269 | 218 |
| Corporate Bond Fund | 625 | 515 |
| Liquid Credit | 118 | 3 |
| Long Lease Property | 208 | 156 |
| Secured Income | 440 | 343 |
| Over 15 Year Gilts | - | - |
| Liability Driven Investment | 2,691 | 2,999 |
| Net Current Assets | 64 | 39 |
| Total Assets | 9,969 | 9,032 |

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

Key Assumptions

| | 31 March 2021 % per annum | 31 March 2020 % per annum |
|---|------------------------------|------------------------------|
| Discount Rate | 2.20 | 2.37 |
| Inflation (RPI) | 3.25 | 2.60 |
| Inflation (CPI) | 2.87 | 1.60 |
| Salary Growth | 3.87 | 2.60 |
| Allowance for commutation of pension for cash at retirement | 75% of maximum allowance | 75% of maximum allowance |

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

| | Life expectancy at age 65 (Years) |
|-------------------------|--------------------------------------|
| Male retiring in 2019 | 21.6 |
| Female retiring in 2019 | 23.5 |
| Male retiring at 2039 | 22.9 |
| Female retiring in 2039 | 25.1 |

ATEB GROUP LIMITED
**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021**
Defined Benefit Costs Recognised in Statement of Comprehensive Income

| | Period ended 31 March 2021 £k |
|--|-------------------------------------|
| Current service costs | 296 |
| Expenses | 9 |
| Net interest expense | 24 |
| Defined benefit costs recognised in statement of comprehensive income (SoCI) | 329 |

Defined Benefit Costs Recognised in Other Comprehensive Income

| | Period ended 31 March 2021 £k |
|---|-------------------------------------|
| Experience on plan assets (excluding amounts included in net interest costs) - gain(loss) | 937 |
| Experience gains and losses arising on the plan liabilities - gain (loss) | 107 |
| Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss) | (42) |
| Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss) | (2,722) |
| Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss) | (1,720) |
| Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss) | - |
| Total amount recognised in other comprehensive income - gain (loss) | (1,720) |

Assets

| | 31 March 2021 £k | 31 March 2020 £k |
|-------------------------------|---------------------|---------------------|
| Global Equity | 1,576 | 1,234 |
| Absolute Return | 546 | 440 |
| Distressed Opportunities | 286 | 163 |
| Credit Relative Value | 311 | 231 |
| Alternative Risk Premia | 373 | 590 |
| Fund of Hedge Funds | 1 | 5 |
| Emerging Markets Debt | 399 | 256 |
| Risk Sharing | 360 | 285 |
| Insurance-Linked Securities | 238 | 259 |
| Property | 205 | 186 |
| Infrastructure | 659 | 628 |
| Private Debt | 236 | 170 |
| Opportunistic Illiquid Credit | 251 | 204 |
| High Yield | 296 | - |
| Opportunistic Credit | 271 | - |
| Corporate Bond Fund | 584 | 481 |
| Liquid Credit | 118 | 3 |
| Long Lease Property | 194 | 146 |
| Secured Income | 411 | 320 |
| Over 15 Year Gilts | - | - |
| Liability Driven Investment | 2,514 | 2,801 |
| Net Current Assets | 60 | 36 |
| Total Assets | 9,889 | 8,438 |

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

Key Assumptions

| | 31 March 2021 % per annum | 31 March 2020 % per annum |
|---|------------------------------|------------------------------|
| Discount Rate | 2.20 | 2.37 |
| Inflation (RPI) | 3.25 | 2.60 |
| Inflation (CPI) | 2.87 | 1.60 |
| Salary Growth | 3.87 | 2.60 |
| Allowance for commutation of pension for cash at retirement | 75% of maximum allowance | 75% of maximum allowance |

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies

| | Life expectancy at age 65 (Years) |
|-------------------------|--------------------------------------|
| Male retiring in 2019 | 21.6 |
| Female retiring in 2019 | 23.5 |
| Male retiring at 2039 | 22.9 |
| Female retiring in 2039 | 25.1 |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2021**

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 20 £10,471,732 As events which could crystallise the debt are unlikely to arise in the foreseeable future, no specific provision is deemed necessary.

22 Legislative Provisions

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

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

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

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

23 Group Structure

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

24 Related Parties

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

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

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

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

25 Pension Provision

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

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 2021

21a Contingent Liabilities

Social Housing Grant may become repayable in the following circumstances:

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

An employer debt could arise on withdrawal from the Association's final salary pension through the Social Housing Pension Scheme (SHPS). The estimated employer debt for the Association on withdrawal from the SHPS plan based on the financial position of the scheme as at 30 September 2019 was £9,699,694. As events which could crystallise the debt are unlikely to arise in the foreseeable future, no specific provision is deemed necessary.

22a Legislative Provisions

As at 31st March 2021 the Association is a charitable organisation registered under the Co-operative and Community Benefit Societies Act 2014. It is not registered for Value Added Tax.

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

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

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

23a Group Structure

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

24a Related Parties

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

West Wales Care and Repair Limited is a wholly controlled subsidiary company and has an outstanding inter-company debtor balance of £5,828. (2020 debtor: £35,737).

During the year the Parent charged West Wales Care & Repair the following: Office rent £2,700, Management charges £45,663.

Mill Bay Homes Limited is a wholly controlled subsidiary and has an outstanding inter company debtor balance of £4,478,645 (2020: £6,832,545). This is made up of a loan balance of £1,671,500, gift aid of £2,664.085 and management recharges of £143,060.

During the year the parent advanced £4,227,500 in loans and received £8,201,000 in loan repayments from Mill Bay Homes.

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

During the year the parent charged Mill Bay Homes the following: Office rent £14,400, Management charges £46,428 and Project management charge £5,210.

25a Pension Provision

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

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